

# Disclosure of Property, Plant and Equipment as per BAS #16: A Study on Selected Pharmaceutical Companies in Bangladesh

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## **Abstract**

Disclosure practices of pharmaceutical companies in Bangladesh as per BAS-16 are not well structured at all although Companies Act, 1994, Bangladesh Securities Exchange commission Rules 1987 are followed strictly. The major reasons for non-compliance is that the application of BAS-16 is not made mandatory up till now. Details of measurement basis, depreciation methods used, useful life of assets, gross carrying amount, nature of impairment of assets etc. are not disclosed at all. This affects the decision making of the stakeholders. There is ample scope for developing the fair disclosure of Property, Plant and Equipment in consistence with the requirements of BAS-16.

**Keywords:** Disclosure, Property, Plant and Equipment, BAS #16, Pharmaceutical Companies, Bangladesh.

## **1. Introduction**

Pharmaceutical is one of the highest priority sectors of manufacturing industries in Bangladesh. More than 230 companies are functioning, satisfying about 100% demand of medicine in local market & also exporting a lot in different countries in global market. Contribution of this sector to our national GDP is also highly satisfactory through employment of about one lac human resources. There is also bright scope of the industry due to global market of our Pharmaceutical products. In this context fair financial reporting is of prime necessity for the satisfaction of our stakeholders in competitive markets (Bhuiyan & Sultan, 2011). Disclosure is the presentation of significant financial facts influencing the judgment of informed stakeholder. Financial statements, notes to the financial statements & supplementary information like management discussion & analysis, chairman report, Board of director report, audit report and some other financial highlights are the major characteristics of disclosure requirements as per the provisions of the Companies Act, 1994, Bangladesh Securities Exchange Commission Rules 1987, Bangladesh Accounting Standard & Bangladesh Financial Reporting Standards etc. (Weygandt, Kieso & Kimmel).

## **2. Statement of the problem**

Disclosure of Property, Plant and Equipment of pharmaceutical companies in Bangladesh depends on extensive uses of different regulatory framework like the Companies Act, 1994, Bangladesh Securities Exchange commission Rules 1987, Bangladesh Accounting Standard & Bangladesh Financial Reporting Standards (BAS #16) etc. But practically there are variations in the extent of disclosure of relevant information among the listed pharmaceutical companies in Bangladesh. This is due to absence of mandatory requirement for the compliance with Bangladesh Accounting Standard & Bangladesh Financial Reporting Standards. We know that fair disclosure of Property, Plant and Equipment is highly important for different stakeholders to understand their assets mix of the companies, their business growth & development, earning & stability. Investors always demand for extensive disclosure of reliable information for prudent investment decisions. But in reality disclosure volume, quality, timeliness, relevant and comparability & consistency become questionable. That is why the study is taken to arrive at concluding remarks for the fair disclosure scenario in our capital market.

## **3. Framework for disclosure**

Disclosure is regulated by Companies Act 1994. The law requires presentation of statement of financial position in accordance with 11<sup>th</sup> Schedule of the Act (part I & part II). Part I contains Form A Horizontal Form & Form B—vertical Form for presentation of assets and liabilities including Property, Plant and Equipment (Richard et al., 2007).

In horizontal Form assets are shown in different classification like fixed assets, investment, current assets etc. Here fixed assets include land, building, plant and machinery, furniture and fittings, development of property, vehicles etc. Under each head of fixed assets, the original cost and the additional there to and the deductions there from during the year and the total depreciation written off or provided up to the end of the year are to be stated.

Form B Presentation of Property, Plant and Equipment.

In Vertical Form, assets are shown under the heading of application of fund-

- Fixed assets
- Investment
- Current assets, loan and loan and advance
- Non-current assets. Depreciation deduct was shown from fixed assets.

Part-11 of the schedule contains requirements regarding presentation of profit and loss account including depreciation which runs as follows:

“In the case of all concerns having WIP, the amounts for which such works have been completed at the commencement and at the end of the accounting year.

The amount provided for depreciation, renewals or diminution in value of fixed assets. In absence of for depreciation relevant reasons are disclosed.

