Renata PLC and Its Subsidiaries

Independent Auditor's Report
and
Audited Financial Statements
For the year ended 30 June 2026

ACNABIN
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Renata PLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Renata PLC and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2026, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and adopted by Financial Reporting Council (FRC) of Bangladesh.

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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements of Financial Reporting Council together with the ethical requirements of the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws that are relevant to audits of the financial statements of public interest entities in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to key audit matters
1. IFRS-15: revenue recognition, contract costs and refund liabilities	
Refer to Notes 6, 25 and 25.1 to the consolidated and separate financial statements	
The Group recognized revenue amounting to BDT 46,200,629,774 (Company: BDT 45,746,675,802) for the year ended 30 June 2026. The Group's principal activities include manufacturing, marketing and distribution of pharmaceuticals, animal health products, agro-based products, and consumer products in Bangladesh and abroad.	Our audit procedures, among others, included the following: ➢ Obtained an understanding of the Group's process for recognizing revenue, contract costs, refund liabilities and evaluated the design and implementation of key internal controls. ➢ Visited the sales depots to assess the revenue

Revenue recognition involves significant judgment in determining the timing and amount of revenue to be recognized, particularly in respect of ensuring that control of goods is transferred, measurement of contract costs (BDT 2,223,273,759 as at 30 June 2026), and estimation of refund liabilities (BDT 391,564,756 as at 30 June 2026).	recognition process including controls over order processing, dispatch, invoicing, discounting and returns. ➢ Reviewed management's assessment of contract types and related accounting policies. ➢ Inspected credit notes and product returns after year-end to evaluate the adequacy of refund liabilities. ➢ Evaluated the key assumptions underlying management's estimate, including the derivation of the historical return rate ➢ Evaluated the process for recognizing contract costs and tested additions during the year to underlying supporting documentation. ➢ Obtained and verified management's basis for the 5-year, and 50-year amortization periods applied to contract costs and assessed the reasonableness of the underlying assumptions. ➢ Verified related supporting documentation for contract costs (e.g., USFDA, MHRA, EMA approvals). ➢ Reviewed management's impairment assessment memorandum and declaration in respect of contract costs.
2. Property, plant and equipment, capital work in progress and borrowing cost	
Refer to Note 5 to the consolidated and separate financial statements	
At 30 June 2026, the Group's and company's property, plant and equipment amounted to BDT 37,833,926,431, representing approximately 61% of total assets. The valuation and capitalization of these assets were identified as a key audit matter due to their magnitude and the significant management judgment involved.	Our audit procedures included, among others: ➢ Assessed whether the Company's capitalization and depreciation policies complied with IAS 16 and IAS 23. ➢ Tested capital additions to supporting documents on a sample basis to confirm appropriate classification. ➢ Verified transfers from capital work in progress to Property, plant and equipment. ➢ Conducted physical verification of assets to confirm their existence.
3. Financial Instruments and Hedge Accounting under IFRS 9	
Refer to Notes 20 and 36 to the consolidated and separate financial statements	
The Company holds significant financial instruments, including loans and borrowings, derivatives, zero-coupon bonds, redeemable preference shares and foreign currency-denominated exposures. In addition, the Company has implemented hedge accounting under IFRS 9 to mitigate foreign exchange and interest rate risks.	Our audit procedures included, among others: ➢ Evaluated the design and implementation of internal controls over financial instrument accounting, including hedge accounting. ➢ Tested the recognition, measurement, and classification of financial assets and liabilities. ➢ Reviewing hedge documentation to ensure compliance with IFRS 9.

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	➢ Evaluating hedge effectiveness and recalculating fair value measurements using market data and discounted cash flow techniques.
4. Valuation of inventory	
Refer to Note 12 to the consolidated and separate financial statements	
At 30 June 2026, the Group's and company's inventory balance amounted to BDT 13,287,315,180. Inventories comprise raw materials, work-in-progress, and finished goods, which are valued at the lower of cost and net realizable value (NRV). Determining the appropriate valuation involves significant management judgment, particularly in estimating NRV.	Our audit procedures included, among others: ➢ Evaluated key internal controls over inventory management and valuation. ➢ Attended year-end physical inventory counts. ➢ Examined the standard cost methodology. ➢ Compared cost to subsequent selling prices for sampled items to confirm valuation at lower of cost and NRV. ➢ Reviewed historical write-offs and analyzed slow-moving items.
5. Consolidation of the financial statements	
Refer to Note 1 to the consolidated and separate financial statements	
The Group has prepared consolidated financial statements including two wholly owned subsidiaries- Renata (UK) Limited and Renata Pharmaceuticals (Ireland) Limited. As per Section 477 of the UK Companies Act 2006 and Sections 359 and 360 of the Ireland Companies Act 2014, both subsidiaries are exempted from statutory audit. The key audit risk is whether the consolidated financial statements comply with IFRS 10.	Our audit procedures included, among others: ➢ Obtained an understanding of the Group structure and established materiality thresholds. ➢ Verified that the financial information used in consolidation was accurately extracted. ➢ Evaluated the classification and treatment of components. ➢ Reviewed consolidation workings, including elimination of inter-company balances and transactions.
6. IT systems and controls	
IT systems are a critical component of the Group's financial reporting, given the pervasive reliance on complex and interdependent systems (e.g., Oracle EBS, DMS, and related interfaces), the high volume of transactions processed across multiple locations, and the reliance on automated and IT-dependent manual controls. This was considered a key audit matter due to: ➢ Pervasive reliance on technology integral to key business processes and financial reporting; ➢ Increasing reliance on automation in line with business growth; and ➢ The interdependency between IT controls and the reliability of financial data, automated controls, and system-generated reports.	Our audit procedures focused on IT general controls (logical access, change management, and IT operations) over systems critical to financial reporting. We: ➢ Tested user access provisioning, appropriateness, timely removal of terminated users and periodic access reviews (including segregation of duties); ➢ Tested change management controls, including approval, testing, and migration of system changes, and the segregation of development and production environments; ➢ Tested IT operations, including backup/ restoration and disaster recovery arrangements and monitoring of scheduled jobs/interfaces between systems; and ➢ Evaluated application-level controls and system-generated reports relevant to key financial statement areas.

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Other Matter

The consolidated and separate financial statements of the Group and the Company for the year ended 30 June 2025 were audited by S. F. Ahmed & Co., Chartered Accountants who expressed an unmodified audit opinion on those financial statements on 27 October 2025.

Other Information

Management is responsible for the other information. The other information comprises all of the information included in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of the 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 Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and adopted by FRC, 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.

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

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- identify and assess the risks of material misstatement of the consolidated 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 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 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 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 to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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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Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 2020, relevant notifications issued by Bangladesh Securities and Exchange Commission and Financial Reporting Act, 2015, we also report the following:

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

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

c) the consolidated statements of financial position and the consolidated statement of comprehensive income dealt with by the report are in agreement with the books of account and returns; and

d) the consolidated financial statements have been prepared in accordance with standards, framework, compliance and guidelines adopted and promulgated by Financial Reporting Council.

Md. Moniruzzaman, FCA
Enrolment Number: 787
ACNABIN Chartered Accountants
Firm FRC Enlistment Number: CAF-001-012

Dhaka, 17 OCT 2025

DVC: 2510170787AS490046

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Renata PLC and Its Subsidiaries
Consolidated Statement of Financial Position
As at 30 June 2026

	Notes	30 June 2026 BDT	30 June 2025 BDT
Assets			
Property, plant and equipment	5	37,833,926,431	37,255,965,659
Contract costs	6	2,223,273,759	1,813,482,736
Intangible assets	7	118,005,723	127,160,212
Right-of-use assets	8	103,738,294	13,749,985
Advances, deposits and prepayments	10.1	354,319,907	407,736,764
Deferred tax asset		15,510,089	-
Employee benefit	11	-	77,910,978
Non-current assets		**40,648,774,203**	**39,696,006,334**
Inventories	12	13,287,315,180	12,673,837,315
Investments	13	1,569,450	1,569,451
Current tax asset	14.1	353,948,942	165,639,000
Trade and other receivables	15.1	4,492,760,168	3,611,548,598
Advances, deposits and prepayments	10.1	925,514,583	1,045,149,113
Cash and cash equivalents	16.1	1,967,547,985	1,827,055,545
Current assets		**21,028,656,308**	**19,324,799,022**
Total assets		**61,677,430,511**	**59,020,805,356**
Equity			
Ordinary share capital	17	1,146,964,900	1,146,964,900
Convertible preference share capital	17	3,249,999,400	-
Reserves	18.1	309,827,065	588,422,396
Retained earnings		36,300,091,784	33,302,892,291
Total equity		**41,006,883,149**	**35,038,279,587**
Liabilities			
Lease liabilities	19	78,857,157	12,521,485
Loans and borrowings	20	9,784,884,167	9,402,174,994
Accruals and provisions	21	892,040,512	1,001,569,991
Deferred tax liabilities	22	1,116,616,788	1,259,850,532
Employee benefit	11	186,818,266	-
Non-current liabilities		**12,059,216,890**	**11,676,117,002**
Lease liabilities	19	11,523,740	422,840
Loans and borrowings	20	4,512,504,789	9,482,194,902
Trade and other payables	23.1	2,512,911,790	1,762,519,101
Accruals and provisions	21	1,560,433,812	1,041,648,523
Unclaimed dividend	24	13,956,341	19,623,401
Current liabilities		**8,611,330,472**	**12,306,408,767**
Total liabilities		**20,670,547,362**	**23,982,525,769**
Total equity and liabilities		**61,677,430,511**	**59,020,805,356**
Net asset value (NAV) per share	32.1	**329.19**	**305.49**

The annexed notes from 1 to 43 form an integral part of these financial statements.

CEO & Managing Director **Director** **Chief Financial Officer** **Company Secretary**

This is the consolidated balance sheet referred to in our separate report of even date.

Md. Moniruzzaman, FCA
Enrolment Number: 787
ACNABIN Chartered Accountants
Firm FRC Enlistment Number: CAF-001-012

Dhaka, 17 OCT 2026

DVC No.: 2610170787AS490046

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Renata PLC and Its Subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2026

	Notes	2025-2026 BDT	2024-2025 BDT
Revenue	25.1	46,200,629,774	42,891,564,852
Cost of sales	26.1	(25,485,611,704)	(25,320,057,427)
Gross profit		**20,715,018,070**	**17,571,507,425**
Administrative expenses	27.1	(2,386,984,143)	(2,212,931,670)
Selling, marketing and distribution expenses	28	(12,288,280,328)	(11,187,899,289)
Operating profit		**6,039,753,599**	**4,170,676,466**
Other (expense) / income	29	(115,897,000)	112,994,363
Net finance costs	30.2	(1,313,878,138)	(1,693,129,952)
Profit before contribution to workers' profit participation		**4,609,978,461**	**2,590,540,878**
Contribution to workers' profit participation		(206,884,028)	(111,560,462)
Profit before tax		**4,403,094,433**	**2,478,980,416**
Income tax expense	31.2	(760,220,989)	(257,973,033)
Profit for the year		**3,642,873,444**	**2,221,007,383**
Profit for the year attributable to:			
Equity holders of the Company		3,642,873,444	2,221,007,383
Non-controlling interests		-	-
		3,642,873,444	**2,221,007,383**
Other comprehensive income (OCI)			
Items which will not be reclassified to profit or loss			
Equity investment in FVTOCI- change in fair value, net of tax		-	8,717,135
Remeasurement of defined benefit plan, net of tax	11	(251,863,642)	(72,064,468)
		(251,863,642)	**(63,347,333)**
Items which are or maybe subsequently reclassified to profit or loss			
Cash flow hedges- changes in fair value, net of tax		(6,455,492)	(33,357,303)
Unrealized gain / (loss) on exchange difference on subsidiaries		(20,276,197)	73,548,309
		(26,731,689)	**40,191,006**
Other comprehensive income, net of tax		**(278,595,331)**	**(23,156,327)**
Total comprehensive income for the year		**3,364,278,113**	**2,197,851,056**
Total comprehensive income attributable to:			
Equity holders of the Company		3,364,278,113	2,197,851,056
		3,364,278,113	**2,197,851,056**
Basic earnings per share (EPS)	33.1	**31.76**	**19.36**

The annexed notes from 1 to 43 form an integral part of these financial statements.

CEO & Managing Director **Director** **Chief Financial Officer** **Company Secretary**

This is the consolidated profit or loss and other comprehensive income referred to in our separate report of even date.

Md. Moniruzzaman, FCA
Enrolment Number: 787
ACNABIN Chartered Accountants
Firm FRC Enlistment Number: CAF-001-012

Dhaka, 17 OCT 2026

DVC No.: 2610170787AS490046

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Renata PLC
Consolidated Statement of Changes in Equity
For the year ended 30 June 2026

(Amount in BDT)

Particulars	Note	Share capital	Convertible preference share capital	Other reserves	Other comprehensive income	Hedge reserve	Retained earnings	Total equity
Balance at 01 July 2025		**1,146,964,900**	**-**	**219,337,788**	**402,441,911**	**(33,357,303)**	**33,302,892,291**	**35,038,279,586**
Profit for the year		-	-	-	-	-	3,642,873,444	3,642,873,444
OCI for the year:								
Remeasurement of defined benefit plan, net of tax		-	-	-	(251,863,642)	-	-	(251,863,642)
Cash flow hedges- changes in fair value, net of tax		-	-	-	-	(6,455,492)	-	(6,455,492)
Unrealized loss on exchange differences of subsidiaries		-	-	-	(20,276,197)	-	-	(20,276,197)
Comprehensive income for the year		-	-	-	**(272,139,839)**	**(6,455,492)**	**3,642,873,444**	**3,364,278,113**
Issue of convertible preference share		-	3,249,999,400	-	-	-	-	3,249,999,400
Transaction cost of preference share issuance		-	-	-	-	-	(14,843,256)	(14,843,256)
Dividends	18	-	-	-	-	-	(630,830,695)	(630,830,695)
Balance at 30 June 2026		**1,146,964,900**	**3,249,999,400**	**219,337,788**	**130,302,072**	**(39,812,795)**	**36,300,091,784**	**41,006,883,149**

For the year ended 30 June 2025

(Amount in BDT)

Particulars	Note	Share capital	Convertible preference share capital	Other reserves	Other comprehensive income	Hedge reserve	Retained earnings	Total equity
Balance at 01 July 2024		**1,146,964,900**	**-**	**219,337,788**	**415,575,428**	**-**	**32,117,627,284**	**33,899,505,400**
Profit for the year		-	-	-	-	-	2,221,007,383	2,221,007,383
OCI for the year:								
Equity investment - change in fair value, net of tax		-	-	-	8,717,135	-	-	8,717,135
Realized gain on disposal of shares		-	-	-	(23,334,493)	-	23,334,493	-
Remeasurement of defined benefit plan, net of tax		-	-	-	(72,064,468)	-	-	(72,064,468)
Cash flow hedges- changes in fair value, net of tax		-	-		-	(33,357,303)	-	(33,357,303)
Unrealized gain on exchange differences of subsidiaries		-	-	-	73,548,309	-	-	73,548,309
Comprehensive income for the year		-	-	-	**(13,133,517)**	**(33,357,303)**	**2,244,341,876**	**2,197,851,056**
Income tax on disposal of shares							(3,869,160)	(3,869,160)
Adjusted comprehensive income for the year		-	-	-	**(13,133,517)**	**(33,357,303)**	**2,240,472,716**	**2,193,981,896**
Dividends	18	-	-	-	-	-	(1,055,207,708)	(1,055,207,708)
Balance at 30 June 2025		**1,146,964,900**	**-**	**219,337,788**	**402,441,911**	**(33,357,303)**	**33,302,892,291**	**35,038,279,587**

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17 OCT 2026

CEO & Managing Director | Director | Chief Financial Officer | Company Secretary

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Renata PLC and Its Subsidiaries
Consolidated Statement of Cash Flows
For the year ended 30 June 2026

	Notes	2025-2026 BDT	2024-2025 BDT
Cash flows from operating activities			
Collection from customers and other income		52,070,596,242	49,875,232,408
Payment of VAT		(6,759,369,603)	(6,317,013,951)
Payment to suppliers, employees and others		(37,243,797,620)	(36,154,042,088)
Cash generated from operating activities		**8,067,429,019**	**7,404,176,369**
Finance costs		(1,311,194,465)	(1,663,874,257)
Payment of tax	14.1	(1,034,623,852)	(1,019,372,467)
Net cash flow from operating activities		**5,721,610,701**	**4,720,929,646**
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangibles		(3,117,600,466)	(4,283,734,934)
Investment in contract costs		(426,451,875)	(297,809,988)
Proceeds from investment in shares and FDR		1,005,279	81,886,970
Proceeds from sale of property, plant and equipment		28,874,670	13,789,454
Net cash used in investing activities		**(3,514,172,392)**	**(4,485,868,498)**
Cash flows from financing activities			
Issuance of preference shares		3,249,999,400	-
Transaction cost for issuance of preference share		(14,808,428)	-
Proceeds from loans and borrowings, net of repayments		(4,593,436,432)	1,606,375,675
Dividend paid		(635,710,866)	(1,058,829,727)
Payment of lease liabilites		(19,998,763)	(1,008,600)
Net cash from financing activities		**(2,013,955,088)**	**546,537,348**
Net increase in cash and cash equivalents		**193,483,221**	**781,598,496**
Cash and cash equivalents at 01 July		1,827,055,545	976,061,990
Effects of movements in exchange rates on cash held		(52,990,781)	69,395,059
Cash and cash equivalents at 30 June	16.1	**1,967,547,985**	**1,827,055,545**
Net operating cash flow (NOCF) per share	35.1	**49.88**	**41.16**

Dhaka, 17 OCT 2026

CEO & Managing Director | **Director** | **Chief Financial Officer** | **Company Secretary**

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Renata PLC
Statement of Financial Position
As at 30 June 2026

	Notes	30 June 2026 BDT	30 June 2025 BDT
Assets			
Property, plant and equipment	5	37,833,926,431	37,255,965,659
Contract costs	6	2,223,273,759	1,813,482,736
Intangible assets	7	118,005,723	127,160,212
Right-of-use assets	8	103,738,294	13,749,985
Investment in subsidiaries	9	190,009,720	190,009,720
Advances, deposits and prepayments	10	354,319,907	407,620,585
Employee benefit	11	-	77,910,978
Non-current assets		**40,823,273,834**	**39,885,899,875**
Inventories	12	13,287,315,180	12,673,837,315
Investments	13	1,569,450	1,569,451
Current tax asset	14	352,021,851	176,595,726
Trade and other receivables	15	4,337,469,016	3,554,827,266
Advances, deposits and prepayments	10	924,951,315	1,045,009,698
Cash and cash equivalents	16	1,131,339,806	1,142,347,704
Current assets		**20,034,666,618**	**18,594,187,160**
Total assets		**60,857,940,452**	**58,480,087,035**
Equity			
Ordinary share capital	17	1,146,964,900	1,146,964,900
Convertible preference share capital	17	3,249,999,400	-
Reserves	18	178,648,409	436,967,543
Retained earnings		35,715,564,239	32,951,930,305
Total equity		**40,291,176,948**	**34,535,862,747**
Liabilities			
Lease liabilities	19	78,857,157	12,521,485
Loans and borrowings	20	9,784,884,167	9,402,174,994
Accruals and provisions	21	892,040,512	1,001,569,991
Deferred tax liabilities	22	1,116,616,788	1,259,850,532
Employee benefit	11	186,818,266	-
Non-current liabilities		**12,059,216,890**	**11,676,117,002**
Lease liabilities	19	11,523,740	422,840
Loans and borrowings	20	4,512,504,789	9,482,194,902
Trade and other payables	23	2,409,127,932	1,724,217,620
Accruals and provisions	21	1,560,433,812	1,041,648,523
Unclaimed dividend	24	13,956,341	19,623,401
Current liabilities		**8,507,546,614**	**12,268,107,286**
Total liabilities		**20,566,763,504**	**23,944,224,288**
Total equity and liabilities		**60,857,940,452**	**58,480,087,035**
Net asset value (NAV) per share	32	**322.95**	**301.11**

The annexed notes from 1 to 43 form an integral part of these financial statements.

