



# ANNUAL REPORT 2023

 **Indo-Bangla Pharmaceuticals Ltd.**



## MISSION

**"TO PROVIDE INNOVATIVE AND QUALITY MEDICINES TO IMPROVE THE HUMAN BEINGS IN ARENA OF HEALTH IN NEED FOR BEST TREATMENTS"**



## VISION

**"BE ON THE FOREFRONT OF CHANGING HEALTHCARE ENVIRONMENT TURNING INNOVATIVE SCIENCE TOWARDS ESTEEMED NEW TREATMENT REFERENCES"**

# BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES



Ref. No: CM-2023/295

Date of issue : December 5, 2023

## Renewed Certificate

*This is to certify that*

**INDO-BANGLA PHARMACEUTICALS LIMITED**

is an Ordinary Member of **Bangladesh Association of Publicly Listed Companies**  
and is entitled to all the rights and privileges appertaining thereto.

*This certificate remains current until 31<sup>st</sup> December 2023.*



  
Secretary General



## Certificate of Registration

This is to certify that the  
Quality Management System  
of

### INDO-BANGLA PHARMACEUTICALS LIMITED

College Road, Barisal-8200, Bangladesh

Has been independently assessed and is  
compliant with the requirements of:

**ISO 9001:2015**

For the following scope of activities:

**Manufacturing, Marketing and Sales of Pharmaceutical Products  
i.e. Tablets, Dry Powder, Syrup, Capsule etc.**

Certificate Number: INT-001812 2019

Date of initial registration	22 <sup>nd</sup> April 2019
Date of this certificate	25 <sup>th</sup> April 2022
Certificate expiry (subject to the company maintaining its system to the required standard)	24 <sup>th</sup> April 2025



Authorised Signatory



This certificate is the property of ACM Limited and shall be returned immediately on request.  
ACM Limited, 4 Navigation Court, Harris Business Park, Hanbury Road, Stoke Prior, Bromsgrove, B60 4FD, UK  
info@acmcertbd.com



## দি বরিশাল চেম্বার অব কমার্স এন্ড ইন্ডাস্ট্রি

গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের বাণিজ্য মন্ত্রণালয়ের স্বীকৃতিপ্রাপ্ত  
(১৯৬১ সনের ট্রেড অরগানাইজেশন অধ্যাদেশ অনুযায়ী)  
স্ব-রোড (নাজিরের পুল), বরিশাল।

### সদস্যপদ প্রত্যয়ন পত্র

ক্রমিক নং- 418

এতদ্বারা প্রত্যয়ন করা যাইতেছে যে, মেসার্স ইন্ডোবাংলা ফার্মা প্রিভিট লিমিটেড;

ফরেন্ড বোর্ড বরিশাল।

(মালিক/নির্বাহী অংশীদার/পরিচালক প্রতিনিধি/নির্বাহী পরিচালক জনাব শ্রী সূর্য্য একা আনোয়ারুল হক, )  
(কর্তৃপক্ষের পক্ষ থেকে)

একটি প্রকৃত ব্যবসায়ী প্রতিষ্ঠান এবং অত্র চেম্বারের সদস্য। প্রতিষ্ঠানটি অতি সুনামের সহিত

ব্যবসায় নিয়োজিত আছে। উক্ত প্রতিষ্ঠানের সদস্যপদ সংখ্যা

নিবন্ধন সংখ্যা

১৫৩

এবং উহার রঙানী/আমদানী/ইনভেষ্টিং

প্রতিষ্ঠানটির সদস্যপদ ৩০শে জুন, ২০২৩-২০২৪ পর্যন্ত বলবৎ থাকিবে।

অফিস সীল

সভাপতি

  
সচিব



বাংলাদেশ ঔষধ শিল্প সমিতি  
BANGLADESH ASSOCIATION OF PHARMACEUTICAL INDUSTRIES  
Navana Osman@Link (Level-4), 214/D Bir Uttam Mir Shawkat Avenue  
Tejgaon-Gulshan Link Road, Dhaka-1208, Fax: 88-02-8823651  
Phone: 88-02-58816767, 9889731, 8824163 E-mail: bdass@bol-online.com

**CERTIFICATE OF MEMBERSHIP**

CERTIFICATE NO.

1646

MEMBERSHIP NO.

BASS/MD-2023/77

This is to certify that *M/s* **Indo-Bangla Pharmaceuticals Ltd.**

College Road, Barrisal

is a member of *Bangladesh Ashad Shilpa Samity:*

*This Association is duly licensed by the Ministry of Commerce, Government of the People's Republic of Bangladesh under reference License No. 3 of 1973 and incorporated with the Registrar of Joint Stock Companies, Bangladesh bearing Certificate No. 3898.B of 1972-1973.*

*This Association is also affiliated with the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Dhaka and International Federation of Pharmaceutical Manufacturers' Associations (IFPMA) Geneva.*

*This Certificate is valid upto 31st December 2023*

*Ziaul Huq*  
Secretary  
Bangladesh Ashad Shilpa Samity

Secretary/Secretary General

*Nazmul Hossain*  
President  
Bangladesh Ashad Shilpa Samity



04 DEC 2023

# TABLE OF CONTENTS

Letter of Transmittal	07
Notice of the Annual General Meeting	08
Shareholders View of the 8th AGM	09
Annual Sales Conference View 2022	10-11
Company Profile	12-13
The Board of Directors	14-15
Management Apparatus	16
Chairman's Statement	17
Message from the Managing Director's	18-20
Corporate Governance	21-26
Manufacturing Capabilities	27-29
Corporate Social Responsibilities	30
Product Portfolio	31-34
Corporate Operational Results	35
Directors' Report to the Shareholders	36-47
Management's Discussion & analysis	48-51
Dividend Distribution Policy	52-55
Unclaimed/Unsettled Dividend 2018-2022	56
Statement of Directors' on Financial Reports	57
Directors' Re-Appointment	58
Shareholding Pattern	59
Report on the Activities of the Audit Committee	60-61
Report on the Activities of the Nomination and Remuneration Committee	62-64
Managing Director & CFO's Declaration	65
Certificate on Compliance of Corporate Governance Guidelines	66
Corporate Governance Compliance Report	67-78
Independent Auditors' Report	79-84
Statement of Financial Position	85
Statement of Profit or Loss and Other Comprehensive Income	86
Statement of Changes in Equity	87
Statement of Cash Flows	88
Notes to the Financial Statements	89-109
Proxy Form	110

# LETTER OF TRANSMITTAL

All Shareholders  
Bangladesh Securities and Exchange Commission  
Dhaka Stock Exchange Limited  
Chittagong Stock Exchange Limited  
Registrar of Joint Stock Companies & Firm

## ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2023

Dear Sir/Madam (s)

We are pleased to enclose a copy of the Annual Report containing Directors' Report, Auditors' Report along with Audited Financial Statements including Statement of Financial Position as at June 30, 2023, Statement of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the Year ended June 30, 2023 along with notes thereon.

We in our endeavor have tried our best to make fair disclosures on our financial & non-financial matter as part of our integrated reporting for your kind perusal and record.

Thanking you.

Very truly yours:



Mohi Uddin QCS  
Company Secretary  
Dated: 28th November, 2023.







## Notice of The 9th Annual General Meeting 2023

Notice is hereby given that the 9th Annual General Meeting of the Members of Indo-Bangla Pharmaceuticals Ltd., will be held on **Thursday 28th December, 2023 at 11:00 a.m.** under the virtual platform through the link <http://ibp2023.digitalagmbd.net> to transact the following business:

- Agenda-1:** To receive, consider and adopt the Audited Financial Statements for the year ended 30th June, 2023 together with the report of the Directors' and the Auditors' thereon.
- Agenda-2:** To declare dividend for the year ended 30th June, 2023.
- Agenda-3:** To elect/re-elect Directors in terms of the relevant provisions of Articles of Association.
- Agenda-4:** To confirm the appointment of the Independent Director.
- Agenda-5:** To appoint Statutory Auditors for the year 2023-2024 and fix the remuneration.
- Agenda-6:** To appoint Compliance Auditors for the year 2023-2024 and fix the remuneration.
- Agenda-7:** To transact any other business with the permission of the Chair.

December 03, 2023

By order of the Board

A handwritten signature in black ink, appearing to be 'Mohi Uddin', written over a horizontal line.

**(Mohi Uddin QCS)**  
Company Secretary.

**Notes:**

- I. The proxy form must be affixed with requisite revenue stamp and be sent through email to the Indo-Bangla Pharmaceuticals Ltd., at [info@indo-banglapharma.com](mailto:info@indo-banglapharma.com) not less than 48 hours before the time fixed for the meeting.
- II. The Annual Report 2022-2023 and proxy form will be available in the company's website: [www.indo-banglapharma.com](http://www.indo-banglapharma.com)
- III. The members are able to submit their question(s)/comment(s) and vote electronically 24 hours before commencement of the AGM and during the AGM.

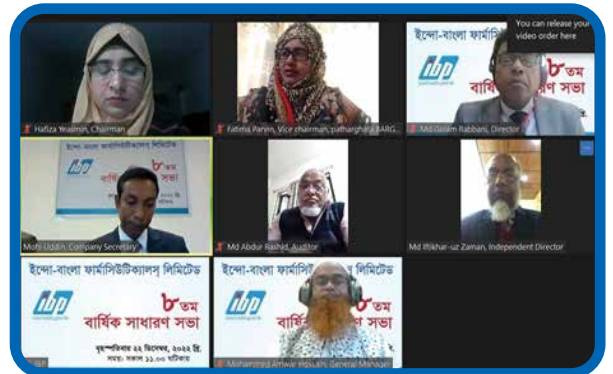
## Annual General Meeting 2022

ইন্দো-বাংলা ফার্মাসিউটিক্যালস লিমিটেড

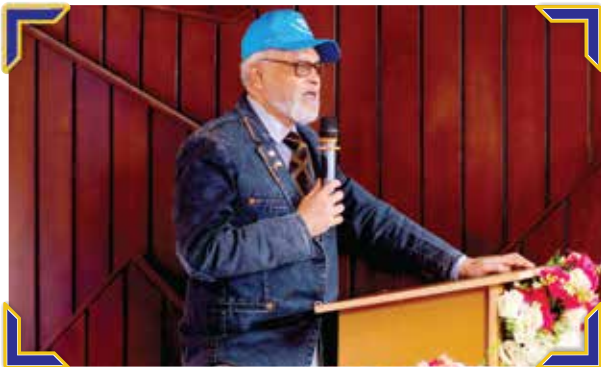


**৮তম**  
**বার্ষিক সাধারণ সভা**

তারিখ: বৃহস্পতিবার ২২ ডিসেম্বর, ২০২২ খ্রি.  
সময়: সকাল ১১:০০ ঘটিকা



## Annual Sales Conferance 2022



## Annual Sales Conference 2022





## ABOUT INDO-BANGLA PHARMACEUTICALS LTD.

Indo-Bangla Pharmaceuticals Limited, the prevalent pharmaceuticals company in the Country, is a reliable name in the pharmaceuticals sector of Bangladesh. Like most local concern it made its inauguration in a humble way in 1954 founded by Ramlal Vattracharjjo in the heart of Barisal in the name of Indo-Pak Pharmaceutical Works (IPW). At that time, Indo-Pak Pharmaceutical Works started its business aiming to fulfilling the basic healthcare demand of the people of Bangladesh. After independence, the government took control of the company and it was registered in Bangladesh under the privatization act in the name of Indo-Bangla Pharmaceutical Works. Later in 1982 government sold the company through auction to reputed businessman of Barisal late Alhaj Shamsuddin Talukder and late Alhaj Azizul Haque. They started commercial operation with produced high quality medicine at a reasonable price with a goal to reach the healthcare services to the door step of the common people of Bangladesh as well as all over the world.

On June 18, 2014, Indo-Bangla Pharmaceuticals Works converted into a Private Limited Company under the companies Act 1994, vide registration no. C-116665/14. subsequently 21 October 2014, converted into a Public Limited Company and there after became Publicly Listed Company listed with Dhaka and Chittagong Stock Exchange Ltd., in 2018.

Since the established of Indo-Bangla committed to provide high quality medicines, business success with ensure ethical standards and responsible to valuable customer/patient. Our tradition and our values are the foundation of our mission to ensure health, heartiness and happiness for mankind.

We are an ISO 9001:2015 certified company and committed to improving the quality of human life by enabling people to do more, feel better and live longer. We also believe and adhere to values like Quality, Knowledge and Responsibility in all aspects of its operation and earned respect and recognition of its valued customers as well as to emphasize on the quality of product, process and services leading to grow of the company imbued with good governance practices.

## CORPORATE INFORMATION

<ul style="list-style-type: none"> <li>• <b>Registered name of the company</b> Indo-Bangla Pharmaceuticals Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Import Identification Number</b> 260 306120000319</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Company Logo</b> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Export Identification Number</b> 260306210000519</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Year of Establishment</b> 1954 as Indo-Pak Pharmaceuticals Works.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Authorized Capital</b> BDT 1500 million</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Legal Form</b> A Private Limited Company incorporated in Bangladesh on June 18, 2014 under The Companies Act, 1994 (Reg. no. C-116665/14) and converted into Public Limited Company on October 21, 2014. The company was listed with Dhaka and Chittagong Stock Exchange on October 2018.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Paid-up Capital</b> BDT 1162 million</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Converted Public Limited Company</b> 21-Oct-14</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Nature of Business</b> The Company is engaged in manufacturing and selling of all kinds of medicine (excluding Antibiotic), medical preparations drugs &amp; chemicals (Human Health). The Company applied for permission for production and selling of veterinary medicine also.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Registered Office</b> 729, College Road, Barisal Sadar, Barisal-8200.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Statutory Auditor</b> M/s. Shafiq Basak &amp; Co. Chartered Accountants</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Corporate Office</b> Plot No. # 183 (7th Floor), Block # B, Ahmed Akbar Sobhan Road, Bashundhara R/A, Baridhara, Dhaka-1229.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Compliance Auditor</b> M/S. Mohammadullah &amp; Associates, Chartered Secretaries and Management Consultant</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Factory Address</b> 729, College Road, Barisal Sadar, Barisal-8200.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Listing</b> Dhaka Stock Exchange Ltd. Chittagong Stock Exchange Ltd.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Tax Identification Number</b> 681332543219</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Membership</b> Bangladesh Association of Pharmaceutical Industries (BAPI). Bangladesh Association of Publicly Listed Companies (BAPLC). Barisal Chamber of Commerce and Industry (BCCI).</li> </ul>
<ul style="list-style-type: none"> <li>• <b>VAT Registration Number</b> 15101029766</li> </ul>	<ul style="list-style-type: none"> <li>• <b>For the Financial Year 2021-2022</b> Dividend Recommended 07 November, 2022.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Website Address</b> www.indo-banglapharma.com</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Record Date for 8th AGM</b> 28 November, 2022</li> </ul>
<ul style="list-style-type: none"> <li>• <b>E-mail Address</b> info@indo-banglapharma.com,</li> </ul>	<ul style="list-style-type: none"> <li>• <b>8th Annual General Meeting</b> 22 December, 2022</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Phone</b> 09678777995, 0431-61028, 0431-2174977</li> </ul>	



## BOARD OF DIRECTORS



**AZIZA YEASMIN**  
Chairman

**MRS. AZIZA YEASMIN**, Non-Executive Director, Appointed to the Board in the year 2014 and has been appointed as Chairman. He is daughter of late Azizul Huq, Founder of Indo-Bangla Pharmaceuticals Works, converted into a Private Limited Company under the companies Act 1994, on 21 October 2014, after than converted into a Public Limited Company and become Publicly Listed Company in 2018. She obtained Bachelor's degree from National University and has a rich experience of more than 15 years in the pharmaceuticals sector.

**Board Committee(s) served on**

Mrs. Aziza Yeasmin does not hold membership in any sub-committee of the Board.

Mr. A.F.M. Anowarul Huq has been serving as the Director of the Board of Indo-Bangla Pharmaceuticals Ltd., since 2014 and was appointed as the Managing Director in 2014 and Further that he has been appointed as Managing Director in 2019 for an another tenure.

Mr. A.F.M. Anowarul Huq is one of the successful entrepreneurs of the country and he is the son of late Azizul Huq, founder of Indo-Bangla Pharmaceuticals Works. Mr. Huq has a prosperous experience of more than 25 years in Pharmaceuticals, Shipping, apparels as well as others family Business.

Mr. Huq has a strong understanding of suppliers and consumer strategy. Apart from her active involvement in the management and executive decision making of the company, he is the leading force of the Marketing and Procurement Department and has taken the responsibility to update it. Indo-Bangla Pharmaceuticals Limited continues to move forward with her expertise in strategic marketing and brand development.

Mr. Huq believes in exploiting and fostering the talent, integrity, creativity and teamwork of people in achieving sustainable business results. Mr. Huq oversees the management of Indo-Bangla Pharmaceuticals Ltd., as the Managing Director with his professional, creative and result-driven approach.

Mr. Huq was a Former President of Rotary club of Barisal Mid Town; Apex club of Barisal; Chairman of Employers Committee of UCEP, Barisal; Director of the Barisal Chamber of Commerce & Industry; Director of FBCCI. At present he is the member of Ghatail Golf Club (GGC), Bangladesh Association of Publicly Listed Companies (BAPLC), Bangladesh Association of Pharmaceuticals Industries (BAPI), Barisal Chamber of Commerce and Industry (BCCI), lifetime member of Barisal Club Ltd, Barisal; Diabetic Hospital, Barisal; Red Crescent, Barisal; Heart Foundation, Barisal; Anjuman-E Hemayat-E Islam, Barisal.



**A.F.M. ANOWARUL HUQ**  
Managing Director

## BOARD OF DIRECTORS



**A.K.M.HARUNER RASHID  
LL.B, FCS**  
Independent Director

**Mr. A.K.M.Haruner Rashid, LL.B, FCS**, CEO & Lead Consultant of Haruner Rashid & Associates (Chartered Secretaries & Management Consultants) was appointed as an Independent Director of the company in 2023.

**Board Committee(s) served on**

Mr. A.K.M.Haruner Rashid, LL.B, FCS is the Chairman of the Audit Committee and the Nomination and Remuneration Committee.

**Directorship(s) in other companies**

Currently Mr. A.K.M.Haruner Rashid, LL.B, FCS is also Independent Director of JAGO Corporation Ltd and Alhaj Textile mills Ltd.

Mr. A.K.M.Haruner Rashid, LL.B, FCS was born in 16 January 1957 and completed B.Com (Hon's) and M.Com (Accounting); M.Com (Management); L.L.B. Mr. Rashid is Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB).

Mr. A.K.M.Haruner Rashid, LL.B, FCS has more than 34 years of experience. Worked as Registrar of Bangladesh Board of Unani and Ayurvedic Systems of Medicine, established under the Bangladesh Unani and Ayurvedic Practitioners Ordinance, 1983 from 1998 to 2019. At the same time performed functions as the Secretary and Controller of Examinations under section 15(3) and 21(4) respectively of the said Ordinance. Visited many countries and participated various seminars, conferences and training programs. Honorary Adviser of Pragyan International University, Ranchi, India.

Member of different social organizations. Working in the field of corporate, education, health, orphanage, peace etc. and obtained many awards from home and abroad.

**Mr. Md. Golam Rabbani** holds the position of the Nominated Director of Investment Corporation of Bangladesh (ICB) in the Board of Indo-Bangla Pharmaceuticals Limited since 2017.

**Board Committee(s) served on**

Mr. Md. Golam Rabbani is the Member of the Audit Committee and the Nomination and Remuneration Committee since 2021.

**Directorship(s) in other companies**

Mr. Md. Golam Rabbani has no directorship in any other company.

He is a General Manager of Investment Corporation of Bangladesh (ICB). He joined in ICB as a senior officer in 1989. He completed his B.Sc (Honors) & M.Sc degrees in Economics from Jahangirnagar University. Mr. Rabbani during his tenure in ICB served in different Departments, Divisions and Branches including Law, Documentation, Special Fund Management Unit, Public Relations, Investors' Department and contributed a lot for the Corporation as well as to the Investors. Mr. Rabbani during his long service in ICB took part in different training programs among them Investment Banking, Venture Capital, Laws, Rules and Regulations, Land Management and Documentation, Handling of Disciplinary Cases, Public Relations etc. He also took part in different computer training programs. He is the ICB nominated Director of ICB financed projects like Indo-Bangla Pharmaceuticals Ltd. He traveled in Japan, Singapore & India several times.



**MR. MD. GOLAM RABBANI**  
Director



**HAFIZA YEASMIN**  
Director

**MRS. HAFIZA YEASMIN**, is a sponsor Director of Indo-Bangla Pharmaceuticals Limited since 2014. She had been serving as Chairman from 28 October, 2021 to 28 October, 2023. She is daughter of late Azizul Huq, Founder of Indo-Bangla Pharmaceuticals Works, converted into a Private Limited Company under the companies Act 1994, on 21 October 2014, after than converted into a Public Limited Company and become Publicly Listed Company in 2018. She has a business experiences of more than 18 years in the pharmaceuticals sector.

**Board Committee(s) served on**

Mrs. Hafiza Yeasmin is the Member of the Audit Committee and Nomination and Remuneration Committee (NRC).



# MANAGEMENT APPARATUS



## BOARD OF DIRECTORS

1. MRS. AZIZA YEASMIN -CHAIRMAN
2. A.F.M. ANOWARUL HUQ - MANAGING DIRECTOR
3. MD. GOLAM RABBANI - DIRECTOR
4. MRS. HAFIZA YEASMIN - DIRECTOR
5. MR. A.K.M.HARUNER RASHID - INDEPENDENT DIRECTOR

## AUDIT COMMITTEE

1. MR. A.K.M.HARUNER RASHID -CHAIRMAN
2. MD. GOLAM RABBANI - MEMBER
3. MRS. HAFIZA YEASMIN - MEMBER

## NOMINATION AND REMUNERATION COMMITTEE

1. MR. A.K.M.HARUNER RASHID -CHAIRMAN
2. MD. GOLAM RABBANI - MEMBER
3. MRS. HAFIZA YEASMIN - MEMBER

## COMPANY SECRETARY, CFO & HIAC

1. MOHI UDDIN, QCS COMPANY SECRETARY.
2. MD. FARUQUE HOSSAIN - CHIEF FINANCIAL OFFICER
3. MD. ABUBAKAR SIDDIQUE - HEAD OF INTERNAL AUDIT & COMPLIANCE

## MANAGEMENT TEAM

1. A.F.M. ANOWARUL HUQ - MANAGING DIRECTOR
2. MR. R I CHOWDHURY - GENERAL MANAGER, MARKETING
3. MS. DILRUBA BEGUM - PLANT MANAGER
4. MR. PIJUSH LAL GUHA - HEAD OF QUALITY ASSURANCE DEPT.
5. MD. MIZANUR RAHMAN - HEAD OF ADMINISTRATION

## STATUTORY AUDITORS

M/S. SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

## COMPLIANCE AUDITORS

M/S. MOHAMMADULLAH & ASSOCIATES.  
CHARTERED SECRETARIES AND MANAGEMENT CONSULTANT

## LEGAL ADVISOR

MR. MD. MONIRUJJAMAN, ADVOCATE  
M/S. KABIR & ASSOCIATES  
MR. MD. SHAHADAT HOSSAIN

## CHAIRMAN'S STATEMENT



Dear Shareholders,  
Ladies and Gentlemen

I am pleased to welcome you all at this 9th Annual General Meeting of the Indo-Bangla Pharmaceuticals Ltd and submit the Directors' Report containing, as required by Laws and Regulations, Financial Statements for the

year 2022-2023 and other related statements of the Company.

The provision of law offers us a scope to meet at the Annual General Meeting of the Shareholders to consider and approve the Directors' Report containing, inter alia, financial statements and operational performance. The occasion gives us an opportunity to meet, greet and exchange views of the owners of the Company. In this auspicious occasion we would like to present to you the Annual Report for the year 2022-2023 along with the Audited Financial Statements, the Auditors' Report and the Directors' Report thereon for the year ended 30th June, 2023.

As per condition No. 1(5) (XXV) of the Corporate Governance Code, 2018 issued by Bangladesh Securities and Exchange Commission (BSEC), the management's discussion and analysis representing detail analysis of the Company' position and operation along with a brief discussion of changes the financial statements for the year ended 2022-2023, among others, centering on: -

- ❖ Turnover amounting to Tk. 374,482,590 for the year ended 30th June, 2023 as compared to Tk. 484,679,693 for the previous year, decreased by 22.74%.
- ❖ Net Profit before tax stood Tk. 24,572,708 for the year ended 30th June, 2023 which was Tk. 31,720,563 in the year 2021-2022, decreased by 22.53%
- ❖ Net Profit after tax stood Tk. 8,407,134 for the year ended 30th June, 2023 which was Tk. 25,174,033 in the year 2021-2022, decreased by 66.61%
- ❖ Net Asset Value (NAV) per share stood Tk. 13.96 for the year ended 30th June, 2023 which was Tk. 13.98 in the year 2021-2022, decreased by 0.14%
- ❖ Earnings per share (EPS) stood Tk. 0.07 for the year ended 30th June, 2023 which was Tk. 0.22 in the year 2021-2022.

Taking into account the financial performance of the company your Board of Directors has recommended no Dividend for the year ended 30th June, 2023 which was 1% Cash Dividend for the year ended 30th June, 2022 amounting to TK. 11,620,518 (11.62 million).

Bangladesh's economy has faced a number of challenges in recent years, and as we enter 2023, these challenges continue to persist. The current global political, economic and trade situations are not favourable for a developing country like Bangladesh. Covid fallout and the domino effects of the ongoing Russia-Ukraine war have had profound impacts on the global economy. Such global crises have already exerted unwanted pressure on Bangladesh's domestic economy. The immediate effects are price hikes of food and other essential items. The disruption of supply chains, induced by Covid, is worsened by the Russia-Ukraine war.

Bangladesh's macroeconomic challenges are manifested by high inflationary pressure, escalated current account deficit, negative growth in remittances, stress on the US dollar exchange rate, and strain on the foreign exchange reserves to support a sufficient and comfortable number of months of imports. In addition, long-standing challenges such as job creation.

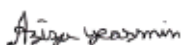
In response to the effects of the global COVID19, and the ongoing Russia-Ukraine war, the Government has adopted short, medium, and long-term action plans to maintain food security for the people of the country by continuing the expansion in agricultural productivity.

We, striving all, for highest quality health care products at the low cost reaching the lowest rungs of the economic class of people in the country. Our business policy and our priority is to drive long term value for investors through renewed focus on innovation and improving performance of Company to ensure maximum shareholders return and believe that the future the management of the Company would be ensured by your dynamic cooperation and suggestion.

The Management Team headed by the Managing Director along with workers, operators, officers, and all associated parties, have had prime contributions in sustaining and holding high the operational results of the company. We hope the year 2023-2024 will be the successful year for Indo-Bangla Pharmaceuticals Limited. I remain confident that we are taking the right action to continue to grow the business and deliver value for money to our valued shareholders. Thank you for your continued support to us.

I would like to express my sincere acknowledgement to the contribution made by the management team and employees of all levels for their tireless efforts. I also would like to express my heartfelt gratitude to our valued Shareholders, Customers, healthcare professionals, Suppliers, Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), Central Depository Bangladesh Limited (CDBL), Registrar of Joint Stock Companies and Firms (RJSC), Government agencies and all concerned for their continued support.

With the best wishes.

  
**(Aziza Yeasmin)**  
Chairman

## MESSAGE FROM THE MANAGING DIRECTOR



Dear Shareholders, Ladies and Gentlemen,

I consider it as a great opportunity to meet and welcome you all at the 9th Annual General Meeting of the Company and thank you for attending the auspicious gathering which is being held as part of Compliance of the Regulations of the Companies Act, Bangladesh Securities and Exchange Commission and other provisions of Corporate Culture. As required, the Audited Financial Statements pertaining to the FY 2022- 2023 along with Independent Auditor's Report and related report from the Audit Committee of the Board which is Chaired by an Independent Director, Report of the Directors on the operation and management of the affairs of the Company, proposals of the Management/Board of Directors on statutory requirement as well as future outlook etc, as embodied therein, have been sent to you in advance, which I hope, has offered you the scope of screening of the performance of the Company. I feel your review of the activities, operations and the resultant effect on the operating and financial results.