### ***3.1 Securities & Exchange Rules, 1987***

Listed companies in Bangladesh are also regulated by Securities & Exchange Rules, 1987 is applicable to the companies that are trading on the stock exchange in Bangladesh. The financial statements of an issuer of a listed security need to be shall be prepared in accordance with requirements given in the Schedule of this Rules and the relevant International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh. The schedule presents a statement of financial position (Balance sheet) & income statement showing assets and liabilities in details along with the necessary notes and clarifications (Bangladesh Securities Exchanges Commission Rules, 1987).

BAS-16: Property, Plant and Equipment are applicable to the listed companies which lay down detailed regulation for Property, Plant and Equipment. The standard contains definition of Property, Plant and Equipment, depreciation, useful life, cost, residual value, fair value, impairment loss, carrying amount etc.

Financial statements should disclose, for each class of Property, Plant and Equipment:

- The measurement bases used for deterring the gross carrying amount,
- The depreciation methods used
- The useful lives or the depreciation rates used
- The gross carrying amount and the accumulated depreciation
- A reconciliation of the carrying amount at the beginning and end of the period showing-addition, disposals, acquisitions through business combinations, impairment losses, depreciation and other movements;

As per Para 61 the financial statements should also disclose-

- The existence and amount of restrictions on title, and Property, Plant and Equipment pledged as security for liabilities;
- The accounting policy for the estimated costs of restoring the site of items of Property, Plant and Equipment.
- The amount of expenditures on account of Property, Plant and Equipment in the course of constructions.
- The amount of commitments for the acquisition of Property, Plant and Equipment's etc.

It is known that the objective of IAS 16 is to prescribe the accounting treatment for Property & Equipment. The major issues are the recognition of assets; determination of the carrying amounts, depreciation charges, & impairment losses to be recognized in accounts. AS 16 provides two Models like (a) Cost Model and Revaluation Model. As per cost model assets are shown at cost less accumulated depreciation and impairment thereon. (b) In revaluation model assets are carried at revalued amount i.e. fair value less depreciation & impairment thereon. Under the revaluation model, revaluation is done timely so that the difference between fair value and carrying value does not differ too much. For each class of Property, Plant & Equipment disclosure should be cover the basis for carrying amount, depreciation method, useful lives, depreciation rates, carrying amount less depreciation & impairment, reconciliation of addition & disposals etc., restriction on the title, contractual commitments,

expenditures on the same, compensation from third parties etc. For revaluated property the effective date of evaluation, involvement of independent value, difference of the cost model & revaluation figure, revaluation surplus etc. should be disclosed.

#### 4. Literature Review of the study

(Siddiqua and Hasan , 2010 ) prepared as article on “Financial reporting on Property, Plant and Equipment by the listed companies in Bangladesh. This paper examined current practices of sample companies regarding the presentation of Property, Plant and Equipment based on fourteen annual reports (2008-2009) of public limited companies. They concluded that sample companies were in line as per requirements of BAS#16 and proposed a few suggestions for the betterment of presentation of the statement.

(Ahmed, 2011) authored an article on “An Empirical Evidence on the Popularity and Consistency of Depreciation Methods Practiced in Bangladesh”. He analyzed the depreciation practices in Bangladesh. Findings are that practically reducing balance method of depreciation is followed in most of the listed companies of Dhaka stock exchange although next method applied is straight line method. There is consistency in such practices among the sample companies.

Evinita had made study on “Analysis of relationship revaluation of property, plant and Equipment Company on stock prices and rate of return on stock on Indonesian stock exchange”. She studies 199 manufacturing companies of Indonesian stock exchange covering the period 2011-2013. She found that Property, Plant and Equipment reporting at fair value could not produce realizable quality. Major causes are that overvalued increase in the value of Property, Plant and Equipment & changes in the value of Property, Plant and Equipment are shown side by side based on assessment made by investor & even historical cost was also shown side by side. She concluded that reporting Property, Plant and Equipment at a fair value develops revaluation difficulties which might be subjective in nature although due to over valuation reliability becomes questionable.

(Botelho et al., 2015) wrote an article on “Property, Plant and Equipment Disclosure Requirements and Firm Characteristics: the Portuguese accounting standardization system”. Objectives of the study were to find out the extent of compliance with the disclosure requirement of accounting standard in the Portuguese unlisted companies. Factors determining the degree of disclosure were also studied. They found that aged companies had shown maximum disclosure practically where influence of audit was also found in such compliance practices. Management is sincere in providing satisfaction of stakeholders through increasing inflow of resources of the sample companies. They suggested for study on motivation for higher disclosure as per regulatory framework.