CEO & Managing Director **Director** **Chief Financial Officer** **Company Secretary**

This is the balance sheet referred to in our separate report of even date.

Md. Moniruzzaman, FCA
Enrolment Number: 787
ACNABIN Chartered Accountants
Firm FRC Enlistment Number: CAF-001-012
Dhaka, 17 OCT 2025
DVC No.: 2610170787AS490046

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Renata PLC
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2026

	Notes	2025-2026 BDT	2024-2025 BDT
Revenue	25	45,746,675,802	42,487,298,077
Cost of sales	26	(25,472,249,406)	(25,303,997,585)
Gross profit		**20,274,426,396**	**17,183,300,492**
Administrative expenses	27	(2,204,816,133)	(2,067,046,113)
Selling, marketing and distribution expenses	28	(12,288,280,328)	(11,187,899,289)
Operating profit		**5,781,329,935**	**3,928,355,090**
Other (expense) / income	29	(115,897,000)	112,994,363
Net finance costs	30	(1,320,868,354)	(1,698,579,749)
Profit before contribution to workers' profit participation		**4,344,564,581**	**2,342,769,705**
Contribution to workers' profit participation		(206,884,027)	(111,560,462)
Profit before tax		**4,137,680,554**	**2,231,209,243**
Income tax expense	31	(728,372,668)	(228,626,776)
Profit for the year		**3,409,307,886**	**2,002,582,467**
Other comprehensive income (OCI)			
Items which will not be reclassified to profit or loss			
Equity investment in FVTOCI- change in fair value, net of tax		-	8,717,135
Remeasurement of defined benefit plan, net of tax	11	(251,863,642)	(72,064,468)
		(251,863,642)	**(63,347,333)**
Items which are or maybe subsequently reclassified to profit or loss			
Cash flow hedges- changes in fair value, net of tax		(6,455,492)	(33,357,303)
		(6,455,492)	**(33,357,303)**
Other comprehensive income, net of tax		**(258,319,134)**	**(96,704,636)**
Total comprehensive income for the year		**3,150,988,752**	**1,905,877,831**
Basic earnings per share (EPS)	33	**29.72**	**17.46**

The annexed notes from 1 to 43 form an integral part of these financial statements.

CEO & Managing Director **Director** **Chief Financial Officer** **Company Secretary**

This is the profit or loss and other comprehensive income referred to in our separate report of even date.

Md. Moniruzzaman, FCA
Enrolment Number: 787
ACNABIN Chartered Accountants
Firm FRC Enlistment Number: CAF-001-012

Dhaka, 17 OCT 2026

DVC No.: 2610170787AS490046

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Renata PLC
Statement of Changes in Equity
For the year ended 30 June 2026

(Amount in BDT)

Particulars	Notes	Share capital	Convertible preference share capital	Other reserves	Other comprehensive income	Hedge reserve	Retained earnings	Total equity
Balance at 01 July 2025		**1,146,964,900**	-	**219,337,788**	**250,987,058**	**(33,357,303)**	**32,951,930,305**	**34,535,862,747**
Profit for the year		-	-	-	-	-	3,409,307,886	3,409,307,886
OCI for the year:								
Remeasurement of defined benefit plan, net of tax		-	-	-	(251,863,642)	-	-	(251,863,642)
Cash flow hedges- changes in fair value, net of tax		-	-	-	-	(6,455,492)	-	(6,455,492)
Total comprehensive income for the year		-	-	-	**(251,863,642)**	**(6,455,492)**	**3,409,307,886**	**3,150,988,752**
Issue of convertible preference share		-	3,249,999,400	-	-	-	-	3,249,999,400
Transaction cost of preference share issuance		-	-	-	-	-	(14,843,256)	(14,843,256)
Dividends	17.5	-	-	-	-	-	(630,830,695)	(630,830,695)
Balance at 30 June 2026		**1,146,964,900**	**3,249,999,400**	**219,337,788**	**(876,584)**	**(39,812,795)**	**35,715,564,239**	**40,291,176,948**

For the year ended 30 June 2025

(Amount in BDT)

Particulars	Note	Share capital	Convertible preference share capital	Other reserves	Other comprehensive income	Hedge reserve	Retained earnings	Total equity
Balance at 01 July 2024		**1,146,964,900**	-	**219,337,788**	**337,668,884**	-	**31,985,090,213**	**33,689,061,785**
Profit for the year		-	-	-	-	-	2,002,582,467	2,002,582,467
OCI for the year:								
Equity investment - change in fair value, net of tax		-	-	-	8,717,135	-	-	8,717,135
Realized gain on disposal of shares		-	-	-	(23,334,493)	-	23,334,493	-
Remeasurement of defined benefit plan, net of tax		-	-	-	(72,064,468)	-	-	(72,064,468)
Cash flow hedges- changes in fair value, net of tax			-		-	(33,357,303)	-	(33,357,303)
Comprehensive income for the year		-	-	-	**(86,681,826)**	**(33,357,303)**	**2,025,916,960**	**1,905,877,831**
Income tax on disposal of shares		-	-	-	-	-	(3,869,160)	(3,869,160)
Adjusted comprehensive income for the year		-	-	-	**(86,681,826)**	**(33,357,303)**	**2,022,047,800**	**1,902,008,671**
Dividends	17.5	-	-	-	-	-	(1,055,207,708)	(1,055,207,708)
Balance at 30 June 2025		**1,146,964,900**	-	**219,337,788**	**250,987,058**	**(33,357,303)**	**32,951,930,305**	**34,535,862,747**

Dhaka,

17 OCT 2026

CEO & Managing Director | Director | Chief Financial Officer | Company Secretary

ACNABIN Dhaka Chartered Accountants

Renata PLC
Statement of Cash Flows
For the year ended 30 June 2026

	Notes	2025-2026 BDT	2024-2025 BDT
Cash flows from operating activities			
Collection from customers and Other (expense) / income		51,583,161,174	49,359,294,930
Payment of VAT	25	(6,735,024,122)	(6,284,097,576)
Payment to suppliers, employees and others		(37,005,736,568)	(35,986,960,215)
Cash generated from operating activities		**7,842,400,484**	**7,088,237,139**
Finance costs		(1,318,184,681)	(1,669,324,054)
Payment of tax	14	(978,807,175)	(990,325,053)
Net cash from operating activities		**5,545,408,628**	**4,428,588,032**
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangibles		(3,117,600,466)	(4,293,311,143)
Investment in contract costs		(426,451,875)	(297,809,988)
Dividend / Proceeds from investment in shares and FDR		1,005,279	81,886,970
Proceeds from sale of property, plant and equipment		28,874,670	13,789,454
Net cash used in investing activities		**(3,514,172,392)**	**(4,495,444,707)**
Cash flows from financing activities			
Issuance of preference shares		3,249,999,400	-
Transaction cost for issuance of preference share		(14,808,428)	-
Proceeds from loans and borrowings, net of repayments		(4,593,436,432)	1,606,375,675
Dividend paid		(635,710,866)	(1,058,829,727)
Payment of lease liabilities		(19,998,763)	(1,008,600)
Net cash from financing activities		**(2,013,955,088)**	**546,537,348**
Net increase in cash and cash equivalents		**17,281,148**	**479,680,673**
Cash and cash equivalents at 01 July		1,142,347,704	653,374,907
Effects of movements in exchange rates on cash held		(28,289,046)	9,292,124
Cash and cash equivalents at 30 June	16	**1,131,339,806**	**1,142,347,704**
Net operating cash flow (NOCF) per share	35	**48.35**	**38.61**

Dhaka, 17 OCT 2026

CEO & Managing Director **Director** **Chief Financial Officer** **Company Secretary**

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Renata PLC
Notes to the Separate and Consolidated Financial Statements
As at and for the year ended 30 June 2026

1 Reporting entity

1.1 Corporate information

Renata PLC (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 the Companies Act, 1994. The Company was listed with Dhaka Stock Exchange Limited on 12 May 1979. Subsequently, the Company was renamed to Renata Limited in 1993. The registered office of the Company is situated at Plot # 1, Milk Vita Road, Section-7, Mirpur, Dhaka-1216.

Following the Companies (Second Amendment) Act, 2020, the corporate name of the Company has been changed to Renata PLC effective from 13 February 2024.

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

1.2 Subsidiaries

The followings are the Subsidiaries of Renata PLC:

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 Renata (UK) Limited is situated at Suite 105 Greenway Business Centre, Harlow Business Park, Harlow, CM19 5QE, England. Renata PLC holds 100% of equity interest in Renata (UK) Limited and as per Section 477 of UK Companies Act 2006, Renata UK (capital) Limited is exempted from audit.

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 Renata Pharmaceuticals (Ireland) Limited is situated at 12 Crowe Street, Dundalk, Co. Louth, Ireland. Renata PLC holds 100% of equity interest in Renata Pharmaceuticals (Ireland) Limited. As per Section 359 and 360 of Ireland Companies Act 2014, Renata Pharmaceuticals (Ireland) Limited is exempted from audit.

Basis of consolidation

The consolidated financial statements include the financial statements of Renata PLC and the Subsidiaries it controls (together as Group). The Group prepares consolidated financial statements using uniform accounting policies like transactions and other events in similar circumstances and uniform year ending. Consolidation began from the date the Company obtains control of the subsidiary and shall cease when the Company loses control. 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/liabilities are eliminated in full. The Group does not present non-controlling interest as both the Subsidiaries are fully controlled by the Company.

2 Basis of preparation

2.1 Statement of compliance

The consolidated and separate financial statements of Renata PLC 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 (BSEC), Financial Reporting Act, 2015 and other applicable laws in Bangladesh. Where any particular requirements of the IFRS conflict with those laws and regulations being in force in Bangladesh, the latter generally supersede. Exception to this policy are duly and adequately dislcosed in the financial statements.

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

2.2 Reporting period

The financial period of the Company covers one year from 1 July to 30 June, and it is followed consistently.

2.3 Date of authorization

The consolidated and separate financial statements as at and for the year ended 30 June 2026 were authorized by the Board of Directors for issue on 17 October 2026.

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2.4 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.

2.5 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimations and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. 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, derivatives instruments, contract costs, hedge reserve, 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 and obligation for privileged leave as at 30 June 2026.

2. Key assumptions about the likelihood and magnitude of outflow of resources have been used to recognize and measure provisions and contingencies.

3. 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.

4. Inventories are reviewed to assess whether cost falls short of net realisable value and provided for following IAS 2: Inventories where necessary.

5. Deferred tax asset/liability is calculated assuming a tax rate of 20% applicable for the future years as per Finance Act, 2026.

6. Income from export cash assistance scheme awarded through Foreign Exchange circular number 33 of Bangladesh bank dated 11 December 2018, rebates/committements in certain contracts is recognized when the claims for the same become virtually certain.

7. Projects to construct property, plant and equipment are capitalized at a point in time when the assets are ready for their intended use, not merely when the projects are designated as completed.

8. Verifiable market data about future foreign exchange and interest rates have been used to account for the effect of foreign exchange and interest risk hedges.

9. In determining lease term, the Company has excercised prudence while deciding about the contract renewals in unforseeable future.

10. The Group considers two year shelf life for computation of refund liability as per IFRS 15: Revenue from Contracts with Customers.

2.6 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 without affecting net profit and net assets of the Group.

As a result, prior year administrative expense and selling, marketing and distribution expense have been reclassified, Bank and MFS charge (related to operation) has been reclassed from finance costs to selling, marketing and distribution expense and a rearrangement have been made between trading inventories and other inventories.

Comparative information has been disclosed in respect of the previous year for all numerical information in the current financial statements. 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 Material accounting policies

The Group has selected and applied its accounting policies consistently for similar transactions, events and conditions, unless IFRSs and any other applicable laws & regulations specifically require or permit 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 consolidated financial statements.

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

3.1 Current versus non-current classification
3.2 Offsetting
3.3 Property, plant and equipment
3.4 Leases
3.5 Intangible assets
3.6 Revenue from contract with customers
3.7 Employee benefit
3.8 Inventories
3.9 Income tax
3.10 Cash and cash equivalents
3.11 Share capital
3.12 Accruals, provisions and contingencies
3.13 Foreign currency
3.14 Dividend to the equity holders
3.15 Statement of cash flows
3.16 Financial risk management
3.17 Financial instruments
3.18 Finance income and finance costs
3.19 Fair value measurement
3.20 Earnings per share
3.21 Related party disclosures
3.22 Events after the reporting period
3.23 Accounting 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 realized or intended to be sold or consumed in normal operating cycle, or

ii) expected to be realized 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, respectively.

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 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, capitalizable 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 referred to as 'asset retirement obligation'). Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

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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.

(b) **Subsequent costs**

The cost of replacing or upgradation of an item of property, plant and equipment is recognized 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 derecognized. The costs of the day to day servicing of property, plant and equipment are recognized 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 is not ready for use for its intended purpose.

Depreciation on other items of property, plant and equipment is recognized 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:

Asset class	2025-26	2024-25
	In years	In years
Building	20-50	20-50
Plant and machinery	5-20	5-20
Automobiles	5-6	6
Office equipment	4-10	8-10
Furniture and fixtures	10	10

(d) **Derecognition**

An item of property, plant and equipment is derecognized 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 recognized in profit or loss.

(e) **Impairment**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract costs and deferred tax assets) to determine whether there is any indication of impairment as a single cash generating unit (CGU). If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

(f) **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 its intended purpose at the end of 30 June 2026 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.

(g) **Capitalization of borrowing costs**

As per the requirements of IAS 23: Borrowing Costs, directly attributable borrowing costs are capitalized during construction period for all qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to be 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 recognized in profit or loss in the period in which they are incurred.

3.4 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

(a) At commencement or on modification of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is

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initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently amortized under the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be amortized over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost under the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

The Value Added Tax (VAT) is excluded in calculating the present value of lease liability as the VAT is a component ultimately paid to the government, not in exchange for the right to use an underlying asset by lessee and the lessee incurs a VAT liability only when a periodic payment is due. Thus, the VAT related to the lease payment is accounted for as a levy as per the International Financial Reporting Interpretations Committee 21: Levies (IFRIC 21).

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) **As a lessor**

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.
When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

3.5 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 amortization and accumulated impairment loss, if any. Intangible assets are recognized 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 recognized 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 recognized as an intangible asset when the Company can demonstrate all of the following:

(i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) its intention to complete the intangible asset and use or sell it;

(iii) its ability to use or sell the intangible asset;

(iv) 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;

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(v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(vi) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Other development expenditures are recognized in profit or loss as incurred. Development costs previously recognized as an expense are not recognized 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 amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is placed in service. It is amortized over the period of expected future economic benefits. Throughout the entire useful life, the asset is tested for impairment annually.

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

(b) **Subsequent costs**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(c) **Amortization**

Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets. The estimated useful lives for current and comparative periods are as follows:

Software and others	2025-26	2024-25
	In years	In years
Oracle Enterprise Resource Planning (ERP)	17	17
Others	5	5

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

(d) **Derecognition**

An intangible asset is derecognized 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 recognized in profit or loss.

3.6 Revenue from contract with customers

Renata PLC receives revenue for supply of goods to external customers against orders received. Besides, both the subsidiaries receive revenue by facilitating the export and marketing of products in international markets 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.

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 Contracts with Customers.