On behalf of my fellow board members, I express my earnest thanks and profound gratitude to you all for your enormous support and coordination.

It is a great pleasure for me to be empower to submit, on behalf of the Board of Directors, the Annual Report 2022-2023 containing the Directors' Report and Financial Statements for your kind review and observation, if any and approval thereof by you at this 9th Annual General Meeting.

- ❖ Turnover amounting to Tk. 374,482,590 for the year ended 30th June, 2023 as compared to Tk. 484,679,693 for the previous year.
- ❖ Net Profit before tax stood Tk. 24,572,708 for the year ended 30th June, 2023 which was Tk. 31,720,563 in the year 2021-2022.
- ❖ Net Profit after tax stood Tk. 8,407,134 for the year ended 30th June, 2023 which was Tk. 25,174,033 in the year 2021-2022.
- ❖ Net Asset Value (NAV) per share stood Tk. 13.96 for the year ended 30th June, 2023 which was Tk. 13.98 in the year 2021-2022, decreased by 0.14%
- ❖ Earnings per share (EPS) stood Tk. 0.07 for the year ended 30th June, 2023 which was Tk. 0.22 in the year 2021-2022.
- ❖ Enriching Product portfolio by introducing 6 new products.

### **Significant Deviation in Turnover, Earning per Shares (EPS) and NOCFPS**

During the year 2022-2023, Gross Revenue, Net Profit before Tax, Net Profit after Tax decreased by 22.74%, 22.53% and 66.61% respectively, over the previous year 2021-2022.

Net Asset Value (NAV) per share and Earnings per share (EPS) decreased by 0.14% and 68.18% respectively, over the previous year 2021-2022.

Gross revenue during the year has decreased by 22.74% from BDT 484,679,693 to BDT 374,482,590 in comparison to previous year (i.e. 2021-2022).

Due to the dollar shortage on the financial market, we faced difficulties in importing as much raw materials as we desired, which hampered our production as well as sales. The rising price of the dollar is further increasing import costs, leading to a decline in the demand for our products on the market.

The main reason of sloping down Earning per Share (EPS) is dropping turnover by 22.74% (Net Profit on 30 June, 2023 is BDT 8,407,134 that was BDT 25,174,033 for the year ended 30 June, 2022) in comparison to previous year. Earnings per Share (EPS) has decreased due to increase in cost of goods sold and financial expenses. Cost of Goods Sold has increased significantly which has decreased net profit and the underlying reason for such decrease was the considerable increase in price of raw materials, unprecedented foreign exchange loss incurred because of the USD to BDT conversion rate and increase in supplier's payment and advance payment made to the bank against LC. Net Operating Cash Flow per Share (NOCFPS) has been decreased due to increase in payment for cost and expenses during July 2022 to June 2023.

Taking into account the financial performance of the company your Board of Directors has recommended no Dividend for the year ended 30th June, 2023 which was 1% Cash Dividend for the year ended 30th June, 2022 amounting to TK. 11,620,518 (11.62 million).

The global economic growth in 2023 remains highly uncertain due to the impact of the COVID-19 pandemic over the past three years and the growing adverse effects of the ongoing Russia's war in Ukraine. In the World Economic Outlook (WEO) April 2023, International Monetary Fund (IMF) has expected the global economy to slow down from 3.4 percent in 2022 to 2.8 percent in 2023 and rebound to 3.0 percent in 2024. The slowdown of economic activity is observed due to spikes in commodity prices and supply chain disruption driven by the effects of war.

The economic challenges that Bangladesh is likely to face in 2023, especially in the context of a global economic crisis, Russia-Ukraine war, Forex reserve, internal capacity of the banking systems to facilitate import and export through opening LCs, timely payment and collection of foreign currencies, remittances etc. Commercial banks in Bangladesh are facing difficulties in fulfilling their import payment obligations due to rapid depletion of their foreign currency holdings due to ongoing dollar crisis.

The pharmaceuticals industry is going through a challenging time as the prices of raw materials have risen, and sometimes, banks are delaying opening LCs. The pharmaceuticals industry, which has made life-saving drugs available at lower costs, is facing troubles in opening letters of credit (LCs) to import much-needed raw materials and capital machinery owing to the US dollar crunch.

### **Accounting Policies and Estimation for preparation of Financial Statements**

The accounting policies and estimation for the preparation of financial statements of the Company has been mentioned note no. 2.06 of the notes to the Financial Statements and other explanatory information.

### **Changes in Accounting Policies and estimation**

No changes in accounting policies and estimation which effect on financial performance or results and financial position as well as cash flow in absolute figure for such changes was observed in the year under review and description on the issue is stated in the notes to the Financial Statements and other explanatory information of the Annual report.

### **Comparative Analysis of Financial Performance and Operational Performance**

Comparative analysis of financial performance or result and financial position as well as cash flows for current financial year with immediate preceding five years has been explained with reason thereof in the page no. 49 of the Annual report, 2023.

### **The financial and Economic scenario of Bangladesh and Global Position as under:**

Bangladesh tells a remarkable story of poverty reduction and development. From being one of the poorest nations at birth in 1971, Bangladesh reached lower-middle income status in 2015. It is on track to graduate from the UN's Least Developed Countries (LDC) list in 2026. Poverty declined from 11.8 percent in 2010 to 5.0 percent in 2022, based on the international poverty line of \$2.15 a day (using 2017 Purchasing Power Parity exchange rate). Moreover, human development outcomes improved along many dimensions.

Despite these gains, inequality has slightly narrowed in rural areas and widened in urban areas. The country did make a rapid recovery from the COVID-19 pandemic supported by prudent macroeconomic policies with estimated GDP growth of 6.0 percent in FY23. However, the economy faces considerable challenges with rising inflationary pressure, energy shortages, a balance-of-payments deficit, and a revenue shortfall. While the trade deficit narrowed in FY23, a contraction in financial account deficit resulted in a Balance of Payments (BoP) deficit and a decline in foreign exchange reserves.

To achieve its vision of attaining upper middle-income status by 2031, Bangladesh needs to create jobs through a competitive business environment, increase human capital and build a skilled labor force, build efficient infrastructure, and establish a policy environment that attracts private investment.

### **Opportunities in Pharmaceuticals Sector in Bangladesh**

The pharmaceutical industry in Bangladesh is moving forward with great potential as 98% of the country's total demand for medicine is being met by domestic institutions.

In addition to meeting the domestic demand, the companies also export medicines to several countries of the world. Besides, Bangladesh ranks 71st out of 134 countries in the world in terms of global pharmaceutical exports. Apart from allopathic medicines, Bangladesh also produces homeopathic, unani, and ayurvedic medicines. At present, there are about 257 pharmaceutical companies in Bangladesh which manufacture about 80 percent of generic drugs. With a market value of about 3 billion, it currently accounts for about 1.83 percent of Bangladesh's GDP that contributes to the country's pharmaceutical industry.

### **Challenges in Near Future**

As a least developed country, Bangladesh would get patent exemption on pharmaceutical products till 2033 as per the TRIPS agreement with the World Trade Organization. However, since Bangladesh is looking forward to graduating from LDC by 2026, Bangladesh is likely to lose the patent exemption facility 7 years before the expiration date. Which may stop the development of the pharmaceutical industry in Bangladesh because if Bangladesh loses the benefits of the TRIPS agreement, pharmaceutical companies will have to enact new patent laws. As a result, manufacturing of many types of generic medicine is likely to cease. If domestic manufacturers want to maintain production of these medicines, they may have to pay royalties on patents. As a result, the overall price of medicine in Bangladesh may increase. Otherwise companies will face patent violations and exports will be severely hampered. One of the biggest issues in Bangladesh's pharmaceutical industry is that the country's pharmaceutical companies are not paying much attention to research. As a result, there is a lack of innovation in the domestic pharmaceutical sector. Apart from this, one of the major threats in the pharmaceutical industry of Bangladesh is counterfeit and substandard medicines.

Although there are strict standards on the quality of medicines exported abroad, there is a large supply of counterfeit medicines in the domestic market. As a result, quality producers are losing huge dividends every year. In addition, most of the raw materials used in the manufacture of medicines have to be imported from outside the country which if produced in the country, the pharmaceutical industry will be able to be more self-sufficient, and manufacturing costs can be further reduced.

Therefore, I would like to promise you that, our hard effort to increase the company's growth, wealth as well as to maximize the shareholder's equity will continue as before. Our effective and efficient management with skilled labor stands the main value drivers force of company. We strongly believe that the growth of the company, market stability as well as exercise good corporate governance of the Company will gradually rise in future by utilizing our optimum capacity through better corporate strategy.

I conclude by expressing my thanks to all employees of Indo-Bangla Pharmaceuticals Limited for their hard work they have put in during the last year. On behalf of the Board, I convey my sincere appreciation to our valued Business Partners, the Healthcare Professionals and Institutes, Suppliers and Government Authorities for their trust and continued support to the Company.

Finally, I pray to Almighty Allah to bless us with success and help us in our endeavor marching towards a bright future and benevolence to our people as a whole.



**(A.F.M. Anowarul Huq)**  
Managing Director

## Report on Corporate Governance

### CORPORATE GOVERNANCE



## CORPORATE GOVERNANCE

The Board of Directors of Indo-Bangla Pharmaceuticals Limited and the Management of the Company are committed for achieving high standards of Corporate Governance through increasing transparency, accountability and compliance with Bangladesh Securities and Exchange Commission's Notification dated 30 June, 2018.

Corporate Governance refers to the procedures through which any corporate entity makes decisions as a going concern for the benefit of all parties involved, both present and future. These decisions may be classified into four categories, namely policy and strategy, operations and execution, performance and assessment, and asset sharing between current and future generations.

The involvement of the entrepreneur in all these areas invokes decision making governance on a continuous basis, the degree of involvement being variable with the extent of delegation of authority top down and reporting for accountability bottom up of the Management echelon. These aspects of governance are shared by the Board of Directors, Executive Management, operational participants and workers and others in fulfillment of the common goals that converge in increasing the benefits of all stakeholders.

To this end entire corporate governance efforts are blended with "good governance practices" as ethically and morally acceptable standards under a given socio politico environmental phenomenon of our society in which we work, live and exist.

#### Corporate Governance Principle

- **Transparency:** Business operation and other activities are transparent in all respect.
- **Accountability:** All concerned parties, including the Board of Directors and Management of Indo-Bangla Pharmaceuticals Limited, are aware of their duties and responsibilities

- **Rule of Law:** Management and Operations are governed in line with the relevant Laws, Regulations, Terms of References (ToR), and Board of Directors decisions.
- **Participation:** Recognition of the right of the shareholders as well as stakeholders to participate in the Company's activities.
- **Value of Money:** All investments and resources utilization meet targeted financial and economic returns.

The organisms through which the corporate governance functions are carried out are:

#### BOARD OF DIRECTORS

##### ❖ Constitution

The Board of Directors consist of Five (5) members including the Independent Directors with versatile knowledge, professional skills and experience which provides a balancing character in decision making process. There is a clear division of responsibilities between the Chairman's functions and that of Managing Director. The Chairman is mainly responsible for chairing the Board Meeting as well as the Annual General Meeting. On the other hand, the Managing Director is responsible for implementing and coordinating the Company's corporate and commercial programs to achieve its business objectives.

The active members of the Board of Directors are as follows:

Name	Position
Mrs. Aziza Yeasmin	Chairman
Mr. A.F.M. Anowarul Huq	Managing Director
Md. Golam Rabbani	Director
Mrs. Hafiza Yeasmin	Director
Mr. A.K.M. Haruner Rashid, LL.B, FCS	Independent Director

During the year under review the board held 9 (nine) meetings to transact various agenda.

The Board is re-constituted every year at each Annual General Meeting when one-third of the members retire and seek re-election. A director is liable to be removed if the conditions of the Articles of Association and the provisions of the Companies Act 1994 are not fulfilled.

#### **ROLE AND RESPONSIBILITIES:**

The main role of the Board of Directors, which is the highest level of authority, is to provide general superintendence, oversee the operations and control the affairs of the company through appropriate delegation and accountability processes via the lines of command. However, the Board of Directors hold the ultimate responsibility & accountability with due diligence for conducting the activities of the company as per provisions of law in the interest of the shareholders, the stakeholders, the state and the society. The Board of Directors, in fulfillment of its responsibility hold periodic meetings, at least once a quarter and provide appropriate decisions/ directions to the Executive Management. Such meetings usually consider operational performance, financial results, review of budgets, capital expenditure proposals for BMRE or new projects/divisions/product lines, procurement of funds by issue of shares or borrowing, procurement of raw materials, plant & machinery, pricing of products/ discounts, recruitment, training and promotion of officers, approval of audited accounts and distribution of dividends and other interest of the stakeholders including the employees and workers.

The Board of Directors take special care in designing and articulating productivity and compensation plans of employees and workers and rewarding them appropriately on the basis of quality and quantity of performance as an incentive. Board also remains responsible for removal of operational hazards to life and health of workers, friendly environmental work condition and social relationship as demanded of good citizen in a country. The Board has authorized the formation of a number of Committees to implement the stated policies and activities. The Committees are: Audit Committee, NRC Committee. The Audit Committee ensures that adequate internal checks & balances supported by adequate MIS are in place for detection of errors frauds and other deficiencies. The other responsibilities include inter alia, not being limited to, the prevention of conflict of interest between the company and its Directors officials, customers, suppliers, government and any other interest groups and detect or remove any scope of insider trading in the company's stock. The Audit Committee also ensures compliance of requirements of BSEC and other agencies. The details about Audit Committee including composition, responsibilities, meetings, reporting and activities carried by the Audit Committee is disclosed in the Annual Report in "Report of the Audit Committee".

#### **RELATIONSHIP WITH SHAREHOLDERS AND GENERAL PUBLIC:**

The shareholders as owners, are required to be provided with material information on the company's operation quarterly, half-yearly and annually, the latter at the AGM. They are also provided routine services by the Company Affairs Division in matters of their various queries, shares related queries, payment of dividends etc. The Board is however responsible to the public for publication of any price sensitive information as per BSEC regulation.

A qualified Chartered Secretary is in charge for all these responsibilities as Company Secretary

#### **RELATIONSHIP WITH SUPPLIERS:**

As the company has to import plant and machinery and almost all the raw materials from abroad, it maintains cordial and mutually beneficial interest with its international as well as local suppliers. This has enabled the company to avoid any legal disputes in international/local courts and enhanced the company's image as a good customer.

#### **RELATIONSHIP WITH GOVERNMENT:**

In its role on accountability to the government, the Board of Directors ensure payment of all dues to government in the form of import duty, custom duty and port charges, VAT, Corporate Taxes and other levies as and when they become due on the basis of actual operations and make sure to avoid corruption. This has enabled the Company to enhance its contribution to the National Exchequer on a progressive rate year after year.

#### **RELATIONSHIP WITH FINANCIERS/BANKERS:**

The Board oversees the Financial transactions and ensures to meet company's commitments to the lenders without default. This has resulted in securing lower interest rates from them.

#### **CORPORATE SOCIAL RESPONSIBILITIES (CSR):**

The Board of Directors is also awoken of the Corporate Social Responsibilities (CSR) especially in the areas of gender equality, race, religion, regional equality, non-employment of child labor, human rights, environmental pollution, social-marketing, social activities

#### **CODE OF CONDUCT:**

The Board has laid down a "Code of Conduct" for the Board members of the Company based on the recommendation of the Nomination and Remuneration Committee. The Board members have certified that they have read, received, understood and affirmed compliance with the codes as framed to ensure and practice sound corporate governance of the Company.

#### **SEPARATE ROLE OF THE CHAIRMAN AND MANAGING DIRECTOR**

The positions of Chairman of the Board and the Managing Director of the Company are filled by different individuals

who are member of the Board. The Chairman of the Board elected from the non-executive directors of the company as per requirement of Bangladesh Securities and Exchange Commission (BSEC). Mrs. Aziza Yeasmin is the Chairman of the Company and responsible for the functions of the Board while Mr. A.F.M. Anowarul Huq is the Managing Director serves as the Chief Executive Officer of the Company.

#### Chairperson's core responsibilities:

- ❖ Determines board strategic declaration;
- ❖ Provides leadership for the Board;
- ❖ Encourages a culture of openness to foster a high-performing team of Directorship that operates effectively;
- ❖ Facilitates the relationship between the Board and the Managing Director;
- ❖ Maintains effective communication between the Board, Management of the Company and shareholders generally.

#### Managing Director's core Responsibilities:

- ❖ Provides leadership for the management;
- ❖ Oversees the realization by the Company of the objectives determined by the Board;
- ❖ Provides information to the Board as is necessary to enable the Board to monitor the performance of Management;
- ❖ Leads the Management of the Company's relationship with its stakeholders;
- ❖ Puts in place programs for Management development and succession;
- ❖ Establishes and maintains proper internal controls and risk mitigation;
- ❖ Discharges such duties and authorities as may be delegated in writing to him by the Board of Directors.

#### CHIEF FINANCIAL OFFICER, COMPANY SECRETARY AND HEAD OF INTERNAL AUDIT AND COMPLIANCE:

The following executives have been appointed as Chief Financial Officer, Company Secretary, and Head of Internal Audit Compliance of the Company as per requirement of the Corporate Governance Code of Bangladesh Securities and Exchange Commission:

Name	Position
Mr. Md. Faruque Hossain	CFO
Mr. Mohi Uddin, QCS	Company Secretary
Mr. Md. Abubakar Siddique	HIAC

#### BOARD OF DIRECTOR'S COMMITTEE:

##### AUDIT COMMITTEE

The Board has formed an Audit Committee of the Board consisting of three (3) member to assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and ensuring a good monitoring system within the business.

The Audit Committee is comprised by the following Non-Executive Directors including 1 (one) Independent Directors

Name	Position
Mr. A.K.M. Haruner Rashid, LL.B, FCS. Independent Director	Chairman
Md. Golam Rabbani Director	Member
Mrs. Hafiza Yeasmin Director	Member

Mr. Mohi Uddin, QCS Company Secretary is the Secretary to the Audit Committee. The Committee met 4 (four) times during the year under review. The details of the Audit Committee including background, composition, responsibilities, meeting, reporting and activities carried out by the Audit Committee is disclosed in this Annual Report in "Report of the Audit Committee"

The Audit Committee carries out its responsibilities as per the provisions of law through convening meetings and submitting its report to the Board of Directors as and when required.

The Audit Committee shall also co-ordinate with the Internal and external Auditors as and when required. The Audit Committee ensures that adequate internal checks & balances supported by adequate MIS are in place for detection of errors frauds and other deficiencies. The other responsibilities include inter alia, not being limited to, the prevention of conflict of interest between the company and its Directors officials, customers, suppliers, government and any other interest groups and detect or remove any scope of insider trading in the company's stock. The Audit Committee also ensures compliance of requirements of BSEC and other agencies.

#### NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors has formed a Nomination and Remuneration Committee (NRC) of the Board, which is comprised by the following Non-Executive Directors:

Name	Position
Mr. A.K.M. Haruner Rashid, LL.B, FCS.	Chairman
Md. Golam Rabbani	Member
Mrs. Hafiza Yeasmin	Member
In attendance	- Chairman - Managing Director - External Advisor by invitation - Any Non-Executive Director are shall be entitled to attend the committee's meetings.



Mr. Mohi Uddin, QCS Company Secretary is the Secretary to the nomination and Remuneration Committee. The number of the meeting held during year ended June 30, 2023 were 2(two).

The terms of reference of the Nomination & Remuneration Committee inter alia include to determine the Company's policy on specific remuneration packages for executive directors, to review, recommend and/or approve remuneration to whole-time Directors, to review and approve the Remuneration Policy of the Company, to formulate criteria for evaluation of Independent Directors and the Board, to devise a by the Board of Directors from time to time.

#### **EXECUTIVE MANAGEMENT:**

The Executive Management is led by the Managing Director who is appointed by the Board of Directors for a term of 5 years (renewable) with the approval of shareholders in the Annual General Meeting. The Managing Director is supported by professional, well educated, trained and experienced team consisting of Directors, General Managers and a host of Senior Executives in the hierarchy of management. The Board has approved an organogram with modern features ensuring clear lines of delegation of authority and reporting for accountability for effective decision making evaluation of performance on merit for both rewarding and disciplinary action. The Executive Management is responsible for preparation of budgetary segment plans/ sub segment plans for every cost/profit centers and are held accountable for performance therefor. The Executive Management is aided by committee(s)/sub-committee(s) in carrying out its functions.

#### **OTHER GOVERNANCE APPARATUS:**

The Company, in its efforts for Corporate Good Governance Practices, uses a series of top ranking professional service providers including Legal experts, Bankers, Insurers and Technical experts who continuously assist the Board of Directors and the Executive Management in properly discharging their duties to all the shareholders, stakeholders, the Government and the public as highlighted below:

##### **❖ Independent Director**

In compliance of the Bangladesh Securities and Exchange Commission (BSEC) Regulations on Good Governance, the Board of Directors as empowered by the Regulations, appointed Mr. A.K.M. Haruner Rashid, LL.B, FCS., as non-shareholding Independent Directors with the expectation that his expertise would help contribute to the further disclosure and protect the interests of the stakeholders, investors in general and smaller investors in particular

Mr. A.K.M. Haruner Rashid, LL.B, FCS, Worked as Registrar of Bangladesh Board of Unani and Ayurvedic Systems of Medicine, established under the Bangladesh Unani and Ayurvedic Practitioners Ordinance, 1983 from 1998 to 2019. At the same time performed functions as the Secretary

and Controller of Examinations under section 15(3) and 21(4) respectively of the said Ordinance. Visited many countries and participated various seminars, conferences and training programs. Honorary Adviser of Pragyan International University, Ranchi, India.

Mr. A.K.M. Haruner Rashid, LL.B, FCS, Obtained many awards from home and abroad. He is Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB).

##### **❖ Financial Auditors**

The role of the auditors in certification of the financial statement is the most significant aspect of Corporate Governance and protection of interest of investors. As evident from the Annual Reports, the company rigidly follows the Companies Act, Rules of Bangladesh Securities and Exchange Commission, listing regulation, code of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and International Standard of Auditing (ISA) with legally required disclosures of Accounts and Financial Statements.

All this has been possible due to the high level capability and integrity of M/s. Shafiq Basak & Co., Chartered Accountants whose unchallenging performance has played a very trustworthy role in the protection of interest of the investors.

M/s. Shafiq Basak & Co., Chartered Accountants is the Statutory Auditor appointed by its Shareholders in the Annual General Meeting.

##### **❖ Compliance Auditors**

The compliance auditors is responsible in certification on compliance of conditions of Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission as well as the provisions of relevant Bangladesh Secretarial Standards of Institute of Chartered Secretaries of Bangladesh.

The Board of Directors recommended the appointment of M/S. Mohammadullah & Associates, Chartered Secretaries and Management Consultant as the Compliance Auditor of the Company for the Financial Year 2023-2024 subject to approval of the shareholders at the forthcoming 9th Annual General Meeting of the company."

##### **❖ Legal Advisers**

In order to avail the best legal services for Good Corporate Governance, the company has empaneled the following legal professionals:

Mr. Md. Monirujjaman, Advocate  
M/S. Kabir & Associates  
Mr. Md. Shahadat Hossain

The expertise of the above named professionals have had long term fundamental support to the company's Good Governance efforts.

#### ❖ Bankers

The degree of efficient business operation largely depends on the quality of efficiency of banking services received by the company.

Efficient banking service brings down cost of operations. On the other hand, cost of financial services and interest on the lending by the banks are also required to be the minimum. With this end of view, the company has established long term business relationship with the banks namely First Security Islami Bank Ltd., Sonali Bank Ltd., Dutch-Bangla Bank Ltd., Pubali Bank Ltd., Social Islami Bank Ltd., and Islami Bank (BD) Ltd., who provide most efficient service at minimum cost that benefit the shareholders. The company has neither ever defaulted in any commitment with its Bankers nor did get entangled in legal dispute at any court premises.

#### ❖ Insurer

Insurance services cover certain operational risks which are required by law/business practices to be covered by legitimate insurance service providers for protection of the interest of the company and the investors. To this end, the company has to select insurer with the most efficient, reputed and financially sound history so that claims, if any, are settled promptly and the premium rates are market competitive. The company, based on these considerations, is maintaining insurance business relationships with the highly reputed and publicly listed insurance companies namely Islami Insurance Bangladesh Ltd., The company has not yet faced any dispute over any claims and the company enjoys special premium rates which protects the interest of the investors.

#### ❖ Internal Audit and Control:

The Indo-Bangla Pharmaceuticals Limited considers that internal audit is one of the important regular function of the Company. The Company has an independent internal audit department under control of the Audit Committee of the Board. Department of Internal Audit and Control gives effort to bring a methodical disciplined approach to evaluate and improve the effectiveness of the organization's risk management process, system of the internal control and governance.

#### Shareholders' Relationship:

Corporate Governance issues include how major policy decisions are made in business corporations, how various stakeholders can influence the process, who is held accountable for performance and what performance standards are applied.

As shareholders belong to the most important stakeholders, ownership structure has an impact on the balance of power among shareholders. Though sponsors usually hold majority shares required for ordinary resolutions, public shareholders have a definite role and influence in the passing of special resolutions required for changes in the business object, sale of business/productive assets, merger

and amalgamation, winding up or dissolution and amendments to Memorandum and Articles of Association for protection of minority interest up to 59.36% of the shareholdings. The position of shareholders as on 30th June, 2023 indicates that the sponsors of the company do not hold the required shareholdings (75%) for passing special resolutions. This allows the public shareholders (individuals & institutions) to play an effective role in protecting their legal corporate rights. The Company holds regularly as per law the Annual General Meeting with adequate notice and disclosures in the Directors' Report and the Auditors' Report on Accounts/Notes and resolutions are passed with consensus and unanimity. All reasonable and practicable suggestions are implemented with good grace. Special Resolutions are passed in General Meeting with due notices periods. All enquiries are attended by the Company Secretary. Where necessary, Internal Audit Committee investigates matters of significant merit for consideration by the Management Committee/Managing Director/Audit Committee of Board of Directors as the case may be. The Shareholders as owners are provided with material information on the Company's operation quarterly and annually. They are also provided routine services by the Company Secretary in any company matters which is permissible. The Board is however responsible to the Shareholders as well as investors for publication of price sensitive information as per regulations of Bangladesh Securities and Exchange Commission.

Total No of Shares	11,62,05,178	100%
General Public	60,325,628	51.92%
Sponsor & Director	47,228,219	40.64%
Foreigners	00000	0.00%
Institutions	8,651,331	7.44%

The Company has also a web site to provide permissible information, notices, price sensitive information, financial reports, disclosures and others for the Shareholders and interested investors.

#### Dividend Distribution Policy:

Ethics is an ingredient of Good Governance and involves a determination of what is right and what is wrong and deals with things to be sought and things to be avoided with way of life and the end of life. Ethics invokes the management of the environment within which we function from a perspective broader than, but obviously inclusive of, the current cohort. Since the corporate environment is in theory an infinitely lived entity owned by finitely lived shareholders, a governance ethic must represent a system that serves the needs of the current ownership while preserving the ability of the corporation to sustain itself and benefit future cohorts.

The corporate ethic must necessarily promote efficiency in coexisting with the environment to generate the quality of life for a current cohort and yet also provide an equity that does not disadvantage a future cohort by the decisions of a current cohort.

As an environmental ethic analogy, those living today naturally believe in dividend payouts today with less regard for the consequence tomorrow and those living tomorrow would prefer dividend payouts tomorrow without regard for the sacrifices we make today to allow their greater consumption tomorrow.