(Egbunike et al., 2018) prepared an article on “Empirical Appraisal of IAS-16 Disclosure Compliance Level of Listed Cement Manufacturing Firms in Nigeria”. Sample of study covered four listed cement companies in Nigeria covering 5 years period (2010-2014). Secondary data were used through using statistical test. They mentioned that sample firms follow the disclosure requirements of IAS #16 in a satisfactory way. Internal Accounting standards are always emphasized in their disclosure practices although such compliance in not mandatory still now. They suggested for mandatory disclosure so that strict compliance with IFRS might be possible & penalty for non-compliance could be ensured.

(Akter & Hoque, 1993) conducted a study titled “Disclosure Practices in Bangladesh: A Case Study of the Banking Sector”. They focused on various legal provisions affecting disclosure along with their role. They observed that disclosure and reporting in banking sector of Bangladesh were not only inadequate but also biased and misleading. In most of the cases, financial statements of the local banks are dressed up and cosmetised. The writers stated about outdated legal frame work and poor performance of the accounting profession which significantly contributed to this undesirable situation. They suggested keeping attention for inadequate disclosure of specific provision, adjustment for exchange rate fluctuations, bad debt written off, transfer between provisions, charge against profit etc. which are very important for measuring the efficiency and profitability of the banking sector.

(Uddin et al., 2006) prepared a research paper on “Disclosure Practices: A Comparison of Commercial Banks and insurance Companies in Bangladesh”. They discussed the reporting practices of commercial banks and insurance companies in accordance with the compliance of all disclosure requirements under legal stipulations as well as non-regulatory practices. To evaluate the disclosure practices of commercial banks and insurance companies in Bangladesh, this study is based on the annual reports of a sample of companies. The authors showed that commercial banks and insurance companies do not comply with all the mandatory disclosure requirements in the annual reports. In addition, they do not make adequate voluntary disclosures in addition to mandatory disclosures. They offered some suggestions to update disclosure practices of the companies.

(Hossain, 2008) had a research papers on “The extent of disclosure in annual reports of banking companies: The Case of India” investigated of the extent of both mandatory and voluntary disclosure by listed banking companies in India. The study reported the results of the association between company-specific attributes and total

disclosure, i.e., mandatory and voluntary, of the sample companies. A total of 184 items were selected of which 101 and 81 were mandatory and voluntary respectively. The study revealed that in disclosing mandatory items, the average score is 88, whilst the average score for voluntary disclosure is 25. The findings also indicated that size, profitability, board composition, and market discipline variables were significant, and other variables such as age, complexity of business and asset-in-place were insignificant in explaining the level of disclosure.

(Richard, et al., 2007) prepared an article on “Accounting Information, Disclosure, and the Cost of Capital”. They examined whether and how accounting information about a firm manifests in its cost of capital, despite the forces of diversification. The authors built a model that is consistent with the CAPM and explicitly allows for multiple securities whose cash flows are correlated. We demonstrate that the quality of accounting information can influence the cost of capital, both directly and indirectly. The direct effect occurs because higher quality disclosures reduce the firm's assessed covariance with other firms' cash flows, which is non-diversifiable. The indirect effect occurs because higher quality disclosures affect a firm's real decisions, which likely changes the firm's ratio of the expected future cash flows to the covariance of these cash flows with the sum of all the cash flows in the market. The study showed that this effect can go on in either direction, but also derive conditions under which an increase in information quality leads to an unambiguous decline in the cost of capital.

Based on the foresaid reasons it is clear that this study would be different type disclosing the required items of accounting information expected by the stakeholders in pharmaceutical sectors.

### 5. Objectives of the research

- To study the disclosure practices regarding Property, Plant and Equipment keeping view the legal framework and BAS-16 by the sample companies
- To examine the extent of compliance with BAS-16 regarding disclosure of Property, Plant and Equipment
- To identify the variations in disclosure practices and causes thereon among the sample companies.
- To provide suggestions for better compliance based on regulatory framework.