(a) **Contract costs**

Contract costs are comprised of costs that are incremental to obtaining a contract with a customer or costs that are directly related to fulfilling a specified contract with a customer. Incremental costs of obtaining a contract with a customer is recognized as an asset if the expectation is that the costs will be recoverable, except for incremental costs that would have been amortized in a year or less which will be expensed as incurred. Contract costs are capitalized as assets and amortized in a way that is consistent with the transfer of the related goods and services. Customer acquisition costs for the Company includes cost of obtaining foreign customers through bio-equivalent product development/acquisition, registration and approval of relevant authority like USFDA, MHRA, EMA etc.

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Contract costs related to obtaining contract are amortized over 50 years of expected useful life and contract costs related to fulfilling contract are amortized over 5 years. At each reporting date, the Group reviews the expected useful life and carrying amount to determine whether there is any indication of impairment. Impairment loss is recognized in profit or loss.

(b) **Refund liabilities**
The Company recognizes refund liability taking into account future returns of expired products and product breakage at the time of recognizing revenue, considering average shelf life of two years. Refund liabilities are remeasured at each reporting date to reflect changes in expectations regarding the amount of the refund and adjustments to refund liabilities are recognized in profit or loss.

3.7 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 recognized/approved by the National Board of Revenue (NBR).

(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 upto a period of five years and at the rate of 10% of the basic salary of the employees having more than five years of service in the Company. 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 Labour Act, 2006 (as amended), the Trust Act, 1882 and Income Tax Act, 2023.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 based on assessment of the balance of the fund.

The net defined benefit liability (asset) in respect of a defined benefit plan is recognized 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

Present value of defined benefit obligation is determined by a qualified 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 net interest on the net defined benefit liability (asset) are recognized 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 recognized 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 recognized under other comprehensive income.
Under the rules of the Plan, service is rounded to the nearest integer for the purpose of determining benefit entitlement, and the salary used in the benefit calculation is the last drawn monthly basic salary. Employees vest in the Plan after completion of six months of service and the normal retirement age under the Plan is sixty years. The benefit is computed as one basic salary times service for service above six months - up to ten years, and as one and half basic salary times service for service above ten years.

(c) **Short-term employee benefits**
Short-term benefits consist of 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 reporting date.

(d) **Group Insurance Policy**
The employees life are insured under a group insurance policy. The Group operates a group insurance scheme for its permanent employees.

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(e) **Medical expense reimbursement**
Workers Welfare Fund reimburse certain medical expenses incurred by its permanent employees including their spouse & children, at the discretion of the Board of Trustees of the fund.

(f) **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 (WPPF) and Workers Welfare Fund (WWF) in accordance with the Bangladesh Labour Act, 2006 (as amended). Whilst WPPF distribution is as per Bangladesh Labour Act, 2006 (as amended). WWF is at discretion of Board of Trustees of the fund. The WWF is used for medical benefits, salary payment to beneficiaries for Death in Service of employees by accident.

3.8 Inventories

(a) **Trading inventories**
Except for stock in transit, which is measured at cost, all other components of trading 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. Foreign exchange movement of imported materials are captured as part of inventories and the movement in foreign currency denominated liability against such import is captured as foreign exchange gain/loss.

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 conversion includes repair & maintenance where engineering inventories consisting of spare & replacement parts and supplies are used. Cost of raw materials, packing materials, work-in-progress and finished goods are determined by using standard cost method.

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.

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

(b) **Other inventories**
Other inventories include Information Technology (IT) related accessories, marketing products & materials, raw & packing materials and other consumables used in Strategic Product Development (SPD), Product Development (PD) and Research & Development (R&D). The inventories related to PD, SPD, R&D are measured at standard cost while IT related accessories, marketing products & materials are measured at moving average.

3.9 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 recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

(a) **Current tax**
Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rates used for the reporting periods are as follows:

Income Year	Tax rate
2025-26	20.0%
2024-25	20.0%

(b) **Deferred tax**
Deferred tax is recognized 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 only if certain criteria are met.

A deferred tax assets is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized and vice versa for deferred tax liabilities. Deferred tax assets and liabilities are reviewed at each reporting period and are adjusted to the extent of probable net tax benefit to be realized.

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3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term highly liquid investments 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 bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

3.11 Share capital

(a) **Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognized as a deduction from equity.

Paid up capital represents total amount contributed by the shareholders and bonus shares, if any, issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

(b) **Preference shares**

The company's redeemable preference shares that are classified as financial liabilities are fully paid redeemable cumulative non-convertible and non-participative preference shares, and they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognized as interest expense in profit or loss as accrued.

Non-redeemable preference shares that are non-participative, non- cumulative and fully convertible are classified as equity because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Group's equity instruments. Discretionary dividends thereon are recognized as equity distributions on approval by the Company's shareholders.

3.12 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, accrued interest expenses (net) and withholding taxes.

(b) **Provisions**

As per IAS 37: Provisions, Contingent Liabilities and Contingent Assets, a provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(c) **Contingencies**

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

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. The Company recognizes any amount as an asset only if recovery of that amount is virtually certain.

3.13 Foreign currency

(a) **Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currencies of companies within the Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within finance costs, as per IAS 21: The Efffects of Changes in Foreign Exchange Rates.

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However, where any particular requirements of this standard conflicts with that of the laws and regulations being in force in Bangladesh, the later supersedes.

For determination of exchange rate, the Group collects buying and selling rates throughout the year from selected banks. The Group uses average of buying rate prevailing during preceding month for recording foreign currency revenue/income and buying rate prevailaing on reporting date for assets. Expenses/losses are being recorded using average of selling rate prevailing during preceding month and for libilities, selling rate prevailaing on reporting date are used. However, foreign currency differences arising from the translation of the following items are recognized in Other Comprehensive Income
- An investment in equity securities designated as Fair value through Other Comprehensive Income (FVTOCI).
-A financial liability designated as a hedge of net investment of a foreign operation to the extent that the hedge is effective.
-Qualifying cash flow hedges to the extent that the hedges are effective.

(b) **Foreign operations**

The assets and liabilities of foreign operations of Renata (UK) Limited are translated into GBP at the exchange rates at the reporting date. The income and expenses of foreign operations of Renata (UK) Limited are translated into GBP at the exchange rates at the dates of the transactions. The assets and liabilities of foreign operations of Renata Pharmaceuticals (Ireland) Limited are translated into EUR at the exchange rates at the reporting date. The income and expenses of foreign operations Renata Pharmaceuticals (Ireland) Limited are translated into EUR at the exchange rates at the dates of the transactions.

Income / expenses from foreign operations of the Company are translated into BDT using average foreign exchange rate, and assets / liabilities are translated using closing rate prevailing at reporting date.

Foreign currency differences are recognized in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to statement of profit or loss.

3.14 Dividend to the equity holders

Final dividend distribution to the Company's ordinary shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions (if any) are recognized in the period in which the dividends are declared and paid. The Company may issue bonus share as a part of stock dividend in any financial year, subject to approval from the Board and Company's shareholders at the Annual General Meeting.

Preferred dividend to the Company's non-cumulative, non-participative and fully convertible preference shareholders is recognized as a liability in the financial statements in the period in which the dividends fall due. These dividends are distributed once per annum.

3.15 Statement of cash flows

Statement of cash flows has been prepared in accordance with the IAS 7: Statement of Cash Flows under direct method. Cash comprises cash balances and bank overdrafts repayable on demand, forming an integral part of Group's cash management. 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 presents 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: Statement of Cash Flows.

3.16 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.

(a) **Credit risk**

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. It arises principally from the Company's receivables from customers and the balances maintained with different banks.

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(b) **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 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.

(c) **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.

Enterprise risk management activities of the Group encompass the use of financial instruments to manage exposures arising from particular risks that could affect its profitability. Derivative instruments such as forwards & swaps and non-derivative instruments such as assets, liabilities & highly probable forecast transactions are used for hedging associated financial risks.

In accordance with International Financial Reporting Standards (IFRS), the Group has opted to apply hedge accounting to represent, in the financial statements, the effect of its risk management activities to reduce or eliminate the volatility in profit or loss which would arise if the items were not linked for accounting purposes.

i) 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 and the loan from International Finance Corporation (IFC).

The Group hedges the foreign currency exchange (FX) risks associated with its export revenue using the foreign currency loan from the International Finance Corporation (IFC) to reduce or eliminate the volatility in profit or loss.

ii) 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.

The Group hedges the interest rate risk associated with the variability in interest payments (cash flows) due to the floating interest rate of the loan from the IFC through interest rate swap to reduce or eliminate the volatility in profit or loss.

3.17 Financial instruments

(a) **Recognition and measurement**

Financial asset or financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at transaction price and subsequently at amortized cost.

(b) **Classification and subsequent measurement**

Financial assets- classification

On initial recognition, a financial asset is classified as subsequently measured at: amortized cost; FVTOCI – debt investment; FVTOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

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- 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 FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 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 Group 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 amortized cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVTOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss. On derecognition, gains and losses accumulated in OCI are transferred to retained earnings.

Financial assets- impairement
IFRS 9: Financial Instruments replaces the 'incurred loss' model in IAS 39: Financial Instruments: Recognition and measurements with an 'expected credit loss' (ECL) model. The impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVTOCI, but not to investments in equity instruments.

The financial assets at amortized cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. The Gorup 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, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

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

Presentation of impairment
Loss allowances for financial assets are deducted from the gross carrying amount of the assets. Impairment losses related to trade receivables and others, including contract assets, are presented separately in the notes to the financial statement.

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 Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVTOCI 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. The Group uses Lifetime Expected Credit Loss method for Trade receivables.

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Financial liabilities – classification, subsequent measurement and gains and losses

All financial liabilities are recognized initially on the transaction date at which the Group becomes a party to the contractual provisions for the liability.

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(c) **Derecognition**

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership or it does not retain control of the financial asset.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when the terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(d) **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(e) **Derivative financial instrument and hedge accounting**

As a part of risk management activities, the Group applies hedge accounting for managing the Foreign Exchange (FX) risk and Interest Rate (IR) risk. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

i) Qualifying criteria for hedge accounting

The Company assesses that whether the hedging relationship qualifies for hedge accounting meeting the following conditions:

Hedging relationship: Consists only of eligible hedging instruments and eligible hedged items.

Eligible hedged item:

Eligible hedged items are assets, liabilities, firm commitments, highly probable forecast transactions or net investments in a foreign operation that exposes the entity to risk of changes in fair value or future cash flows and is designated as being hedged. Separately identifiable and reliably measurable risk components of non-financial items can be designated as hedged items.

A highly probable forecast transaction is an uncommitted but anticipated future transaction and can only be hedged under cash flow hedges.

To qualify for cash flow hedge accounting, the forecast transaction should be:
- Specifically identifiable as a single transaction or a group of individual transactions which share the same risk exposure for which they are designated as being hedged;
- Highly probable indicates a much greater likelihood of happening than the term 'more likely than not'; and
- Involve a party that is external to the entity.

The risks for which the items can be hedged are normally classified as (i) Market risk made up of price risk, currency risk, interest rate risk; (ii) Credit risk and (iii) Liquidity risk.

Eligible hedging instrument:
Contracts that can be designated as eligible hedging instruments include:

- Derivatives (including Forward, Futures, Options and Swaps); and

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- Non-derivative financial assets or liabilities (such as trade and other receivables, cash and cash equivalents, and long-term debt) measured at fair value through profit or loss i.e. financial instrument whose fair value/cash flow changes are expected to offset those of the hedged item.

For the hedge of a foreign currency risk, the foreign currency risk component of a non-derivative financial asset or liability may be designated as a hedging instrument, provided that it is not an investment in an equity instrument measured at fair value through comprehensive income by election.

Formal designation and documentation:
At the inception of the hedge, formal designation and documentation are required for the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. Documentation includes identification of the hedged item, the hedging instrument, the nature of the hedged risk and how the Group assesses whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio).

The hedging relationship and hedge effectiveness requirement:
The Group assesses the hedging relationship and the hedge effectiveness requirements:
- An economic relationship exists between the hedged item and the hedging instrument i.e. the hedging instrument and the hedged item are expected to have offsetting changes in value;
- The effect of credit risk does not dominate the value changes i.e. the value changes due to credit risk are not a significant driver of the value changes of either the hedging instrument or the hedged item; and
- The hedge ratio of the hedging relationship (quantity of hedging instrument vs quantity of hedged item) is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

ii) Recognition and presentation
At the initiation of the cash flow hedge accounting, the formal designation is defined for both FX hedge and interest rate hedge.

At each reporting date, the effective portion of the gain or loss on remeasuring the hedging instrument is recognized in other comprehensive income. The amount shall be reclassified into the statement of profit or loss in the same period(s) during which the hedged item affects it.

The ineffective portion of the gain or loss (if any) on remeasuring the hedging instrument is recognized directly in the statement of profit or loss.

Amounts recognized in other comprehensive income are accumulated in a cash flow hedge reserve. At a given reporting date, this shall be the lower of the following and the remaining portion (if any) shall be recognized in the statement of profit or loss:
- The cumulative gain or loss on the hedging instrument from the inception of the hedge; and
- The cumulative change in fair value (present value) of the expected future cash flows on the hedged item from the inception of the hedge.

iii) Discontinuation
Cash flow hedge accounting shall be discontinued if any of the followings occurs-

- The hedging instrument expires or is terminated;
- The criteria for hedge accounting are no longer met;
- The forecasted export revenue is no longer expected to occur for FX hedge;
- The interest payment is no longer expected to occur due to any event (e.g. early settlement of IFC loan or waiver of interest) for interest rate hedge; or
- The Company revokes the designation for hedge arrangements.

The discontinuation shall be accounted for prospectively i.e. the previous accounting entries are not reversed.
At the time of discontinuation:
- If the hedged cash flows are still expected to occur, the amount in the cash flow hedge reserve shall remain there until the future cash flow occurs or until the accumulated amount in the cash flow hedge becomes a loss. If the cash flow hedge reserve becomes a loss and the Group expects that all or a certain portion of such loss is not recoverable in the future, it shall immediately reclassify the amount that is not expected to be recovered into the statement of profit or loss;

- If the hedged cash flows are no longer expected to occur, that amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

3.18 Finance income and finance costs

The Group's finance income and finance costs are presented as net finance costs, which includes:
- interest income;

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- interest expense;
- interest expense on redeemable preference shares issued that are classified as financial liabilities;
- swap income / expense;
- bank charges;
- the net gain or loss on the disposal of investments in debt securities measured at FVTOCI;
- the fair value gain or loss on financial assets measured at FVTPL;
- the foreign currency gain or loss on financial assets and financial liabilities; impairment losses (and reversals) on investments in debt securities measured at amortized cost or FVTOCI;
- hedge ineffectiveness recognized in profit or loss; and
- the reclassification of net gains and losses previously recognized in OCI on cash flow hedges of interest rate risk and foreign currency risk for borrowings.

Interest expense for preference share, zero coupon bond and loan from Pubali Bank is recognized under the effective interest method.

3.19 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets, and financial and non-financial liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3.20 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).

3.21 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.

3.22 Events after the reporting period

Events after the reporting period are those events, favourable and unfavourable, 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: (i) adjusting events: those that provide evidence of conditions that existed at the end of the reporting period (ii) non-adjusting events: those that are indicative of conditions that arose after the reporting period.

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3.23 Accounting standards issued but not yet effective

IFRS 18: Presentation and Disclosure in Financial Statements

IFRS 18: Presentation and Disclosure in Financial Statements will replace IAS 1: Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. Earlier adoption of this standard is permitted but the Group has not adopted it. The new standard introduces the following key new requirements.

Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.

Management-defined performance measures (MPMs) need to be disclosed in a single note in the financial statements.