Based on the above concept, the company is committed to show a stable policy of distribution (cash outlay) of the accretion wealth (profits) between the current and the future generation of shareholders. This would enable the company to enhance its capital wealth and sustain for perpetuity of existence, benefiting both the present cohorts and the progeny. Future generation of shareholders. This would enable the company to enhance its capital wealth and sustain for perpetuity of existence, benefiting both the present cohorts and the progeny.

#### Corporate Socialization:

In order to play a model role for Good Governance characteristics in the corporate sector, the company has become members of chamber

- ❖ Barisal Chamber of Commerce & Industries (BCCI).
- ❖ Dhaka Stock Exchange Ltd. (DSE)
- ❖ Chittagong Stock Exchange Ltd. (CSE)
- ❖ Bangladesh Association of Publicly Listed Companies (BAPLC)
- ❖ Central Depository Bangladesh Limited (CDBL).
- ❖ Bangladesh association of Pharmaceutical Industries (BAPI)

These memberships have provided scope to the company for improvement of Corporate Governance Practices for the benefit of the shareholders as well as stakeholders.

#### Secretarial Standard:

Indo-Bangla Pharmaceuticals Ltd., try their best maintaining of the Secretarial Standard on meetings of the Board of Directors, Members (shareholders), Minutes and Dividend issued by the Institute of Chartered Secretaries of Bangladesh. A qualified Chartered Secretary is in charge for maintaining of the Secretarial Standard.

#### Compliances:

Indo-Bangla Pharmaceuticals Ltd., has an established procedure to ensure compliance with all applicable statutory and regulatory requirements. Respective officers are responsible for ensuring proper compliance with applicable laws and regulations.

Publication of Price Sensitive Information (PSI)		
During the reviewed period 2022-2023, Indo-Bangla Pharmaceuticals Limited have published in national daily and online newspapers for following information as Price Sensitive Information and Notice to the Stakeholders:		
Disclosure	Publication date	Newspaper for publication
Publication regarding Sale of Land	02 October, 2022	<ul style="list-style-type: none"> <li>• Desh Rupantar</li> <li>• The Bangladesh Today</li> <li>• Desh potikkhon</li> </ul>
Major financial indicators for the year ended June, 2022 and 8th AGM related disclosure	08 November, 2022	<ul style="list-style-type: none"> <li>• Desh Rupantar</li> <li>• The Bangladesh Today</li> <li>• Daily Sharebazar</li> <li>• Biniyoug Barta</li> </ul>
Publication of First Quarter (Q1) financial result period ended 30 September, 2022	01 December, 2022	<ul style="list-style-type: none"> <li>• The Bangladesh Today</li> <li>• The Daily Share Biz</li> <li>• Stockmarketbd</li> </ul>
Notice for the 8th Annual General Meeting	02 December, 2022	<ul style="list-style-type: none"> <li>• The Bangladesh Today</li> <li>• Desh Rupantar</li> <li>• Stockmarketbd</li> </ul>
Annual Report Disbursement Notice	09 December, 2022	<ul style="list-style-type: none"> <li>• The Bangladesh Today</li> <li>• Desh Rupantar</li> <li>• Stockmarketbd</li> </ul>
Publication regarding Virtual AGM	23 December, 2022	<ul style="list-style-type: none"> <li>• The Bangladesh Today</li> <li>• Desh Rupantar</li> <li>• Businessseyebd.com</li> </ul>
PSI on Credit Rating	29 December, 2022	<ul style="list-style-type: none"> <li>• The Bangladesh Today</li> <li>• Desh Rupantar</li> </ul>
Publication of Second Quarter (Q2) financial result period ended 31 December, 2022	30 January, 2023	<ul style="list-style-type: none"> <li>• Desh Rupantar</li> <li>• The Bangladesh Today</li> <li>• Stocknewsbd</li> </ul>
Publication of Third Quarter (Q3) financial result period ended 31 March, 2023	25 May, 2023	<ul style="list-style-type: none"> <li>• The New Nation</li> <li>• Desh Rupantar</li> <li>• Stockmarketbd</li> <li>• Business Journal</li> <li>• Desh Shamachar</li> </ul>



Since 1954 Indo-Bangla is working for the healthcare development of Bangladesh to ensure health, heartiness and happiness for mankind.

[www.indo-banglapharma.com](http://www.indo-banglapharma.com)



## WE OFFER

Indo- Bangla Pharma currently produces more than 90 brands and applied for 06 new Brand. Indo-Bangla Pharma's portfolio encompasses various the categories, including analgesics, respiratory, cardiovascular, central nervous system, dermatology, gastrointestinal etc. The company has sound expertise with specialized and advanced drug delivery systems that have created strong differentiation. Many of its brands remain consistent leaders in their respective therapeutic categories and the company continuously reviews and expands its product portfolio in order to ensure that people have access to newer, better treatment options at affordable cost. The expanding portfolio, including high value, differentiated, and difficult to copy products will continue to drive strong growth in the coming days.



## MANUFACTURING CAPABILITIES

In line of International standards, our state of the manufacturing facilities is spread across a 37.40 decimals area located near the heart of Barisal city, Barisal, which houses facilities for manufacturing tablets, capsules, intravenous fluids, liquids, suppositories, injectable as well as the bulk paracetamol production unit. There are also water purifying and liquid nitrogen generation facilities. Currently being Constructing with large capacity to provide to the emergent demand.



## QUALITY COMPLIANCE:

To preserve and improve patient health by consistently delivering high quality, safe and effective specialty pharmaceutical products and services, that meet or exceed customer expectations. IBPL is committed to successful deploying our company's Quality Policy to all aspects of our activities - assuring continued high quality, usefulness and effectiveness of products for our customers. Having an experienced workforce, equipped with continuing education and training in emerging Quality techniques and philosophy.

## QUALITY CONTROL:

We have a separate Galenical laboratory for R & D, equipped with all the necessary machineries & equipment of current GMP standard in small scale for the team to develop products.

IBPL Quality Control Department guide and support in analytical development. Quality Control Department is equipped with highly sophisticated instruments like UPLC, Gas Chromatography, Atomic absorption spectrophotometer, FTIR, etc. A highly sophisticated microbiology laboratory has been setup to cater to the need for quality control of regular products as well as control of all the different biological products that the company produces.

## RESEARCH & DEVELOPMENT

“As commitment to discovery and development of drug, IBPL has an ironic and unique pipeline that is persistently surfacing.”

A part from the hundreds of different drug contenders and new technologies under our investigation in our laboratories, we significantly identify and strictly prioritize those with the greatest potential to deliver new standards of care—critical for our commitment to produce the best therapies.

our intent to develop drugs that accurately target biological processes in patients with specific disease profiles, with companion diagnostics to identify those people who will receive most benefit.

We proactively utilize external resources and specialist excellence at every stage of the R&D process – enabling us to deliver as many innovative new drugs as possible. In the drug discovery & development phase, we partner and collaborate with public and private organizations to harness complementary capabilities to medical science.



## OUR PEOPLE

Indo-Bangla Pharmaceuticals' success and accomplishments story lies on 224 strong & skilled workforces, who have stood by the company through thick and thin. The IBPL workforce is charged with the life-force from highly skilled and dedicated professionals. People are our most valuable assets and we always recognize that the essence of this company and their collective resolve to excel—will propel us forward to reach new heights. We seek to provide a workplace that inspires people to be the best they can be. Our ability to transform ourselves is driven by a strong emphasis on employee empowerment at every level.

## PRODUCT MANAGEMENT:

The Product Management Department lies in the center of all marketing activities. A dedicated team with excellent professional background comprising Pharmacists, Biochemists, MBAs and Microbiologists work in this department. They formulate the strategies to uphold the market share of company's products, select and introduce new products to keep the company growing and develop promotional materials for the sales people to win in the market.

## MARKETING:

The marketing Department plays an important part, as they do the implementation part of all strategies. A large team with highly skilled sales people work throughout the country to bring in success for the company. Team spirit remains as the key to success of the sales department of Indo-Bangla Pharmaceuticals Ltd.



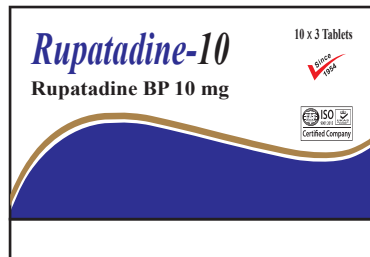
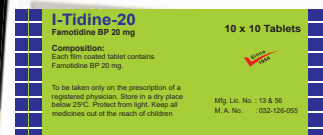
As our strategic commitment; corporate social Responsibility (CSR) is an integral part of our company and continually guided by ethical values to operate responsibly in socio-economic context. We truly believe one can only be affluent if one generates value not just for the company but also for the society. We contribute to society by supporting the communities to achieve sustainability and growth by improving the health and well being.

The company believes in enriching the lives of people by providing innovative high quality medicines with affordable price. We strongly believe in stirring the lives of people of employees by giving them the scope of growth and achievement, providing fair employment conditions and having a safe & health environment.

We support charitable projects in area of healthcare through Rotary, support various Mosque, School and NGOs in selected programs, arrange & participate medical camps and consistently reach out beyond the boundaries of our company to touch societies in which we work. We assist and provide aid in the event of disasters and other emergency situations.




We demonstrate our commitment towards environment by following environment friendly practices across the organization and ensuring manufacturing facilities continuously reducing impact on the environment.




# PRODUCT PORTFOLIO





Group	Trade Name	Generic Name
		Omeprazole BP (Enteric Coated Pellets)
	Capsule Indonix 20	Esomeprazole Magnesium Trihydrate USP equivalent to Esomeprazole 20mg (as enteric coated pellets)
<b>Analgesics- Antipyretics</b>		Paracetamol BP Caffeine BP
	Tablet Paramol 500 mg	Paracetamol BP
	Suspension Paramol	Paracetamol BP
		
<b>Anthelmintic</b>	Tablet Albendox 400mg	Albendazole USP
<b>Anti-Asthmatic Preperations</b>	Tablet Indokast 10	Montelukast Sodium

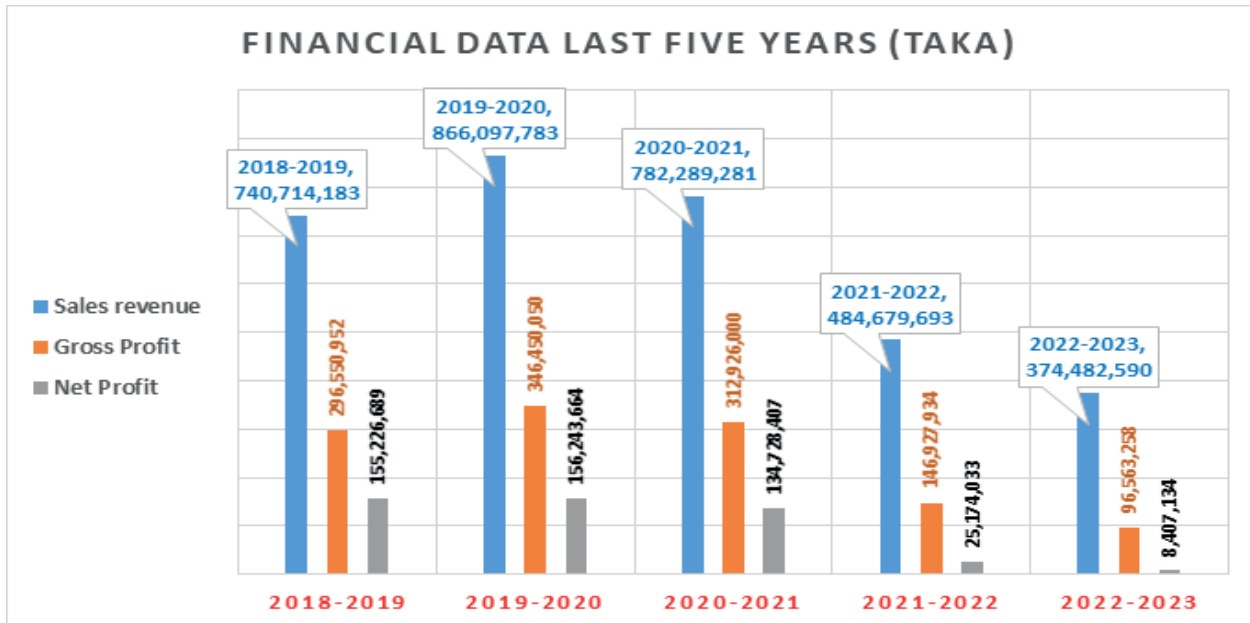
Group	Trade Name	Generic Name
<b>Gastrokinetic &amp; Antiemetic Preparations</b>	Tablet I-Pedom 10mg	Domperidone Maleate BP
		
<b>Antiprotozoal Preparations</b>	 Tablet Metrol 400 mg	Metronidazole BP
	Tablet Metrol 200 mg	Metronidazole Benzoate BP
<b>Non-Hormone Sex Stimulant Drugs</b>	Tablet Makmaul Sanagra -50mg	Sildenafil Citrate BP
	Tablet Makmaul Sanagra -100mg  	Sildenafil Citrate BP

<b>Non-steroidal Anti-inflammatory Drugs Preparation</b>	Tablet Inket 	Ketorolac Tromethamine USP
	Capsule I-Cin 25 mg	Indomethacin BP
	Capsule Indofenac-TR	Diclofenac Sodium BP Timed Release Pellets
	Tablet Indoprox E Plus	Naproxen BP & Esomeprazole Magnesium Trihydrate BP
	Tablet Indofenac-50	Diclofenac Sodium BP
<b>STEROIDS</b>	Tablet Daxtrin 0.5 mg	Dexamethasone BP
	Tablet I-Solone 5 mg	Prednisolone BP
<b>Vitamins &amp; Minerals</b>	Tablet Riboflavine	Riboflavin BP
	Tablet Calfresh-M 	Calcium Carbonate BP, Vitamin D3, Magnesium Oxide BP, Zinc Oxide BP, Cupric Oxide Ph.Gr., Manganese Sulphate Manahydrate BP, Boron Citrate Ph.Gr.
	Tablet Indocal-D 	Calcium Carbonate BP.

# CORPORATE OPERATIONAL RESULTS

Summary of key operating and financial data for the least preceding 5 (Five) years are as follows:

Financial Highlights.



Operational Result	Amount in Taka				
	2022-23	2021-22	2020-21	2019-20	2018-19
Turnover	374,482,590	484,679,693	782,239,281	866,097,783	740,714,183
Gross Profit	96,563,258	146,927,934	312,936,000	346,450,050	296,550,952
Profit from Operation	24,681,093	32,503,411	177,952,858	222,667,522	178,281,873
Net Profit before tax	24,572,708	31,720,563	169,343,500	217,005,550	180,778,346
Net Profit after Tax	8,407,134	25,174,033	134,728,407	156,243,664	155,226,689
Net Operating Cash Flow per Share	0.63	0.79	1.33	1.54	1.70
<b>Financial Position</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>
Non-Current Assets	1,344,573,299	1,354,903,129	1,295,291,134	1,126,809,674	818,523,321
Current Assets	531,196,611	538,891,584	595,555,779	612,456,404	767,224,351
Shareholder's Equity	1,621,822,173	1,625,035,557	1,625,418,375	1,517,598,176	1,374,627,332
Current Liability	124,803,247	154,198,259	157,253,535	126,947,217	144,361,259
Non-Current Liability	129,144,490	114,560,897	108,175,003	94,720,685	66,759,081
<b>Key Financial Ratio</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>
Current Ratio	4.25	3.49	3.57	4.82	5.31
Quick Ratio	2.82	1.61	2.38	1.89	2.36
Debt to Equity Ratio	0.027	0.046	0.096	-	-
Net Income Ratio (%)	2.24%	5.19%	17.22%	18.04%	20.96%
Return on Equity (%)	0.52%	1.55%	8.57%	10.80%	12.88%
Earnings Per Share	0.07	0.22	1.18	1.37	1.39

# DIRECTOR'S REPORT TO THE SHAREHOLDERS

To the Members for the 12<sup>th</sup> months period ended 30 June, 2023



Bismillahir Rahmanir Rahim  
Distinguished Shareholders,

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuhu,  
The Board of Directors of the Company is pleased to present the Audited Financial Position, Statements of Profit or Loss and other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity along with the Auditors Report thereon, Report to the Share-holders for the financial year ended 30 June 2023 before the honorable Members (Shareholders).

The Directors' Report is presented in accordance with the provisions of section 184 of the Companies Act 1994, Rule 12 (and the Schedule there under) of the Bangladesh Securities and Exchange Rules, 2020, Corporate Governance Code, 2018 of Bangladesh securities and exchange Commission and International Accounting Standards-1 as adopted by The Financial Reporting Council, Bangladesh.

## OPERATIONS AND STATE OF AFFAIRS OF INDO-BANGLA PHARMACEUTICALS LIMITED.

As per condition No. 1(5) (XXV) of the Corporate Governance Code, 2018 issued by Bangladesh Securities and Exchange Commission (BSEC), the management's discussion and analysis representing detail analysis of the Company' position and operation along with a brief discussion of changes the financial statements for the year ended 2022-2023, among others, centering on: -

### Financial Results Overview

- ❖ **Revenue:** Revenue from operations decreased by 22.74% to Tk. 374,482,590 for the year ended 30th June, 2023 against Tk. 484,679,693 of the previous year.
- ❖ **Net Profit before Tax:** Net Profit before tax stood Tk. 24,572,708 for the year ended 30th June, 2023 which was Tk. 31,720,563 in the year 2021-2022, decreased by 22.53%
- ❖ **Net Profit after Tax:** Net Profit after tax stood Tk. 8,407,134 for the year ended 30th June, 2023 which was Tk. 25,174,033 in the year 2021-2022, decreased by 66.61%
- ❖ **Net Asset Value (NAV):** Net Asset Value (NAV) per share stood Tk. 13.96 for the year ended 30th June, 2023 which was Tk. 13.98 in the year 2021-2022, decreased by 0.14%
- ❖ **Earnings per share (EPS):** Earnings per share (EPS) stood Tk. 0.07 for the year ended 30th June, 2023 which was Tk. 0.22 in the year 2021-2022.

- ❖ **Dividend:** No Dividend for the year ended 30th June, 2023 which was 1% Cash Dividend for the year ended 30th June, 2022 amounting to TK. 11,620,518 (11.62 million).

- ❖ Enriching Product portfolio by introducing 6 new products.

## PHARMACEUTICAL INDUSTRY OF BANGLADESH: PROSPECT AND FUTURE CHALLENGES

The pharmaceutical industry in Bangladesh is growing rapidly with great potential as 98% of the country's total demand for medicine is being met by domestic pharmaceuticals. In addition to meeting the domestic demand, the companies also export medicines to several countries across the world.

Pharmaceuticals industries in the country has grown tremendously over the past few decades. So that the country can continue to produce a wide range of medicines at competitive costs and enjoys comparative advantage in the sector as cheap labor and raw materials, a favorable World Trade Organization (WTO) regime and adequate supply of skilled manpower.



The pharmaceutical industry in Bangladesh began in the 1950s in the hands of some MNCs and local firms. After independence in 1971, Bangladesh, as a least developed country, got patent exemption in the Pharmaceutical industry. As a result, the production of generic medicine in the country began to increase. However, the growth of the pharmaceutical industry began in the 1980s. In 1981, there were 166 licensed pharmaceutical factories in Bangladesh. However, the country's pharmaceutical production was then dominated by 8 multinational companies and they supplied 75% of the country's medicine. At that time, 25 medium-sized domestic pharmaceutical companies Produced 15% and 133 companies produced the remaining 10%. All these companies used to make medicines locally from raw materials imported in foreign currency

worth BDT 60 crore annually. Despite having 16 local pharmaceutical companies in the country, medicines worth BDT 30 crore were imported from abroad every year. But now around 97 per cent of medicines are produced locally while imported medicines mainly belong to hi-tech genres. And the market share of the local manufactures is currently around 90 percent and 10 percent is controlled by foreign companies. It also mentioned that current export of Bangladeshi medicines to 147 countries, including Europe.

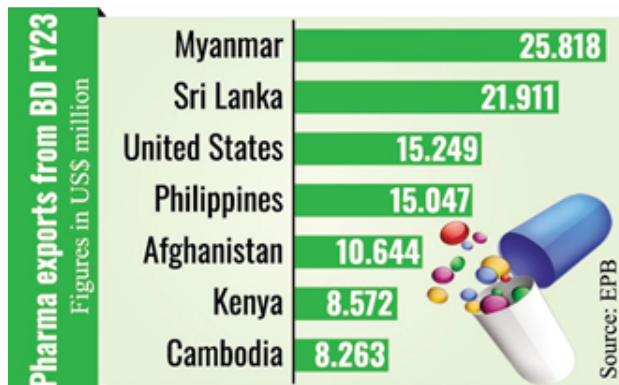
The pharmaceutical market of Bangladesh is expected to surpass \$6 billion by 2025 with an absolute growth of 114 per cent from its 2020 levels. The pharmaceutical market has been witnessing excellent growth in recent years, and it is expected to have a compound annual growth rate of more than 12 per cent during the 2019-2025 period.

Pharmaceutical exports from Bangladesh shrank 7 per cent year-on-year in fiscal 2022-23 due to the impacts of global economic crises and subsequent US dollar shortage in most underdeveloped countries. Data of the Export Promotion Bureau (EPB) shows that pharmaceutical exports fetched \$175.42 million in the preceding fiscal year (FY), down from \$188.78 million in FY2021-22. Bangladesh mainly exports pharmaceutical products to least developed and developing countries. As such, last fiscal year was challenging in terms of global business due to the direct impacts of the Russia-Ukraine war and persisting US dollar crunch in countries that import medicine from Bangladesh.



Bangladesh pharmaceutical market had been largely dependent on the imports as well as on multinational companies for meeting the needs of the local population. However, in recent times local pharmaceutical companies have emerged as the game-changer by contributing more than 90% of the overall available medicines in the market. The notable change that attracted the world towards the country's market status is the consequence of innovation in science and research and development sector. This has surprisingly transformed the curve of the overall ratio or contribution of Bangladesh pharmaceutical market at the global level.

Bangladesh ranks 71st out of 178 countries in the world in terms of global pharmaceutical exports. Bangladesh's pharmaceutical industry accounts for 1.83% of the country's GDP.



### BANGLADESH PHARMACEUTICAL MARKET FUTURE OPPORTUNITY

Bangladesh Pharmaceutical Market Future Opportunity Outlook 2025 Highlights:

- ✓ Bangladesh Pharmaceutical Market Opportunity: More Than US\$ 6 Billion by 2025
- ✓ Share Of Local Pharmaceutical Companies: >90%
- ✓ Share of Generics Drugs in Pharmaceutical Market: >75%
- ✓ Leading Drugs Market Insight by Availability, Dosage & Price Analysis
- ✓ Number of Ongoing Clinical Studies: > 300 Clinical Studies
- ✓ Pharmaceutical Exports Opportunity: > US\$ 450 Million by 2025

According to the Department of Drug Administration currently the number of Pharmaceuticals companies stands at 273. The pharmaceuticals market of Bangladesh is expected to surpass \$6 billion by 2025 with an absolute growth of 114 per cent from its 2020 levels. Market players estimate that the local market size of the sector was about Tk. 25,000 crore (\$3 billion) in 2019. In 2012, it stood at about Tk. 9,390 and in 2017 it hit Tk. 18,755.6 crore, according to the IMS Health Care Report

The country's domestic pharmaceutical market size has been expanding during the current decade at a rate of around 15% and is expected to be worth Tk. 400 billion and

500 billion by the year 2022-2023 as Bangladesh's economy is growing with increased per capita income in 2022-2023 of \$2763, while life expectancy increased to 73.57 years, Life expectancy of people has significantly increased — the average life expectancy of 66.4 years in 2002 rose to 73.57 years in 2023. Improved healthcare facilities and diagnosis with modern technology and rapid growth of chronic diseases due to change in lifestyle and environment factors are other reasons for the growth of domestic drug market.

Bangladesh can become a global player by targeting the pharma emerging market which is expected to grow up by 3-6% Compound Annual Growth Rate (CAGR) for the next 5 years. But, we have to adopt modern technologies like ML (Machine Learning), AI (Artificial Intelligence) & Bio pharma to compete with developed markets. However, upgraded pharmaceutical policy support is very essential to stay and compete in the global market

According to IQVIA 2Q, 2023 (July 2022 to June 2023), the Domestic Market Size of pharmaceuticals had a growth of 15.29% over the last year whereas the same period of the previous year experienced a negative growth of 3.85%. After the COVID pandemic, the pharma market has been normalizing for days going.

OTC pharmaceuticals provide affordable medical opportunities, not only for the healthcare system but also for consumers in order to meet their everyday healthcare needs. The COVID-19 pandemic had various impacts on OTC business. The rising awareness of self-care drove the growth in some prescription oriented markets having OTC potentiality also; such as PPI (8.55%), Antihistamine (16.84%), Calcium (17.84%) and Antileukotriene Antiasthma (16.84%). However, growing cautiousness and hygiene regulations led to a reduction in demand for cough and cold products (-5.11%) & expectorants (-5.57%).

### SCOPE TO GROW IN FUTURE

According to Business Communications Company (BCC) Inc, a US-based research organization, the global market for generic drugs is expected to reach \$588 billion by 2023 from \$352 billion in 2016 at a compound annual growth rate (CAGR) of 8.7%. "Bangladesh is going to be a major global hub for high quality low cost generic medicine and vaccine. In reaping the benefits, Bangladesh needs to develop the knowledge and capacity to grab a bigger share of the global pharmaceutical market. Local drugs manufacturers of Bangladesh mainly produce generic drugs of the total amount, 80.0% are generic and 20.0% patented drugs.

### CHALLENGES IN NEAR FUTURE

As a least developed country, Bangladesh would get patent exemption on pharmaceutical products till 2033 as per the TRIPS agreement with the World Trade Organization. However, since Bangladesh is looking forward to

graduating from LDC by 2026, Bangladesh is likely to lose the patent exemption facility 7 years before the expiration date. Which may stop the development of the pharmaceutical industry in Bangladesh because if Bangladesh loses the benefits of the TRIPS agreement, pharmaceutical companies will have to enact new patent laws. As a result, manufacturing of many types of generic medicine is likely to cease. If domestic manufacturers want to maintain production of these medicines, they may have to pay royalties on patents. As a result, the overall price of medicine in Bangladesh may increase. Otherwise companies will face patent violations and exports will be severely hampered. One of the biggest issues in Bangladesh's pharmaceutical industry is that the country's pharmaceutical companies are not paying much attention to research. As a result, there is a lack of innovation in the domestic pharmaceutical sector. Apart from this, one of the major threats in the pharmaceutical industry of Bangladesh is counterfeit and substandard medicines. Although there are strict standards on the quality of medicines exported abroad, there is a large supply of counterfeit medicines in the domestic market. As a result, quality producers are losing huge dividends every year. In addition, most of the raw materials used in the manufacture of medicines have to be imported from outside the country which if produced in the country, the pharmaceutical industry will be able to be more self-sufficient, and manufacturing costs can be further reduced.



### INDO-BANGLA PHARMACEUTICALS LIMITED LOOKS FOR A BETTER FUTURE

Indo-Bangla Pharmaceuticals Ltd, is a reliable name in the pharmaceuticals sector of Bangladesh, works relentlessly to move forward with a targeted vision to be on the forefront of changing healthcare environment turning innovative science towards esteemed new treatment preferences. Indo-Bangla steps forward with the pre-determined vision to achieve excellence in manufacturing and marketing of pharmaceuticals products and trying to extending its business in abroad as well. New technology, new invention, new products as well as new project are the rhythm of life of pharmaceuticals Company. Since, Indo-Bangla Pharmaceuticals Ltd., is well aware of

the adoption new technology and has taken a number of ambitious initiatives and business strategy to meet the upcoming demand. The management is highly concerned about continuous development of operational efficiency, both qualitatively and quantitatively by updating and upgrading technical processes, research, and training at the manufacturing facilities at each level.