### 6. Methodology of the research

It follows mainly the sample mix, nature & sources of data, techniques of analysis etc. Sample of the study covers five pharmaceutical units selected on the basis of convenience in data collection. Sample companies are square pharmaceutical Ltd, Beximco Pharmaceutical Ltd, IBN Pharmaceutical Ltd, ACI Pharmaceutical Ltd and Renata Pharmaceutical Ltd. The study is based on mainly secondary data available in the 5 years annual reports of the sample companies. Techniques of analysis are that major items of Property, Plant & Equipment disclosed in annual financial statements as per BAS-16, Bangladesh Securities Exchange Commission Rules-1987 & The Companies Act, 1994 are well detailed through effective compares in sample units. Mean value, std. deviation, Maxima & Minimum level are also shown. Interrelationship of various disclosed items are also demonstrated. Causes of non-disclosed & their impacts are also detected. Possible ways for better disclosures as per the provisions of regulatory framework are also highlighted. Inadequacy of the provisions for disclosure in regulatory framework is also shown.

### 7. Major findings & observations

Table 1: Details of property, plant & equipment of square pharmaceutical during 2013 to 2017

(Amount in Million Tk.)

Year	Sample						Total	Mean
		2013	2014	2015	2016	2017		
Property, Plant & Equip		9908.01	13933.68	18009.2	18848.28	19323.56	80022.73	16004
Investment-Long term		157.69	147.69	251.6	555.87	588.8	1701.65	340.33
Investment-Associate		4914.95	5364.15	6036.14	6764.51	7504.64	30584.39	6116
Investment Makeable	in	686.95	844.36	879.24	1071.73	1938.2	5420.48	1084
Capital-WIP		4907.03	3256.8	207.63	0	0	8371.46	1674
Total		20575	23547	25383	27240	29355	126100	25220
Average		4114.92	4709.33	5076.76	5448.07	5871.04	25220.14	

SD	3944.55	5553.68	7628.53	7969.72	8085.13	32638.63
CV (%)	95.85	117.92	150.26	146.28	137.71	129.41
Max Lev.	9908.01	13933.68	18009.2	18848.28	19323.56	80022.73
Min Lev.	157.69	147.69	207.63	0	0	1701.65

Source: Annul reports of the sample companies.

Table-1 shows that there had been increasing trends in investment in property, plant & equipment during the period. Average value of property, plant & equipment amounted to Tk.16, 004 during the period. Property, plant & equipment comprise mainly investment in long term assets, investment associate & investment in marketable & Capital-WIP. There had been increasing trend in all of these elements

Table 2:Details of property, plant & Equipment of square pharmaceutical during 2013 to 2017

(Amount in Million Tk.)

Year	Sample						Total	Mean
	2013	2014	2015	2016	2017			
Property, Plant & Equip	18364	20393	22168	22235	24472	107632	21526	
Intangible Assets	198.22	235	269	380	462	1544.22	308.84	
Investment in share	4.79	5.75	5.4	4	17	36.94	7.38	
Investment in Makeable	0	0	0	0	0	0	-	
Investment- Associate	0	0	0	0	0	0	-	
Total	18567.01	20633.75	22442.40	22619	24951	109213	21842	
Average	3713.40	4126.75	4488.48	4523.8	4990.2	21842.63		
SD	8190.37	9093.67	9883.82	9902.21	10892.45	47962.30		
CV (%)	220.56	220.35	220.20	218.89	218.27	219.58		
Max Lev.	18364	20393	22168	22235	24472	107632		
Min Lev.	0	0	0	0	0			

Source: Annul reports of the sample companies.

Table.3: Similar trends are also found in Beximco pharmaceutical company although investment in share was negligible. Investment in marketable securities & Associate was absent during the period.

Table 3: Details of property, plant & Equipment of IBN pharmaceutical during 2013 to 2017

(Amount in Million Tk.)

Year	Sample						Total	Mean
	2013	2014	2015	2016	2017			
Property, Plant & Equip	383.64	515.90	870.48	951.72	1116.33	3838.07	767	
Investment long term	0	0	0	0	0	0	0	
Investment- Associate	0	0	0	1.75	9.12	10.87	2.17	
Investment in Makeable	335	266.58	310	326.03	359.10	1596.71	319.34	
Capital-WIP					26.61	26.61	5.32	
Total	714.64	781.48	1180.48	1279.95	1511.16	5472.26	1094.45	
Average	179.66	195.62	295.12	319.87	302.232	1094.45		
SD	208.40	247.75	410.46	448.25	479.37	1680.17		

CV (%)	115.99	126.65	139.08	140.13	158.61	153.51
Max Lev.	383.64	515.90	870.48	951.72	1116.33	3838.07
Min Lev.	0	0	0	0	0	0

Source: Annul reports of the sample companies.