Enhanced guidance is provided in the standard on how to present group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group assessed the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group also assessed the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

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

Reconciliation of carrying amount

(Amount in BDT)

Particulars	Freehold land	Buildings	Plant and machinery	Automobiles	Office equipment	Furniture and fixtures	Capital work in progress	Total
Cost								
Balance at 1 July 2024	2,835,626,644	7,409,211,814	20,248,523,781	726,471,216	1,099,216,025	640,385,284	11,889,390,395	44,848,825,159
Additions during the year	1,520,000	68,913,080	275,773,639	79,497,714	94,732,314	39,726,686	3,713,666,780	4,273,830,213
Transfers from CWIP	-	392,705,115	1,391,215,792	-	79,059,182	61,865,292	(1,924,845,381)	-
Disposals/adjustment	-	(2,300,751)	(89,140,767)	(46,290,332)	(4,743,892)	(3,631,814)	(4,107,733)	(150,215,289)
Balance at 30 June 2025	**2,837,146,644**	**7,868,529,258**	**21,826,372,445**	**759,678,598**	**1,268,263,629**	**738,345,448**	**13,674,104,061**	**48,972,440,083**
Balance at 1 July 2025	2,837,146,644	7,868,529,258	21,826,372,445	759,678,598	1,268,263,629	738,345,448	13,674,104,061	48,972,440,083
Additions during the year	62,009,605	54,389,788	174,942,728	229,573,776	109,653,329	25,727,925	2,148,919,104	2,805,216,255
Transfers from CWIP	-	647,307,103	3,786,926,539	-	101,163,155	145,229,906	(4,680,626,702)	-
Disposals/adjustment	-	(3,002,358)	(960,251,509)	(95,662,580)	(161,658,430)	(49,300,297)	(3,498,608)	(1,273,373,782)
Balance at 30 June 2026	**2,899,156,249**	**8,567,223,791**	**24,827,990,203**	**893,589,794**	**1,317,421,683**	**860,002,982**	**11,138,897,855**	**50,504,282,556**
Accumulated depreciation								
Balance at 1 July 2024	-	1,428,705,923	7,489,851,911	360,721,456	579,599,217	265,808,516	-	10,124,687,023
Depreciation for the year	-	147,368,657	1,317,903,152	56,854,957	105,883,767	57,111,475	-	1,685,122,008
Adjustment for disposal/transfers	-	(604,958)	(54,000,861)	(33,305,385)	(2,524,537)	(2,898,867)	-	(93,334,607)
Balance at 30 June 2025	**-**	**1,575,469,622**	**8,753,754,202**	**384,271,028**	**682,958,447**	**320,021,124**	**-**	**11,716,474,424**
Balance at 1 July 2025	-	1,575,469,622	8,753,754,202	384,271,028	682,958,447	320,021,124	-	11,716,474,424
Depreciation for the year	-	167,522,117	1,536,161,617	78,704,246	125,818,950	71,707,914	-	1,979,914,843
Adjustment for disposal/transfers	-	(996,992)	(801,366,491)	(69,210,122)	(122,100,537)	(32,359,000)	-	(1,026,033,142)
Balance at 30 June 2026	**-**	**1,741,994,747**	**9,488,549,328**	**393,765,152**	**686,676,860**	**359,370,037**	**-**	**12,670,356,125**
Carrying amounts								
At 1 July 2024	2,835,626,644	5,980,505,891	12,758,671,870	365,749,760	519,616,808	374,576,768	11,889,390,395	34,724,138,136
At 30 June 2025	2,837,146,644	6,293,059,636	13,072,618,243	375,407,570	585,305,182	418,324,324	13,674,104,061	37,255,965,659
At 30 June 2026	**2,899,156,249**	**6,825,229,044**	**15,339,440,875**	**499,824,642**	**630,744,823**	**500,632,945**	**11,138,897,855**	**37,833,926,431**

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5.1 Capital work in progress

Separate and consolidated financial statements

Capital work in progress mainly represents construction of Kashor General Facility (sterile unit), Hobirbari Potent Product manufacturing facility, Hobirbari Main Power Plant, Hobirbari site infrastructure development, Hobirbari Effluent Treatment Plant, Rajendrapur oncology solid facility, Effluent Treatment Plant Modifications Mirpur, Rajendrapur Substation 2, Track and trace - stability and archive Rajendrapur, Hobirbari 2nd Phase PV Project, Mirpur Six Stories Building in RM Warehouse, Renata Specialized Solid Unit, LP Gas System Rajendrapur, Power Generation-2 Rajendrapur, Mirpur GMF Retrofitting & Renovation, and installation of plant and machinery, their components and other fixed assets procured from foreign and local vendors.

During the year, borrowing cost amounting to BDT 209,625,715 (FY 2024-25: BDT 437,978,292) was capitalized in CWIP.

6 Contract costs

Separate and consolidated financial statements

Reconciliation of carrying amount **(Amount in BDT)**

Particulars	Cost of obtaining the contract	Cost of fulfilling the contract	Total
Cost			
Balance at 1 July 2024	1,553,146,095	14,381,360	1,567,527,455
Additions during the year	297,809,988	-	297,809,988
Balance at 30 June 2025	**1,850,956,083**	**14,381,360**	**1,865,337,443**
Balance at 1 July 2025	1,850,956,083	14,381,360	1,865,337,443
Additions during the year	426,372,311	79,564	426,451,875
Balance at 30 June 2026	**2,277,328,394**	**14,460,924**	**2,291,789,318**
Accumulated amortization			
Balance at 1 July 2024	35,623,001	1,438,136	37,061,137
Amortization for the year	11,917,298	2,876,272	14,793,570
Balance at 30 June 2025	**47,540,299**	**4,314,408**	**51,854,707**
Balance at 1 July 2025	47,540,299	4,314,408	51,854,707
Amortization for the year	13,772,645	2,888,207	16,660,852
Balance at 30 June 2026	**61,312,944**	**7,202,615**	**68,515,559**
Carrying amounts			
At 1 July 2024	1,517,523,094	12,943,224	1,530,466,318
At 30 June 2025	1,803,415,784	10,066,952	1,813,482,736
At 30 June 2026	**2,216,015,450**	**7,258,309**	**2,223,273,759**

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7 Intangible assets

Separate and consolidated financial statements

Reconciliation of carrying amount (Amount in BDT)

Particulars	Oracle ERP	Other software	Capital work in progress	Total
Cost				
Balance at 1 July 2024	321,007,004	40,648,021	3,961,943	365,616,968
Additions during the year	74,847	3,925,504	5,904,370	9,904,721
Transfers from CWIP	3,961,948	-	(3,961,948)	-
Balance at 30 June 2025	**325,043,799**	**44,573,525**	**5,904,365**	**375,521,689**
Balance at 1 July 2025	325,043,799	44,573,525	5,904,365	375,521,689
Additions during the year	-	837,770	9,267,498	10,105,268
Transfers from CWIP	-	598,875	(598,875)	-
Disposals/adjustment	-	(1,423,958)	-	(1,423,958)
Balance at 30 June 2026	**325,043,799**	**44,586,212**	**14,572,988**	**384,202,999**
Accumulated amortization				
Balance at 1 July 2024	201,119,980	27,715,961	-	228,835,941
Amortization for the year	13,954,056	5,571,480	-	19,525,536
Balance at 30 June 2025	**215,074,036**	**33,287,441**	**-**	**248,361,477**
Balance at 1 July 2025	215,074,036	33,287,441	-	248,361,477
Amortization for the year	14,009,388	5,250,370	-	19,259,757
Disposals/adjustment	-	(1,423,958)	-	(1,423,958)
Balance at 30 June 2026	**229,083,423**	**37,113,852**	**-**	**266,197,276**
Carrying amounts				
At 1 July 2024	119,887,024	12,932,060	3,961,943	136,781,028
At 30 June 2025	109,969,763	11,286,084	5,904,365	127,160,212
At 30 June 2026	**95,960,376**	**7,472,360**	**14,572,988**	**118,005,723**

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		30 June 2026 BDT	30 June 2025 BDT
8	**Right-of-use assets**		
	Separate and consolidated financial statements		
	Cost		
	Opening balance	14,473,668	-
	Additions during the year	109,937,421	14,473,668
	Closing balance	**124,411,089**	**14,473,668**
	Accumulated amortization		
	Opening balance	723,683	-
	Amortization during the year	19,949,112	723,683
	Closing balance	**20,672,795**	**723,683**
	Carrying amounts	**103,738,294**	**13,749,985**
9	**Investment in subsidiaries**		
	Renata (UK) Limited	95,000,110	95,000,110
	Renata Pharmaceuticals (Ireland) Limited	95,009,610	95,009,610
		190,009,720	**190,009,720**

10 Advances, deposits and prepayments

	30 June 2026 BDT		30 June 2025 BDT	
	Non-current	Current	Non-current	Current
Advances	180,313,131	567,465,838	237,590,128	638,822,893
Deposits	82,901,898	12,836,695	88,588,716	92,667,615
Prepayments	91,104,878	344,648,782	81,441,741	313,519,190
	354,319,907	**924,951,315**	**407,620,585**	**1,045,009,698**

10.1 Consolidated advances, deposits and prepayments

Advances	180,313,131	567,465,838	237,590,128	638,822,893
Deposits	82,901,898	12,836,695	88,588,716	92,667,615
Prepayments	91,104,878	345,212,050	81,557,920	313,658,605
	354,319,907	**925,514,583**	**407,736,764**	**1,045,149,113**

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11 Employee benefit

	Notes	30 June 2026 BDT	30 June 2025 BDT
Defined benefit obligation	24 (a)	(1,588,855,500)	(1,219,604,900)
Fair value of plan assets	24 (a)	1,402,037,234	1,297,515,878
Net defined benefit asset/(liability)		**(186,818,266)**	**77,910,978**

(a) Movement in net defined benefit asset and liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit asset/(liability) and its components.

	Amount in BDT					
	30 June 2026			30 June 2025		
	Defined benefit obligation	Fair value of plan assets	Net defined asset/(liability)	Defined benefit obligation	Fair value of plan assets	Net defined asset/(liability)
Opening balance	(1,219,604,900)	1,297,515,878	77,910,978	(1,051,741,400)	1,267,381,884	215,640,484
Included in profit or loss						
Current service costs	(127,485,102)	-	(127,485,102)	(114,310,411)	-	(114,310,411)
Interest cost	(142,975,400)	-	(142,975,400)	(125,343,700)	-	(125,343,700)
Interest income	-	160,398,800	160,398,800	-	159,443,200	159,443,200
Total	**(270,460,502)**	**160,398,800**	**(110,061,702)**	**(239,654,111)**	**159,443,200**	**(80,210,911)**

	Amount in BDT					
	30 June 2026			30 June 2025		
	Defined benefit obligation	Fair value of plan assets	Net defined asset/(liability)	Defined benefit obligation	Fair value of plan assets	Net defined asset/(liability)
Included in OCI						
Actuarial (gain)/loss arising from:						
- liability experience	(1,781,190)	-	(1,781,190)	(10,279,920)	-	(10,279,920)
- demographic assumption	(41,426,800)	-	(41,426,800)	1,339,300	-	1,339,300
- financial assumption	(165,110,200)	-	(165,110,200)	(17,331,100)	-	(17,331,100)
- Remeasurement loss/(gain) from return on plan assets (excluding interest income)	-	(56,411,059)	(56,411,059)	-	(31,246,875)	(31,246,875)
Total	**(208,318,190)**	**(56,411,059)**	**(264,729,249)**	**(26,271,720)**	**(31,246,875)**	**(57,518,595)**
Other						
Benefits paid	109,528,092	(109,528,092)	-	98,062,331	(98,062,331)	-
Employer contribution	-	110,061,707	110,061,707	-	-	-
Closing balance	**(1,588,855,500)**	**1,402,037,234**	**(186,818,266)**	**(1,219,604,900)**	**1,297,515,878**	**77,910,978**

(b) Actuarial assumption

The followings were the principal actuarial assumptions at the reporting date:

	2026	2025
Discount rate	10.40%	12.30%

	Amount in BDT	
	30 June 2026	30 June 2025
(c) Plan assets		
The plan asset comprises of the following:		
Investments	990,322,811	979,130,610
Cash & cash equivalent	362,524,050	280,138,557
Other assets	49,190,373	38,246,711
	1,402,037,234	**1,297,515,878**

(d) Sensitivity analysis of significant actuarial assumptions

Reasonably possible changes at the reporting date to one of the relevant actuarial assumption, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Amount in BDT			
	30 June 2026		30 June 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(91,142,900)	102,027,800	(82,507,100)	93,594,900

Although the analysis does not take account of full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of the assumptions shown.

		30 June 2026 BDT	30 June 2025 BDT
12	**Inventories**		
	Separate and consolidated financial statements		
	Trading inventories (Note 12.1)	10,866,456,955	10,474,203,933
	Other inventories	2,420,858,225	2,199,633,382
		13,287,315,180	**12,673,837,315**
12.1	**Trading inventories**		
	Raw materials	4,232,648,588	3,917,684,651
	Packing materials	1,208,793,270	1,131,169,038
	Work-in-process	1,022,826,825	1,220,885,883
	Finished goods (12.1.(a))	3,672,471,148	3,530,896,025
	Stock in transit	787,791,708	941,732,534
	Consumable stores, spares and reagent materials	51,848,704	41,628,497
		10,976,380,243	**10,783,996,628**
	Provision for inventories	(109,923,288)	(309,792,695)
		10,866,456,955	**10,474,203,933**
12.1.(a)	**Finished goods**		
	- Pharmaceutical products	2,305,451,360	2,498,906,949
	- Animal health products	1,292,270,070	974,793,001
	- Consumer products	1,469,241	2,233,028
	- Agro-based products	73,280,477	54,963,047
		3,672,471,148	**3,530,896,025**
13	**Investments**		
	Separate and consolidated financial statements		
	Shares at fair value	1,569,450	1,569,450
		1,569,450	**1,569,450**
14	**Current tax assets**		
	Opening balance	176,595,726	(90,732,324)
	- Reclassified from OCI	-	(3,869,160.00)
	- Tax benefit on issue cost of convertible preference share	3,645,582	-
	- Provision made during the year	(807,026,632)	(719,127,843)
		(626,785,324)	**(813,729,327)**
	Payment made during the year	978,807,175	990,325,053
		352,021,851	**176,595,726**
14.1	**Consolidated current tax assets**		
	Opening balance	165,639,000	(105,259,367)
	Provision made during the year	(846,313,910)	(748,474,100)
		(680,674,910)	**(853,733,467)**
	Payment made during the year	1,034,623,852	1,019,372,467
		353,948,942	**165,639,000**

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		30 June 2026 BDT	30 June 2025 BDT
15	**Trade and other receivables**		
	Trade receivables	4,361,306,579	3,757,984,143
	Allowance for expected credit loss	(703,277,160)	(577,255,104)
	Trade receivables, net	**3,658,029,419**	**3,180,729,039**
	Other receivables	679,439,596	374,098,227
		4,337,469,016	**3,554,827,266**
15.1	**Consolidated trade and other receivables**		
	Trade receivables	4,515,131,962	3,757,984,143
	Allowance for expected credit loss	(703,277,160)	(577,255,104)
	Trade receivables, net	**3,811,854,802**	**3,180,729,039**
	Other receivables	680,905,366	430,819,559
		4,492,760,168	**3,611,548,598**
16	**Cash and cash equivalents**		
	Cash at bank	1,131,339,806	1,142,347,704
		1,131,339,806	**1,142,347,704**
16.1	**Consolidated cash and cash equivalents**		
	Cash at bank	1,967,547,985	1,827,055,545
		1,967,547,985	**1,827,055,545**

Separate and consolidated cash at bank at reporting date includes BDT 13,952,624 (30 June 2025: BDT 19,611,773) equivalent to the unclaimed dividend to shareholders and is therefore treated as restricted cash balance. It also includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.



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17 Share capital

17.1 Authorized share capital

Type of share	30 June 2026		30 June 2025	
	Number of shares (in number)	Share values (in BDT)	Number of shares (in number)	Share values (in BDT)
Ordinary share (BDT 10 each)	285,000,000	2,850,000,000	285,000,000	2,850,000,000
Preference share (BDT 10 each)	540,000,000	5,400,000,000	540,000,000	5,400,000,000
Total	**825,000,000**	**8,250,000,000**	**825,000,000**	**8,250,000,000**

Through the Extraordinary General Meetings held on 12 January 2025 and 20 September 2025, the Company's shareholders approved the issuance of non-cumulative, non-participative, fully convertible preference shares amounting to BDT 3,250,000,000. The Bangladesh Securities and Exchange Commission granted the consent on 27 July 2025. Subscriptions were conducted via the Electronic Subscription System (ESS) of the stock exchanges from 5 October 2025 to 19 October 2025, successfully raising net proceeds of BDT 3,249,999,400. These preference shares are classified and presented as part of shareholders' equity, in accordance with the IFRS.

17.2 Issued, subscribed and paid up capital

	Amount in BDT	
	30 June 2026	30 June 2025
Classified as equity:		
Ordinary share (BDT 10 per share)	1,146,964,900	1,146,964,900
Convertible preference share (BDT 10 per share)	3,249,999,400	-
	4,396,964,300	**1,146,964,900**
Classified as liabilities:		
Redeemable preference share (BDT 10 per share)	1,283,309,753	1,709,512,240
	1,283,309,753	**1,709,512,240**

At the 50th Annual General Meeting held on 09 December 2023, the Company's shareholders approved the issuance of redeemable cumulative non-convertible and non-participative preference shares. Approval was obtained from the Bangladesh Securities and Exchange Commission (BSEC) on 2 April 2024. From 12 May 2024 to 10 June 2024, the Company issued fully paid shares amounting to BDT 2,150,000,000 (par value BDT 10 per share). These shares are classified as a financial liability measured at amortized cost and presented under Loans and Borrowings in the financial statements in accordance with the IFRS.

17.3 Shareholding position of the Company (ordinary share)

Name of the shareholders	Value of shares (BDT)		% of holding	
	As at 30 June 2026	As at 30 June 2025	As at 30 June 2026	As at 30 June 2025
Sajida Foundation	585,985,000	585,985,000	51.09%	51.09%
Business Research International Corp. Inc.	199,644,680	220,085,500	17.41%	19.19%
Shadharan Bima Corporation	50,179,370	50,179,370	4.37%	4.37%
ICB Unit Fund	10,751,060	10,751,060	0.94%	0.94%
Investment Corporation of Bangladesh	81,766,240	81,766,240	7.13%	7.13%
Other shareholders	218,638,550	198,197,730	19.06%	17.28%
Total	**1,146,964,900**	**1,146,964,900**	**100%**	**100%**

17.4 As at 30 June 2026, the classification of shareholders of the Company by holdings was as follows (ordinary share)

Holdings	No. of shareholders as per folio	No. of shareholders as per BOID	No. of total shareholders	No. of total shares	% of total shareholdings
Less than 500 shares	72	10,167	10,239	1,107,301	0.97%
501 to 5000 shares	22	2,251	2,273	3,332,219	2.91%
5,001 to 10,000 shares	6	186	192	1,327,780	1.16%
10,001 to 20,000 shares	6	118	124	1,736,009	1.51%
20,001 to 30,000 shares	2	54	56	1,372,288	1.20%
30,001 to 40,000 shares	0	21	21	718,593	0.63%
40,001 to 50,000 shares	1	18	19	868,617	0.76%
50,001 to 100,000 shares	2	33	35	2,535,385	2.21%
100,001 to 1,000,000 shares	0	34	34	9,434,720	8.23%
Over 1,000,000 shares	1	5	6	92,263,578	80.44%
	112	**12887**	**12999**	**114,696,490**	**100%**

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	2025-2026 BDT	2024-2025 BDT

17.5 Dividends

The following were the final dividends of the Company

BDT 5.50 per ordinary share (2023-2024: BDT 9.20)	630,830,695	1,055,207,708

After the reporting date, following dividends were proposed by the Board of Directors:

BDT 5.50 per ordinary share (2024-2025: BDT 5.50)	630,830,695	630,830,695
	630,830,695	630,830,695

The financial statements for the year ended 30 June 2026 do not include the effects of the above cash dividend declared for the current year 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 the Income Tax Act, 2023.