### QUALITY CONTROL

Indo-Bangla Pharmaceuticals Ltd's management focuses a high priority on preserving and enhancing the quality of its medicines according to WHO GMP standards at every stage of manufacturing and handling. Following up on all expiry-dated product withdrawals from the market is done on a regular basis through careful inspection and monitoring. The quality control facilities include a high grade standard laboratory facility, computerized equipment and tools, and a team of highly experienced and well-trained research workers dedicated to achieving ethical and moral goals without compromise.

Indo-Bangla Pharmaceuticals Limited has a separate Galenical laboratory for research and development, equipped with all the necessary machineries & equipment of current GMP standard in small scale for the team to develop products. IBPL Quality Control Department guide and support in analytical development. Quality Control Department is equipped with highly sophisticated instruments like UPLC, Gas Chromatography, Atomic absorption spectrophotometer, FTIR, etc. A highly sophisticated microbiology laboratory has been setup to cater to the need for quality control of regular products as well as control of all the different biological products that the company produces.

### ADOPT NEW TECHNOLOGY

Indo-Bangla Pharmaceuticals Ltd., is striving to upgrade and adopt new from market of all expiry dated products through technology in production, quality control, distribution and administration of its products to produce new generation drugs as the faster growth of new and lifesaving drugs to customers/patients. During the year (2021-2022) the company invested a substantial amount in improving its Laboratory facilities, R&D Scale-up facilities etc. Indo-Bangla Pharmaceuticals Limited places total emphasis on maintaining and improving of quality of its products following GMP standards of WHO by following strictly laid down criterion at every level of production and handling. Indo-Bangla Pharmaceuticals Limited also follows-up withdrawals close inspection and surveillance. The quality control facilities include a high standard laboratory, computerizing equipment's and tools and a term of high qualified research personnel who are able maintain high standards

### RISK AND CONCERNS

Different types of risk and concern in Pharmaceuticals industries are- Tariffs and international trade restrictions, Insufficient raw material production facilities, Absence of bioequivalence test facility, Lack of modern drug testing laboratory.

Marketing strategy- Pharmaceutical industries are now in high-end development trend that is being carried out by leading companies. Increasingly, many companies are competing with new pharmaceutical industries. As a result, the success of pharmaceutical industries largely depends on the efficiency and effectiveness of the highly trained and qualified medical promotion officers.

Problems regarding export, Contest in the Bangladeshi pharmaceutical market, Rivalry among existing firms, Threat of new entrants, Threat of substitute products, bargaining power of buyers, Bargaining power of suppliers. Changes in the existing global or national policies can have either positive or negative impacts for the company. Any insufficiency or price hike of raw materials due to change in policy in the international market might hamper the production and profitability. Changes in currency exchange rates might also affect the pricing and thereby the profitability of the Company. Similarly, risks factors of the industry depend on the Government polices as well.

However, the industry is also exporting abroad. Currently, formulations are exported to 92 countries around the world. The major destinations for Bangladeshi medicines are Myanmar, Sri Lanka and Kenya, while nearly 50 countries import Bangladeshi medicines regularly

### PROJECT AT KALIAKOIR, GAZIPUR.

In order to meet increased demand of existing products as well as to achieve long term sustainable growth of the Indo-Bangla Pharmaceuticals Ltd., by including new technology and produce new generation drugs, IndoBangla Pharmaceuticals Ltd., has undertaken a courageous step in setting up a new production plant at kaliakoir, Gazipur, which is under construction as well as conceptual designs of new project has been started and civil work had also been started.

In this connection company purchased 5.0614 acres land for which "Bainanama Agreement" was made earlier for purchase of 10.28 acres land situated at Fulbaria, Kaliakoir, Gazipur



**OPERATIONS AND STATE OF AFFAIRS OF THE COMPANY:  
FINANCIAL RESULTS**

The operating financial results of the Company for the year 2022-2023 as compared to previous year are summarized hereunder:

Particular	2022-2023 Taka	2021-2022 Taka	Increased (%)	Decreased (%)
Net Sales Revenue	374,482,590	484,679,693	-	22.74%
Costs of Sales	277,919,331	337,751,759	-	17.71%
Gross Profit	96,563,258	146,927,934	-	34.27%
Financial Expenses	5,231,224	4,881,097	7.17%	-
Non-Operating Income	1,120,250	803,180	39.48%	-
Net Profit (Before Tax)	24,572,708	31,720,563	-	22.53%
Provision for Taxation	16,165,573	6,546,530	146.93%	-
Net Profit (After Tax)	8,407,134	25,174,033	-	66.60%
Gross Profit Margin	25.78%	30.31%	-	14.94%
Net Profit Margin (Before Tax)	6.56%	6.54%	0.31%	-
Net Profit Margin (After Tax)	2.24%	5.19%	-	56.84%
(EPS) Earnings Per Share	0.07	0.22	-	68.18%

During the year 2022-2023, Gross Revenue, Net Profit before Tax, Net Profit after Tax decreased by 22.74%, 22.53% and 66.60% respectively, over the previous year 2022-2023.

Net Asset Value (NAV) per share and Earnings per share (EPS) decreased by 0.14% and 68.18% respectively, over the previous year 2021-2022.

**The reasons, for Significant Deviation in Gross Revenue**

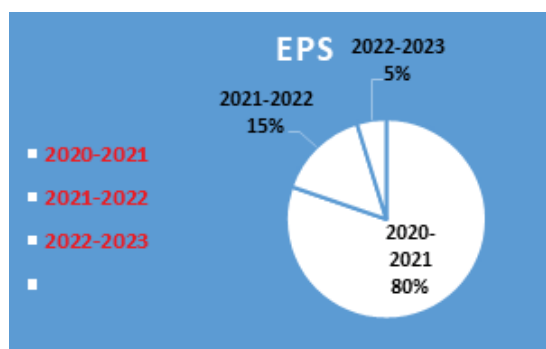
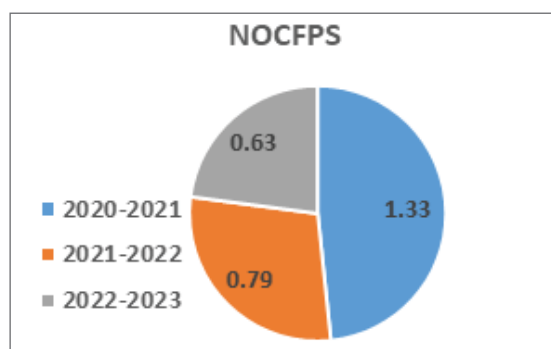
Gross revenue during the year has decreased by 22.74% from BDT 484,679,693 to BDT 374,482,590 in comparison to previous year (i.e. 2021-2022). Due to the dollar shortage on the financial market, we faced difficulties in importing as much raw materials as we desired, which hampered our production as well as sales. The rising price of the dollar is further increasing import costs, leading to a decline in the demand for our products on the market.

**The reasons, for Significant Deviation in Earning per Shares (EPS) and NOCFPS**

The main reason of sloping down Earning per Share (EPS) is dropping turnover by 22.74% (Net Profit on 30 June, 2023 is BDT 8,407,134 that was BDT 25,174,033 for the year ended 30 June, 2022) in comparison to previous year. Earnings per Share (EPS) has decreased due to increase in cost of goods sold and financial expenses. Cost of Goods Sold has increased significantly which has decreased net profit and the underlying reason for such decrease was the considerable increase in price of raw materials, unprecedented foreign exchange loss incurred because of the USD to BDT conversion rate and increase in supplier's payment and advance payment made to the bank against LC. Net Operating Cash Flow per Share (NOCFPS) has been decreased due to increase in payment for cost and expenses during July 2022 to June 2023.

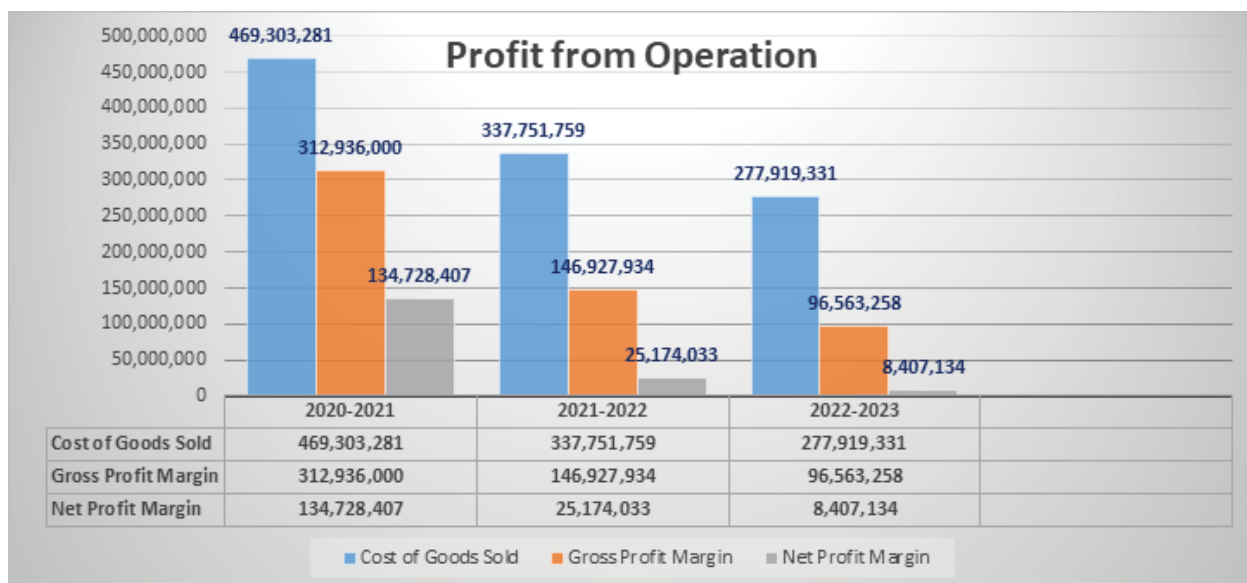
**Discussion on EPS & NOCFPS**

The Company's Revenues from operations were TK. 374.48 million for the year ended 30th June, 2023 as compared to TK. 484.67 million for the previous year, a decrease by 22.74%. The company has made Net Profit of TK. 8.40 million for the year under review as compared to TK. 25.17 million for the previous year. Earnings per Share (EPS) of Tk. 0.07, Net Asset Value (NAV) per share of Tk. 13.96, and Net Operating Cash Flows Per share (NOCFPS) of Tk. 0.63 for the year ended on June 30, 2023 as against Tk. 0.22, Tk. 13.98 and Tk. 0.79 respectively for the same period of the previous year.



#### DISCUSSION ON COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN SHOWN BELOW:

Profit from Operation	30-June-2023		30-June-2022	
	Amount	Percentage	Amount	Percentage
Turnover	374,482,590	100.00	484,679,693	100.00
Cost of Goods Sold	277,919,331	74.22	337,751,759	69.68
Gross Profit	96,563,258	25.78	146,927,934	30.31
Net Profit for the year	8,407,134	2.24	25,174,033	5.19



#### APPROPRIATION OF PROFIT.

Board of Directors in its meeting held on 28 October, 2023 has recommended the appropriation of the Net Profit earned during the year 2022-2023 in the following manner:

Details	Amount (Tk.)	Amount (Tk.)
Net Profit for the year (2022-2023)		8,407,134
Appropriation Recommended: Less: Dividend		-
Net Un-appropriated Profit		8,407,134

#### DIVIDEND

The Company has invested a substantial amount for expansion of capacity as well as diversification of products and business. Taking into account the financial performance of the company Board of Directors has recommended no Dividend for the year ended 30th June, 2023 which was 1% Cash Dividend for the year ended 30th June, 2022 amounting to TK. 11,620,518 (11.62 million).

#### SEGMENT WISE REPORTING

The company operates only in one segment, which is manufacturing and selling of all kinds of medicine (excluding Antibiotic), medical preparations drugs & chemicals (Human Health). The Company applied for permission for production and selling of veterinary medicine also.

#### DISCUSSION ON CONTINUITY OF EXTRAORDINARY GAIN OR LOSS

Extraordinary gains or losses refer to irregular and infrequent gain or loss and which is not part of the Company's ordinary/day to day operations. As for the Company, there was no such gain or loss during the year ended June 30, 2023.

## RELATED PARTY TRANSACTION

The company carried out a number of transactions with related parties. The following are the related parties transactions of the Indo-Bangla Pharmaceuticals Ltd., has been disclosed as required by BAS 24 Related Party Disclosures.

### (a) Remuneration

Name	Designation	Nature of Transaction	Amount in (BDT)	
			2022-2023	2021-2022
Mr. A.F.M. Anowarul Huq	Managing Director	Remuneration	4,800,000	4,800,000

### (b) Board Meeting Fee

Name	Designation	Nature of Transaction	Amount in (BDT)	
			2022-2023	2021-2022
Mrs. Aziza Yeasmin	Chairman	Board Meeting Fee	-	40,000
Mr. A.F.M. Anowarul Huq	Managing Director		90,000	90,000
Mrs. Aysha Siddika	Director		-	40,000
Mrs. Hafiza Yeasmin	Director		90,000	-
Mrs. Sayeda Huq	Director		-	40,000
Mrs. Fatima Parvin	Director		90,000	90,000
Md. Golam Rabbani	Director		90,000	60,000
Md. Iftikhar-Uz-Zaman	Independent Director		90,000	60,000
Md. Monirujaman	Independent Director		-	40,000

### (c) Short Term Loan

Name	Designation	Nature of Transaction	Amount in (BDT)	
			2022-2023	2021-2022
Mr. A.F.M. Anowarul Huq	Managing Director	Temporary Loan	-	26,800,000

## BOARD OF DIRECTORS SIZE

The number of members of the Board of Directors stands at 5 (including one Independent Director) which are within the limits given by the BSEC Notification.

SL	Name	Position	Remarks
1.	Mrs. Aziza Yeasmin	Chairman	Appointed as Director and elected new Chairman in the Board of the Company on 28th October, 2023.
2.	Mr. A.F.M. Anowarul Huq	Managing Director	Continuing
3.	Mrs. Hafiza Yeasmin	Director	Continuing
4.	Mr. Md. Golam Rabbani	Director	Continuing
5.	Mrs. Fatima Parvin	Director	Membership was vacated due to resignation from the Board on 28 October 2023.
6.	Mr. Md. Iftikhar-Uz-Zaman	Independent Director	Membership was vacated due to resignation from the Board on 17 September 2023.
7.	Mr. A.K.M. Haruner Rashid, LL.B, FCS	Independent Director	Appointed as Independent Director in the Board of the Company on 17 September 2023.

SL	Name	Position
1.	Mrs. Aziza Yeasmin	Chairman
2.	Mr. A.F.M. Anowarul Huq	Managing Director
3.	Mr. Md. Golam Rabbani (Nominated By ICB)	Director
4.	Mrs. Hafiza Yeasmin	Director
5.	Mr. A.K.M. Haruner Rashid, LL.B, FCS	Independent Director

## DIRECTORS INVOLVED IN OTHER COMPANIES

SL	NAME	POSITION	DIRECTORSHIP/OWNERSHIP WITH OTHER COMPANIES.	
			COMPANIES	POSITION
1.	Mrs. Aziza Yeasmin	Chairman	-	-
2.	Mr. A.F.M. Anowarul Huq	Managing Director	-	-
3.	Mr. Md. Golam Rabbani (Nominated By ICB)	Director	-	-
4.	Mrs. Hafiza Yeasmin	Director	-	-
5.	Mr. A.K.M. Haruner Rashid, LL.B, FCS	Independent Director	- JAGO Corporation Ltd. - Alhaj Textile mills Ltd.	Independent Director

## ELECTION OF DIRECTORS

Mr. Md. Golam Rabbani, Director retires as per Article-55, 56, 57 of the Articles of Association of the company, being eligible, Mr. Md. Golam Rabbani, Director have offered himself for re-election. Brief resume and other information of the above mentioned directors are depicted in Annexure-II.

## DIRECTOR'S REMUNERATION

Director's remuneration is shown in the note no. 35 (a) of the notes to the Financial Statements. There is no remuneration for Independent Directors.

## REMUNERATION

Name	Designation	Nature of Transaction	Amount in (BDT)	
			2022-2023	2021-2022
Mr. A.F.M. Anowarul Huq	Managing Director	Remuneration	4,800,000	4,800,000

## APPOINTMENT OF STATUTORY AUDITORS

M/s. Shafiq Basak & Co., Chartered Accountants, an Independent Member Firm of ABACUS Worldwide, was the Statutory Auditor for the year 2022-2023 and submitted an Unqualified Report on Financial Statements of Indo-Bangla Pharmaceuticals Ltd., for the year ended 30 June, 2023.

M/s. Shafiq Basak & Co. is retiring at this Annual General Meeting and being eligible, have offered themselves for reappointment as Statutory Auditors of the Company for the year 2023-2024. The Board of Directors recommended their reappointment at its meeting on October 28, 2023.

## APPOINTMENT OF COMPLIANCE AUDITORS

As per the requirement of Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018, the Company shall obtain a certificate from a practicing Professional Accountant or Secretary other than its Statutory Auditors or Audit firm on yearly basis.

M/s. Haunur Rashid & Associates., Chartered Secretaries and Management Consultants, was the Compliance Auditors for the year 2022-2023 and presented a Certificate of Compliance for the year ended 30 June, 2023 under the conditions of the Corporate Governance Code 2018 of the Bangladesh Securities Exchange Commission.

M/s. Haunur Rashid & Associates., Chartered Secretaries and Management Consultants., who is retiring at this Annual General Meeting and has given the unwillingness to be re-appointed as Compliance Auditors of Indo-Bangla Pharmaceuticals Ltd. for the year 2023- 2024.

M/S. Mohammadullah & Associates, Chartered Secretaries and Management Consultant, Suite: B6, Samata Tower, House: 47/B, Road: 2, Chand housing, Mohammadpur, Dhaka-1207, expressed their interest to be appointed as Compliance Auditors of the Company for the year 2023- 2024. The Board of Directors, in its meeting held on October 28, 2023, recommended their appointment.

### COMPANY SECRETARY, CHIEF FINANCIAL OFFICER, HEAD OF INTERNAL AUDIT AND COMPLIANCE

As per corporate governance code of BSEC, the company has allocated the responsibilities of the officials as Follows:

SL	Name	Position
1.	Mr. Mohi Uddin, QCS	Company Secretary
2.	Md. Faruque Hossain	Chief Financial Officer
3.	Mr. Md. Abubakar Siddique	Head of Internal Audit and Compliance (HIAC)

### AUDIT COMMITTEE

Indo-Bangla Pharmaceuticals Limited has an Audit Committee as a sub-committee of the Board of Directors in order to assist the Board of Directors in ensuring and fulfilling its oversight responsibilities in compliance with Condition-5 of the Notification of Bangladesh Securities and Exchange Commission (BSEC) No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018. All members of the audit committee are “financially literate” and having the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement.

The Audit Committee carries out its responsibilities as per the provisions of law and submits its report to the Board of Directors from time to time. The Audit Committee shall also co-ordinate with the Internal and external Auditors as and when required. The Audit Committee ensures that adequate internal checks & balances supported by adequate MIS are in place for detection of errors frauds and other deficiencies. The other responsibilities include inter alia, not being limited to, the prevention of conflict of interest between the company and its Directors officials, customers, suppliers, government and any other interest groups and detect or remove any scope of insider trading in the company's stock. The Audit Committee also ensures compliance of requirements of BSEC and other regulatory. During the year 2022-2023 under review, the Committee held four meetings.

The Audit Committee of Indo-Bangla Pharmaceuticals limited is comprised of 3 (three) Members of the Board of Directors including 1 (one) Independent Directors. The composition of the present members of Audit Committee as follows:

SL	Name	Position
1.	Mr. A.K.M. Haruner Rashid, LL.B, FCS Independent Director	Chairman
2.	Md. Golam Rabbani, Director Non-Executive Director	Member
3.	Mrs. Hafiza Yeasmin, Director. Non-Executive Director	Member
4.	Mr. Mohi Uddin, QCS	Secretary

### MEETINGS AND ATTENDANCE OF AUDIT COMMITTEE

During the year 2022-2023 under review, the Committee held four meetings. The attendance of the Member at these meeting is outlined below:

SL	Position	No. of Meeting held during his/her tenure	Meetings Attend	Remarks
Md. Iftikhar-Uz-Zaman (Independent Director)	Chairman	4	4	Membership was vacated due to resignation from the Board with effect from 17th September, 2023.
Md. Golam Rabbani (Non-Executive Director)	Member	4	4	Continuing
Mrs. Fatima Parvin (Non-Executive Director)	Member	4	4	Membership was vacated due to resignation from the Board.
Mr. A.K.M. Haruner Rashid, LL.B, FCS (Non-Executive Director)	Chairman			Appointed as Chairman of the Audit Committee on 17th September, 2023
Mrs. Hafiza Yeasmin (Non-Executive Director)	Member			Appointed as Member of the Audit Committee on 28th October, 2023
Mohi Uddin	Secretary	4	4	Continuing

### NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Board of Directors of Indo-Bangla Pharmaceuticals Ltd. has duly constituted a Nomination and Remuneration Committee (NRC), as per the requirement of the Corporate Governance Code of Bangladesh securities and Exchange Commission (BSEC) to shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives as well as a policy for formal process of considering remuneration of directors, top level executives.

The Nomination and Remuneration Committee has performed its duties as assigned by the Board of Directors and defined in the charted of the NRC formulated in accordance with the Notification of the Bangladesh Securities and Exchange Commission's Corporate Governance Code, 2018 The Nomination and Remuneration Committee of Indo-Bangla Pharmaceuticals Ltd., is comprised of three (3) non-executive Directors of the Board including an Independent Director. The Chairperson of the Committee is an Independent Director of the Company the composition of the present NRC is as follows

SL	NAME	POSITION
1.	Mr. A.K.M. Haruner Rashid, LL.B, FCS (Independent Director)	Chairman
2.	Md. Golam Rabbani (Non-Executive Director)	Member
3.	Mrs. Hafiza Yeasmin (Non-Executive Director)	Member
4.	In Attendance	-Chairman -Managing Director -External Advisers – by invitation -Any Non-Executive Director shall be entitled to attend the Committee's meetings.
5.	Mr. Mohi Uddin, QCS	Secretary

Mr. Mohi Uddin, QCS Company Secretary is the Secretary to the nomination & Remuneration Committee. The number of the meeting held during year ended June 30, 2023 were 2 (two). Mr. Mohi Uddin, Company Secretary attends the Committee's meeting as the Secretary of the Committee. The Managing Director and Head of Human Resources and Administration attends the meeting by invitation. The Chief Financial Officer attends the meeting as and when invited.

### MEETING & ATTENDANCE OF NOMINATION AND REMUNERATION COMMITTEE (NRC)

During the year 2022-2023 under review, the Committee held two meetings. The attendance of the Member at these meeting is outlined below:

Mane of the Member	Position	No. of Meeting held during his/her tenure	Meetings Attended	Remarks
Md. Iftikhar-Uz-Zaman	Chairman	2	2	Membership was vacated due to resignation from the Board with effect from 17th September, 2023.
Md. Golam Rabbani (Non-Executive Director)	Member	2	2	Continuing
Mrs. Fatima Parvin (Non-Executive Director)	Member	2	2	Membership was vacated due to resignation from the Board with effect from on 28th October, 2023.
Mr. A.K.M. Haruner Rashid, FCS (Independent Director)	Chairman			Appointed as Chairman of the Audit Committee on 17th September, 2023
Mrs. Hafiza Yeasmin (Non-Executive Director)	Member			Appointed as Member of the Audit Committee on 28th October, 2023
Mohi Uddin	Secretary	2	2	Continuing

### MAINTANING WEBSITE

Listing Regulation, 2015 of the Dhaka and Chittagong Stock Exchange and Bangladesh Securities and Exchange Commission (BSEC) Notification on Corporate Governance Code and Financial Reporting and Disclosure emphasized the functional website of the issuer as one of the means to communicate with the investors and other stakeholders. Indo-Bangla Pharmaceuticals limited is complaint with the rules and regulations and updated all relevant information within the stipulated time-lines.

PARTICULARS (AFFAIRS OF THE COMPANY)	STATUS ON WEBSITE
Code of Conduct for Board Members	Available
Quarterly and Annual Financial Statements	Available
The Directors Report	Available
Price Sensitive Information (PSI)	Available
Shareholding Position	Available
Status of Compliance with the Corporate Governance Code	Available
Dividend Distribution Policy	Available
Annual Report	Available
Unclaimed/Unsettled Dividend	Available
contract Information for Investor Relations	Available

### SUBSIDIARY COMPANY

The company has no subsidiary company.

### CORPORATE GOVERNANCE

Corporate Governance is the practice of good citizenship, through which the Company is governed by the Board, keeping in view its accountability to the stakeholders and to the society. In accordance with the requirement of Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018, a statement in pursuance to Clause 1 (5), resume of the Directors who shall be appointed, Audit Committee Report as per clause 5 (7), Certificate from the CEO & CFO to the Board, Certificate on Compliance of Condition of Corporate Governance Code & Status of Compliance in depicted in the Annexure-I, II, III, IV, A, B & C respectively.

### MINORITY SHAREHOLDERS INTEREST

In compliance with Condition No. 1(5) (xvi) of the Corporate Governance Code 2018 of BSEC, the Board hereby confirms that the interests of the minority shareholders have been duly protected by the Company.

### ENVIRONMENTAL ROLE

The Company maintains a high standard of pollution free environment as per GMP Regulations/WHO standards/ Government laws.

### CREDIT RATING

The Emerging Credit Rating Ltd (ECRL) has affirmed the credit of 'BBB' (Stable) for Long Term and 'ST-3' for Short Term on the basis of financial and other relevant quantitative and qualitative information of the Company.

### GOING CONCERN

While approving the financial statements, the directors have made appropriate inquiries and analyzed the significant financial, operating as well as other indicators for enabling them to understand the ability of the Company to continue its operation for a conceivable period. Directors are confident and have a reasonable expectation that the Company has adequate resources to continue its operation consistently for the predictable future. Therefore, the company adopted the going concern basis in preparing the financial statement.

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis signed by the Managing Director presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements and other requirements of the Corporate Governance Code is disclosed in the page no. 48.

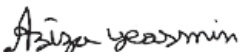
### **MANAGEMENT GRATITUDE**

Finally, on behalf of the Board, I would like to take this opportunity to thank all the employees of Indo-Bangla Pharmaceuticals Ltd for their tremendous efforts. I would also like to express sincere gratitude to the shareholders as well as all Stakeholders of the company for their continuous support.

The Board is also grateful to the Officers, Staff, Workers, Customers, Creditors, Banks, Insurance Companies, Utility Providers, BSEC, DSE, CSE, CDBL and the Government of Bangladesh and other business partner for their cooperation extended to the Company during the year.

Thanking you.

On behalf of the Board of Directors

  
**(Mrs. Aziza Yeasmin)**  
Chairman



## REPORT ON MANAGEMENT'S DISCUSSION & ANALYSIS

Pursuant to the Corporate Governance Code 2018 [Condition # 1 (5) (xxv)] of the Bangladesh Securities and Exchange Commission, the Management's Discussion & Analysis for the year ended 30 June, 2023 has been depicted hereunder:

### **Accounting Policies and Estimation for preparation of Financial Statements:**

Indo-Bangla Pharmaceuticals Ltd., follows International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) along with prevailing local rules and regulations applicable for preparation of financial statements. Detail description of accounting policies and estimation used for preparation of the financial statements of Indo-Bangla Pharmaceuticals Ltd., are disclosed in the Notes No. 2 to the Presentation of Financial Statements (Page No. 89).

Changes in Accounting Policies and Estimation:

Indo-Bangla Pharmaceuticals Ltd., has been following consistent policies and estimation and there is no such changes in accounting policies or estimations which had a material impact on financial statements.

### **Operations and State of Affairs of Indo-Bangla Pharmaceuticals Limited.**

During the year 2022-2023, Gross Revenue, Net Profit before Tax, Net Profit after Tax decreased by 22.74%, 22.53% and 66.60% respectively, over the previous year 2021-2022.