In IBN, similar trends were found in property, plant & equipment but no investment was as long terms invest & even investment in M/S had also increasing trend during the period but capital WIP was only found in 2017.

Table 4: Details of property, plant & Equipment of ACI pharmaceutical during 2013 to 2017

(Amount in Million Tk.)

Year	Sample						Total	Mean
	2013	2014	2015	2016	2017			
Property, Plant & Equip	3384	3799	6540	6596	7882	28201	5640	
Investment - Share	1846	1799	1858	1902	2068	9473	1895	
Total	5230	5598	8398	8498	9950	37674	7534.80	
Average	2615	2799	4199	4249	4975	18837		
SD	1087.53	1414.21	3310.67	3319.15	4111.11	13242.69		
CV (%)	41.58	50.52	78.84	78.11	82.63	70.30		
Max Lev.	3384	3799	6540	6596	7882	28201		
Min Lev.	1846	1799	1858	1902	2068	9473		

Source: Annul reports of the sample companies.

In ACI, similar trends were available in property, plant & equipment & investment in share but no investment was available in some other items.

Table 5: Details of property, plant & Equipment of Renata pharmaceutical during 2013 to 2017

(Amount in Million Tk.)

Year	Sample					Total	Mean
	2013	2014	2015	2016	2017		
Property, Plant & Equip	6348	8106	8695	8969	9172	41290	8258
Investment - Share	60	89	92			241	48.22
Investment-Associate	0	0	0	0	0	0	0
Investment in Makeable	0	0	0	0	0	0	0
Capital-WIP	2026	857	723	702	1072	5380	1076
Total	8434	9052	9510	9671	10244	4691	938.20
Average	1686.8	1810.4	3170	4835.5	5122	9382.2	
SD	2746.76	3537.72	4795.18	5845.65	5727.56	17984.28	
CV (%)	162.83	195.41	151.26	120.89	111.82	191.68	
Max Lev.	6348	8106	8695	8969	9172	41290	
Min Lev.	0	0	92	702	1072	0	

Source: Annul reports of the sample companies.

In Renata property, plant & Equipment had also increasing trends but negligible investment was in other elements only capital WIP was higher in 2013 having decline trend up to 2016 following an increase in 2017.

Table 6: Disclosure of property, plant & Equipment mix of Square pharmaceutical during 2013 to 2017  
(Amount in Million Tk.)

Year	Sample						Total	Mean
	2013	2014	2015	2016	2017			
Cost of PPE	17151	22132	22132	31085	32574	125074	25014.80	
Depreciation	7243	8198	8198	12237	14146	50022	10004.40	
Carrying Value	9908	13933	13933	18848	18428	75050	15010	
<b>Total</b>								
Average	11434	14754.33	14754.33	20723.33	21716	83382		
SD	5127.243	7003.215	7003.215	9562.919	9643.962	38213.444		
CV (%)	44.842	47.465	47.465	46.145	44.409	45.829		
Max Lev.	17151	22132	22132	31085	32574	125074		
Min Lev.	7243	8198	8198	12237	14146	50022		

Source: Annul reports of the sample companies.

In Square pharmaceutical company, disclosure of the cost of property, plant & Equipment, depreciation & carrying value all of these had increasing trends during the period. Available cost of property, plant & Equipment amounted to Tk.25014.80 during the period. Accumulated depreciation amounted to Tk.50022 at the end of 2017. Average carrying value was Tk.15010 during the period.

Table 7: Disclosure of property, plant & Equipment mix of Beximco pharmaceutical during 2013 to 2017  
(Amount in Million Tk.)