	30 June 2026 BDT	30 June 2025 BDT

18 Reserves

Other reserves (Note 18.2)	219,337,788	219,337,788
Other comprehensive income	(876,584)	250,987,058
Cash flow hedge reserve (Note 18.3)	(39,812,795)	(33,357,303)
	178,648,409	**436,967,543**

18.1 Consolidated reserves

Other reserves (Note 18.2)	219,337,788	219,337,788
Other comprehensive income	130,302,072	402,441,911
Cash flow hedge reserve (Note 18.3)	(39,812,795)	(33,357,303)
	309,827,065	**588,422,396**

18.2 Other reserves

Separate and consolidated financial statements

For the purpose of conducting the business more efficiently and profitably, the Board of Directors of Renata PLC, Purnava Limited and Renata Agro Industries Limited along with due consents from minority shareholders and then approval from the Hon'ble High Court Division of the Supreme Court of Bangladesh amalgamated Renata PLC, Purnava Limited and Renata Agro Industries Limited together under provision of section 228 and 229 of the Companies Act,1994 with effect from 1 July 2021. With the same purpose following due procedures Renata PLC and Renata Oncology Limited were amalgamated together with effect from 1 July 2019. The audited financial statements of the Transferor Companies on 30 June 2021 and 30 June 2019 have been used to account for the assets and liabilities of these Transferor Companies in the books of Renata PLC respectively.

The deficit amounts of BDT 43,065,180 and BDT 164,495,567 and the surplus amount of BDT 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 PLC pursuant to their Schemes of Amalgamation.

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18.3 Cash flow hedge reserve:

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of the hedging instruments used in the cash flow hedges pending subsequent recognition in profit or loss. The reconciliation of the hedge reserves for foreign exchange hedge (FX Hedge) and interest rate hedge (IR Hedge) is presented below:

Reconciliation of the movement (Amount in BDT)

Particulars	FX Hedge	IR Hedge	Total
Cash flow hedge reserve - opening balance	(26,694,101)	(6,663,203)	(33,357,304)
Effective part of hedging instrument	(43,377,349)	15,391,933	(27,985,416)
Reclassification to profit or loss (after materialization)	(6,291,502)	7,185,610	894,108
Balance before fair value adjustment	**(76,362,951)**	**15,914,340**	**(60,448,612)**
Adjustment for change in fair value	26,207,554	(7,185,610)	19,021,943
Tax related to OCI	4,692,259	(3,078,387)	1,613,873
Cash flow hedge reserve - closing balance (Note 36 B (iii))	**(45,463,138)**	**5,650,343**	**(39,812,795)**

19 Lease liabilities

	30 June 2026 BDT	30 June 2025 BDT
(a) Reconciliation of carrying amount		
Opening balance	12,944,325	-
Addition during the year	87,554,170	13,273,668
Interest on lease liabilities	9,881,165	679,257
Payment of lease liabilities	(19,998,763)	(1,008,600)
	90,380,897	**12,944,325**
(b) Amounts recognized in statement of financial position		
Current	11,523,740	422,840
Non-current	78,857,157	12,521,485
	90,380,897	**12,944,325**
Maturity analysis		
Less than 6 months	4,707,753	204,850
6 - 12 months	6,815,985	217,991
1 - 2 years	12,919,035	478,831
2 - 5 years	41,293,889	2,633,223
More than 5 years	24,644,233	9,409,430
	90,380,896	**12,944,325**
(c) Amounts recognized in profit or loss		
Interest on lease liabilities	9,881,165	679,257
Amortization of right of use assets	19,949,112	723,683
	29,830,277	**1,402,940**

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20 Loan and borrowings

Separate and consolidated financial statements

	Amount in BDT			
	30 June 2026		30 June 2025	
	Non-current	Current	Non-current	Current
Long-term loan	8,378,219,039	2,341,830,262	7,295,354,358	2,105,981,635
Short-term loan	-	1,387,489,948	-	6,600,922,695
Derivative instruments	(6,447,508)	(615,421)	16,838,432	(8,509,428)
Zero-coupon bond	559,802,883	353,800,000	810,469,965	353,800,000
Redeemable preference share	853,309,753	430,000,000	1,279,512,239	430,000,000
	9,784,884,167	**4,512,504,789**	**9,402,174,994**	**9,482,194,902**

Security for short term and long term loan:

Hypothecation by way of pari-passu with RJSC on inventory, plant, machinary, equipment, trade receivables and other floating assets, Renata PLC's Mirpur land along with buildings constructed or to be constructed thereon of the Company in favor of the lender.

20.1 Zero coupon bond

	Amount in BDT	
	30 June 2026	30 June 2025
Opening balance	1,164,269,965	1,193,942,741
Unwinding to face value	103,132,918	147,227,224
Repayment	(353,800,000)	(176,900,000)
	913,602,883	**1,164,269,965**

During the financial year 2023-2024, Renata PLC issued secured, non-convertible, fully redeemable, Zero- Coupon Bonds (ZCB) with a face value of BDT 100,000 per bond at a discount rate of 10% per annum amounting to BDT 1,205,000,000 after discounting. The purpose of issuing ZCBs was to repay current bank debts, in line with the Company strategy of mitigating liquidity and interest rate risk. The ZCBs were secured against capital machineries and spare parts.

The bond was issued in nine series of which three series matured up to 30 June 2026 and remaining series will mature over the remaining terms up to financial year 2028-29.

Following IFRS 9: Financial Instruments, these bonds have been accounted for as financial liability measured initially at fair value less directly attributable cost and subsequently at amortized cost using the effective interest rate method.

20.2 Redeemable preference share

	Amount in BDT	
	30 June 2026	30 June 2025
Opening balance	1,709,512,240	2,135,283,021
Amortization of transaction cost	3,797,514	4,229,219
Repayment	(430,000,000)	(430,000,000)
	1,283,309,753	**1,709,512,240**

The shareholders of Renata PLC in the 50th Annual General Meeting held on 9 December 2023 have approved the decision to issue redeemable cumulative non-convertible and non-participative preference shares. Subsequently, the Company received the Bangladesh Securities and Exchange Commission's consent to issue the same on 2 April 2024. These shares have no voting rights. The purpose of these shares is to repay short-term loans, in line with the Company's strategy of mitigating liquidity and interest rate risk.

During the financial year 2023-2024, the Company issued BDT 2,150,000,000 as fully paid preference shares with a par value of BDT 10. The principal is being redeemed at the end of each year from respective issue dates at 20% of issue size. The initial rate of return to investors was 10% per annum to be paid at the end of six months from date of issue. Subsequent rate of returns to be revised semi-annually. If the yield of the 364-day Treasury Bill increase from the cut-off yield on the subscription date, the rate of return is to be adjusted by half of the change from the cut-off yield for subsequent returns to investors. The rate of return will not drop below 10% per annum.

These shares have been accounted for following IFRS 9: Financial Instruments as unsecured financial liability measured initially at fair value less directly attributable costs and subsequently at amortized cost using effective interest rate method. Schedule XI of the Companies Act, 1994 presents the redeemable preference share under the share capital section. Being a listed Company and a public interest entity, Renata PLC followed the IFRS as required by the BSEC, the Income Tax Act, 2023 and the Financial Reporting Act, 2015 to present more reliable and relevant information.

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20.3 The International Finance Corporation (IFC) Loan

With due approvals from the external regulators and fulfilling the necessary conditions preceding, the Company received first drawdown amounting to USD 28,380,000 of the IFC loan on 14 May 2025. Subsequently on 31 August and 20 October 2025, the Company received rest of the loan amounting to USD 30,000,000, in two equal drawdowns (i.e. USD 15,000,000 each). At 30 June 2026, closing balance of the IFC loan is BDT 7,218,687,000.

Purpose: The facility will be utilized for working capital including import of raw materials.

Total amount: USD 58,380,000.

Tenor: Six years including one year grace period from the respective drawdown.

Repayment: In ten equal semi-annual instalments to be funded from export proceeds.

Security: Secured against Land & Buildings at the Mirpur Plant & Head Office.

The mentioned above terms and conditions are in line with the Company strategy to mitigate liquidity, interest rate and foreign exchange risks.

The loan is accounted for as financial liabilities to be measured at fair value through profit or loss under IFRS 9: Financial Instruments.

21 Accruals and provisions

	Amount in BDT		Amount in BDT	
	30 June 2026		30 June 2025	
Separate and consolidated financial statements	Non-current	Current	Non-current	Current
Accruals	-	572,961,974	-	467,912,913
Provisions	892,040,512	987,471,838	1,001,569,991	573,735,610
	892,040,512	**1,560,433,812**	**1,001,569,991**	**1,041,648,523**

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22 Deferred tax liabilities

	Notes	Amount in BDT	
		30 June 2026	30 June 2025
Opening balance		1,259,850,532	1,776,707,041
Deferred tax income (recognized in profit or loss)	22(a)	(78,653,964)	(490,501,067)
Deferred tax income (recognized in OCI)	22(a)	(64,579,780)	(26,355,442)
		1,116,616,788	1,259,850,532

(a) Movement in deferred tax balances

(Amount in BDT)

Particulars	Balance at 1 July 2025	Deferred tax expenses/ (income)		Balance at 30 June 2026		
		recognized in profit or loss	recognized in OCI	Deferred tax assets	Deferred tax liabilities	Deferred tax liabilities/ (assets) - net
Property, plant and equipment	1,239,753,594	(41,682,524)	-	-	1,198,071,070	1,198,071,070
Allowance for expected credit loss	(115,451,021)	(25,204,410)	-	140,655,432	-	(140,655,431)
Provision for inventories	(61,958,539)	24,244,277	-	37,714,262	-	(37,714,262)
Defined benefit obligation	15,582,195	-	(52,945,848)	37,363,653	-	(37,363,653)
Contract costs	362,696,547	(89,060,241)	-	-	273,636,306	273,636,306
Refund liabilities	(81,237,881)	5,311,277	-	78,312,951	2,386,347	(75,926,604)
Accrued leave	(53,950,840)	(3,308,459)	(10,020,061)	67,279,360	-	(67,279,359)
Unrealized foreign exchange loss	1,795,418	(13,974,447)	-	12,179,029	-	(12,179,029)
Right-of-use of assets	2,533,997	14,481,794	-	-	17,015,791	17,015,791
Lease liabilities	(2,588,865)	(15,487,314)	-	18,076,179	-	(18,076,179)
Initial fund raising cost	22,938,354	882,907	-	-	23,821,262	23,821,261
Changes in fair value of cash flow hedge	(8,339,326)	-	(1,613,872)	9,953,199	-	(9,953,198)
Unrealized interest income/(expense)	(61,923,102)	65,143,176	-	-	3,220,074	3,220,074
Investment in shares	-	-	-	-	-	-
Total	**1,259,850,532**	**(78,653,964)**	**(64,579,780)**	**401,534,065**	**1,518,150,849**	**1,116,616,788**

(Amount in BDT)

Particulars	Balance at 1 July 2024	Deferred tax expenses/ (income)		Balance at 30 June 2025		
		recognized in profit or loss	recognized in OCI	Deferred tax assets	Deferred tax liabilities	Deferred tax liabilities/ (assets) - net
Property, plant and equipment	1,629,276,033	(389,522,439)	-	-	1,239,753,595	1,239,753,594
Allowance for expected credit loss	(85,414,633)	(30,036,388)	-	(115,451,021)	-	(115,451,021)
Provision for inventories	(16,022,911)	(45,935,628)	-	(61,958,539)	-	(61,958,539)
Defined benefit obligation	43,128,096	(16,042,182)	(11,503,719)	-	15,582,196	15,582,195
Contract costs	313,505,491	49,191,056	-	-	362,696,547	362,696,547
Refund liabilities	(64,503,182)	(16,734,699)	-	(81,237,882)	-	(81,237,881)
Accrued leave	(45,841,352)	(1,597,090)	(6,512,398)	(53,950,840)	-	(53,950,840)
Unrealized foreign exchange loss	-	1,795,418	-	-	1,795,418	1,795,418
Right-of-use of assets	-	2,533,997	-	-	2,533,997	2,533,997
Lease liabilities	-	(2,588,865)	-	(2,588,865)	-	(2,588,865)
Initial fund raising cost	-	22,938,354	-	-	22,938,354	22,938,354
Changes in fair value of cash flow hedge	-	-	(8,339,326)	(8,339,326)	-	(8,339,326)
Unrealized interest income/(expense)	-	(61,923,102)	-	(61,923,103)	-	(61,923,102)
Investment in shares	2,579,499	(2,579,499)	-	-	-	-
Total	**1,776,707,041**	**(490,501,067)**	**(26,355,442)**	**(385,449,575)**	**1,645,300,106**	**1,259,850,532**



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(b) Computation of deferred tax liabilities

(Amount in BDT)

Particulars	30 June 2026		
	Carrying amount	Tax base amount	Taxable/(deductible) temporary difference
Pharma business			
Property, plant and equipment	23,627,585,449	17,780,174,427	5,847,411,022
Allowance for expected credit loss	(703,277,159)	-	(703,277,159)
Provision for inventories	(188,571,311)	-	(188,571,311)
Defined benefit obligation	(186,818,266)	-	(186,818,266)
Contract costs	2,223,273,759	855,092,230	1,368,181,529
Deferred revenue expenditure-Rented Property	11,931,733	-	11,931,733
Refund liablities	(391,564,756)	-	(391,564,755)
Accrued leave	(336,396,800)	-	(336,396,799)
Unrealized foreign exchange loss	(60,895,145)	-	(60,895,145)
Right-of-use of assets	103,738,293	18,659,337	85,078,956
Lease liabilities	(90,380,897)	-	(90,380,897)
Initial fund raising Cost	119,106,308	-	119,106,308
Changes in fair value of cash flow hedge	(49,765,994)	-	(49,765,993)
Unrealized interest income/(expense)	16,100,371	-	16,100,370
Total Pharma business	**24,094,065,585**	**18,653,925,993**	**5,440,139,593**
Applicable tax rate			**20.00%**
Deferred tax liabilities			**1,088,027,918**
Agro business and investment in shares			
Property, plant and equipment - Agro	271,719,612	128,775,284	142,944,327
Investment in shares	1,569,450	1,569,450	-
Total Agro business and investment in shares	**273,289,062**	**130,344,734**	**142,944,327**
Applicable tax rate for Agro business and Investment in shares			**20.00%**
Deferred tax liabilities			**28,588,865**
Total deferred tax liabilities			**1,116,616,788**

(Amount in BDT)

Particulars	30 June 2025		
	Carrying amount	Tax base amount	Taxable/(deductible) temporary difference
Pharma business			
Property, plant and equipment	20,578,981,230	14,488,108,032	6,090,873,197
Allowance for expected credit loss	(577,255,105)	-	(577,255,105)
Provision for inventories	(309,792,696)	-	(309,792,695)
Defined benefit asset	77,910,978	-	77,910,978
Contract costs	1,813,482,736	-	1,813,482,735
Refund liability	(406,189,410)	-	(406,189,409)
Accrued leave	(269,754,200)	-	(269,754,200)
Unrealized foreign exchange loss	8,977,092	-	8,977,091
Right-of-use of assets	13,749,985	1,080,000	12,669,985
Lease liabilities	(12,944,326)	-	(12,944,325)
Initial fund raising cost	138,682,237	23,990,466	114,691,771
Changes in fair value of cash flow hedge	(41,696,630)	-	(41,696,629)
Unrealized interest income/(expense)	(309,615,514)	-	(309,615,513)
Total Pharma business	**20,704,536,377**	**14,513,178,497**	**6,191,357,881**
Applicable tax rate - Pharma business			**20.00%**
Deferred tax liabilities			**1,238,271,576**
Agro business and investment in shares			
Property, plant and equipment - Agro portion	286,989,570	143,129,867	143,859,703
Investment in shares	1,569,450	1,569,450	-
Total Agro business and investment in shares	**288,559,020**	**144,699,317**	**143,859,703**
Applicable tax rate - Agro business and Investment in shares			**15.00%**
Deferred tax liabilities			**21,578,955**
Total deferred tax liabilities			**1,259,850,532**

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	30 June 2026 BDT	30 June 2025 BDT

23 Trade and other payables

Trade payables	1,794,720,832	1,287,254,228
Other payables	614,407,100	436,963,392
	2,409,127,932	**1,724,217,620**

23.1 Consolidated trade and other payables

Trade payables	1,813,155,744	1,292,454,563
Other payables	699,756,046	470,064,538
	2,512,911,790	**1,762,519,101**

24 Unclaimed dividend

Separate and consolidated financial statements

Opening balance	19,623,401	23,247,339
Dividend for the year (net of tax)	516,587,177	864,145,648
Paid during the year (net of tax)	(522,254,237)	(867,769,586)
	13,956,341	**19,623,401**

Year wise breakup of the unclaimed dividends

Particulars	30 June 2026		30 June 2025	
	Number of recipient	Amounts in BDT	Number of recipient	Amounts in BDT
i) FY 2024-25	516	3,423,329	-	-
ii) FY 2023-24	536	6,356,610	548	7,158,290
iii) FY 2022-23	698	4,176,403	701	4,399,863
iv) FY 2021-22	-	-	455	8,065,248
Total	**1,750**	**13,956,341**	**1,704**	**19,623,401**