The Gross Profit and Net Profit before Tax decreased during FY 2022-2023 at 34.28% and 22.53% respectively over the previous year. However, the Cost of Goods Sold decreased at 17.71% over previous year which decrease Gross Profit and Operating Profit of the Company.

The Net Profit After Tax, decreased by 66.60% over the previous year. The Earnings per Share (EPS) for the financial year under review stood at Tk. 0.07 is the basic earning dividing by the weighted average number of shares outstanding at the end of the Period. Earnings per Share (EPS) representing a 68.18% decreased over the previous year 2021-2022. The Earnings per Share (EPS) is computed by using the current outstanding 116,205,178 ordinary shares of Tk. 10/- each.  
Explanation on Significant variance

### **The reasons, for Significant Deviation in Gross Revenue**

Gross revenue during the year has decreased by 22.74% from BDT 484,679,693 to BDT 374,482,590 in comparison to previous year (i.e. 2021-2022). Due to the dollar shortage on the financial market, we faced difficulties in importing as much raw materials as we desired, which hampered our production as well as sales. The rising price of the dollar is further increasing import costs, leading to a decline in the demand for our products on the market.

### **The reasons, for Significant Deviation in Earning per Shares (EPS) and NOCFPS**

The main reason of sloping down Earning per Share (EPS) is dropping turnover by 22.74% (Net Profit on 30 June, 2023 is BDT 8,407,134 that was BDT 25,174,033 for the year ended 30 June, 2022) in comparison to previous year. Earnings per Share (EPS) has decreased due to increase in cost of goods sold and financial expenses. Cost of Goods Sold has increased significantly which has decreased net profit and the underlying reason for such decrease was the considerable increase in price of raw materials, unprecedented foreign exchange loss incurred because of the USD to BDT conversion rate and increase in supplier's payment and advance payment made to the bank against LC. Net Operating Cash Flow per Share (NOCFPS) has been decreased due to increase in payment for cost and expenses during July 2022 to June 2023.

### Comparative Analysis of Financial and Operational Performance

The Directors' Report provides the analysis of financial performance and position during the year under review and also a detail comparison of financial performance and position as well as cash flows are presented as part of the financial statements including notes. However, major areas of financial performance, financial position as well as cash flows for the immediate preceding five years are presented as follows:

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Turnover	374,482,590	484,679,693	782,239,281	866,097,783	740,714,183
Gross Profit	96,563,258	146,927,934	312,936,000	346,450,050	296,550,952
Profit from Operation	24,681,093	32,503,411	177,952,858	222,667,522	178,281,873
Net Profit before tax	24,572,708	31,720,563	169,343,500	217,005,550	180,778,346
Net Profit after Tax	8,407,134	25,174,033	134,728,407	156,243,664	155,226,689
Financial Position	2022-2023	2021-2022	2020-21	2019-20	2018-19
Non-Current Assets	1,344,573,299	1,354,903,129	1,295,291,134	1,126,809,674	818,523,321
Current Assets	531,196,611	538,891,584	595,555,779	612,456,404	767,224,351
Shareholder's Equity	1,621,822,173	1,625,035,557	1,625,418,375	1,517,598,176	1,374,627,332
Current Liability	124,803,247	154,198,259	157,253,535	126,947,217	144,361,259
Non-Current Liability	129,144,490	114,560,897	108,175,003	94,720,685	66,759,081
Key Financial Ratio	2022-2023	2021-2022	2020-2021	2019-20	2018-19
Current Ratio	4.25	3.49	3.79	4.82	5.31
Quick Ratio	2.82	1.61	1.71	1.89	2.36
Debt to Equity Ratio	0.027	0.046	0.096	-	-
Net Income Ratio (%)	2.24%	5.19%	17.22%	18.04%	20.96%
Return on Equity (%)	0.52%	1.55%	8.57%	10.80%	12.88%
Ordinary Shares Information	2022-2023	2021-2022	2020-2021	2019-20	2018-19
Shares Outstanding (in Nos.)	116,205,178	116,205,178	113,737,140	111,507,000	102,300,000
Face Value per Share	10	10	10	10	10
Dividend-Cash (In %)	0%	1%	4%	4.5%	2%
Dividend-Stock (In %)	0%	0%	3%	2%	9%
Dividend Payout (Cash + Stock) in taka	-	11,620,518	50,237,231	49,209,608	105,342,820
NAV-Net Asset Value per Share	13.96	13.98	14.29	13.61	13.44
NOCFPS-Net Operating Cash Flow per Share	0.63	0.79	1.33	1.54	1.70
EPS-Earnings per Share	0.07	0.22	1.18	1.37	1.39

### KEY FINANCIAL HIGHLIGHTS

The key financial performance indicators of the company are sales revenue, cost of goods sold, gross profit, operating profit, profit before tax, earnings per shares, net asset value per share, and NOCFPS. Our sales revenue for the year 2022-2023 decreased by 22.74% to BDT 374.48 million (2021-2022: BDT 484.67 million). However, the Cost of Goods Sold decreased at 17.71% over previous year which decrease Gross Profit and Operating Profit of the Company.

The company has made Net Profit of TK. 8.41 million for the year 2022-2023 under review as compared to TK. 25.17 million for the previous year. Earnings Per Share (EPS) of Tk. 0.07, NAV per share of Tk. 13.96, and NOCFPS of Tk. 0.63 for the year ended on June 30, 2023 as against Tk. 0.22, Tk. 13.98 and Tk. 0.79 respectively the previous year.

## RISK MANAGEMENT

In the financial statements of the year 2022-2023, we have applied accounting principles and policies in respect of all the areas consistently. All the provisions considered for preparation of the financial statements against the expenditure required to settle the obligation at the date of statement of financial position. We are always concerned that about any credit risk, liquidity risk, market risk and interest rate risk which can affect our business and shareholders value. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit risk exposures from financial assets are very nominal and with regards to liquidity risk, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through dynamic cash flow forecasting and ensuring sufficient liquidity to meet all obligations in time. Interest rate risk arises due to changes in interest rates on borrowings.

## FINANCIAL AND ECONOMIC SCENARIO OF BANGLADESH AND THE GLOBAL (IN BRIEF):

Bangladesh has an impressive track record of growth and poverty reduction. It has been among the fastest growing economies in the world over the past decade, supported by a demographic dividend, strong ready-made garment (RMG) exports, and stable macroeconomic conditions. Continued recovery in exports and consumption will help growth rates pick up to 6.4 percent in fiscal year 2022-23.

Bangladesh tells the world a remarkable story of poverty reduction and development. From being one of the poorest nations at birth in 1971 with per capita GDP tenth lowest in the world, Bangladesh reached lower-middle-income status in 2015. It is on track to graduate from the UN's Least Developed Countries (LDC) list in 2026. Poverty declined from 43.5 percent in 1991 to 14.3 percent in 2016, based on the international poverty line of \$1.90 a day (using 2011 Purchasing Power Parity exchange rate). Moreover, human development outcomes improved along many dimensions.

You are aware that the war between Russia and Ukraine began on February 24, 2022 and the global economy has entered a new terrain of uncertainty. The war-induced challenges have surfaced on various fronts. The war has happened at a time when the world had just started to recover from the fallout caused by more than two years of the Covid-19 pandemic. But the recovery is facing inflationary pressure due to supply shortages in the face of higher demands, as countries begin to expand economic activities. The ongoing war has created a new shock for the world. Supply disruptions and financial sanctions pose serious economic challenges. With no signs of reconciliation between Russia and Ukraine, the global economic implications will be much more severe.

In addition to fuel prices, costs of other imported products have also gone up significantly. This will push the production costs up, resulting in higher prices for consumers. Being a trading country and highly import-dependent for fuel and industrial raw materials, many companies facing trouble in opening LCs since banks are unwilling to open LCs due to forex shortages. Part of the crisis heightened due to the Bangladesh Bank's maintaining lags in exchange rates. Price stability largely depends on a stable exchange rate. Despite many efforts and initiatives by the government and Bangladesh Bank regarding forex management, the situation is still gloomy.

## OPPORTUNITIES IN PHARMACEUTICALS SECTOR

With a market value of about 3 billion, it currently accounts for about 1.83 percent of Bangladesh's GDP that contributes to the country's pharmaceutical industry. According to a report by the Directorate General of Drug Administration (DGDA), there are currently 257 licensed pharmaceutical factories in Bangladesh. From which, 150 factories are continuing to operate as usual, meeting about 98 percent of the total demand of the country. At present, 90% of the country's total pharmaceutical market is under local manufacturers and the remaining 10% is under multinational institutions. Bangladesh currently manufactures more than 450 generic drugs for 5,300 registered brands as well as meet the demand of 4% of the country's anti-cancer drugs. About 80 per cent of the medicines currently manufactured in Bangladesh are generic drugs, and the remaining 20 per cent are patented drugs.

## Challenges in Near Future

As a least developed country, Bangladesh would get patent exemption on pharmaceutical products till 2033 as per the TRIPS agreement with the World Trade Organization. However, since Bangladesh is looking forward to graduating from LDC by 2026, Bangladesh is likely to lose the patent exemption facility 7 years before the expiration date. Which may stop the development of the pharmaceutical industry in Bangladesh because if Bangladesh loses the benefits of the TRIPS agreement, pharmaceutical companies will have to enact new patent laws. As a result, manufacturing of many types of generic medicine is likely to cease. If domestic manufacturers want to maintain production of these medicines, they may have to pay royalties on patents. As a result, the overall price of medicine in Bangladesh may increase. Otherwise companies will face patent violations and exports will be severely hampered. One of the biggest issues in Bangladesh's pharmaceutical industry is that the country's Business ranking, rising one point compared to last year.

The country's Logistics Performance Index has dropped over the last two years, signaling a significant concern for local and foreign investors. One of the most densely populated economies in the world, Bangladesh has continued making impressive strides in achieving social development goals for its 165.55 million citizens. The resilience of the country's economy is commendable. However, sound economic policy must be implemented to mitigate under performance of the financial sector, diversify exports and create better employment opportunities by increasing private investment. It also requires to mitigate the infrastructure bottlenecks, insufficient power and gas supplies, bureaucratic corruption, political instability, natural calamities and a lack of skilled workers.

**Future plan or projection or forecast:**

The Management of Indo-Bangla Pharmaceuticals Limited is very sincere in adoption of necessary feasible plans and strategy in respect of sustainability in its performances and financial position and to continue the operations for foreseeable future.



**(A.F.M. Anowarul Huq)**  
Managing Director

# Indo-Bangla Pharmaceuticals Ltd.

## DIVIDEND DISTRIBUTION POLICY

Under Directives No. BSEC/CMRRCD/2021-386/03 Dated, 14 January, 2021.



### 1.0 OBJECTIVE

The objective of the Dividend Distribution Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

Dividend is the share of the profit that a Company decides to distribute among its Shareholders in proportion to the amount paid-up on shares they hold in the form of Cash and/or Stock (Bonus). The profits earned by the Company can either be retained in the business or can be distributed among the Shareholders as dividend.

The philosophy of the Company is to maximize the shareholders' wealth in the Company through various means. The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilize its profits for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for inorganic growth opportunities and thereafter distribute the surplus profits in the form of dividend to the shareholders.

### 2.0 REGULATORY FRAMEWORK

The Dividend Distribution Policy is prepared and adopted in compliance with the provisions of the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC) about dividend declaration, pay off, disbursement and compliance. It becomes mandatory for Indo-Bangla Pharmaceuticals Limited (the Company) to have a Dividend Distribution Policy (the Policy) and to disclose in the Company's website and in the Annual Report.

The Board of Directors (the Board) will consider the directive while declaring/ recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for declaring/recommending dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

The Board of Directors of the Company has adopted this Policy for Shareholders of the Company for dividend distribution and management of unpaid and unclaimed dividend.

### 3.0 DEFINITIONS

"**the Act**" shall be means Companies Act 1994 including the Rules made thereunder, as amended from time to time.

"**Applicable Laws**" shall mean the Companies Act, 1994 and Rules made thereunder, Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Securities and Exchange Commission of Bangladesh (BSEC); as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend

"**the Company**" means Indo-Bangla Pharmaceuticals Ltd.

"**AGM**" means Annual General Meeting

"**Board**" means Board of Directors of Indo-Bangla Pharmaceuticals Ltd.

"**Shareholders**" means Members whose name is registered in the Member Register of the Company.

"**Shares**" means Ordinary Equity Shares.

"**Dividend**" shall mean Dividend as defined under Companies Act, 1994.

"**Policy or this Policy**" shall mean the Dividend Distribution Policy.

### 4.00 TYPES OF DIVIDEND

The Act deals with two types of dividend - Interim and Final.

- **Interim dividend** is the dividend declared by the Board between two AGMs as and when considered appropriate. The Act authorizes the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.

- **Final dividend** is recommended for the financial year at the time of approval of the annual financial statements as well as appropriation of profit. The Board shall have the power to recommend final dividend to the shareholders for their approval at the AGM of the Company. Dividend recommended by the Board of Directors cannot be changed prior to holding of the Annual General Meeting.

#### **5.00 DECLARATION OF DIVIDEND**

Subject to the provisions of the Act, dividend shall be declared and paid out of:

- A. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);
- B. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.
- C. Out of A and B both.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board of Directors at its discretion.

In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to the compliance with the Act and Rules.

#### **6.0 PARAMETERS/FACTORS TO BE CONSIDERED WHILE RECOMMENDING/DECLARING DIVIDEND:**

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the shareholders and amount of profit to be retained in business. The circumstances for dividend pay-out decision depends on various external and internal factors, which the Board of Directors shall consider while recommend/ declaring dividend including the following:

##### **6.01 EXTERNAL FACTORS:**

- The Board shall endeavor to retain a larger portion of profits to build up reserves, in case of Adverse Economic Scenario.
- The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.
- The Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to declaration of dividend in order to ensure compliance with the applicable laws.
- Dividend distribution tax or any tax deduction at source as required by tax regulations, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.
- Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company may impact the decision with regard to dividend declaration.

##### **6.02 INTERNAL FACTORS:**

- Profitability: Profit earned during the financial year and the retained profit of the previous years or losses suffered in the past years.
- Availability and Liquidity of Funds
- Accumulated Reserves
- Earnings Per Share (EPS).
- Working capital requirement of the Company.
- Corporate actions including mergers, acquisition and additional investments including expansion of new projects.
- Investment in technology, learning and development and Research and Development.
- Future Capital Expenditure needs for the existing businesses
- Expansion/Modernization of the business
- Cost of raising funds from alternate sources
- Cost of servicing outstanding debts
- Funds for meeting contingent liabilities
- Mergers and Acquisitions
- Such other factors and/or material events as deemed appropriate by the Board.

Apart from the above factors, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

#### **7.00 FINANCIAL PARAMETERS FOR DECLARING DIVIDEND**

The Company is committed to deliver sustainable value to its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits among the shareholders in the form of dividend. To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also endeavor to provide consistent return over a period of time. While deciding on the dividend, micro and macroeconomic parameters for the country in general and the Company in particular shall also be considered. Taking into consideration the aforementioned factors, the Board shall endeavor to maintain a dividend pay-out.

#### **8.00 UTILIZATION OF RETAINED EARNINGS**

Subject to the provisions of the Act and other applicable laws the Board of Directors of the Company may retain its earnings in order to make better use of the funds available and increase the value of the shareholders in the long run. The retained earnings of the Company may be utilized as under:

- Issue of fully paid-up bonus shares
- Declaration of Dividend-Interim or Final
- Augmenting internal resources
- Funding for capital expenditure/expansion plans/acquisition
- Diversification of Business/ capacity Expansion;
- Repayment of debt
- Any other permitted use as per Acts and regulations may be decided by the Board.

#### **9.00 PARAMETERS FOR VARIOUS CLASSES OF SHARES**

At present, the Company has only one class of shares - Equity Shares. There is no privilege amongst Equity Shareholders of the Company with respect to dividend distribution.

#### **10.00 CIRCUMSTANCES IMPACTING DIVIDEND PAYMENT**

The Company has been paying dividend to its shareholders for last three years and shall endeavor to continue with the dividend payment. Given here in below are some of the circumstances in which shareholders of the Company may or may not expect dividend pay-out:

#### **11.00 SHAREHOLDERS OF THE COMPANY MAY EXPECT DIVIDEND PAY-OUT UNDER THE FOLLOWING CIRCUMSTANCES:**

- Adequate profits and liquidity;
- Accumulated profits not warranted for immediate business needs.

#### **11.00 SHAREHOLDERS OF THE COMPANY MAY NOT EXPECT DIVIDEND PAY-OUT UNDER THE FOLLOWING CIRCUMSTANCES:**

- When the Company undertakes or propose to undertake a significant expansion project requiring higher allocation of capital;
- Non availability of profits for dividend distribution;
- Significantly higher working capital requirements adversely impacting free cash flow;
- When the Company undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- In the event of inadequacy of profits or the Company incurred losses;
- Adverse economic/market scenario expected in near future;
- Any Rules, directive or guidance issued by Bangladesh securities and Exchange Commission(BSEC) on declaration and distribution of dividend.

## **12.00 UNCLAIMED/UNPAID/UNDISTRIBUTED DIVIDEND**

Pursuant to the Bangladesh securities and Exchange Commission's directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021, the Company shall maintain a dedicated Bank Account for dividend, where unpaid or unclaimed dividend shall be kept for a period of 3(three) years from the date of declaration or the approval date or record date. After elapse of the aforesaid period, if any dividend remains unpaid/unclaimed/undistributed/unsettled, such Dividend along with accrued interest, if any, shall be transferred to a Fund maintained by Bangladesh Securities and Exchange Commission (BSEC).

## **13.00 PROCEDURE FOR CLAIMING UNPAID DIVIDEND**

The Company shall follow the procedures as mentioned below for claiming of unpaid or unclaimed Dividend are as follows:

- ✓ Shareholders are required to make an Application for unpaid Dividend in the format set out (Annexure-A) in this policy. The Application Form shall be available on the Company's website.
- ✓ Shareholders may apply in person and/or authorized person at the Share Department of the Company or submit their application via email to info@indo-banglapharma.com.
- ✓ Unpaid Dividend will be paid upon verification of the shareholders' relevant BO ID information, cell phone number, signature and email address maintain with the Central depository Bangladesh Limited(CDBL). If the said information/documents satisfied, then unclaimed dividend will be paid through issuance of warrant/BEFTN/other banking channels within 15 (fifteen) working days.
- ✓ For the avoidance of doubt, all dividend payment shall be subject to applicable taxes and shall not bear any interest or whatsoever.

## **14.00 DISCLOSURE**

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website www.indo-banglapharma.com. If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

## **15.00 EFFECTIVE DATE**

This Policy has been approved by the Board of Directors of the Company at its meeting held on 17 June, 2021 and shall be effective and applicable for dividend, if any, declared for the Financial Year 2020-21 onwards.

## **16.00 AMENDMENTS/MODIFICATIONS**

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.



## Unclaimed/unsettled Dividend 2018-2022

Under the Directives # BSEC/SRMIC/2021-198/254 dated 19/10/2021 of BSEC

Corporate  
Governance

The unclaimed/unsettled stock dividend for the year 2018 and 2019 has been deposited to the Capital Market Stabilization (CMS) Fund as instructed by the Bangladesh Securities and Exchange Commission.

Summary of unclaimed/unsettled stock dividend:

Sl.	Name	BO ID	unclaimed/unsettled Balance
1	MD. MASUM BILLAH	1203130025666759	60
2	MD. KHALID HOSSAIN	1203130025666759	60
3	MUSFIQ UI QUAYOOM	1203130025666759	60
4	SUSHII CHANDRA VOKTA	1201640028783311	1
5	MEHARUN BEGUM CHOWDHURY	1201820053343684	1
6	NOOR MIA	1201820053360733	6
7	MOHAMMED MOHAN MIAH	1202930030208850	18
8	SAKHAWAT HOSSAIN	1203050065620234	1
9	BITHI DAS	1203140009036212	21
10	ABDUL HAMID	1204980060036411	1
11	OBAIDUL HAQUE SAOWDAGAR	1204980060178371	1
12	Fraction		3
	<b>Total</b>		<b>233</b>

Summary of unclaimed/unsettled cash dividend year-wise:

Sl.	Name	unclaimed/unsettled Balance
1	2018-2019	2,632,693.00
2	2019-2020	8,671,594.00
3	2020-2021	1,029,103.00
4	2021-2022	2,766,224.00
	<b>Total</b>	<b>15,099,614.00</b>

As per Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2021-386/03 dated: 14 January, 2021 total amount of cash dividend payable for the above mentioned year was transferred within specific time of declaration by the Board of Directors of the Company separate bank account of the company, dedicated for dividend purpose.

Total amount of unclaimed cash dividend of tk. 15,099,614/- lying with company's dividend account. The total amount of cash dividend was transferred from company's mother account to separate bank account dedicated for dividend purpose so the unclaimed cash dividend was not shown in the Balance Sheet of the company.

## STATEMENT OF DIRECTORS ON FINANCIAL REPORTS

### Annexure- I To the Directors Report

In accordance with the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006- 158/207/Admin/80 dated 03 June, 2018 the Directors also report that:

- The financial statements together with notes thereon have been drawn up in conformity with the Companies Act, 1994 and The Securities and Exchange Rules 1987. The Financial Statement of the Company present true and fair view of the Company's state of affairs, result of its operations, cash flows and changes in equity.
- Proper books of accounts of the company as required prevailing Law have been maintained.
- Appropriate accounting policies have been applied consistently in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- The Financial Statement was prepared in accordance with International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Accounting Standard (BAS).
- The internal control system is sound in design and is effectively implemented and monitored.
- Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- There is no significant doubt about the Company's ability to continue as a going concern.
- There is no significant deviation from the last year's operating result of the Company.
- The system of internal control is sound and has been implemented and monitored effectively.
- Remuneration of Directors including Independent Director have been shown in Note No. 34(b) in the Notes of standalone Account.
- The key operating and financial data for the last five years. (Page-35)

#### Board Meeting and Attendance 2022-2023

Under Condition # 1(5)(xxii) of CGC, 2018

The number of Board meeting and the Attendance of Directors during the year 2022-2023 were as follows:

Name of the Directors	Position	Meeting held	Attended
1 Mrs. Hafiza Yeasmin*	Chairman	9	9
2 Mr. A.F.M. Anowarul Huq	Managing Director	9	9
3 Mrs. Fatima Parvin	Director	9	9
4 Md. Golam Rabbani	Director	9	9
5 Mr. Md. Iftikhar-Uz-Zaman*	Independent Director	9	9
6 Mrs. Aziza Yeasmin	Appointed as Director and elected new Chairman in the Board of the Company on 28th October, 2023.		
7 Mr. A.K.M. Haruner Rashid, LL.B, FCS	Appointed as Independent Director in the Board of the Company on 17th September, 2023.		

\*Directorship was vacated due to Resigned from the office of the Board of Directors on 17th September, 2023 and appointed Mr. A.K.M. Haruner Rashid, LL.B, FCS as Independent Director in the Board of the Company.

## DIRECTORS PROFILE

Who are seeking appointment

Under Condition # 1(5)(xxiv)(a) of CGC

### Annexure- II

To the Directors Report



**MRS. AZIZA YEASMIN**, Non-Executive Director. Appointed to the board in the year 2014 and has been appointed as Chairman. He is daughter of late Azizul Huq, Founder of Indo-Bangla Pharmaceuticals Works, converted into a Private Limited Company under the companies Act 1994, on 21 October 2014, after than converted into a Public Limited Company and become Publicly Listed Company in 2018. She obtained Bachelor's degree from National University and has a rich experience of more than 15 years in the pharmaceuticals sector

Board Committee(s) served on

Mrs. Aziza Yeasmin does not hold membership in any sub-committee of the Board.

**Mr. A.K.M.Haruner Rashid**, LL.B, FCS, CEO & Lead Consultant of Haruner Rashid & Associates (Chartered Secretaries & Management Consultants) was appointed as an Independent Director of the company in 2023.

Mr. A.K.M. Haruner Rashid was born in 16 January 1957 and completed B.Com (Hon's) and M.Com (Accounting); M.Com (Management); LL.B. Mr. Rashid is Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB).

Mr. A.K.M.Haruner Rashid has more than 34 years of experience. Worked as Registrar of Bangladesh Board of Unani and Ayurvedic Systems of Medicine, established under the Bangladesh Unani and Ayurvedic Practitioners Ordinance, 1983 from 1998 to 2019. At the same time performed functions as the Secretary and Controller of Examinations under section 15(3) and 21(4) respectively of the said Ordinance. Visited many countries and participated various seminars, conferences and training programs. Honorary Adviser of Pragyan International University, Ranchi, India. Member of different social organizations. Working in the field of corporate, education, health, orphanage, peace etc. Obtained many awards from home and abroad.



#### Board Committee(s) served on

Mr. A.K.M.Haruner Rashid is the Chairman of the Audit Committee and the Nomination and Remuneration Committee.

#### Directorship(s) in other companies

Currently Mr. A.K.M.Haruner Rashid is also Independent Director of JAGO Corporation Ltd and Alhaj Textile mills Ltd.



**Mr. Md. Golam Rabbani** holds the position of the Nominated Director of Investment Corporation of Bangladesh (ICB) in the Board of Indo-Bangla Pharmaceuticals Limited since 2017.

He is a General Manager of Investment Corporation of Bangladesh (ICB). He joined in ICB as a senior officer in 1989. He completed his B.Sc (Honors) & M.Sc degrees in Economics from Jahangirnagar University. Mr. Rabbani during his tenure in ICB served in different Departments, Divisions and Branches including Law, Documentation, Special Fund Management Unit, Public Relations, Investors' Department and contributed a lot for the Corporation as well as to the Investors. Mr. Rabbani during his long service in ICB took part in different training programs among them Investment Banking, Venture Capital, Laws, Rules and Regulations, Land Management and Documentation, Handling of Disciplinary Cases, Public Relations etc.

He also took part in different computer training programs. He is the ICB nominated Director of ICB financed projects like Indo-Bangla Pharmaceuticals Ltd. He traveled in Japan, Singapore and India several times.

#### Board Committee(s) served on

Mr. Md. Golam Rabbani is the Member of the Audit Committee and the Nomination and Remuneration Committee since 2021.

#### Directorship(s) in other companies

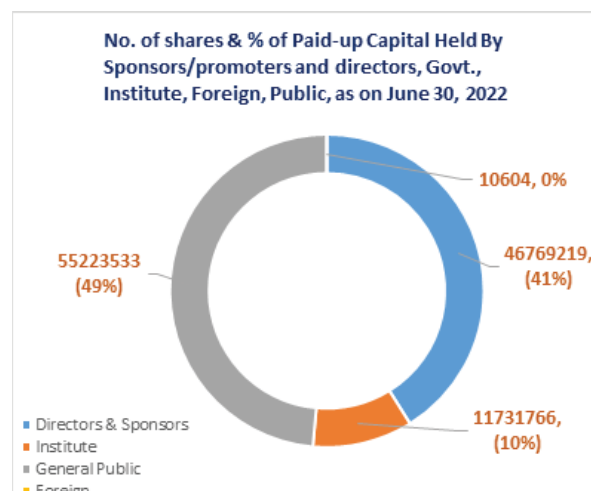
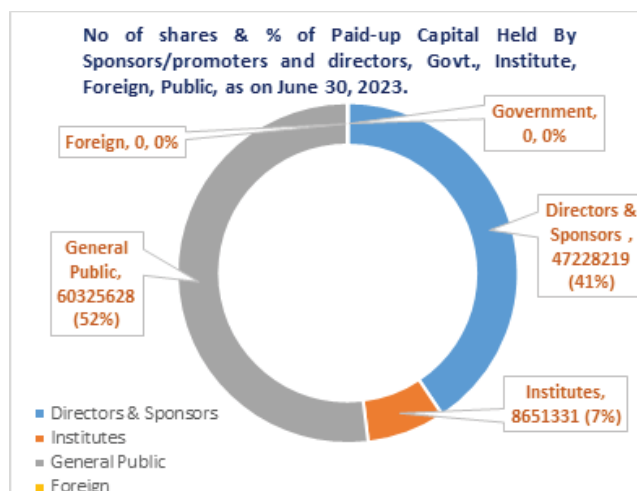
Mr. Md. Golam Rabbani has no directorship in any other company.