Year	Sample					Total	Mean
	2013	2014	2015	2016	2017		
Cost of PPE	20788	21510	22479	22799	23680	111256	22251
Depreciation	4686	5425	6157	6520	7220	30008	6001
Carrying Value	18364	20393	16321	16279	16460	87817	17563
<b>Total</b>							
Average	14612.666	15776	14985.666	15199.333	15786.666	76360.333	
SD	8681.761	8981.610	8242.527	8193.028	8250.632	41818.067	
CV (%)	59.412	56.932	55.002	53.903	52.2632	54.764	
Max Lev.	20788	21510	22479	22799	23680	111256	
Min Lev.	4686	5425	6157	6520	7220	30008	

Source: Annul reports of the sample companies.

Beximco pharmaceutical company also shows that there had been increasing trend in all of the three elements during the period. Average cost of PPE amounted to Tk.22251 during the period. Average carrying value was Tk.17563 & Accumulated depreciation was Tk.30008 following of the end of 2017.

Table 8: Disclosure of property, plant & Equipment mix of IBN pharmaceutical during 2013 to 2017  
(Amount in Million Tk.)

Year	Sample					Total	Mean
	2013	2014	2015	2016	2017		
Cost of PPE	668.02	834.83	935.17	1352.4	1606.35	5396.77	1079.35
Depreciation	284.41	318.91	412.3	423.12	490.12	1928.86	3857.78
Carrying	383.65	515.9	813.4	940.45	1116.33	3769.73	7539.46

Value						
<b>Total</b>						
Average	445.36	556.546	720.29	905.323	1070.933	3698.453
SD	199.111	260.350	273.587	465.634	559.497	1735.053
CV (%)	44.707	46.779	37.983	51.432	52.243	46.912
Max Lev.	668.02	834.83	935.17	1352.4	1606.35	5396.77
Min Lev.	284.41	318.91	412.3	423.12	490.12	1928.86

Source: Annul reports of the sample companies.

In IBN similar growth trends were found in all of the three elements. Mean value of the cost of PPE was 1080 & carrying value was 7540 during the period under study. Accumulated depreciation amounted to Tk.1928.86 at the end of 2017

Table 9: Disclosure of Property, Plant & Equipment mix of ACI pharmaceutical during 2013 to 2017  
(Amount in Million Tk.)

Year	Sample						Total	Mean
	2013	2014	2015	2016	2017			
Cost of PPE	3099	3821	3490.45	3707.7	5357	19475.15	3895.03	
Depreciation	549.64	836.68	10.1	165.39	520.95	2082.76	416.55	
Carrying Value	3384.48	3799.15	12600.81	14526.92	18984.7	53296.06	10659.21	
<b>Total</b>								
Average	2344.37	2818.94	5367.12	6133.33	8287.55	24951.32		
SD	1560.82	1716.72	6501.76	7481.72	9574.37	26042.11		
CV(%)	66.577	60.89	121.14	121.98	115.52	104.37		
Max Lev.	3384.48	3821	12600.81	14526.92	18984.7	53296.06		
Min Lev.	549.64	836.68	10.1	165.39	520.95	2082.76		

Source: Annul reports of the sample companies.

In ACI, increasing trends were found in cost of property, plant & Equipment & carrying value, Accumulated depreciation was Tk.2082.76 at the end of 2017. Average cost of property, plant & Equipment was Tk.3895.03 & carrying value was 10659.21 for the period.

Table 10: Disclosure of Property, Plant & Equipment mix of Renata pharmaceutical during 2013 to 2017  
(Amount in Million Tk.)

Year	Sample					Total	Mean
	2013	2014	2015	2016	2017		
Cost of PPE	7741	9903	11013	11581	12380	52618	10523
Depreciation	1393	1796	2317	2610	3208	11324	2264
Carrying Value	6348	8106	8695	8969	9172	41290	8258
<b>Total</b>							
Average	5160.66	6601.66	7341.66	7720	8253.33	35077.33	
SD	3336.40	4257.71	4503.19	4614.07	4654.49	21336.50	
CV (%)	64.65	64.49	61.33	59.76	56.39	60.82	
Max Lev.	7741	9903	11013	11581	12380	52618	
Min Lev.	1393	1796	2317	2610	3208	11324	

Source: Annul reports of the sample companies.

In Renata similarly growth rates were found in all of the variables. Average cost amounted to Tk.10523 & carrying value was Tk.8258 during the period. Accumulated depreciation was Tk.11324 at the end of 2017.



Table 11: Per employee Property, Plant &amp; Equipment of sample companies during 2013-2017.

(Amount in Million Tk.)