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	Amount in BDT			
	2025-2026			2024-2025
	Gross revenue	Less: VAT	Net revenue	Net revenue
25 Revenue				
Pharmaceutical products	41,354,202,782	6,040,019,043	35,314,183,739	31,762,886,023
Animal health products	8,489,879,225	668,196,770	7,821,682,455	7,849,172,826
Contract manufacturing	2,334,053,014	26,498,271	2,307,554,743	2,617,761,644
Agro-based products	301,056,815	-	301,056,815	251,363,322
Consumer products	2,508,088	310,038	2,198,050	6,114,262
	52,481,699,924	**6,735,024,122**	**45,746,675,802**	**42,487,298,077**

	2025-2026 BDT	2024-2025 BDT
Local revenue	43,455,236,396	40,308,844,392
Export revenue	2,291,439,406	2,178,453,685
	45,746,675,802	**42,487,298,077**

25.1 Consolidated revenue (net)		
Renata PLC	45,746,675,802	42,487,298,077
Renata (UK) Limited	16,968,025	14,908,420
Renata Pharmaceuticals (Ireland) Limited	436,985,947	389,358,355
	46,200,629,774	**42,891,564,852**

26 Cost of sales		
Raw materials consumed (Note 26.1)	16,969,039,350	17,329,281,539
Factory overhead (Note 26.2)	8,446,726,121	8,241,734,075
Manufacturing costs	**25,415,765,471**	**25,571,015,614**
Add: Opening work-in-process	1,220,885,883	1,299,378,593
Less: Closing work-in-process	(1,022,826,825)	(1,220,885,883)
Cost of goods manufactured	**25,613,824,529**	**25,649,508,324**
Add: Opening finished goods	3,530,896,025	3,185,385,286
Cost of goods available for sale	29,144,720,554	28,834,893,610
Less: Closing finished goods	(3,672,471,148)	(3,530,896,025)
Cost of sales	**25,472,249,406**	**25,303,997,585**

26.1 Raw materials consumed		
Opening raw materials	5,048,853,693	5,495,507,940
Add: Purchase during the year	17,361,627,513	16,882,627,292
Total raw materials available for use	22,410,481,206	22,378,135,232
Less: Closing raw materials	5,441,441,856	5,048,853,693
	16,969,039,350	**17,329,281,539**

26.2 Factory overhead		
Salaries, wages and allowances	2,242,862,430	2,079,619,429
Electricity, fuel, gas and water	1,843,614,750	1,901,218,888
Depreciation	1,632,700,971	1,409,925,740
Repair and maintenance	769,508,778	874,880,304
Supplies and consumables	647,330,175	747,818,381
Employee lunch, snacks and related expenses	330,148,578	342,451,759
Local travel and conveyance	228,225,192	205,957,511
Cleaning and security services	207,497,345	198,982,971
Rent	67,003,019	67,549,754
Registration and renewals	88,294,374	59,788,035
Insurance premium	23,719,364	21,622,438
Overseas travel and conveyance	12,408,281	15,407,743
Postage, internet and telecommunication	10,328,839	9,494,182
Amortization	7,601,694	3,053,719
Entertainment	395,741	57,886
Other factory overheads	335,086,590	303,905,335
	8,446,726,121	**8,241,734,075**

Other factory overheads include amortization of bird amounting to BDT 13,550,892 (FY 2024-25: BDT 27,782,128)

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26.3 Purchase, consumption and closing balance of raw materials

Purchases, issues and stocks of raw materials used in production of various finished goods are measured and expressed in different units i.e. kilogram, litre, pieces. As different units are in use, the following table has been presented in value only. Purchase amount shows the standard price, which is adjusted with variance amount to calculate the actual purchase.

(Amount in BDT)

Major material group	Opening balance	Purchase	Consumption	Closing balance
Raw materials	3,917,684,655	13,910,140,716	13,595,176,784	4,232,648,587
Packing materials	1,131,169,038	3,451,486,797	3,373,862,566	1,208,793,269
Total	**5,048,853,693**	**17,361,627,513**	**16,969,039,349**	**5,441,441,856**

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

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	Taiwan	Mexico	UK
China	Bulgeria	Belgium	USA	South Korea
Hong Kong	Italy	Switzerland	France	Indonesia
Singapore	Thailand	Spain	Denmark	Canada
Germany	Netherlands	Cambodia	UAE	Poland
Malaysia				

	2025-2026 BDT	2024-2025 BDT
26.4 Consolidated cost of sales		
Renata PLC	25,472,249,406	25,303,997,585
Elimination of intercompany transaction	13,362,298	16,059,842
Renata (UK) Limited	-	-
Renata Pharmaceuticals (Ireland) Limited	-	-
	25,485,611,704	**25,320,057,427**

27 Administrative expenses

Salaries, wages and allowances	750,397,409	747,735,017
Supplies and consumables	388,202,014	339,500,262
Depreciation	187,807,723	175,917,180
Expected credit loss	126,388,178	150,700,530
Local travel and conveyance	118,439,623	109,823,027
Govt. taxes, license and renewal fees	80,968,678	61,014,258
Repair and maintenance	58,267,695	60,049,972
Legal and professional expenses	81,638,443	51,483,639
Employee lunch, snacks and related expenses	91,743,369	51,235,658
Cleaning and security services	29,206,401	27,010,317
Electricity, fuel, gas and water	20,653,386	24,990,565
Overseas travel and conveyance	14,469,592	13,689,768
Amortization	30,251,083	28,292,625
Rent	8,353,213	11,495,119
Postage, internet and telecommunication	4,768,180	9,684,453
Insurance premium	5,940,379	6,876,117
Entertainment	2,518,591	2,556,515
Audit fee	950,000	950,000
Board meeting attendance fee	746,350	552,750
Meeting and corporate expenses	209,528	818,267
Other administrative expenses	202,896,298	192,670,074
	2,204,816,133	**2,067,046,113**

27.1 Consolidated administrative expenses

Renata PLC	2,204,816,133	2,067,046,113
Elimination of intercompany transaction	25,552,034	29,931,683
Renata (UK) Limited	56,071,089	44,561,280
Renata Pharmaceuticals (Ireland) Limited	100,544,887	71,392,594
	2,386,984,143	**2,212,931,670**

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	2025-2026 BDT	2024-2025 BDT
28 Selling, marketing and distribution expenses		
Salaries, wages and allowances	4,494,205,986	3,982,850,138
Distribution expenses	1,403,630,343	1,286,436,715
Marketing expenses	1,106,909,168	1,039,753,731
Local travel and conveyance	1,306,940,857	1,234,824,049
Selling expense	869,672,773	858,256,701
Employee lunch, snacks and related expenses	684,016,585	568,093,095
Promotional expenses	254,129,117	218,045,094
Free sample	250,520,561	215,552,341
Supplies and consumables	191,561,722	178,223,667
Export expenses	159,654,612	170,632,562
Overseas travel and conveyance	164,401,071	121,945,986
Repair and maintenance	147,276,008	120,959,610
Depreciation	159,406,151	99,279,090
Cleaning and security services	98,542,821	95,964,077
Postage, internet and telecommunication	98,620,869	75,190,745
Rent	60,949,820	62,125,524
Entertainment	65,045,009	61,606,606
Electricity, fuel, gas and water	63,167,958	52,150,919
Insurance premium	43,991,161	35,409,051
Govt. taxes, license and renewal fees	7,864,988	6,487,765
Amortization	18,016,944	3,696,450
Meeting and corporate expenses	359,520,936	286,342,942
Bank and MFS charge (related to operation)	89,467,591	108,340,405
Other selling, marketing and distribution expenses	190,767,277	305,732,026
	12,288,280,328	**11,187,899,289**

29 Other (expense) / income

Separate and consolidated financial statements

Employee expense recovery	7,608,994	10,138,835
Dividend income	1,256,598	1,815,751
Export cash incentive	60,110,358	132,839,918
Provision for obsolete property, plant and equipment	(214,615,862)	(38,983,494)
Other	29,742,912	7,183,353
	(115,897,000)	**112,994,363**

Renata PLC claimed an amount of BDT 315,592,412 as cash assistance till 30 June 2026 against export and subsequently the auditors have issued certificates that amounts to BDT 16,707,328 till the report signing date.

30 Net finance costs

Interest expenses (30.1)	1,434,366,222	1,750,087,002
Interest income	(122,121,813)	(90,691,221)
Bank charges	5,940,272	9,928,273
Foreign exchange loss/(gain)	2,683,673	29,255,695
	1,320,868,354	**1,698,579,749**

The realized foreign exchange gain for FY 2025-26 amounted to BDT 9,059,254 (FY 2024-25: BDT 43,532,701), and the unrealized foreign exchange gain for FY 2025-26 amounted to BDT 863,773 (FY 2024-25: BDT 9,352,089), as per the provisions of the Income Tax Act, 2023 and Rules thereof.

30.1 Interest expenses

Interest expense prior to capitalization	1,643,991,937	2,188,065,294
Interest capitalized	209,625,715	437,978,292
	1,434,366,222	**1,750,087,002**

30.2 Consolidated net finance costs

Renata PLC	1,320,868,354	1,698,579,749
Renata (UK) Limited	66,040	(442,166)
Renata Pharmaceuticals (Ireland) Limited	(7,056,256)	(5,007,631)
	1,313,878,138	**1,693,129,952**

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	2025-2026 BDT	2024-2025 BDT

31 Income tax expense

Current tax expense	807,026,632	719,127,843
Deferred tax expense/(income)	(78,653,964)	(490,501,067)
	728,372,668	**228,626,776**

31.1 Reconciliation of effective tax rate

Particulars	%	2025-2026 BDT	%	2024-2025 BDT
Profit before tax		**4,137,680,554**		**2,231,209,243**
Tax using applicable tax rate	20.00%	827,536,111	20.00%	446,241,849
Prior year adjustment	0.00%	-	2.75%	61,356,270
Effect of minimum tax u/s 163	0.00%	-	7.68%	171,415,956
Non-deductible expenses	-0.12%	(5,151,943)	2.93%	65,470,785
Effect of lower tax rate	-0.37%	(15,357,535)	-1.14%	(25,357,017)
Effective current tax	19.50%	807,026,632	32.23%	719,127,843
Effective deferred tax	-1.90%	(78,653,964)	-21.98%	(490,501,067)
	17.60%	**728,372,668**	**10.25%**	**228,626,776**

	2025-2026 BDT	2024-2025 BDT

31.2 Consolidated Income tax expense

Current tax expense	846,313,910	748,474,100
Deferred tax expense/(income)	(86,092,921)	(490,501,067)
	760,220,989	**257,973,033**

32 Net asset value (NAV) per share

Equity attributable to the ordinary shareholders	37,041,177,548	34,535,862,747
Weighted average number of ordinary shares outstanding during the year	114,696,490	114,696,490
Net asset value (NAV) per share	**322.95**	**301.11**

32.1 Consolidated net asset value (NAV) per share

Equity attributable to the ordinary shareholders	37,756,883,749	35,038,279,587
Weighted average number of ordinary shares outstanding during the year	114,696,490	114,696,490
Net asset value (NAV) per share	**329.19**	**305.49**

33 Basic earnings per share (EPS)

Earnings attributable to the ordinary shareholders	3,409,307,886	2,002,582,467
Weighted average number of ordinary shares outstanding during the year	114,696,490	114,696,490
Basic earnings per share (EPS)	**29.72**	**17.46**

33.1 Consolidated basic earnings per share (EPS)

Earnings attributable to the ordinary shareholders	3,642,873,444	2,221,007,383
Weighted average number of ordinary shares outstanding during the year	114,696,490	114,696,490
Basic earnings per share (EPS)	**31.76**	**19.36**

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		2025-2026 BDT	2024-2025 BDT
34	**Reconciliation of cash flow from operation with profit before tax**		
	Profit before tax	4,137,680,554	2,231,209,243
	Adjustments for:		
	Depreciation and amortization expenses	2,035,784,566	1,720,164,803
	Finance costs	1,318,184,681	1,669,324,054
	Loss on disposal of property, plant and equipment	214,615,861	38,983,494
	Cash generated from operations before changes in working capital	**7,706,265,663**	**5,659,681,594**
	Changes in		
	Inventories	(613,477,857)	635,222,096
	Trade receivables	(782,641,751)	438,365,190
	Advances, deposits and prepayments	173,359,061	(43,893,020)
	Trade and other payables	684,910,313	217,223,967
	Accruals and provisions	409,255,810	130,119,231
	Others	264,729,244	51,518,082
	Cash generated by operations	**7,842,400,483**	**7,088,237,140**
	Finance costs	(1,318,184,681)	(1,669,324,054)
	Payment of tax	(978,807,175)	(990,325,053)
	Net cash flow from operating activities	**5,545,408,628**	**4,428,588,033**
34.1	**Reconciliation of consolidated cash flow from operation with profit before tax**		
	Profit before tax	4,403,094,433	2,478,980,416
	Adjustments for:		
	Depreciation and amortization expenses	2,035,784,566	1,720,164,803
	Finance costs	1,311,194,465	1,663,874,257
	Loss on disposal of property, plant and equipment	214,615,861	38,983,494
	Cash generated from operations before changes in working capital	**7,964,689,325**	**5,902,002,970**
	Changes in		
	Inventories	(613,477,865)	635,222,096
	Trade receivables	(881,211,570)	486,548,775
	Advances, deposits and prepayments	173,051,387	(44,148,613)
	Trade and other payables	750,392,689	242,913,833
	Accruals and provisions	409,255,810	130,119,231
	Others	264,729,244	51,518,078
	Cash generated by operations	**8,067,429,020**	**7,404,176,370**
	Finance costs	(1,311,194,465)	(1,663,874,257)
	Payment of tax	(1,034,623,852)	(1,019,372,467)
	Net cash flow from operating activities	**5,721,610,702**	**4,720,929,646**
35	**Net operating cash flow per share**		
	Net cash generated from operating activities	5,545,408,628	4,428,588,033
	Weighted average number of ordinary shares	114,696,490	114,696,490
	Net operating cash flow per share	**48.35**	**38.61**
35.1	**Consolidated net operating cash flow per share**		
	Net cash generated from operating activities	5,721,610,701	4,720,929,646
	Weighted average number of ordinary shares	114,696,490	114,696,490
	Net operating cash flow per share	**49.88**	**41.16**

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36. Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities (including their levels in 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.

(Amount in BDT)

Particulars	Note	30 June 2026								
		Carrying amount					Fair value			
		Fair value - hedging instruments	Held to FVTOCI - equity instruments	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investment in shares	13	-	1,569,450	-	-	1,569,450	-	-	1,569,450	1,569,450
Interest rate swaps used for hedging	20	(7,062,929)	-	-	-	(7,062,929)	-	(7,062,929)	-	(7,062,929)
Total financial assets measured at fair value		**(7,062,929)**	**1,569,450**	-	-	**(5,493,479)**	-	**(7,062,929)**	**1,569,450**	**(5,493,479)**
Financial assets not measured at fair value										
Trade and other receivables	15.1	-	-	4,492,760,168	-	4,492,760,168	-	-	-	-
Cash and cash equivalents	16.1	-	-	1,967,547,985	-	1,967,547,985	-	-	-	-
Total financial assets not measured at fair value		-	-	**6,460,308,153**	-	**6,460,308,153**	-	-	-	-
Financial liabilities measured at fair value										
IFC loan	20	7,218,687,000	-	-	-	7,218,687,000	-	7,218,687,000	-	7,218,687,000
Total financial liabilities measured at fair value		**7,218,687,000**	-	-	-	**7,218,687,000**	-	**7,218,687,000**	-	**7,218,687,000**
Financial liabilities not measured at fair value										
Loans and borrowings	20	-	-	-	7,085,764,885	7,085,764,885	-	-	-	-
Trade and other payables	23.1	-	-	-	2,512,911,790	2,512,911,790	-	-	-	-
Accruals and provisions	21	-	-	-	2,452,474,324	2,452,474,324	-	-	-	-
Total financial liabilities not measured at fair value		-	-	-	**12,051,150,999**	**12,051,150,999**	-	-	-	-

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(Amount in BDT)

Particulars	Note	30 June 2025								
		Carrying amount					Fair value			
		Fair value - hedging instruments	Held to FVTOCI - equity instrument	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investment in shares	13	-	1,569,451	-	-	1,569,451	-	-	1,569,451	
Total financial assets measured at fair value		**-**	**1,569,451**	**-**	**-**	**1,569,451**	**-**	**-**	**1,569,451**	**1,569,451**
Financial assets not measured at fair value										
Trade and other receivables	15.1	-	-	3,611,548,598	-	3,611,548,598	-	-	-	-
Cash and cash equivalents	16.1	-	-	1,827,055,545	-	1,827,055,545	-	-	-	-
Total financial assets not measured at fair value		**-**	**-**	**5,438,604,143**	**-**	**5,438,604,143**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value										
Interest rate swaps used for hedging	20	8,329,004	-	-	-	8,329,004	-	8,329,004	-	8,329,004
IFC loan	20	3,481,942,200	-	-	-	3,481,942,200	-	3,481,942,200	-	3,481,942,200
Total financial liabilities measured at fair value		**3,490,271,204**	**-**	**-**	**-**	**3,490,271,204**	**-**	**3,490,271,204**	**-**	**3,490,271,204**
Financial liabilities not measured at fair value										
Loans and borrowings	20	-	-	-	14,304,451,885	14,304,451,885	-	-	-	-
Trade and other payables	23.1	-	-	-	1,762,519,101	1,762,519,101	-	-	-	-
Total financial liabilities not measured at fair value		**-**	**-**	**-**	**16,066,970,986**	**16,066,970,986**	**-**	**-**	**-**	**-**



36. Financial instruments - Fair values and risk management (continued)

B. Financial risk management

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

(i) Credit risk
(ii) Market risk
(iii) Liquidity risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management frameworks are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(i) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. It arises principally from the Company's receivables from customers and the balances maintained with different banks.