# PATTERN OF SHAREHOLDING as on 30 June 2023

Under Condition # 1(5)(xxiii) of CGC

**Annexure- III**  
To the Directors' Report

	Name of the Shareholders	Status	Share held	%
i.	Parent/Subsidiary /Associated Companies and other related parties	-	-	-
ii.	<b>Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children:</b>			
	Mrs. Hafiza Yeasmin	Chairman	2,452,074	2.11%
	Mr. A.F. M. Anowarul Huq	Managing Director	18,656,062	16.05%
	Mrs. Fatima Parvin	Director	3,009,753	2.59%
	Investment Corporation of Bangladesh (ICB) Represent by Md. Golam Rabbani	Director	15,759,000	13.56%
	Mr. Md. Iftikhar-Uz-Zaman	Independent Director-	-	-
	Mrs. Aziza Yeasmin	Sponsor	2,452,074	2.11%
	Mrs. Aysha Siddika	Sponsor	2,452,074	2.11%
	Mrs. Sayeda Huq	Sponsor	2,447,182	2.11%
	Md. Faruque Hossain	Chief Financial Officer	-	-
	Mr. Mohi Uddin QCS	Company Secretary	-	-
	Mr. Md. Abu Taleb	Head of Internal Audit and Compliance	-	-
iii.	<b>Executives:</b>			
	Mohammed Anwar Hossain	General Manager	-	-
	Mr. Shah-E-Azam	Plant Manager	-	-
	Mr. Mizanur Rahman	Head of Administration.	-	-
	Mr. Pijush Lal Guha	Head of Quality Assurance.	-	-
	Mr. R I Chowdhury	Head of Marketing	-	-
iv.	<b>Shareholders holding 10% or more voting interest in the company</b>			
	Mr. A.F. M. Anowarul Huq	Managing Director	18,656,062	16.05%
	Investment Corporation of Bangladesh (ICB) Represent by Md. Golam Rabbani	Director	15,759,000	13.56%





## REPORT OF AUDIT COMMITTEE FOR THE YEAR 2022-2023

**Annexure- IV**  
To The Directors' Report

The Audit Committee act as a sub-committee of the Board of Directors of Indo-Bangla Pharmaceuticals Ltd., in order to assist the Board of Directors in ensuring and fulfilling its oversight responsibilities in compliance with Condition-5 of the Notification of Bangladesh Securities and Exchange Commission (BSEC) No. BSEC/CMRRCD/2006-158/ 207/ Admin/80 dated 3 June, 2018. All members of the audit committee are "financially literate" and having the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement.

### MEMBER OF THE AUDIT COMMITTEE

The Audit Committee of Indo-Bangla Pharmaceuticals limited is comprised of 3 (three) Members of the Board of Directors including (One) Independent Directors. The composition of the present members of Audit Committee as follows:

Mr. A.K.M. Haruner Rashid, LL.B, FCS. Independent Director	Chairman
Md. Golam Rabbani Non-Executive Director	Member
Mrs. Hafiza Yeasmin Non-Executive Director	Member

Mr. Mohi Uddin, Company Secretary of Indo-Bangla Pharmaceuticals Ltd., act as the Secretary to the Committee. The Managing Director and Head of Internal Audit and compliance (HIAC) attends the meetings by invitation as specified in Terms of Reference (ToR) of the Audit Committee

### THE SCOPE OF AUDIT COMMITTEE WAS DEFINED AS UNDER:

Role of the Audit Committee directly from the Board of Directors oversight function and the purpose, authority, composition, duties and responsibilities of the Audit Committee are outlined in its terms of references, Key responsibilities of the Audit Committee are as follows:

- Review of the quarterly and annual financial statements of the company prepared for statutory purposes and recommend them to the Board for consideration.
- Oversee and monitor the accounting policies and principles, the risk management process, internal control, auditing issues, and the hiring and performance of external auditors.
- Review the Management's Discussion & Analysis and statement of all Related-Party Transactions to confirm that it complies with all applicable statutory laws and regulations.
- Review the adequacy of the internal audit function and oversee the process of financial reporting.
- Carry on a supervisory role to safeguard the systems of governance and independence of statutory auditors and
- Review and consider the report of internal auditors and statutory auditors' observations on internal control.

### MAJOR ACTIVITIES CARRIED OUT DURING THE YEAR OF 2022-2023:

In accordance with the 'Audit Committee Charter' the Audit Committee worked and evaluated items that was raised for consideration as well as discussed issues related to key events of every financial period

- Enhance good practices in financial reporting and risk management.
- Ensure establishment of adequate internal controls and compliance with laws and regulations.
- Reviewed the quarterly and annual financial statements of the Company, ensured their accuracy and recommended them to the Board for consideration.
- Ensured that the statutory auditors' observations have been duly accounted for while preparing annual financial statements before recommending them to the Board for consideration.

- Overseen, reviewed and approved the procedure and task of the internal audit.
- Reviewed the statutory auditors' appointment and remuneration and made a recommendation to the Board.
- Ensure that the preparation, presentation and submission of financial statements have been made in accordance with the prevailing laws, standards and regulations.

#### **AUTHORITY**

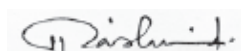
The Audit Committee is a committee of the Board as a sub-committee of the Board and responsible to the Board; the Committee has delegated authority from the Board in respect of the functions and power set out in its Terms of Reference. It is authorized to seek any information it requires from and require the attendance at any of its meetings of any Director, Member of Management. The Committee is also authorized to have any information and advice from the Company's Legal Advisors, Statutory Auditor and Compliance Auditor if required.

#### **MEETINGS AND ATTENDANCE**

During the year 2022-2023 under review, the Committee held four meetings. The attendance of the Member at these meetings is outlined below:

SL	Position	No. of Meeting held during his/her tenure	Meetings Attend	Remarks
Md. Iftikhar-Uz-Zaman (Independent Director)	Chairman	4	4	Membership was vacated due to resignation from the Board with effect from 17th September, 2023.
Md. Golam Rabbani (Non-Executive Director)	Member	4	4	Continuing
Mrs. Fatima Parvin (Non-Executive Director)	Member	4	4	Membership was vacated due to resignation from the Board.
Mr. A.K.M. Haruner Rashid, LL.B, FCS (Non-Executive Director)	Member			Appointed as Chairman of the Audit Committee on 17th September, 2023
Mrs. Hafiza Yeasmin (Non-Executive Director)	Member			Appointed as Member of the Audit Committee on 28th October, 2023
Mohi Uddin	Secretary	4	4	Continuing

There are no significant deviations, inconsistencies, or negative findings/observations in the reporting area. The Committee found acceptable arrangements to provide a true and fair impression of the company's operations and financial situation.



**(A.K.M. Haruner Rashid, FCS)**

Chairman, Audit Committee.

Date: 28 October, 2023

# REPORT OF NOMINATION AND REMUNERATION COMMITTEE (NRC)

For the year 2022-2023

Annexure- V  
To The Directors' Report

The Nomination and Remuneration Policy is prepared and adopted in compliance with Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission in view to formulate and recommend proper, fair, transparent and non-discriminatory nomination and remuneration for the Directors and Top Level Executives of the Indo-Bangla Pharmaceuticals Ltd. The Nomination and Remuneration Policy of Directors and Top Level Executives has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of Indo-Bangla Pharmaceuticals Ltd.

**"NRC or the Committee"** means Nomination and Remuneration Committee.

**"the Company"** means Indo-Bangla Pharmaceuticals Ltd.

**"Board"** means Board of Directors of Indo-Bangla Pharmaceuticals Ltd.

**"Director"** means Member of the Board.

**"Top Level Executive"** means the Managing Director or Chief Executive Officer, Additional or Deputy Managing Director, Chief Operating Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and Compliance, Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.

## NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors of Indo-Bangla Pharmaceuticals Ltd., has duly constituted a Nomination and Remuneration Committee (NRC), as per the requirement of the Corporate Governance Code of Bangladesh securities and Exchange Commission (BSEC) to shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives as well as a policy for formal process of considering remuneration of directors, top level executives.

The statement of Nomination and Remuneration Committee is prepared as per Corporate Governance Code issued by BSEC.

## TERMS OF REFERENCES

The Nomination and Remuneration Committee has performed its duties as assigned by the Board of Directors and defined in the charted of the NRC formulated in accordance with the Notification of the Bangladesh Securities and Exchange Commission's Corporate Governance Code, 2018

## COMPOSITION

The Nomination and Remuneration Committee of Indo-Bangla Pharmaceuticals Ltd., is comprised of three (3) non-executive Directors of the Board including an Independent Director. The Chairperson of the Committee is an Independent Director of the Company the composition of the present NRC is as follows:

Name	Designation
Mr. A.K.M. Haruner Rashid, LL.B, FCS. Independent Director	Chairman
Md. Golam Rabbani Non-Executive Director	Member
Mrs. Hafiza Yeasmin Non-Executive Director	Member

Mr. Mohi Uddin, Company Secretary attends the Committee's meeting as the Secretary of the Committee. The Managing Director and Head of Human Resources and Administration attends the meeting by invitation. The Chief Financial Officer attends the meeting as and when invited.

## QUALIFICATION

The members of Nomination and Remuneration Committee of Indo-Bangla Pharmaceuticals Limited possess the adequate knowledge and business management and corporate governance matters.

## ROLE AND RESPONSIBILITIES

The roles and responsibilities of the Nomination and Remuneration Committee flow directly from the Board's oversight functions. The purpose, authority, composition, duties and responsibilities of the Nomination and Remuneration Committee are delineated in its Charter. Some of the major responsibilities of the NRC are as follows:

- The Committee shall be independent, responsible and accountable to the Board and the Shareholders.
- Recommend a policy to the Board relating to the remuneration of the Directors, and top level executives;
- Recommend a policy on Board's diversity taking into consideration age, gender, experience, education and nationality;
- Formulate the criteria for determining qualification and independence of Directors;
- Identify persons who are qualified to become Directors and in top level executives and recommend their appointment and removal;
- Formulate the criteria for evaluation of performance of Independent Directors;

- Assess that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the company successfully;
- Evaluate that remuneration to Directors and top level executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- Identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;
- Recommend and review annually the Company's human resources and training policies;
- Recommend the remuneration policy of the Company, particularly in relation to the yearly increment principle;
- Recommend the Code of Conduct for the Chair of the Board, other Board Members and Chief Executive Officer of the Company and
- Reporting to the Board of Directors on the Committee's activities and findings.

#### **NOMINATION, RECRUITMENT AND SELECTION STANDARDS**

Recruitment and selection processes for Board members identify candidates with the most suitable skills, knowledge, experiences and personal values. The NRC is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous. The Board places great emphasis on ensuring its membership reflecting diversity in broader sense. A combination of age, gender, experience, ethnicity, educational background, nationality and other relevant personal attributes in the Board is important in providing a range of perspectives, insights and challenges needed to support right decision making.

#### **EVALUATION CRITERIA**

The evaluation process is led by the Chairman of the Board and assisted by the Company Secretary. The respective line authority of the Directors, Top level Executives sets the performance measurement criteria based on the respective role profile and responsibilities through the annual appraisal process. The NRC is responsible for ensuring the effectiveness of the Board. The Board shall carry out an evaluation once a year of its work, functions, performance as well as monitoring of internal control over financial reporting for the preparation of external financial statements and the safeguarding of assets. Each Director is required to complete a confidential pre-set questionnaire. The evaluation includes a review of the administration of the Board and its committees covering their operations, agenda, reports, and information produced for consideration, and relationship with Management.

#### **AUTHORITY**

The Nomination and Remuneration Committee has carried out its duties with due care, due diligence, transference and independence and as an act of good faith for the betterment of the Company and shareholders.

The Committee has authorized to seek any information if requires from and require the attendance at any of it meetings of any Director, member of Management and all employees are expected to cooperate with any quest made by the Committee.

#### **ACTIVITIES OF THE NRC CARRIED OUT DURING THE REPORTING PERIOD**

The NRC carried out the following activities in line with Committee's Terms of Reference during the reporting period:

- Reviewed and recommended the Code of Conduct for the Chairman, other Members of the Board and Managing Director.
- Reviewed the Company's existing policy relating to the remuneration of Directors and Top Level Executives.
- Discussed and decided in regard to formulate the criteria of evaluation of performance of the Board and Independent Directors.
- Reviewed the Company's existing Human Resource and Training policies.

#### **REMUNERATION FOR BOARD OF DIRECTORS.**

Each Director shall receive reasonable remuneration from the Company for every meeting attended, plus travelling expenses from and to usual place of residence and an allowance per day for the number of days spent attending, travelling to and returning from Board meetings. The amounts will be determined by the Shareholders at the General Meeting.

- Consider the Terms of Reference (ToR) of NRC as approved by the Board of Directors;
- Formulate the policy relating to the remuneration of the Directors and top-level executives;
- Formulate the criteria for determining qualifications, positive attributes and independence of the Directors;
- Adopt Code of Conduct for the Chairman, Directors and Top-level Executive as per BSEC Notification;

#### **AMENDMENTS TO THE POLICY**

The Board preserve the rights to amend and review time to time the provisions of the policy depending on the legal and other requirements or for a bona fide purpose.



### VALIDATION OF THE POLICY

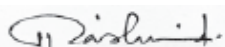
This policy on Nomination and Remuneration of Directors and Top Level Executives of the Company has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of Indo-Bangla Pharmaceuticals Ltd

### MEETINGS AND ATTENDANCE

During the year 2022-2023 under review, the Committee held four meetings. The attendance of the Member at these meeting is outlined below:

Mane of the Member	Position	No. of Meeting held during his/her tenure	Meetings Attended	Remarks
Md. Iftikhar-Uz-Zaman	Chairman	2	2	Membership was vacated due to resignation from the Board with effect from 17th September, 2023.
Md. Golam Rabbani (Non-Executive Director)	Member	2	2	Continuing
Mrs. Fatima Parvin (Non-Executive Director)	Member	2	2	Membership was vacated due to resignation from the Board with effect from on 28th October, 2023.
Mr. A.K.M. Haruner Rashid, LL.B, FCS (Independent Director)	Chairman			Appointed as Chairman of the Audit Committee on 17th September, 2023
Mrs. Hafiza Yeasmin (Non-Executive Director)	Member			Appointed as Member of the Audit Committee on 28th October, 2023
Mohi Uddin	Secretary	2	2	Continuing

For and on behalf of the Nomination and Remuneration Committee of indo-Bangla Pharmaceuticals Ltd.



**(A.K.M. Haruner Rashid, FCS)**

Chairman

Nomination and Remuneration Committee.

28 October, 2023

# DECLARATION BY CEO AND CFO

Under Condition # 1(5)(xxvi) of CGC

**Annexure-A**  
Report to the Shareholders

The Board of Directors  
Indo-Bangla Pharmaceuticals Ltd.  
Bashundhara R/A, Baridhara,  
Dhaka-1229

Date: 30 October, 2023

**Subject: Declaration on Financial Statements for the year ended on 30 June, 2023.**

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/ CMRRCD/2006 -158/207/Admin/80 Dated 3 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Indo-Bangla Pharmaceuticals Ltd. for the year ended on 30th June, 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

**In this regard, we also certify that: -**

- (i) We have reviewed the financial statements for the year ended on 30th June, 2023 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



**(A F M Anowarul Huq)**  
Managing Director



**(Md. Faruque Hossain)**  
Chief Financial Officer

# CERTIFICATE ON COMPLIANCE

with the condition No. 1(5)(XVII) of  
**Corporate Governance Code**

## Annexure –B

Certificate as per condition  
No. 1(5)(xxvii)



**Haruner Rashid & Associates**  
Chartered Secretaries & Management Consultants

**Report to the Shareholders of  
Indo-Bangla Pharmaceuticals Ltd.  
on  
Compliance with the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code Indo-Bangla Pharmaceuticals Ltd. for the year ended 30th June, 2023. This Code relates to the Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is satisfactory.

Place: Dhaka

Dated: November 19, 2023



**Haruner Rashid & Associates**  
Chartered & Secretaries

A.K.M. Haruner Rashid, LL.B. FCS  
CEO & Consultant

**Address:** Chand Mansion (6th Floor), 66, Dilkusha, Dhaka-1000.

Mobile: +8801711-105322, e-mail: hrashid\_bd@yahoo.com

**Liaison Office:** 222/1, Tejkunipara, Bijoy Saroni Link Road, Tejgaon, Dhaka-1215

Mobile: +8801730-728605 (Mominur), e-mail: hrashid.associates@gmail.com

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

## (Report under Condition No. 9)

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
<b>1</b>	<b>Board of Directors</b>			
<b>1(1)</b>	<b>Size of the Board of Directors</b>			Board is Comprised of 5 (Five) Directors
	The total number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty)	√		
<b>1(2)</b>	<b>Independent Directors</b>			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		There is 1 (one) ID out of 5 (Five) Directors
1(2)(b)	<b><i>For the purpose of this clause 'independent director' means a director-</i></b>			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members shall not hold above mentioned shares in the company;	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	√		

1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFi);	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	N/A		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	√		
<b>1(3)</b>	<b>Qualification of Independent Director</b>			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business;	√		
1(3)(b)	<b>Independent Director shall have following qualifications</b>			
1(3)(b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	N/A		
1(3)(b)(ii)	Corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	√		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	√		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	N/A		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	N/A		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		

1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission;	N/A		
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director and/ or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/ or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the chairperson and the Managing Director and/ or Chief Executive Officer;	√		
1(4)(e)	In the absence of the chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
<b>1(5)</b>	<b>The Directors' Report to Shareholders:</b>			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the companies Act, 1994 (Act No. XVIII of 1994):-			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The Segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss);	N/A		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	N/A		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc;	N/A		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial statements;	N/A		
1(5)(x)	A statement of remuneration paid to the directors including independent directors	√		

1(5)(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	Proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	There is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	N/A		
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	N/A		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-	√		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives; and	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-	√		
1(5)(xxiv)(a)	a brief resume of the director	√		

1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)	Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	√		
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
<b>1(6)</b>	<b>Meetings of the Board of Directors:</b>			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			



1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	N/A	-	
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	N/A		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	N/A		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	N/A		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	N/A		
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>			
<b>3(1)</b>	<b>Appointment</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
<b>3(2)</b>	<b>Requirement to attend Board of Directors' Meetings:</b>			

	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board provided that CS, CFO and HIAC shall not attend such part of a meetings of the Board relating to their personal matter.	√		
<b>3(3)</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
<b>4</b>	<b>Board of Directors' Committee:-</b> For ensuring good governance in the company, the Board shall have at least following subcommittees:			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
<b>5</b>	<b>Audit Committee</b>			
<b>5(1)</b>	<b>Responsibility to the Board of Directors</b>			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
<b>5(2)</b>	<b>Constitution of the Audit Committee</b>			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		

5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
<b>5(3)</b>	<b>Chairperson of the Audit Committee</b>			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM);	√		
<b>5(4)</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
<b>5(5)</b>	<b>Role of Audit Committee:</b> The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	monitor choice of accounting policies and principles;	√		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	oversee hiring and performance of external auditors;	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	review the adequacy of internal audit function;	√		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		

5(5)(j)	review statement of all related party transactions submitted by the management;	√		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;	√		
<b>5(6)</b>	<b>Reporting of the Audit Committee</b>			
<b>5(6)(a)</b>	<b>Reporting to the Board of Directors</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interests;	N/A		
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	N/A		
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	N/A		
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	N/A		
<b>5(6)(b)</b>	<b>Reporting to the Authorities:</b>			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	N/A		
<b>5(7)</b>	<b>Reporting to the Shareholders and General Investors:</b>			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
<b>6</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
<b>6(1)</b>	<b>Responsibility to the Board of Directors</b>			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	√		

6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
<b>6(2)</b>	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	N/A		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
<b>6(3)</b>	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	N/A		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	√		
<b>6(4)</b>	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		

6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
<b>6(5)</b>	<b>Role of the NRC</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board;	√		
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	√		
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	√		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	√		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual Report.	√		
<b>7</b>	<b>External or Statutory Auditors</b>			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	financial information systems design and implementation;	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	broker-dealer services;	√		
7(1)(v)	actuarial services;	√		

7(1)(vi)	internal audit services or special audit services;	√		
7(1)(vii)	any service that the Audit Committee determines;	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1);	√		
7(1)(ix)	any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (AGM or EGM) to answer the queries of the shareholders.	√		
<b>8</b>	<b>Maintaining a website by the Company</b>			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
<b>9</b>	<b>Reporting and Compliance of Corporate Governance</b>			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		



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**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF  
INDO-BANGLA PHARMACEUTICALS LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **Indo-Bangla Pharmaceuticals Limited** (the “Company”), which comprise the Statement of Financial Position as at **30 June 2023** and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, Except for the effects of the matters describe in the basis of opinion section of our report the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at **30 June 2023** and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) the company act 1994 and security exchange rules 2020 and other applicable laws and regulations.

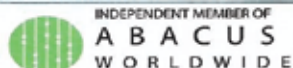
**Basis for Opinion**

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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to key audit matters
<b>Valuation of Property, Plant and Equipment (PPE)</b>	
<p>The carrying value of the PPE amounted to BDT 1,315,423,346 as at 30 June 2023. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>Expenditures are capitalized if they create new or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of expenditures involves judgment. The useful lives of PPE items are</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> <li>☒ We reviewed the opening balances of PPE which was audited by FAMES &amp; R Chartered Accountants and we assessed the addition during the year under our audit, checked the related accounting treatment and associated deferred tax as recognized by the company.</li> <li>☒ We inspected a sample of invoices documents to determine whether the classification between capital and operating expenditure was appropriate;</li> </ul>



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<p>based on management’s estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.</p>	<ul style="list-style-type: none"> <li>☒ We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market price;</li> <li>☒ We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the classification from capital in progress to ready for use, with the date of the act of completion of the work.</li> <li>☒ We performed physical asset verification at the year end, observed procedures of asset acquisition, depreciation and disposal and finally assessed the appropriateness and presentation of disclosures as per relevant accounting standards.</li> </ul> <p><b>[See note number 3.00 for details]</b></p>
<p><b>Valuation of Inventory</b></p>	
<p>The Company had inventory of BDT 178,611,529 at 30<sup>th</sup> June 2023 which includes Finished Goods, Raw Materials, Packing Materials, Spare Parts and Work in Process etc.</p> <p>Inventory value is measured as follows:</p> <p>Inventories are stated at the lower of cost and net realizable value in accordance with IAS-2 ‘Inventories’. As result, the management apply judgment in determining the appropriate values for value in use, work-in-progress, values for slow moving or obsolete items and need to apply impairment provision.</p> <p>While excess holding of inventories could impact level of inventories can result in stock outs or irregular supply to the market.</p>	<p>We verified the appropriateness of management’s assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> <li>☒ We evaluated the design and implementation of key inventory controls operating across the company’s factory and warehouse;</li> <li>☒ We challenged the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete.</li> <li>☒ We reviewed the historical accuracy of inventory provisioning and the level of inventory write- offs during the year;</li> <li>☒ We attended inventory counts and reconciling the count results to the inventory listing to test the completeness of data;</li> <li>☒ We compared the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete;</li> <li>☒ We discussed with management about their sales forecasting procedures and ordering of inventories, and inquired about remedial action taken in case of excess or shortage of inventories due to difference in forecast and actual results.</li> </ul> <p><b>[See note number 5.00 for details]</b></p>

<b>Measurement of Deferred Tax Liabilities</b>	
<p>The Company reported net deferred tax liabilities to totaling BDT as at 129,144,490 Significant judgments is required in relation to deferred tax liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<ul style="list-style-type: none"> <li>☒ We obtained an understanding, evaluated the design and tested the operational effectiveness of the company over the recognition and measurement and the assumptions used in estimating the future taxable income.</li> <li>☒ We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</li> <li>☒ We involved our tax expertise to assess key assumptions, controls, recognition and measurement of Taxes.</li> <li>☒ Finally, assessed the appropriateness and presentation of disclosure against IAS 12 Income Tax.</li> </ul> <p><b>[See note number 11.00 for details]</b></p>
<b>Revenue Recognition</b>	
<p>At year end the Company reported total revenue of BDT 374,482,590 Revenue is measured net of discounts, incentives and rebates earned by customers on the Company's sales.</p> <p>Within a number of the Company's markets, the estimation of discounts, incentives and rebates recognized based on sales made during the year is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognized resulting from the pressure of local management may feel to achieve performance targets.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>☒ Calculation of discounts, incentives and rebates;</li> <li>☒ Segregation of duties in invoice creation and modification; and</li> <li>☒ Timing of revenue recognition.</li> </ul> <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> <li>☒ Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period;</li> <li>☒ Within a number of the Company's markets, comparing current year rebate accruals to the prior year and, where relevant, completing further inquiries and testing.</li> <li>☒ Agreeing a sample of claims and rebate accruals to supporting documentation;</li> <li>☒ Critically assessing manual journals posted to revenue to identify unusual or irregular items; and</li> <li>☒ Finally assessed the appropriateness and presentation of disclosure against relevant accounting standards.</li> </ul> <p><b>[See note number 18.00 for details]</b></p>

<b>Employee Benefits</b>	
<p>(a) Short-term employee benefits, such as the following, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services:</p> <p>(i) wages, salaries and social security contributions;</p> <p>(ii) paid annual leave and paid sick leave;</p> <p>(iii) profit sharing and bonuses; and</p> <p>(iv) non-monetary benefits (such as medical care, housing, cars and free of subsidized goods or services) for current employees;</p>	<p>The objectives of this standard are to prescribe the accounting and disclosure for employee benefits. The standard requires an entity to recognize;</p> <p>(a) a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and</p> <p>(b) An expense when the entity consumes the economic benefit arising from service provided by an employee in exchange for employee benefits.</p> <p>(c) The company has no any other long-term employee benefits, such as following:</p> <p>(i) long-term paid absences such as long-service leave or sabbatical leave;</p> <p>(ii) jubilee or other long-service benefits; and</p> <p>(iii) long-term disability benefits; and</p> <p>(d) Termination benefits</p>
<b>WPPF and Welfare Fund.</b>	
<p>The company makes a Regular allocation of 5 % (of 1,228,635 tk.) on Net Profit Before Charging such expenses to this fund as per provisions of labor laws-2006 and which is a material item to the financial statements.</p> <p>There is a significant risk regarding payment to the Government fund and Labor welfare fund of the amounts and misstatement of the items. As such, management is required to make judgments in determining whether WPPF and Welfare Fund are being appropriately transferred and also need to make provision for aged WPPF and Welfare Fund, if required.</p>	<p><input checked="" type="checkbox"/> Tested the operating effectiveness of key controls over WPPF and Welfare Fund.</p> <p><input checked="" type="checkbox"/> Being a part of auditor's responsibility as regarding external confirmation, we requested for external confirmation.</p> <p><input checked="" type="checkbox"/> Tested on a sample basis the value disclosed according to the reply obtained.</p> <p><input checked="" type="checkbox"/> Assessed whether appropriate provisions have been recognized for aged WPPF and Welfare Fund, if required and evaluating management's basis for determining the refundable.</p> <p><b>Please refer to note 14.00 to the financial statements.</b></p>
<b>Appropriateness of implication of leases and disclosure on the impact of the initial application of IFRS 16.</b>	
<p>The company currently has low value lease agreements at of its offices. The leases are short term leases. Resultantly the leases are not treated as right-of-use assets. As such the effect of IFRS 16 is very immaterial compared to the volume of whole financial statements.</p>	<p>With regard to the impact of the initial application of IFRS 16 from the financial year 2023 onward, we assessed the impact determined after the implementation of the new standard. Our audit approach included, among other items.</p> <p><b>Please refer to the note 20.00 to financial statements.</b></p>

### **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 financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

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

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) the companies act 1994, the security exchange rules 2020 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ☒ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ☒ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ☒ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ☒ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- ☒ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the company's financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

We have not come across any other key audit issue for the year under audit, and as such nothing is reportable.