Year	Square	Beximco	IBN	ACI	Reneta
2013	3.50	7.10	6.38	4.15	4.75
2014	3.73	7.68	6.45	3.40	4.70
2015	3.78	7.66	6.68	3.58	4.64
2016	3.79	7.75	6.76	3.74	4.56
2017	3.97	7.65	7.12	3.51	4.82
Mean	3.75	7.56	6.68	3.67	4.69

Source: Annul reports of the sample companies.

Property, plant & Equipment per employee were highest in Beximco followed by IBN, Renata, and Square & ACI respectively. Actually there are variations among the sample companies. We know that volume of property, plant & Equipment are dependent on operating capacity of the units and maximum capacity utilization ensures the major return on operating assets assuming such other factors constant.

Table 12: Disclosure of total assets per employee of sample companies during 2013-2017

(Amount in Million Tk.)

Year	Square	Beximco	IBN	ACI	Reneta
2013	0.57	0.48	2.70	0.15	.32
2014	.63	0.50	0.03	.23	.34
2015	.85	.51	0.04	.45	.36
2016	1.28	0.55	0.05	.18	.38
2017	1.48	0.58	0.05	.24	.42
Mean	0.96	0.52	0.57	0.25	.36

Source: Annul reports of the sample companies.

Total assets per employee were highest in square pharmaceutical followed by Beximco, Renata, ACI & IBN respectively. Practically volume of total assets is positively correlated with the size of property, plant & Equipment per employee.

Table 13: Disclosures of total equity per employee of sample companies during 2013-2017

(Amount in Million Tk.)

Year	Square	Beximco	IBN	ACI	Renata
2013	4.04	0.34	0.34	2.96	2.93
2014	4.21	0.33	0.33	2.24	2.90
2015	4.67	0.42	0.42	2.73	2.86
2016	7.32	0.43	0.43	2.90	2.80
2017	5.98	0.52	0.52	3.23	2.97
Mean	5.24	0.40	0.40	2.81	2.89

Source: Annul reports of the sample companies.

Equity per employee was highest in Square followed by Renata, ACI & Beximco, and IBN respectively. There are also variations among the sample companies. Practically volume of equity depends on growth of earnings, nature of dividend payment, retention policy, issuing of convertibles and some other financing & investment strategic

Table 14: Disclosures of total equity per employee of sample companies during 2013-2017.

Year	(Amount in Million Tk.)				
	Square	Beximco	IBN	ACI	Renata
2013	3.84	6.82	0.21	1.13	1.45
2014	4.24	6.83	0.18	0.95	1.55
2015	5.67	6.78	0.21	1.65	2.47
2016	5.65	6.56	9.44	1.64	1.77
2017	6.63	6.54	7.55	1.55	2.05
Mean	4.36	6.70	3.52	1.38	1.85

Source: Annual reports of the sample companies.

Beximco had maximum net income per employee followed by Square & others. Extent of disclosure is also positively correlated with volume of earnings, equity & sustainable development of any business.

### 8. Conclusion

Extent of disclosure of Property, Plant & Equipment in sample companies is not up to the mark as per the provisions of BAS-16, Bangladesh Securities Exchange Commission Rules-1987 & the Companies Act, 1994. Financial statements should disclose for each class of Property, Plant & Equipment, the measurement basis used, Depreciation methods used, useful life, Gross carrying amount, Accumulated depreciation, Reconciliation of carrying amount, addition to assets, Assets classified for sale (BFRS-05), acquisition in business combination, impairment of assets (BAS-36) differences & some other changes. Practically not a single company follows the aforesaid disclosure thoroughly. So there is enough scope for fair disclosure of Property, Plant & Equipment specially relating to impairment of Assets changing carrying value, fair value of assets etc. We know that major indicators of impairment of assets might be market value decline, increase in interest rate, physical damage, restructuring of capital, worst economic performance, stock price below book value, change in technology, market economy etc. Practically for fair & adequate disclosure of expected information of the stakeholders management need to be more careful for mandatory as well as voluntary disclosure items. There should be strict compliance with the provisions given in the Regularity Framework specially BAS & BFRS should be made mandatory and financial reporting council should try to penalize the companies for non-compliance. In that case more awareness would be developed for the satisfaction of the expectation of the stakeholders.

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