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:

	Note	2025-2026 BDT	2024-2025 BDT
Trade and other receivables	15.1	4,492,760,168	3,611,548,598
Cash and cash equivalents	16.1	1,967,547,985	1,827,055,545
		6,460,308,153	**5,438,604,143**

Aging of trade receivables

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

Neither past due nor impaired	407,072,404	63,585,718
Past due 1 - 30 days	1,852,729,019	1,515,887,034
Past due 31 - 90 days	1,141,090,030	843,259,031
Past due 91 - 120 days	140,094,459	311,981,299
Past due 121 - 365 days	367,121,756	459,428,992
More than 365 days	607,024,294	563,842,069
	4,515,131,962	**3,757,984,143**

Movement in expected credit loss allowance

Opening balance	577,255,104	427,073,165
Incremental loss allowance	126,388,178	150,700,530
Trade and other receivables written off	(366,123)	(518,590)
	703,277,159	**577,255,104**

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(ii) Market risk

Market risk is the risk that changes in market prices/rates, such as foreign exchange rates and interest rates will affect the Company's income/expense 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 optimizing 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 income/expenses/ purchases are denominated and the functional currency of the Company. The functional currency of the Company is Bangladesh BDT (BDT/BDT). The foreign currency in which most of these transactions are denominated is US Dollar (USD).

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk is as follows:

	2025-2026 BDT	2024-2025 BDT
Foreign currency denominated assets		
Cash and cash equivalents	11,131,929	19,878,315
Trade and other receivable	4,339,918	5,173,314
	15,471,847	**25,051,629**
Foreign currency denominated liabilities		
Long term loans and borrowings	(58,380,000)	(28,380,000)
Current loans and borrowings	-	(295,000)
Trade and other payable	(321,377)	(52,594)
	(58,701,377)	**(28,727,594)**
Net exposure of asset / (liabilities)	**(43,229,529)**	**(3,675,965)**

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

Currency	Average rate		Year end spot rate	
	2025-2026	2024-2025	2025-2026	2024-2025
USD 1 (buying)	121.61	120.00	122.54	121.69
USD 1 (selling)	122.72	120.40	123.65	122.69

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 tax rate is 20% for all, all other variables, in particular interest rates, remain constant and ignore any impact of forecasted sales, purchase and effectiveness of hedge accounting.

(Amount in BDT)

Particulars	30 June 2026			
	Profit/(loss)		Equity, net of tax increase/(decrease)	
	Strengthening	Weakening	Strengthening	Weakening
Impact on assets for				
5% movement in USD (buying)	94,796,007	(94,796,007)	75,836,805	(75,836,805)
Impact on liabilities for				
5% movement in USD (selling)	(362,921,260)	362,921,260	(290,337,008)	290,337,008
	30 June 2025			
Impact on assets for				
5% movement in USD (buying)	152,426,636	(152,426,636)	121,941,308	(121,941,308)
Impact on liabilities for				
5% movement in USD (selling)	(176,229,425)	176,229,425	(140,983,540)	140,983,540

Hedging FX risk:

To hedge the variability in cash flows associated with highly probable forecasted transactions arising from changes in foreign exchange (FX) rates, the Company designate the highly probable forecasted export revenue stream till the month of June 2027 as the Hedged Item and the same amount of the IFC loan as the Hedging Instrument.

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(a) The risk management strategy:

The Company's growing export revenue is exposed to foreign exchange volatility, which can pose both upside (speculative) and downside (pure) risks. To protect profitability from such volatility, the Company employs a risk management strategy aimed at minimising or eliminating this FX-related volatility.

The FX volatility risk of the Hedged Item is effectively, managed through the Hedging Instrument. In terms of the nature of risk being managed, there is an economic correlation between the Hedging Instrument and the Hedged Item as the fair value of the both moves in opposite direction. Moreover, the same nominal amounts of the both make an equilibrium and optimum position (hedge ratio) for hedging arrangements.

(b) Hedging relationship

Eligible hedged item:

A highly probable forecast transaction which is an uncommitted but anticipated future transaction is eligible for cash flow hedge. The forecasted export revenue stream of the Company is the eligible Hedged Item qualifies for the cash flow hedge as-

- It is uncommitted but anticipated future transaction;
- It is highly probable and shares a common risk; and
- Naturally the revenue involves customers of the Company who are external parties.

Eligible hedging instrument:

Non-derivative financial liability like long-term loan is an eligible Hedging Instrument. Generally, the financial liability like long-term loan is measured initially at fair value minus transaction costs but subsequently at amortized costs. However, IFRS 9: Financial Instruments contains an option to designate a financial liability at fair value through profit or loss (FVTPL). Therefore, the IFC Loan is designated as eligible Hedging Instrument with the following policy choices:

- This is an irrevocable designation; and
- The election of FVTPL results in more relevant information by eliminating accounting mismatch and in accordance with the documented risk management strategy.

(c) Formal designation:

Sl. No.	Particulars	Details
1	Hedged Item	Highly probable forecasted export revenue stream till the month of June 2027.
2	Hedging Instrument	Equal amount of the IFC loan.
3	Nature of the risk being hedged	Volatility of USD to BDT exchange rate.
4	Risk management objective	Reducing or eliminating FX rate volatility of the forecasted export revenue stream which otherwise would affect the profitability of the Company.
5	Strategy for undertaking the hedge	Offsetting the impact from the movement of foreign currency between the Hedging Instrument and the Hedged Item.

(d) Assessing hedge effectiveness requirements:

Economic relationship: In terms of the nature of risk being managed, there is an economic correlation between the Hedging Instrument and the Hedged Item as the fair value of both moves in opposite direction.

Credit risk effect: Value changes resulting from the economic relationship do not have impact on the credit risk of the Company.

Hedge ratio: Weight of the Hedging Instrument and the Hedged Item in a hedge ratio shall not reflect an imbalance giving rise to a hedge ineffectiveness. Therefore, the Company's hedging arrangement ensures the equilibrium and optimum position through designating the same nominal amount for both the Hedging Instrument and the Hedged Item.

(e) The amount, timing and uncertainty of future cash flows:

The methods used in forecasting the amount of cash flows:

i) Forecasted export revenue: The highly probable forecasted export revenue stream till the month of June 2027 was forecasted at initial reporting using the Compound Annual Growth Rate (CAGR) of export revenue in USD from FY2017-18 to FY2023-24 (i.e. 16.02% per annum). However, the actual export revenue of Renata PLC up to 30 June 2026 has been aligned with the forecasted export revenue.

ii) Forecasted USD to BDT exchange rate: Average of forecasted exchange rates published by CoinCodex, WalletInvestor and LongForecast. In case of unavailability of the published forecasted rate(s), respective CAGR was used to project the exchange rate for required period(s).

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The timing of cash flows:

i) Forecasted export revenue: The cash inflows from the forecasted export revenue occur evenly over the forecasted periods (i.e. up to June 2027) which are measured and reported each month.

ii) Loan repayment: The loan is to be repaid in six years including one year grace period from the respective drawdown, in ten equal semi-annual instalments. Thus, the first repayment is to be made 18 months after respective drawdowns.

The key terms and conditions of the Hedging Instrument:

The key terms and conditions of the Hedging Instrument (i.e. IFC loan) is discussed in Note 20.3.

The sources of hedge ineffectiveness:

- Mismatch in amount and timing of the foreign currency cash flows with respect to the Hedged Item and Hedging Instruments.
- Significant deviation of the forecasted foreign exchange rate due to macroeconomic factors like foreign exchange policy of Bangladesh Bank, borrowings of the Government, flow of foreign remittance, inflation etc.
- Changes in forward curve expectation for Secured Overnight Financing Rate (SOFR) due to longer forecasting horizon.

(f) The effects of hedge accounting on financial position, performance and changes in equity:

The effects of hedge accounting on the statement of financial position, the statement of profit or loss and the statement of changes in equity are tabulated below:

As at and for the year ended	2025-2026 BDT	2024-2025 BDT
Statement of financial position		
Cash flow hedge reserve - opening balance	(26,694,101)	-
Effective part of Hedging Instrument	(43,377,349)	(27,981,292)
Reclassification to profit or loss (after materialization)	(6,291,502)	5,555,611
Balance before fair value adjustment	**(76,362,951)**	**(22,425,681)**
Adjustment for change in fair value	26,207,554	(10,941,945)
Tax related to OCI (at 20%)	4,692,259	6,673,525
Cash flow hedge reserve - closing balance (Note 16.3)	**(45,463,138)**	**(26,694,101)**
Statement of profit or loss		
Foreign exchange gain in materialized export revenue	(6,291,502)	5,555,611
Foreign exchange loss in Hedging Instrument (ineffective part)	(24,565,851)	(5,790,908)
Reclassified from OCI	6,291,502	(5,555,611)
Adjustment for change in fair value	(26,207,554)	10,941,945
Tax impact (at 20%)	10,154,681	(1,030,207)
Total	**(40,618,724)**	**4,120,830**
Statement of changes in equity		
Cash flow hedge reserve	(45,463,138)	(26,694,101)
Retained earnings	(40,618,724)	4,120,830
Total	**(86,081,863)**	**(22,573,271)**

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:

	Note	30 June 2026 BDT	30 June 2025 BDT
Variable rate instruments			
Financial assets			
Cash at banks	16.1	1,967,547,985	1,827,055,545
Employee benefit	11	-	77,910,978
		1,967,547,985	**1,904,966,523**
Financial liabilities			
Loan and borrowings	20	14,297,388,956	18,884,369,896
Employee benefit	11	186,818,266	-
		14,297,388,956	**18,884,369,896**

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Hedging interest rate risk:

To hedge the variability in cash flows associated with interest payments due to the floating interest rate of the loan from the IFC, the Company designates the variable interest liability on IFC loan of USD 28,380,000 (first drawdown out of USD 58,380,000) as the Hedged Item and the interest rate swap with Standard Chartered Bank Bangladesh for net receipt or payment of variable portion of interest (i.e. SOFR component) on USD 28,380,000 IFC loan as the Hedging Instrument.

Moreover, the Company enters into two more interest rate swap contracts with Standard Charterted Banks on 11 March 2026 for the rest of two IFC loan drawdowns (USD 15,000,000 each) effective from 15 July 2026. The Company opted for hedge accounting for these two contracts from the effective date (i.e. 15 July 2026), thus not accounted for in this financial statements.

(a) The risk management strategy:

The Company's floating rate-bearing IFC loan is exposed to interest rate risk due to SOFR volatility. The Company's risk management strategy aims to mitigate or eliminate this exposure to protect profitability.

The risk of variable SOFR is to be managed from the net receipt / payment from the Hedging Instrument and thus effectively locking into a fixed interest payment on the Hedged Item.

(b) Hedging relationship:

Eligible hedged item:

The interest payable at a floating intertest rate of SOFR plus a margin per annum is the eligible Hedged Item that qualifies for the cash flow hedge as it is-

- Exposed to variability in cash flows; and
- Attributable to a particular risk, i.e. interest rate risk.

Eligible hedging instrument:

The Interest Rate Swap (IRS) being a derivative financial instrument, classified as either financial asset or liability depending on the net positive or negative position and measured at FVTPL, is designated as eligible Hedging Instrument for managing the interest rate risk.

(c) Formal designation:

Sl. No.	Particulars	Details
1	Hedged Item	The variable interest liability on IFC loan of USD 28,380,000 (first drawdown out of USD 58,380,000).
2	Hedging Instrument	The IRS with Standard Chartered Bank Bangladesh for net receipt or payment of variable portion of interest (i.e. SOFR component) on USD 28,380,000 IFC loan (first drawdown out of USD 58,380,000).
3	Nature of the risk being hedged	Volatility of interest rate, i.e. SOFR.
4	Risk management objective	Reducing or eliminating the effect of volatility in interest payments which otherwise would affect the profitability of the Company.
5	Strategy for undertaking the hedge	Offsetting the impact of floating interest rate from the net receipt / payment from the Hedging Instrument and thus effectively locking into a fixed interest payment on the Hedged Item.

(d) Assessing hedge effectiveness requirements:

Economic relationship: In terms of the nature of risk being managed, there is an economic correlation between the Hedging Instrument and the Hedged Item as the net receipt / payment from the Hedging Instrument effectively offset the variability of the cash flows associated with the Hedged Item.

Credit risk effect: Value changes resulting from the economic relationship do not have impact on the credit risk of the Company.

Hedge ratio: Weight of the Hedging Instrument and the Hedged Item in a hedge ratio shall not reflect an imbalance giving rise to a hedge ineffectiveness. Therefore-

- The IRS for fixing a rate against the volatile SOFR for USD 28,380,000 IFC loan is designated as the eligible Hedging Instrument; and

- The variability of interest payable at a floating intertest rate per annum on IFC loan of USD 28,380,000 is designated as the eligible Hedged Item.

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(e) The amount, timing and uncertainty of future cash flows:

The methods used in forecasting the amount of cash flows:

Forecasted Secured Overnight Financing Rate (SOFR): In the absence of forecasted 6-month term SOFR (i.e. the reference rate for IFC loan), an adjustment is required to the average of the published rates based on the historical trend of 6-month term SOFR with respect to 3-month term SOFR.

During the current increasing trend of SOFR underpinned by the higher swap rate than the SOFR, the average of 3-month SOFR forward rates forecasts published by Chatham Financial, Pensford and Econforecasting have been adjusted by adding 22 basis points (considering historical trend of term SOFR for four and half years published by Chicago Mercantile Exchange, and correlation between 3-month term SOFR and 6-month term SOFR of 0.9914) from it to forecast the 6-month term SOFR, aligned with the reference rate of the IFC loan.

IFC loan principal and interest thereof: The amount of cash flow is the variable portion of interest payable (i.e. SOFR component) on IFC loan of USD 28,380,000 (first drawdown out of USD 58,380,000).

Fair Value Measurement: The value of a derivative instrument like the IRS represents its intrinsic value determined from the expectation of future cash flows driven by the underlying asset / liability. For measuring the fair value of future cash flows from derivative instrument, present value technique of income approach appears appropriate as it reflects the current market expectations about the future cash flows.

Thus, the relevant elements of present value technique, including the time value of money have been considered during fair value measurement.

In valuation, a mixture of quoted price as Level 1 input (e.g. actual SOFR and foreign currency exchange rate on the reporting date) and observable data as Level 2 input (e.g. SOFR forward curve) are used in the absence of Level 1 input (quoted price in active market).

Initial measurement: The expected future cash flows were measured using SOFR forward curve data available on 14 May 2025 (initial recognition date).

However, the bank's commission embedded in the fixed rate being the difference between the market swap rate and agreed fixed rate was not considered as transaction costs due to the Company's lack of accessibility into the dealer market (international market). Therefore, it was assumed that the IRS contract is made at fair market value i.e. at retail market (local market) swap rate.

As the contract was made at fair value, the net present value of all the expected future net cash flows from the contract is assumed to be 'zero' because generally, the expected cash flows driven by a certain market force, when discounted with a similar market index, result in 'zero' at inception.

Thus, an Internal Rate of Return (IRR) was derived as the appropriate discounting rate, that effectively equates all the expected future net cash flow into 'zero' on initial recognition date.

Subsequent measurement: The expected future cash flows were measured using updated SOFR forward curve data available on subsequent reporting date.

Then the expected future cash flows were discounted using the same rate derived at initial recognition. The same discount rate is applied because without any change in the expected cash flow projection, the fair value would still have been same on initial recognition date (i.e. zero) and on any subsequent reporting date. As such, applying the same rate reflects the change in the expectation of the future cash flows, keeping all other variables constant.

The timing of cash flows:

Variable portion of interest payable: The cash outflows related to the variable portion of interest payable are to occur on 15th day of July and January each year up to 15 July 2031 in accordance with provision of the IFC loan agreement.

Net receipt from or payment to the interest rate swap: The cash inflows from / outflows to Standard Charted Bank Bangladesh with respect to interest rate swap are to occur on the same dates of cash outflows related to variable portion of interest payable (i.e. 15th day of July and January each year up to 15 July 2031.

The key terms and conditions of the Hedging Instruments:

- Purpose: To switch existing financial liability from floating rate to fixed rate in order to hedge the interest rate risk of the Company.
- Notional amount: USD 28,380,000 of IFC loan (first drawdown).
- Fixed rate: Measured by SOFR swap rate plus the Bank's commission as per the approval of Bangladesh Bank.
- Floating rate: Chicago Mercantile Exchange (CME) six-month term SOFR.
- Frequency and tenor: Semi-annual net interest receipt or payment for six years aligning with the underlying interest payment schedule.

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The sources of hedge ineffectiveness:

- Mismatch in amount and timing of the cash flows with respect to the Hedged Item and Hedging Instruments.
- Changes in forward curve expectation for SOFR due to longer forecasting horizon.

(f) The effects of hedge accounting on financial position, performance and changes in equity:

The effects of hedge accounting on the statement of financial position, the statement of profit or loss and the statement of changes in equity are tabulated below:

As at and for the year ended	30 June 2026 BDT	30 June 2025 BDT
Statement of financial position		
Derivative instrument - current	615,421	8,509,429
Derivative instrument - non-current	6,447,508	(16,838,433)
Derivative instrument - assets / (liabilities)	**7,062,929**	**(8,329,004)**
Swap receivable / (payable)	**(1,632,041)**	**2,145,975**
Cash flow hedge reserve - opening balance	(6,663,203)	-
Loss in Hedging Instrument (effective part)	15,391,933	(8,329,004)
Reclassification to profit or loss	7,185,610	2,145,975
Balance before fair value adjustment	15,914,340	(6,183,029)
Adjustment for change in fair value	(7,185,610)	(2,145,975)
Tax related to OCI (at 20%)	(3,078,387)	1,665,801
Cash flow hedge reserve - closing balance (Note 16.3)	**5,650,343**	**(6,663,203)**
Statement of profit or loss		
Interest on IFC Loan	(138,974,770)	(19,039,628)
Income from swap	7,185,610	2,145,975
Reclassified from OCI	(7,185,610)	(2,145,975)
Adjustment for change in fair value	7,185,610	2,145,975
Tax impact (at 20%)	26,357,832	3,378,731
Total	**(105,431,328)**	**(13,514,922)**
Statement of changes in equity		
Cash flow hedge reserve	5,650,343	(6,663,203)
Retained earnings	(105,431,328)	(13,514,922)
Total	**(99,780,985)**	**(20,178,126)**

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36. Financial instruments - Fair values and risk management (continued)

(iii) 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 always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically, the Company ensures that it has sufficient cash and cash 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.