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 2020, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure incurred was for the purposes of the Company's business.



**Sheikh Zahidul Islam, FCA, MBA**  
**Partner**  
**Enrolment No-1394**  
**Shafiq Basak & Co.**  
**Chartered Accountants**  
**DVC: 2311021394AS940986**

**Date: October 28, 2023**  
**Place: Dhaka**

**INDO-BANGLA PHARMACEUTICALS LTD**  
STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

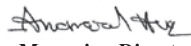
Particulars	Notes	Amounts in Taka		
		30-Jun-23	30-Jun-22	1st July,2022 (Re- Stated)
<b>ASSETS:</b>				
<b>Non-current Assets:</b>		<b>1,344,573,299</b>	<b>1,354,903,129</b>	<b>1,354,903,129</b>
Property, Plant and Equipment	3.00	1,315,423,346	1,331,343,626	1,331,343,626
Capital Work In Progress	4.00	29,149,953	23,559,503	23,559,503
<b>Current Assets:</b>		<b>531,196,611</b>	<b>538,891,584</b>	<b>538,891,584</b>
Inventories	5.00	178,611,529	181,085,873	181,085,873
Trade & Other Receivables	6.00	223,651,430	213,933,121	218,933,121
Advance, Deposits and Prepayments	7.00	117,629,867	110,181,070	110,181,070
Cash and Cash equivalents	8.00	11,303,785	33,691,519	28,691,519
<b>TOTAL ASSETS</b>		<b>1,875,769,910</b>	<b>1,893,794,713</b>	<b>1,893,794,713</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Equity:</b>		<b>1,621,822,173</b>	<b>1,625,035,557</b>	<b>1,625,035,557</b>
Share Capital	9.00	1,162,051,780	1,162,051,780	1,162,051,780
Retained Earnings	10.00	459,770,393	462,983,777	462,983,777
<b>NON-CURRENT LIABILITIES</b>		<b>129,144,490</b>	<b>114,560,897</b>	<b>114,560,897</b>
Deferred Tax Liability	11.00	129,144,490	114,560,897	114,560,897
<b>Current Liabilities:</b>		<b>124,803,247</b>	<b>154,198,259</b>	<b>154,198,259</b>
Short Term Loan	12.00	43,610,000	75,357,000	75,357,000
Unclaimed Dividend:	13.00	15,099,614	13,880,231	13,880,231
Provision for WPPF	14.00	1,228,635	1,586,028	1,586,028
Trade Payables	15.00	832,555	926,961	926,961
Provision for Taxes	16.00	52,459,325	50,877,345	50,877,345
Liabilities for Expenses	17.00	11,573,118	11,570,694	11,570,694
<b>Total Liabilities :</b>		<b>253,947,738</b>	<b>268,759,157</b>	<b>268,759,157</b>
<b>TOTAL OWNER'S EQUITY AND LIABILITIES</b>		<b>1,875,769,910</b>	<b>1,893,794,713</b>	<b>1,893,794,713</b>
Net Asset Value (NAV) Per Share	26.00	13.96	13.98	13.98

The annexed notes form an integral part of the financial statements.


  
Chief Financial Officer

  
Company Secretary

  
Director

  
Managing Director

Signed as per our separate report on same date.

  
Sheikh Zahidul Islam FCA, MBA.  
Partner  
Enrolment No-1394  
Shafiq Basak & Co.  
Chartered Accountants  
DVC: 2311021394AS940986

Place: Dhaka  
Date: October 28, 2023

**INDO-BANGLA PHARMACEUTICALS LTD**  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June, 2023

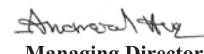
Particulars	Notes	Amount In BDT	
		30-Jun-23	30-Jun-22
Net Sales Revenue	18.00	374,482,590	484,679,693
Less: Cost of Sales	19.00	277,919,331	337,751,759
<b>Gross Profit</b>		<b>96,563,258</b>	<b>146,927,934</b>
<b>Less: Operating Expenses:</b>		<b>71,882,165</b>	<b>114,424,523</b>
Administrative Expenses	20.00	37,412,685	51,352,257
Financial Expenses	21.00	5,231,224	4,881,097
Selling & Distributing Expenses	22.00	29,238,255	58,191,169
<b>Profit from Operations</b>		<b>24,681,093</b>	<b>32,503,411</b>
Add: Non Operating Income:	23.00	1,120,250	803,180
<b>Profit before Contribution to WPPF &amp; Welfare Fund</b>		<b>25,801,343</b>	<b>33,306,591</b>
Less: Contribution to WPPF & Welfare Fund	14.00	1,228,635	1,586,028
<b>Profit before Tax</b>		<b>24,572,708</b>	<b>31,720,563</b>
<b>Less: Income Tax Expenses:</b>		<b>16,165,573</b>	<b>6,546,530</b>
Current Tax	24.00	1,581,980	160,636
Deferred Tax	11.00	14,583,593	6,385,894
<b>Net Profit for the year</b>		<b>8,407,134</b>	<b>25,174,033</b>
<b>Earnings per share (EPS)</b>	25.00	<b>0.07</b>	<b>0.22</b>

The annexed notes form an integral part of the financial statements.

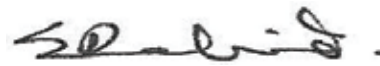
  
Chief Financial Officer

  
Company Secretary

  
Director

  
Managing Director

Signed as per our separate report on same date.

  
Sheikh Zahidul Islam FCA, MBA.  
Partner  
Enrolment No-1394  
Shafiq Basak & Co.  
Chartered Accountants  
DVC: 2311021394AS940986

Dated: Dhaka  
Date: October 28 , 2023

**INDO-BANGLA PHARMACEUTICALS LTD****STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2023

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as at 01-07-2022	1,162,051,780	462,983,777	1,625,035,557
Issue of share Capital (Bonus)	-	-	-
Cash Dividend	-	(11,620,518)	(11,620,518)
Net Profit for the period	-	8,407,134	8,407,134
Balance as at 30-06-2023	<b>1,162,051,780</b>	<b>459,770,393</b>	<b>1,621,822,173</b>

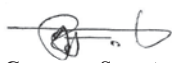
**INDO-BANGLA PHARMACEUTICALS LTD****STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2022

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as at 01-07-2021	1,137,371,400	488,046,975	1,625,418,375
Issue of share Capital (Bonus)	24,680,380	(24,680,380)	-
Cash Dividend	-	(25,556,851)	(25,556,851)
Net Profit for the period	-	25,174,033	25,174,033
Balance as at 30-06-2022	<b>1,162,051,780</b>	<b>462,983,777</b>	<b>1,625,035,557</b>



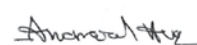
Chief Financial Officer



Company Secretary



Director



Managing Director

Place: Dhaka

Date: October 28 , 2023



**INDO-BANGLA PHARMACEUTICALS LTD**

**STATEMENT OF CASH FLOWS**

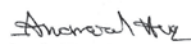
For the year ended 30 June, 2023

Particulars	Notes	Amount in Taka		
		30-Jun-23	30-Jun-22	1st July,2022 (Re- Stated)
<b>Cash Flows from Operating Activities</b>				
Cash receipts from customers	28.00	369,764,281	516,498,737	511,498,737
Cash receipts from others income	29.00	420,250	803,180	803,180
Cash payment to Suppliers	30.00	(199,559,994)	(268,042,206)	(268,042,206)
Cash payment to Employees		(47,132,814)	(69,797,462)	(69,797,462)
Cash payment to Others		(44,222,797)	(73,460,840)	(73,460,840)
<b>Cash Generate from operation</b>		<b>79,268,926</b>	<b>106,001,409</b>	<b>101,001,409</b>
Cash payment against income Tax		(6,319,403)	(13,716,871)	(13,716,871)
<b>Net Cash generated from Operating Activities</b>	33.00	<b>72,949,523</b>	<b>92,284,538</b>	<b>87,284,538</b>
<b>Cash Flow from Investing Activities</b>				
Acquisition of property, plant and equipment		(6,941,500)	(16,122,530)	(16,122,530)
Receive from Sale of land		2,700,000	-	-
Paid for Capital Work In Progress		(23,090,450)	(23,559,503)	(23,559,503)
Paid for land (BSCIC Barisal)		(16,135,000)	(14,500,000)	(14,500,000)
<b>Net Cash used in Investing Activities</b>		<b>(43,466,950)</b>	<b>(54,182,033)</b>	<b>(54,182,033)</b>
<b>Cash Flows from Financing Activities</b>				
Short Term Loan		(31,747,000)	(9,586,000)	(9,586,000)
Paid for Interest on Loan		(4,722,171)	(5,628,155)	(5,628,155)
Paid for Dividend Previous Year		(1,546,841)	(1,158,509)	(1,158,509)
Paid for Dividend 2022		(8,854,294)	(23,627,825)	(23,627,825)
<b>Net Cash Used in Financing Activities</b>		<b>(46,870,307)</b>	<b>(40,000,489)</b>	<b>(40,000,489)</b>
<b>Net increase/(Decrease) in Cash and Cash equivalents</b>		<b>(17,387,735)</b>	<b>(1,897,984)</b>	<b>(6,897,983)</b>
Cash and Cash Equivalents at beginning of the period		28,691,519	35,589,502	35,589,502
Cash and Cash Equivalents on Dividend Accounts		-	-	-
<b>Cash and Cash Equivalent at end of the Period</b>		<b>11,303,785</b>	<b>33,691,519</b>	<b>28,691,519</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>		<b>0.63</b>	<b>0.79</b>	<b>0.75</b>

  
Chief Financial Officer

  
Company Secretary

  
Director

  
Managing Director

Place: Dhaka

Date: October 28 , 2023

**INDO-BANGLA PHARMACEUTICALS LTD.**  
**Notes to the Financial Statements and other explanatory information.**  
As at and for the year ended June 30, 2023

**1.00 REPORTING ENTITY**

**1.01 Background of the Company**

Indo-Bangla Pharmaceuticals Limited was incorporated as a private Limited Company under the Companies Act-1994 on 18 June 2014 vide registration no.C-116665/14 through takeover of M/S. Indo-Bangla Pharmaceutical Works, a proprietorship business since pre-liberation period. The company has been converted into public limited company on 21-10-2014. Registered office of the company and Factory is at Aziz Bhaban, College Road, Barisal. Authorized capital of the company is Tk.1, 500,000,000 divided into 150,000,000 ordinary shares of Tk.10 each. Paid up capital of the company Tk.1,162,051,780 divided into 116,205,178 ordinary shares of Tk. 10 each.

**1.02 Registered Office of the Company**

The registered office of the Company and the Factory is located at 729, College Road, Barisal Sadar, Barisal and having its Corporate office at Polt-183 (7<sup>th</sup> floor) Block-B, Road-4, Ahmed Akbar Sobhan Road, Basundhara R/A, Baridhara, Dhaka-1229.

**1.03 Nature of the business**

The Company is engaged in manufacturing and selling of all kinds of medicine (excluding Antibiotic), medical preparations drugs & chemicals (Human Health) with due approval of Drug Administration Authority. The company applied for permission for production and selling of veterinary medicine also.

**2.00 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS:**

**2.01 Presentation of Financial Statements**

The Financial Statements of the Company are prepared on a going concern Basis under historical cost convention and in accordance with the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), the Companies Act, 1994, the Securities and Exchange Rules, 2020 and other laws & regulation in Bangladesh applicable to the Company.

**2.02 Going Concern**

The company has adequate resources to continue its operation for the foreseeable future. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business. As such, the directors intended to adopt the going concern Basis in preparing the financial statements.

**2.03 Accrual Basis**

The financial statements have been prepared, except Statements of Cash Flows, using the accrual Basis of accounting.

**2.04 Reporting Period**

The financial Statements have been prepared covering one year from July 01, 2022 to June 30, 2023.

**2.05 Components of the Financial Statements**

According to IFRS-1 “presentation of the Financial Statements” the complete set of financial statements includes the following components;

- a) Statement of Financial Position as at June 30, 2023;
- b) Statement of Profit or Loss and other Comprehensive Income for the period from 1<sup>st</sup> July 2022 to 30<sup>th</sup> June, 2023;
- c) Statement of Changes in Equity for the year ended June 30, 2023;
- d) Statement of Cash Flows for the year ended June 30, 2023; and
- e) Notes comprising a summary of significant accounting policies and other explanatory information.

## **2.06 Accounting Policies & Estimates**

The preparation of these financial statements is in conformity with IAS and IFRS which require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and used for accounting of certain terms such as provision for expenses and depreciation.

## **2.07 Responsibility for Preparation and Presentation of Financial Statements**

The Board of Directors is responsible for the preparation of financial statements under section 183 of the Companies Act, 1994 and as per the provision of “the Framework for the preparation and Presentation of Financial Statements” issued by the International Accounting Standards (IASs) and Bangladesh Securities and Exchange Commission (BSEC) guideline.

## **2.08 Statement of Cash flows**

Statement of Cash flows have been prepared in accordance with IAS-7 "Statement of Cash Flows" and the cash flows from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of IAS-7 which provides that "Entities are encouraged to report cash flows from operating activities using the direct method".

## **2.09 Applicable accounting standards**

The following IAS and IFRS are applicable for the financial statements for the year under review:

### **IASs:**

IAS -1	Presentation of Financial Statements
IAS -2	Inventories
IAS -7	Statements of Cash flows
IAS -8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS -19	Employee Benefits
IAS-24	Related Party Disclosures
IAS- 32	Financial Instruments Presentation
IAS-33	Earnings Per Share
IAS-36	Impairment of Assets
IAS- 37	Provisions, Contingent Liabilities and Contingent Assets

### **IFRSs:**

IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Lease;

## **2.10 Property, Plant and Equipment**

### **2.10.1 Recognition and Measurement**

All Property, Plant and Equipment are stated at cost less accumulated depreciation as per IAS-16 “Property, Plant and Equipment”. The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non- refundable taxes.

The cost of replacing part 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 part will flow to the Company and its costs can be measured reliably. The cost of the day to day maintaining cost on PPE is recognized in the Statements of Profit or Loss and other Comprehensive Income as incurred.

### 2.10.2 Depreciation

Depreciation on Property, Plant and Equipment other than Land has been computed during the year using the reducing balance method. Depreciation has been charged on addition when the related Property, Plant and Equipment are available for use as per management intention. Depreciation has been charged at following rates:

Name of Assets	Rate	Rate
	As at 30 <sup>th</sup> June 2023	As at 30 <sup>th</sup> June 2022
Land and Land Development	0%	0%
Building	2.50%	2.50%
Civil Works	5%	5%
Machineries & Equipment	3%	3%
Micro biological Lab	3%	3%
Factory Air Condition	10%	10%
Generator	3%	3%
Sub-Station (electricity) 630 KVA	10%	-
Furniture & Fixture	10%	10%
Office Equipment	10%	10%
SEP Decoration	10%	10%
Office Decoration	10%	10%
Computer	10%	10%
Air Condition	10%	10%
Transport	10%	10%
Water Plant	10%	10%
ETP Plant	10%	10%

### 2.10.3 Retirement and Disposals

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under other income in the statement of profit or loss and other comprehensive income.

### 2.10.4 Impairment

All fixed assets have been reviewed and it was confirmed that no such fixed assets have been impaired during the period and for this reason no provision has been made for Impairment of assets as per IAS 36.

### 2.11 Revenue Recognition

As per IFRS-15: "Revenue from Contracts with Customers" the company accounts for a contract with a customer only when all of the following criteria are met:

- The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- The company can identify each party 's rights regarding the goods or services to be transferred;
- The company can identify the payment terms for the goods or services to be transferred
- The contract has commercial substance (i.e. the risk , timing or amount of the entity `s future cash flows is expected to change as a result of the contract ); and
- It is probable that the company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

## 2.12 Valuation of Current Assets

### Trade and Other Receivable

These are carried forward at their original invoiced value amount and represents net realizable value. Management considered the entire bills receivable as good and is collectable and therefore, no amount has been provided for as bad debt in the current year's account.

### Inventories

In compliance with the requirements of IAS-2 "Inventories", the inventories have been valued at Cost or Net Realizable value whichever is lower, which is consistent with the previous period's practice. Net realizable value is based on estimated selling price in the ordinary course of business less any further cost expected to be incurred to make the sale.

## 2.13 Provisions:

Provisions were made considering risk and un-certainties at best estimate of the probable expenditure that would require to meet the current obligation at the date of statement of financial position.

## 2.14 Employees' Benefit

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

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

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

The company's employee benefits include the following.

### a) Short Term Employee Benefit

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

### b) Contribution to Workers' Profit Participation and Welfare Funds

This represents 5% of net profit before tax but after charging such expenses by the company as per provisions of the Bangladesh Labor Act, 2006, & Bangladesh Labor (amendment) Act, 2013.

### c) Post Employment Benefit

The Nomination and Remuneration Committee (NRC), a sub-committee of Board formed to ensure good governance in the company as per Corporate Governance Code in notification No. BSEC/CMRRCD/2006 of Bangladesh Securities and Exchange Commission reviewed all post employee benefits to comply with IAS 19.

## 2.15 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc.

## 2.16 Functional and Presentational Currency:

The financial statements are prepared in Bangladeshi Taka which is the Company's functional currency.

## 2.17 Income Tax Expenses:

Income Tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity and profit or loss.

### **Current Income Tax**

Current income tax is excepted tax payable on the taxable income for the year and any short fall of provision for previous years. The company (IBPL) is a “Publicly Traded Company”; hence Tax rate is applicable @ 20%.

### **Deferred Tax**

Deferred tax expenses is considered for taxable temporary differences may arise for the reporting year, adjustments for prior years accumulated differences and changed in tax rate.

## **2.18 Earnings per Share**

The company calculates Earnings per Share (EPS) in accordance with IAS-33 “Earnings per Share” which has been shown on the face of the Profit or Loss and other Comprehensive Income.

### **Basic Earnings**

This represents profit or loss at the end of the period attributable to ordinary shareholders of the entity.

### **Basic Earnings per Share**

This has been calculated by dividing profit or loss attributable to ordinary shareholders of the entity by the weighted average number of ordinary shares outstanding during the year.

## **2.19 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability or equity instrument to another entity as per IAS-32 “Financial Instruments Recognition and Measurement.”

### **Financial Assets**

Financial assets of the company include cash and cash equivalents, Trade receivables and other receivables. The company initially recognizes a financial asset in its statement of financial position when, and only when, the company becomes a party to the contractual provision of the instrument. The company derecognizes a financial asset when, and only when; the contractual rights to the cash flows from the financial asset expire or transfer the contractual rights to receive the cash flows of the financial asset.

### **Financial Liabilities**

Financial liabilities of the company include trade payables and liabilities for expenses. The company initially recognizes a financial liability in its statement of financial position when, and only when, the company becomes a party to the contractual provision of the instrument. The company derecognizes a financial liability from its statement of financial position when, and only when, it is extinguished, that is when the obligation specified in the contract is discharged or cancelled or expires.

## **2.20 Cash and Cash Equivalents**

According to IAS-7 ‘Statement of Cash Flows’, cash comprises cash in hand, short term deposit and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

## **2.21 Events after the Reporting Period**

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

Adjusting Events are those that provide evidence of conditions that existed at the end of the reporting period.

Non-adjusting Events are those that are indicative of conditions that arose after the reporting period.

**2.22 Authorization date for issuing Financial Statements**

The financial statements were authorized by the Board of Directors on October 28, 2023.

**2.22 Comparative Information**

Comparative information has been disclosed in the respect of previous year for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statement.

**2.23 Re-arrangement**

Previous year figure has been re-arranged whenever considered necessary to ensure comparability with the current year presentation as per IAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors".

**Re-Statement**

In finalizing the financial statements for the year ended June 30, 2023 some figures of previous year were restated to confirm the provisions of IAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors". During the year the following accounting errors has been rectified in compliance with IAS -8:

**2.24 Segmental Reporting**

The company essentially provides similar products to customers across the country and the products essentially have the similar risk profile. As there is a single business and geographic segment within which the company operates as such no segment reporting is felt necessary.

**2.25 Related Party Disclosure**

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by IAS-24: Related Party Disclosures has been disclosed in a separate note to the financial statements.

**2.26 IFRS 16: Leases** introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-to-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard- i.e. lessors continue to classify leases as finance or operating leases. The standard is effective for annual periods beginning on or after 1 January 2019, but also with permission for early adoption.

**2.27 General**

The figure has been rounded off to the nearest taka.

**Indo-Bangla Pharmaceuticals Ltd.**  
Notes to the Financial Statements  
As at and for the year ended 30 June 2023

Particulars	Amount in Taka	
	30 June'2023	30 June'2022
<b>3.00 Property, Plant and Equipment</b>		
(A) At Cost		
Opening balance	1,491,995,116	1,350,635,495
Add: Addition during the Period	24,441,500	141,359,621
Less: Disposal during the Period	(2,000,000)	-
<b>Total</b>	<b>1,514,436,616</b>	<b>1,491,995,116</b>
(B) Accumulated Depreciation		
Opening balance	160,651,490	121,521,452
Add: Depreciation Charged for the period	38,361,780	39,130,038
Less: Adjusted during the period	-	-
<b>Total :</b>	<b>199,013,270</b>	<b>160,651,490</b>
<b>WDV as on 30.06.2023 (a-b)</b>	<b>1,315,423,346</b>	<b>1,331,343,626</b>
<b>4.00 Capital Work In Progress</b>		
<b>A. Machineries &amp; Equipment:</b>		
Opening Balance	17,500,000	66,177,091
Add: Addition during the year	24,090,450	18,358,250
Less: Transfer to Fixed Assets	(18,500,000)	(67,035,341)
<b>Closing Plant &amp; Machinery</b>	<b>23,090,450</b>	<b>17,500,000</b>
<b>B.Civil Works:</b>		
Opening balance	6,059,503	-
Add: Addition during the year (BSCIC Plot)	-	6,059,503
	<b>6,059,503</b>	<b>6,059,503</b>
<b>Total (A+B)</b>	<b>29,149,953</b>	<b>23,559,503</b>
<b>5.00 Inventories :</b>		
Raw Material	61,310,515	73,228,004
Finished Goods	95,907,530	87,442,427
Work - in - Process	2,031,250	2,191,000
Maintenance of Machine & Consumable Items	625,420	752,450
Packing Materials	18,736,814	11,047,592
Store-In-Transit	-	6,424,400
	<b>178,611,529</b>	<b>181,085,873</b>



Particulars	Amount in Taka	
	30 June'2023	30 June'2022

#### 6.00 Trade & Others Receivable:

##### A. Trade Receivable

Opening balance	218,933,121	245,752,165
Add: Sales during the period	374,482,590	484,679,693
<b>Total</b>	<b>593,415,711</b>	<b>730,431,858</b>
Less: Recovery	369,764,281	511,498,737
	<b>223,651,430</b>	<b>218,933,121</b>

##### Ageing of Accounts Receivable

More than six months		
Less than six month	223,651,430	218,933,121
	<b>223,651,430</b>	<b>218,933,121</b>

The classification of receivables as required by the schedule XI of the Companies Act, 1994 are given below:

Receivable considered good in respect of which the company is fully secured.	-	-
	223,651,430	218,933,121
Receivable considered good in respect of which the company holds no security other than the debtor personal security.		
Receivables considered doubtful bad.	-	-
Receivable due by directors or others or other offers of the company or any of them either severly or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-
Receivables due by common under the same management.	-	-
The maximum amount of receivable due by any director or other	-	-
<b>Total:</b>	<b>223,651,430</b>	<b>218,933,121</b>

#### 7.00 Advance, deposit and prepayments:

This consists of the following;

##### Advance

Advance Income Tax	43,847,105	37,527,702
Advance to Employees	2,365,500	2,545,650
Advance to others	71,417,262	70,107,718
	<b>117,629,867</b>	<b>110,181,070</b>

The classification of Advances, Deposits and Prepayments as required by Schedule-XI, Part-I of the Companies Act, 1994

Particulars	Amount in Taka	
	30 June'2023	30 June'2022
Advance, Deposit and pre-payments considered good and fully secured;	117,629,867	110,181,070
Advance, deposit and pre-payments considered good and company holds no security other than personal security;	-	-
Advance, deposit and pre-payments considered doubtful and bad;	-	-
Advance, deposit and pre-payments due by directors or other officers;	-	-
Advance, deposit and pre-payments due from companies under common management; and	-	-
Maximum advance, deposit and pre-payments due by Directors or other officers at any time.	-	-
	<b>117,629,867</b>	<b>110,181,070</b>

#### 7.01 Advance Tax paid

Opening	37,527,702	23,810,831
Add: Advance Tax Paid Assessment year 2020-21	500,000	6,000,000
Add: Advance Tax paid during the year	5,819,403	7,716,871
Advance Tax paid for Assessment year 2018-2019	-	-
	<b>43,847,105</b>	<b>37,527,702</b>

#### 7.02 Advance to Others

Goods and services	4,236,435	1,962,697
Tour	265,350	250,000
Office Rent	300,000	300,000
Land (Gazipur)	35,940,000	35,940,000
Land (BSCIC Barisal)	30,635,000	14,500,000
L/C Margin for Raw-materials	-	17,133,122
Prepaid Insurance	39,867	19,933
VAT current account	610	1,966
	<b>71,417,262</b>	<b>70,107,718</b>

#### 8.00 Cash and Cash equivalents:

Cash in Hand	9,345,065	14,270,413
Cash at Bank	1,922,006	540,875
Cash at Dividend Bank Accounts	36,714	13,880,231
	<b>11,303,785</b>	<b>28,691,519</b>

Particulars	Amount in Taka	
	30 June'2023	30 June'2022
<b>8.01 Cash at Bank</b>	<b>1,922,006</b>	<b>540,875</b>
Pubali Bank Ltd. Barishal Sadar Branch A/C 54490	3,651	59,148
Sonali Bank Ltd. Barishal Corporate Branch A/C. 3953	61,141	34,759
Islami Bank Bangladesh Ltd. Barishal Branch A/C no.10807	-	18,127
Dutch-Bangla Bank Ltd. Barisal Branch A/C 1271100014683	19,377	20,184
Dutch-Bangla Bank Ltd. Bashundhara 1471100016286	166,126	215,436
City bank A/C no. 3102631598001	-	146
First Security Islami Bank Ltd. Bashundhara Br. A/C 302	1,376,186	156,160
First Security Islami Bank Ltd. Bashundhara Br. A/C 315	262,526	5,645
Social Bank Ltd.	1,849	-
Eastern Bank Ltd Principal Branch A/C 1011360459420	31,150	31,270
<b>Dividend Account</b>	<b>36,714</b>	<b>13,880,231</b>
First Security Islami Bank Ltd. A/C 0177-31-0040	21,742	11,951,206
First Security Islami Bank Ltd. A/C 0177-31-0046	14,972	1,929,026
<b>9.00 Share Capital :</b>		
<b>Authorized Capital</b>		
150,000,000 Ordinary Shares of Tk. 10 each	<b>1,500,000,000</b>	<b>1,500,000,000</b>
<b>Issued, Subscribed &amp; Paid-up Capital:</b>		
73,000,000 Ordinary Shares of Tk. 10each	730,000,000	730,000,000
20,000,000 Shares issued for IPO in 2018	200,000,000	200,000,000
9,300,000 Bonus Shares issued in 2018	93,000,000	93,000,000
9,207,000 Bonus Shares issued in 2019	92,070,000	92,070,000
2,230,140 Bonus Shares issued in 2020	22,301,400	22,301,400
2,468,038 Bonus Shares issued in 2021	24,680,380	24,680,380
<b>116,205,178 Ordinary Shares of Tk. 10 each fully paid up.</b>	<b>1,162,051,780</b>	<b>1,162,051,780</b>
<b>10.00 Retained Earnings:</b>		
Opening balance	462,983,777	488,046,975
Add :Net Profit for the year	8,407,134	25,174,033
Less: Transfer to Share capital	-	24,680,380
Less: Cash Dividend	11,620,518	25,556,851
	<b>459,770,393</b>	<b>462,983,777</b>
<b>11.00 Deferred Tax Liability:</b>		
Carrying Value of Property, Plant & Equipment (Annexure-A) As Tax Base	1,315,423,345	1,331,343,626
Temporary Difference	669,700,894	758,539,139
	<b>645,722,451</b>	<b>572,804,487</b>
<b>Deferred Tax Liabilities @20%</b>	129,144,490	114,560,897
Less: Opening Deferred Tax Liability	114,560,897	108,175,003
Deferred Tax Liability/Expenses (Income)	<b>14,583,593</b>	<b>6,385,894</b>