(Amount in BDT)

Particulars	Note	30 June 2026						
		Contractual cash (in flows)/out flows						
		Carrying amount	Total	Less than 2 months	2-12 months	1 - 2 years	2 - 5 years	More than 5 years
Non-derivative financial liabilities								
Loans and borrowings	20	14,304,451,885	14,304,451,887	157,324,032	4,355,796,179	3,028,254,794	6,342,126,882	420,950,000
Trade payables	23.1	1,813,155,744	1,813,155,744	1,186,734,761	601,215,086	18,848,152	6,333,095	24,650
Bank overdraft		412,659,526	412,659,526	412,659,526	-	-	-	-
Lease liabilities	19	90,380,897	90,380,896	939,853	10,583,885	12,919,035	41,293,889	24,644,233
Total		**16,620,648,052**	**16,620,648,052**	**1,757,658,172**	**4,967,595,150**	**3,060,021,982**	**6,389,753,866**	**445,618,883**
Derivative financial liabilities/ (assets)								
Interest rate swap		(7,062,930)	(7,062,930)	1,774,765	(2,390,187)	(4,559,001)	(1,871,399)	(17,108)
Total		**(7,062,930)**	**(7,062,930)**	**1,774,765**	**(2,390,187)**	**(4,559,001)**	**(1,871,399)**	**(17,108)**
Grand Total		**16,613,585,122**	**16,613,585,122**	**1,759,432,937**	**4,965,204,963**	**3,055,462,980**	**6,387,882,466**	**445,601,774**

(Amount in BDT)

Particulars	Note	30 June 2025						
		Contractual cash (in flows)/out flows						
		Carrying amount	Total	Less than 2 months	2-12 months	1 - 2 years	2 - 5 years	More than 5 years
Non-derivative financial liabilities								
Loans and borrowings	20	18,876,040,892	18,876,040,893	543,966,444	8,946,737,886	2,916,113,792	5,695,691,474	773,531,297
Trade payables	23.1	1,292,454,563	1,292,454,563	975,663,678	218,825,932	97,964,953	-	-
Bank overdraft		1,605,461,546	1,605,461,545	1,605,461,546	-	-	-	-
Lease liabilities	19	12,944,325	12,944,325	33,263	389,577	478,831	2,633,223	9,409,430
Total		**21,786,901,325**	**21,786,901,325**	**3,125,124,931**	**9,165,953,395**	**3,014,557,576**	**5,698,324,696**	**782,940,727**
Derivative financial liabilities								
Interest rate swap		8,329,004	8,329,003	(2,635,828)	(5,873,601)	6,962,362	9,750,626	125,445
Total		**8,329,004**	**8,329,003**	**(2,635,827)**	**(5,873,601)**	**6,962,361**	**9,750,625**	**125,445**
Grand Total		**21,795,230,329**	**21,795,230,328**	**3,122,489,104**	**9,160,079,794**	**3,021,519,937**	**5,708,075,321**	**783,066,172**

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37 Contingencies

37.1 Contingent assets

Following the relevant guidelines of the Bangladesh Bank, the company claims cash incentive against export proceed realization which is subject to obtaining assurance certification from independent external audit firms appointed by respective scheduled banks. Certificates issued by the auditor are, in reality, considered to be one of the key determinants for availing the cash incentives. Empirical data exhibits that the claims submitted by the Company following applicable regulations, are generally certified by the auditors almost with no denial as the auditors are also bound to follow the same regulations while auditing. So, for Renata PLC, the certificate issue date signifies the cut-off date for income recognition. However, auditors reserve the right to adjust the Company's claimed amount. Thus, the claims are not virtually certain (i.e. not 90% or more certain). As such, Renata PLC considers such claims pending for auditors' certification as contingent asset under IAS 37: Provisions, Contingent Liabilities and Contingent Assets. As of 30 June 2026, such claim pending for certification is approximately BDT 315,592,412.

37.2 Claims by the Company not acknowledged as receivable

None as at 30 June 2026 and 30 June 2025

37.3 Contingent liabilities

No contingent liabilities as at 30 June 2026 and 30 June 2025.

38 Commitments

	30 June 2026 BDT	30 June 2025 BDT
Letters of credits (Note 38.1)	2,490,614,111	3,101,118,955
Outstanding guarantees issued by the banks (Note 38.2)	548,609,964	406,250,481
	3,039,224,075	**3,507,369,436**

Included in the letter of credits, capital expenditure commitments at 30 June 2026 amounts to BDT 169,246,534 (30 June 2025: BDT 616,838,055).

38.1 Letters of credits

	30 June 2026 BDT	30 June 2025 BDT
Standard Chartered Bank	123,722,920	-
Eastern Bank PLC	132,372,417	328,408,652
Citibank N. A.	103,092,246	69,970,000
Commercial Bank of Ceylon PLC	397,864,164	260,711,535
Bank Asia PLC	104,980,014	24,400,387
Brac Bank PLC	519,055,892	911,282,138
City Bank PLC	149,365,194	101,915,906
Mutual Trust Bank PLC	550,815,025	650,576,759
Dutch Bangla Bank PLC	278,624,422	242,147,576
Prime Bank PLC	130,721,817	-
HSBC Bank Bangladesh	-	101,351,300
Dhaka Bank PLC	-	322,495,725
National Credit & Commerce Bank PLC	-	87,858,977
	2,490,614,111	**3,101,118,955**

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38.2 Bank guarantee

	30 June 2026 BDT	30 June 2025 BDT
Embeded in the operating procedure, the Company is required to provide bank guarantee to whom it submits tenders:		
Additional Director General Medical	212,900	-
Bangladesh Coast Guards	325,655	-
Bangladesh Medical University	43,654,877	4,200,000
Bangladesh University Of Professional	-	33,900
Border Guard Bangladesh	-	439,530
Central Medical Stores Depot (Cmsd)	241,071,437	-
Chittagong Port Authority	1,046,281	523,541
City General Insurance Co. Ltd	500,000	500,000
Commissioner Of Custom	200,000	-
Department of Livestock	-	29,400,000
Director General Bangladesh Ansar And Vdp Hqs	38,000	-
Director General Border Guard Bangladesh Peelkhana, Dhaka	674,072	-
Director, National Institute Of Burn & Plastic Surgery	-	525,000
Director,Dhaka Medical College Hospital	8,056,500	-
Directorate General Of Family Planning	126,229,296	227,552,046
Line Director Tb-L & Asp	63,549,151	78,996,704
National Institute Of Neuro-Science & Hospital	1,470,000	-
Phoenix Insurance Company Ltd.	500,000	500,000
Pragati Insurance Ltd.	500,000	500,000
Reliance Insurance Co.	-	500,000
Rupali Insurance Company Ltd.	500,000	500,000
The Director (Logistics & Supply) Line Dirct Procurestorage	29,098,665	-
The Director, Central Medical Stores Depot (Cmsd)	-	18,421,140
The Director, Kurmitola General Hospital	-	4,699,321
The Director,Kurmitola General Hospital Kurmitola, Dhaka	988,930	-
The Inspector General Of Prisons	-	770,000
Titas Gas Transmission And Distribution	29,994,200	38,189,300
	548,609,964	**406,250,481**

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39 Credit facilities

The company has the following credit facilities available as at 30 June 2026:

Name of the Banks	Maximum limit	Sub Limit			
		Letter of credits	Long term loan	Usance payable at sight (UPAS)	STL and others
CITIBANK N.A.	4,305,000,000	2,829,000,000	-	2,829,000,000	1,599,000,000
Standard Chartered Bank	2,995,000,000	2,345,000,000	750,000,000	500,000,000	2,650,000,000
Eastern Bank Ltd.	1,460,000,000	840,000,000	-	840,000,000	1,460,000,000
Commercial Bank of Ceylon PLC	3,500,000,000	3,250,000,000	-	3,250,000,000	1,800,000,000
City Bank PLC	3,600,000,000	1,500,000,000	1,000,000,000	1,500,000,000	2,600,000,000
Bank Asia PLC	4,100,000,000	3,000,000,000		3,000,000,000	3,250,000,000
BRAC Bank PLC	4,925,630,000	3,000,000,000	1,825,630,000	3,000,000,000	4,100,000,000
HSBC Bank Bangladesh	2,700,000,000	1,500,000,000	1,025,000,000	1,500,000,000	2,700,000,000
Dutch Bangla Bank PLC	6,400,000,000	3,100,000,000	2,200,000,000	2,800,000,000	4,400,000,000
Mutual Trust Bank PLC	3,500,000,000	3,400,000,000	300,000,000	3,400,000,000	3,100,000,000
Prime Bank Ltd.	1,500,000,000	1,400,000,000	-	1,400,000,000	1,500,000,000
National Credit & Commerce Bank PLC	3,100,000,000	2,500,000,000	-	2,500,000,000	2,850,000,000
Dhaka Bank PLC	2,400,000,000	2,300,000,000		2,300,000,000	2,400,000,000
IDLC Finance PLC	513,000,000	-	513,000,000	-	-
Pubali Bank PLC	2,000,000,000	-	2,000,000,000	-	-

The above credit facilities exclude investments in preference shares and zero-coupon bonds by the above banks.

40 Dividend paid to non-resident shareholders

Final dividend paid to non-resident shareholder, Business Research International Corp. Inc. during the year 2025-2026 was BDT 117,886,269 (2024-25: BDT 214,484,660) for their 21,433,867 shares.

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

41.1 Employee position of Renata PLC

As at 30 June 2026, the Company engaged 8,681 (As at 30 June 2025: 8,366) persons as permanent employees. All employees received total salary above BDT 36,000 per annum.

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41.2 Capacity utilization

The Company operates multi-product plants, as a result, plant utilization is not comparable with capacity due to variation of product mix. The capacity utilization is calculated considering 240 days in a year with a seven-hour working shift. However, in order to respond demand for production, some plants operate for multiple shifts up to maximum three shifts and they may run on weekends and holidays too. Actual production and utilization for major product groups are as follows:

Major product group / Unit	2025-2026			2024-2025		
	Capacity (In '000)	Actual production (In '000)	Utilization %	Capacity (In '000)	Actual production (In '000)	Utilization %
Sterile dry fill (injectable) / Vials	15,668	11,378	72.62%	8,568	11,446	133.59%
Sterile liquid (injectable)) / Vials / Ampoules	86,215	32,428	37.61%	70,960	35,600	50.17%
Ointments / Tubes	5,000	2,194	43.88%	2,016	1,850	91.77%
Capsules and tablets	4,169,860	4,075,800	97.74%	4,117,860	3,922,623	95.26%
Oral liquid & dry syrup / Bottles	50,361	49,433	98.16%	39,809	45,883	115.26%
Water for injection / Ampoules	11,200	13,773	122.97%	7,200	14,666	203.69%
Premix feed supplement / Bags	114	53	46.39%	109	102	93.29%
Premix feed supplement / Sachets	39,510	33,750	85.42%	32,034	34,981	109.20%
Oral saline / Sachets	320,046	470,464	147.00%	332,735	330,613	99.36%
Potent Products / Tablets	1,088,095	2,992,097	274.98%	1,016,667	2,406,033	236.66%
Inhalers / Pieces	5,133	9,290	180.99%	5,133	6,036	117.59%

41.3A Import in foreign currency

	Amount in currency	
	2025-2026	2024-2025
Raw, bulk and packing materials (USD)	113,560,460	140,582,744
Machinery and spares (USD)	12,201,297	28,137,339
	125,761,757	**168,720,083**

41.3B Import in local currency (BDT)

Raw, bulk and packing materials (BDT)	13,936,139,616	16,926,162,378
Machinery and spares (BDT)	1,497,343,189	3,387,735,616
	15,433,482,805	**20,313,897,993**



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	Amount in currency	
	2025-2026	2024-2025
41.4A Foreign currency remittance		
Export earnings (USD)	18,847,217	18,288,701
Management fee from subsidiaries (EURO)	268,268.32	261,297.00
Management fee from subsidiaries (GBP)	-	73,084.27
	19,115,485	**18,623,082**
41.4B Foreign currency remittance in BDT		
Export earnings (BDT)	2,291,439,406	2,194,644,120
Management fee from subsidiaries (BDT)	38,915,002	34,519,947
Management fee from subsidiaries (BDT)	-	11,472,769
	2,330,354,409	**2,240,636,835**

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

	Average rate		Year end spot rate	
Amount in USD	**2025-26**	**2024-25**	**2025-26**	**2024-25**
USD 1 (buying)	121.61	120.00	122.54	121.69
USD 1 (selling)	122.72	120.40	123.65	122.69
Amount in Euro	**2025-26**	**2024-25**	**2025-26**	**2024-25**
Euro 1 (buying)	141.02	132.11	138.72	141.68
Euro 1 (selling)	145.06	132.11	142.72	145.87
Amount in GBP	**2025-26**	**2024-25**	**2025-26**	**2024-25**
GBP 1 (buying)	162.62	156.98	161.28	166.06
GBP 1 (selling)	166.84	156.98	165.27	170.63

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42 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. 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.

42.1 Parent and ultimate controlling party

The immediate and ultimate Parent of the Company is Sajida Foundation with a shareholding of 51.09%.

42.2 Transactions with the Directors of Renata PLC

(i) Loans to the directors

During the year, no new loan has been given to the Directors of the Company. However, partial repayment of the loan taken from Syed S. Kaiser Kabir, the Managing Director and CEO of the Group has been made.

(ii) Directors compensation

No payment has been made to the Directors other than the remuneration of BDT 6,000,000 (2024-25: BDT 6,000,000) and board meeting fees of BDT 746,350 (2024-25: BDT 552,750).

42.3 Transactions with key management personnel of Renata PLC

Key management personnel compensation paid during the year comprised the following:

(Amount in BDT)

Particulars	30 June 2026	30 June 2025
Short term employee benefits	296,406,953	294,063,695
Post employment benefits	-	1,907,142
Total	**296,406,953**	**295,970,836**

Key management personnel compensation covers the benefit of the employees graded as General Manager and above.

42.4 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 11, except for an investment made in FY 2023-24 to the ZCB of Renata PLC which has a carrying amount of BDT 913,602,883 at 30 June 2026 (BDT 1,164,261,965 at 30 June 2025). During the year, BDT 242,884,881 (FY 2024-25: BDT 231,265,628) was transferred to defined contribution plan, BDT 89,248,370 (FY 2024-25: BDT 174,736,966) was transferred to Workers' Profit Participation Fund and BDT 22,312,092 (FY 2024-25: BDT 43,684,242) was transferred to Workers' Welfare Fund.

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42.5 Other related party transactions of Renata PLC

(Amount in BDT)

Name of the party	Relationship	Transaction nature	Transactions during the year ended		Assets/(liability or equity) balance as at	
			30 June 2026	30 June 2025	30 June 2026	30 June 2025
Sajida Foundation	Parent	Sale of products	17,649,369	15,457,488	1,586,099	1,497,091
		Investment in convertible preference share	1,200,000,100	-	(1,200,000,100)	-
		Dividend on common stock	322,291,750	539,106,200	-	-
		CSR	1,000,000	-	-	-
Renata (UK) Limited	Subsidiary	Management fee	-	11,472,700	-	11,472,700
Renata Pharmaceuticals (Ireland) Limited	Subsidiary	Management fee	38,914,332	34,518,825	38,914,332	34,518,825
Business Research International Corp. Inc.	Associates	Dividend on common stock	117,886,269	214,484,660	-	-
Dr. Sarwar Ali	Chairman	Dividend on common stock	34,859	52,479	-	-
Syed S. Kaiser Kabir	MD and CEO	Borrowings	181,024,202	1,763,856	(87,489,948)	(268,514,150)
		Investment in convertible preference share	199,999,700	-	(199,999,700)	-
		Dividend on common stock	929,077	1,554,092	-	-
Erum Mariam	Close family member of MD and CEO	Investment in convertible preference share	10,001,600	-	(10,001,600)	-
		Dividend on common stock	14,443	14,959	-	-
Syed Omar Kabir	Close family member of MD and CEO	Investment in convertible preference share	10,001,600	-	(10,001,600)	
		Dividend on common stock	36,300	17,480	-	-
Zahida Fizza Kabir	Director	Dividend on common stock	204,919	342,774	-	-
Sajeda Farisa Kabir	Director	Dividend on common stock	91,735	153,447	-	-
Ejaj Ahmad	Independent Director	Dividend on common stock	16,869	28,216	-	-
Farooq Sobhan	Chairperson of the Parent's governing body	Dividend on common stock	41,938	109,738	-	-
Mohammed Bin Quasem	Member of the Parent's governing body	Dividend on common stock	16,594	27,756	-	-
Appinion BD Limited	MD is a close family member of the MD of the Parent	Software support	3,002,924	2,762,075	1,316,770	1,381,444
Home and Community Care Ltd	MD is the Director of the Company	Medical service	830,433	269,782	-	-

43 Events after the reporting period

(a) Dividend declaration: Please refer to note number 17.5.

(b) Export cash assistance: Please refer to note number 29.

Based on the information available, no material events have occurred after the reporting period up to the date of issuance of these financial statements, other than those disclosed above, that could affect the values stated herein.

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