Particulars	Amount in Taka	
	30 June'2023	30 June'2022
<b>12.00 Short Term Loan:</b>		
Bai Murabaha (Hypo)	20,000,000	20,000,000
Bai Murabaha (LTR )	23,610,000	28,557,000
Temporary Loan	-	26,800,000
<b>Total:</b>	<b>43,610,000</b>	<b>75,357,000</b>
<b>13.00 Unclaimed Dividend:</b>		
Dividend payable for the year 2018-2019	2,632,693	2,693,932
Dividend payable for the year 2019-2020	8,671,594	9,257,274
Dividend payable for the year 2020-2021	1,029,103	1,929,026
Dividend payable for the year 2021-2022	2,766,224	-
	<b>15,099,614</b>	<b>13,880,231</b>
<b>14.00 Provision for WPPF:</b>		
Opening WPPF	1,586,028	8,467,175
Add: Addition during the year	1,228,635	1,586,028
Less:Transfer to WPPF Bank Accounts	(1,586,028)	(8,467,175)
<b>Total:</b>	<b>1,228,635</b>	<b>1,586,028</b>
Profit before contribution for WPPF	25,801,343	33,306,591
Provision for contribution @5% Profit After WPPF(For the year)	<b>1,228,635</b>	<b>1,586,028</b>
<b>15.00 Trade Payables</b>		
<b>Opening balance;</b>	926,961	618,229
Add: Purchase during the year	220,749,372	267,123,062
Total:	<b>221,676,333</b>	<b>267,741,291</b>
Less: Adjustment during the year	220,843,778	266,814,331
<b>Closing balance</b>	<b>832,555</b>	<b>926,961</b>
<b>16.00 Provision for Taxes</b>		
This has been arrived as at under;		
Balance b/d	50,877,345	50,716,709
Add : Provision during the year	1,581,980	160,636
	<b>52,459,325</b>	<b>50,877,345</b>
<b>17.00 Liabilities for Expenses :</b>		
Telephone Bill	347	347
Electricity Bill	329,941	321,464
Directors Remuneration	400,000	400,000
Salary & Wages	2,743,072	3,258,178
Greatuty	5,503,385	5,503,385
Interest on Short Term Loan	1,253,925	744,872
Audit Fees	287,500	287,500
Others	1,054,948	1,054,948
	<b>11,573,118</b>	<b>11,570,694</b>

Particulars	Amount in BDT	
	30 June 2023	30 June 2022
<b>18.00 Net Sales Revenue:</b>		
Gross Sales Sales	430,654,978	557,381,647
Less: VAT @ 15%	56,172,388	72,701,954
Net Sales revenue	<b>374,482,590</b>	<b>484,679,693</b>
<b>19.00 Cost of Sales :</b>		
Raw Material Consumed	177,157,243	230,856,365
Add: Work in process (Opening)	2,191,000	7,822,000
Less: Work in Process (Closing)	2,031,250	2,191,000
<b>Total Consumption</b>	<b>177,316,993</b>	<b>236,487,365</b>
Add: Manufacturing Overhead	62,811,607	72,542,119
Add: Direct expenses	47,179,394	62,009,304
<b>Cost of Production</b>	<b>287,307,994</b>	<b>371,038,788</b>
Add: Finished Goods (Opening balance)	87,442,427	57,150,657
<b>Finished Goods Available</b>	<b>374,750,421</b>	<b>428,189,445</b>
Less: Finished Goods (Closing)	95,907,530	87,442,427
Less: Sample Costs	923,560	2,995,260
<b>Cost of Sales:</b>	<b>277,919,331</b>	<b>337,751,759</b>
<b>19.01 Material Consumed :</b>		
Opening balance	73,228,004	116,561,792
Add: Material Purchased	165,239,754	197,571,077
Import	137,482,055	163,826,705
Local	27,757,699	33,744,372
Less: Closing Materials	61,310,515	73,228,004
Expire date over destroyed Raw Materials	-	10,048,500
<b>Total</b>	<b>177,157,243</b>	<b>230,856,365</b>
<b>19.02 Manufacturing Overhead:</b>		
Salary & Wages	13,153,195	16,794,942
Cork & Cap	1,032,150	1,452,650
Carton & Label	1,525,630	2,456,240
Hand Glove, Tape, Gum Etc	167,250	185,230
Quality Control Expenses	-	635,320
Accessories	1,546,250	2,054,750
Apron & Uniform	325,680	618,580
Carriage Inward	941,537	821,450
Water bill	6,820	8,020
Washing Expenses	9,486	7,860
Maintenance of Machine & Consumable Items	1,855,812	4,662,680
Electricity Bill Factory	3,913,369	3,835,062
Staff Fooding	3,036,526	3,568,671
Fuel & Oil for Generator	544,400	-
Maintenance of Factory Building	667,269	946,528
Insurance Expense	219,266	244,184
Depreciation (Annexure-A)	33,866,967	34,249,952
<b>Total</b>	<b>62,811,607</b>	<b>72,542,119</b>

Particulars	Amount in BDT	
	30 June 2023	30 June 2022
<b>19.02.1 Maintenance of Machine &amp; Consumable Items</b>		
Opening balance	752,450	2,956,350
Purchase during the period	1,728,782	2,458,780
Closing balance	(625,420)	(752,450)
Consumption	<b>1,855,812</b>	<b>4,662,680</b>
<b>19.03 Direct expenses :</b>		
Delivery Charges	675,245	552,520
Packing Materials	46,091,614	60,547,584
Medical Bag Expenses	412,535	405,250
Cost of Literature	-	102,320
Remission Settlement	-	401,630
<b>Total</b>	<b>47,179,394</b>	<b>62,009,304</b>
<b>19.03.1 Packing Materials</b>		
Opening balance	11,047,592	10,926,371
Purchase during the period	53,780,836	60,668,805
Less: Packing Materials(Closing balance )	(18,736,814)	(11,047,592)
Consumption	<b>46,091,614</b>	<b>60,547,584</b>
<b>20.00 Administrative Expenses</b>		
Salary & allowance	16,992,923	17,884,113
Director Remuneration	4,800,000	4,800,000
Board Meeting Fee	450,000	460,000
Travelling & Conveyance	699,671	1,203,520
Entertainment for Drugs, Legal Expenses & Others	1,440,725	1,203,680
Entertainment for Office	405,995	-
Greatuty	-	1,782,462
Staff Fooding	811,200	875,650
Office Rent	759,000	690,000
Printing & Stationery	832,650	1,252,630
News Paper & Megazine	116,640	120,530
Post & Telegram	320,655	352,450
License & Legal Fee	189,049	141,738
Telephone & Mobile Bill	252,000	282,987
Internet Bill	120,000	129,500
Audit Fee	287,500	287,500
Company Secretarial, Regulatory Fee and AGM Expenses	1,691,478	1,701,398
Electricity Bill & others charge	221,540	179,586
Maintenance of Transport	925,000	712,560
Securities service	-	720,150
Fuel & Oil	303,428	473,678
Bank Charge	349,868	276,979
Others expenses	948,550	892,560
Expire date over destroyed Raw Materials	-	10,048,500
Depreciation (Annexure-A)	4,494,813	4,880,086
<b>Total</b>	<b>37,412,685</b>	<b>51,352,257</b>

Particulars	Amount in BDT	
	30 June 2023	30 June 2022
<b>21.00 Financial expenses</b>		
Interest On Bai Murabaha (Hypo)	2,010,766	2,325,997
Interest On Bai Murabaha (LTR)	3,220,458	2,555,100
<b>Total:</b>	<b>5,231,224</b>	<b>4,881,097</b>
<b>22.00 Selling &amp; Distributing Expenses</b>		
Salary & allowance(Including Depot Staff)	7,782,571	12,946,792
Incentive Bonus	330,000	2,064,142
Dealer's Commission	14,400,000	-
TA & DA of Field Staff/ Tour & Travelling	423,120	939,356
Carriage Outward/ Fuel & oil	1,395,764	1,455,680
Packing Materials-Selling & Distribution	1,525,360	2,126,344
Sales Promotion	350,000	2,010,230
Training & seminar Expenses	152,350	2,015,420
Depot Rent	690,000	690,000
Garage Rent	30,000	-
Entertainment for Conference	250,000	1,395,420
Gift & Presentation(Promotional Materials)	420,530	2,175,155
Sample expense	923,560	2,995,260
Condition & Bank Charge (Sales)	-	435,554
Breakage & Expire date over destroyed.	-	25,575,384
Travelling & Conveyance/ Deport Delivery	565,000	1,366,432
	<b>29,238,255</b>	<b>58,191,169</b>
<b>23.00 Non Operating Income:</b>		
Misc Sales	420,250	803,180
Profit/(Loss) on Sale of Fixed Assets	700,000	-
	<b>1,120,250</b>	<b>803,180</b>
<b>24.00 Current Tax:</b>		
Profit before tax as per account	24,572,708	31,720,563
Accounting depreciation	38,361,780	39,130,038
Tax base depreciation	(111,279,745)	(131,156,734)
Non Operating Income	(420,250)	(803,180)
Taxable profit	<b>(48,765,507)</b>	<b>(61,109,312)</b>
Current Tax@0.4% on Turnover Minimum Tax	1,497,930	-
Add: Tax on Non Operating Income @ 20%	84,050	160,636
	<b>1,581,980</b>	<b>160,636</b>
<b>25.00 Basic Earnings Per Share :</b>		
Net profit for the year	8,407,134	25,174,033
Weighted Average number of ordinary shares outstanding	116,205,178	116,205,178
<b>Earnings Per Share (EPS)</b>	<b>0.07</b>	<b>0.22</b>

Particulars	Amount in BDT	
	30 June 2023	30 June 2022
Weighted Average Number of Shares		
73000000 Shares	73,000,000	73,000,000
20000000 Shares	20,000,000	20,000,000
9300000 Shares	9,300,000	9,300,000
9207000 Shares	9,207,000	9,207,000
2230140 Shares	2,230,140	2,230,140
2468038 Shares	2,468,038	2,468,038
<b>Weighted Average Number of Shares</b>	<b>116,205,178</b>	<b>116,205,178</b>

#### 26.00 Net Assets Value Per Share :

Total Assets	1,875,769,910	1,893,794,713
Less: Non-Current Liabilities+Current Liabilities	253,947,738	268,759,157
Net Assets Value	1,621,822,172	1,625,035,556
Number of ordinary shares outstanding	116,205,178	116,205,178
	<b>13.96</b>	<b>13.98</b>

#### 27.00 Net Operating Cash Flows Per Share (NOCFPS)

Net Cash from operating activities	Notes: 33	72,949,523	87,284,538
Weighted Average Number of Shares		116,205,178	116,205,178
		<b>0.63</b>	<b>0.75</b>



		Amounts in Taka	
		30 June 2023	30 June 2022
<b>28.00</b>	<b>Cash receipts from customers</b>		
	Opening receivable	218,933,121	245,752,165
	Add: Sales during the year	374,482,590	484,679,693
	Less: Closing receivable	(223,651,430)	(218,933,121)
		<b>369,764,281</b>	<b>511,498,737</b>
<b>29.00</b>	<b>Cash receipts from others income</b>		
	Misc. Sales	420,250	803,180
		<b>420,250</b>	<b>803,180</b>
<b>30.00</b>	<b>Cash payment to suppliers</b>		
	Purchase (RM,spare,packing)	214,324,972	260,446,542
	Opening Accounts Payable	926,961	618,229
	Closing Accounts Payable	(832,555)	(926,961)
	Opening Advance goods	(19,095,819)	(1,142,924)
	Closing Advance goods	4,236,435	19,095,819
	Expire date over destroyed Raw Materials	-	(10,048,500)
		<b>199,559,994</b>	<b>268,042,206</b>
<b>31.00</b>	<b>Cash Flow for Acquisition of property, plant and equipment</b>		
	Property, Plant & Equipment addition during the year	24,441,500	141,359,621
	<b>Less: Adjustment:</b>	17,500,000	125,237,091
	Opening Advance L/C Margin for Machinery	-	-
	Opening WIP Machinery	17,500,000	66,177,091
	Closing Advance for Land	(35,940,000)	(35,940,000)
	Opening Advance for land	35,940,000	95,000,000
	Opening land Development	6,059,503	-
	Closing land development	(6,059,503)	-
		<b>6,941,500</b>	<b>16,122,530</b>
<b>32.00</b>	<b>Paid for Work In Progress</b>	<b>23,090,450</b>	<b>23,559,503</b>
<b>33.00</b>	<b>Reconciliation of Net Profit With Cashflows From Operating Activities:</b>		
	<b>Profit before Tax</b>	24,572,708	31,720,563
	Add: Depreciation on property, plant and equipment	38,361,780	39,130,038
		<b>62,934,488</b>	<b>70,850,601</b>
	Add/(Less):		
	Add: Decrease in Trade & Other Receivables	(4,718,309)	26,819,044
	Add: Decrease in Inventories	2,474,344	21,007,817
	Add: Increase in Trade Payables	(94,406)	308,732
	Less: Decrease in Liabilities for Expenses	2,424	(937,728)
	Less: Decrease in Liability for contribution to W.P.P.F	(357,393)	(6,881,147)
	Less : Increase in Advance, Deposit & Prepayments	15,005,606	(15,794,065)
	Add/(Less): Capital Gain or Loss for Sale of land	(700,000)	-
	Add: Paid for Interest on Loan	4,722,171	5,628,155
	Less: Income Tax Paid	(6,319,403)	(13,716,871)
		<b>72,949,522</b>	<b>87,284,538</b>
<b>34.00</b>	<b>Related parties disclosure:</b>		
	<b>Key Management Personnel:</b>		
	As per Schedule-XI, part-II, Para 4 of the Companies Act, 1994, the profit and loss account will give by way of a note detailed information, showing separately the following payments provided or made during the financial year to the directors, including managing director, the managing agents or manager, if any, by the company, subsidiaries of the company and any other person:-		
<b>No.</b>	<b>Particulars</b>	<b>30.06.2023</b>	<b>30.06.2022</b>
<b>(a)</b>	Managerial Allowances paid or payable during the period to the directors, including managing directors, a managing agent or manager;	4,800,000	4,800,000
<b>(b)</b>	Expenses reimbursed to Managing Agent;	Nil	Nil

(c)	Commission or Remuneration payable separately to a managing agent or his associate;	Nil	Nil
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company;	Nil	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period;	Nil	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable;	Nil	Nil
(g)	Other allowances and commission including guarantee commission;	Nil	Nil
(h)	Pensions etc.	-	-
	(i) Pensions;	Nil	Nil
	(ii) Gratuities;	Nil	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon;	Nil	Nil
	(iv) Compensation for loss of office;	Nil	Nil
	(v) Consideration in connection with retirement from office.	Nil	Nil
(i)	Share Based payments	Nil	Nil

**Related parties Transactions:**

**(a) Remuneration**

Name	Designation	Nature of Transaction	Amount in (BDT)	
			2022-2023	2021-2022
Mr. A.F.M Anowarul Huq	Managing Director	Remuneration	4,800,000	4,800,000

**(b) Board Meeting fee**

Name	Designation	Nature of Transaction	Amount in (BDT)	
			2022-2023	2021-2022
Mrs. Aziza Yeasmin	Ex-Chairman	Board Meeting fee	-	40,000
Mr. A.F.M Anowarul Huq	Managing Director		90,000	90,000
Mrs. Aysha Siddika	Director		-	40,000
Mrs. Hafiza Yeasmin	Chairman		90,000	-
Sayedra Huq	Director		-	40,000
Fatima Parvin	Director		90,000	90,000
Mizanur Rahman	Director		-	-
Md. Golam Rabbani	Director (Represented of		90,000	60,000
Iftikhar Uz zaman	Independent Director		90,000	60,000
S.M. Harun Or Rashid	Independent Director		-	-
Md. Monirujjaman	Independent Director		-	40,000

**(c) Short Term Loan**

Name	Designation	Nature of Transaction	Amount in (BDT)	
			2022-2023	2021-2022
Mr. A.F.M Anowarul Huq	Managing Director	Temporary Loan	-	26,800,000

**35.00 The requirements of schedule XI, Part II, note-5 Para 3, of the company Act.1994.**

Employees	2023	2022
Number of employees whose salary was below Tk. 3,000.00	-	-
Number of employees whose salary was above Tk. 3,000.00	194	224

**36.00 Disclosure as per Schedule XI, Part – II, Para 8 of the companies Act, 1994.**

**a) Import of raw materials and packing materials on CIF basis are as follows:**

The company did not import any raw and packing materials at CIF price in 2023 and 2022. All purchase of raw materials by the company was at C&F price.

During the period 1st July 2022 to 30th June 2023 total Value of import in respect of raw materials stands equivalent USD **1,126,442.17** on CIF basis. Details are as follows:

Particulars	Amount In BDT	
	2023	2022
Import of raw Materials	137,482,055	163,826,705
Import of Packing Materials	19,273,200	37,823,854
Import of Capital goods	-	67,035,371
<b>Total:</b>	<b>156,755,255</b>	<b>268,685,930</b>

b) The Company did not incur any expenditure in foreign currency during the financial year on account of royalty, Know-how, professional Consultation fees, Interest and other matters.

(c) The value of both imported and Indigenous raw materials, Spare parts, Packing materials and Consumption thereof are as follows;

**For the year 30 June 2023**

<b>Raw Materials:</b>	<b>Imported</b>	<b>Indigenous</b>	<b>Total</b>
Opening balance	70,201,450	3,026,554	73,228,004
Add: Purchase during the year	137,482,055	27,757,699	165,239,754
	207,683,505	30,784,253	238,467,758
Less: Closing balance	53,465,325	7,845,190	61,310,515
Consumption during the year	154,218,180	22,939,063	177,157,243
Percentage of total Consumption during the year	87.05%	12.95%	100.00%
<b>Spare Parts</b>	<b>Imported</b>	<b>Indigenous</b>	<b>Total</b>
Opening balance	-	752,450	752,450
Add: Purchase during the year	-	1,728,782	1,728,782
	-	2,481,232	2,481,232
Less: Closing balance	-	625,420	625,420
Consumption during the year	-	1,855,812	1,855,812
Percentage of total Consumption during the year	0.00%	100	100.00%
<b>Packing Materials</b>	<b>Imported</b>	<b>Indigenous</b>	<b>Total</b>
Opening balance	7,512,540	3,535,052	11,047,592
Add: Purchase during the year	19,273,200	34,507,636	53,780,836
	26,785,740	38,042,688	64,828,428
Less: Closing balance	1,235,680	17,501,134	18,736,814
Consumption during the year	25,550,060	20,541,554	46,091,614
Percentage of total Consumption during the year	55.43%	44.57%	100.00%

**For the year 30 June 2022**

<b>Raw Materials:</b>	<b>Imported</b>	<b>Indigenous</b>	<b>Total</b>
Opening balance	98,456,230	18,105,562	116,561,792
Add: Purchase during the year	163,826,705	33,744,372	197,571,077
	262,282,935	51,849,934	314,132,869
Less: Closing balance	70,201,450	3,026,554	73,228,004
Consumption during the year	192,081,485	48,823,380	240,904,865
Percentage of total Consumption during the year	79.73%	20.27%	100%
<b>Spare Parts</b>	<b>Imported</b>	<b>Indigenous</b>	<b>Total</b>
Opening balance	-	2,956,350	2,956,350
Add: Purchase during the year	-	2,458,780	2,458,780
	-	5,415,130	5,415,130
Less: Closing balance	-	752,450	752,450
Consumption during the year	-	4,662,680	4,662,680
Percentage of total Consumption during the year	0.00%	100%	100%

<b>Packing Materials</b>	<b>Imported</b>	<b>Indigenous</b>	<b>Total</b>
Opening balance	8,325,680	2,600,691	10,926,371
Add: Purchase during the year	37,823,854	22,844,951	60,668,805
	46,149,534	25,445,642	71,595,176
Less: Closing balance	7,512,540	3,535,052	11,047,592
Consumption during the year	38,636,994	21,910,590	60,547,584
Percentage of total Consumption during the year	63.81%	36.19%	100.00%

(d) No amount was remitted during the year in foreign currencies on account of dividend to non-residents shareholders. It is mentioned that the company does not have any non-resident shareholders.

(e) Earnings in foreign exchange classified under the following heads:

<b>Heads</b>	<b>30.06.2023</b>	<b>30.06.2022</b>
i. export of goods on FOB basis	Nil	Nil
ii. Royalty, know-how, professional and consultation fees	Nil	Nil
iii. Interest and dividend	Nil	Nil
iv. Other income	Nil	Nil
Total:	Nil	Nil

### **37.00 Events after the Reporting Period**

a) The Board of Directors at its board meeting held on 28 October 2023 recommended no dividend for the year ended 30 June 2023. This decision is to final approval by the shareholders at the forthcoming annual General Meeting (AGM) of the company.

### **38.00 Financial Risk Management**

The management of company has overall for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risk for its use of financial instruments.

Credit Risk

Liquidity Risk

Market Risk

#### **Credit Risk**

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk monitored on an ongoing basis. As at 30th June 2023 substantial part of the receivables are those from its related company and subject to insignificant credit risk. Risk exposures from other financial assets. i.e. Cash at bank and other external receivables are nominal.

#### **Liquidity Risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity ( cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses including financial obligation through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. In extreme stressed conditions the company may get support from the related company in the form of short term financing.

	Amounts in Taka	
	30-Jun-23	30-Jun-22
Trade and Other Payables (Notes: 15)	832,555	926,961
<b>Total</b>	<b>832,555</b>	<b>926,961</b>

#### Market Risk

Market risk is the risk that any changes in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

##### (a) Currency risk

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw materials, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of raw materials, machineries and equipment from abroad.

##### (b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. The foreign currency loan is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rate risk. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

### 39.00 Compensation of Key Management Personnel

During the period, Compensation of key management personnel in total has been set below in accordance with the provisions of IAS 24: Related Party Disclosures.

	Amounts in Taka	
	30-Jun-23	30-Jun-22
Short-term employee benefits*	4,800,000	4,800,000
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
<b>Total</b>	<b>4,800,000</b>	<b>4,800,000</b>

\*Short-term employee benefits comprise of Directors' remuneration that has been fixed up by the BOD having regard to the performance of the individuals and market trends.

#### Significant Deviation

During the year Sales, net profit after tax, earning per share (EPS), Net Assets Value per share (NAV), Net Operating Cash Flows Per Share (NOCFPS) Decreased due to taka devaluation against USD.

**INDO-BANGLA PHARMACEUTICALS LTD**  
Schedule of Property, Plant & Equipment

As at 30 June 2023

Particulars	COST						Rate	DEPRECIATION				Written Down Value as on 30.06.2023
	Balance as on 01.07.2022	Addition during the Period	Disposal during the period	Total Cost as at 30.06.2023	Adjusted during the period	Charge during the period		Balance as on 01.07.2022	Adjusted during the period	Charge during the period	Total as at 30.06.2023	
Land & Land Development	162,112,933	-	2,000,000	160,112,933	0%	-	-	-	-	-	160,112,933	
Building	236,168,819	-	-	236,168,819	2.5%	-	27,450,620	5,217,955	32,668,575	203,500,244		
Civil Works	16,082,250	-	-	16,082,250	5%	-	1,641,585	722,033	2,363,618	13,718,632		
Machineries & Equipment	968,688,018	18,500,000	-	987,188,018	3%	-	102,233,606	26,271,152	128,504,738	858,683,280		
Micro biological Lab	19,074,415	-	-	19,074,415	3%	-	1,773,297	519,034	2,292,331	16,782,084		
Factory Air Condition	6,525,480	-	-	6,525,480	10%	-	2,315,469	421,001	2,736,470	3,789,010		
Air Compressor	2,325,900	-	-	2,325,900	10%	-	551,820	177,408	729,228	1,596,672		
Generator	10,603,229	-	-	10,603,229	3%	-	1,324,429	278,364	1,602,793	9,000,436		
Sub-Steation (electricity) 630 KVA	-	5,941,500	-	5,941,500	10%	-	-	49,513	49,513	5,891,988		
Furniture & Fixture	14,446,419	-	-	14,446,419	10%	-	5,196,050	925,037	6,121,087	8,325,332		
Office Equipment	4,962,146	-	-	4,962,146	10%	-	2,371,389	259,076	2,630,465	2,331,681		
SEP Decoration	15,620,100	-	-	15,620,100	10%	-	5,051,142	1,056,896	6,108,038	9,512,062		
Office Decoration	6,011,150	-	-	6,011,150	10%	-	1,681,644	432,951	2,114,594	3,896,556		
Computer	1,307,990	-	-	1,307,990	10%	-	300,700	100,729	401,429	906,561		
Air Condition	354,170	-	-	354,170	10%	-	148,662	20,551	169,212	184,958		
Transport	23,253,762	-	-	23,253,762	10%	-	6,258,018	1,699,574	7,957,592	15,296,170		
Water Plant	2,512,960	-	-	2,512,960	10%	-	1,341,067	117,189	1,458,257	1,054,703		
ETP Plant	1,945,375	-	-	1,945,375	10%	-	1,011,993	93,338	1,105,331	840,044		
<b>Balance as on 30 June,2023</b>	<b>1,491,995,116</b>	<b>24,441,500</b>	<b>2,000,000</b>	<b>1,514,436,616</b>			<b>160,651,491</b>	<b>38,361,780</b>	<b>199,013,271</b>	<b>1,315,423,345</b>		
<b>Balance as on 30 June,2022</b>	<b>1,350,635,495</b>	<b>141,359,621</b>	<b>-</b>	<b>1,491,995,116</b>			<b>121,521,452</b>	<b>39,130,038</b>	<b>160,651,490</b>	<b>1,331,343,626</b>		

**Allocation of Depreciation**

Factory	33,866,967
Administration	4,494,813
	38,361,780



# INDO-BANGLA PHARMACEUTICALS LTD.

Bashundhara R/A, Baridhara, Dhaka-1229

## PROXY FORM

I/We.....  
of.....  
being ashareholders of Indo-Bangla Pharmaceuticals Limited and entitle to vote, hereby appoint

Mr./Mrs./Miss.....  
.....

as my/our proxy to attend and vote for me/us and on my/our behalf at the 9<sup>th</sup> Annual General Meeting of the Company to be held on **Thursday 28th December 2023 at 11:00 a.m.** at virtually by using digital platform and/ or at any adjournment thereof.

As witness my hand this.....day of.....2023.

Revenue  
Stamp  
Tk. 20.00

\_\_\_\_\_  
(Signature of the Shareholder)

\_\_\_\_\_  
(Signature of Proxy)

BO ID No. 

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No. of Shares held .....

Dated.....

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form duly completed must be sent through email to Registered Office at info@indo-banglapharma.com not letter 48 hours before the time fixed for the meeting.
2. Signature of the shareholder(s) should be in accordance with the specimen signature recorded with the company/.



**Corporate Office:** Plot#183 (7<sup>th</sup> Floor) Block#B  
 Ahmed Akbar Sobhan Road, Basundhara R/A, Baridhara  
 Dhaka-1229. Phone- 09678777995.  
 E-mail : info@indo-banglapharma.com  
 Web : www.indo-banglapharma.com  
**Factory :** College Road, Barisal, Phone: 0431-61028, 0431-2174977.

