

DIRECTOR'S REPORT TO THE SHAREHOLDERS

To the Members for the 12th months period ended 30 June, 2021



Bismillahir Rahmanir Rahim
Distinguished Shareholders,
Assalamu Alaikum Wa Rahmatullahi Wa Barakatuhu,

In terms of provisions of section 184 of the Companies Act 1994, Rule 12 (and the Schedule there under) of the Bangladesh Securities and Exchange Rules, 1987, BSEC Notification dated 3 June, 2018, International Accounting Standards-1 as adopted by The Institute of Chartered Accountants of Bangladesh and Finance Act, it is the pleasure of the Board of Directors to submit the Audited Financial position, Statements of Profit or Loss & 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 reporting period ended June 30, 2021 for your valued consideration in the following paragraph:

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 2020-2021, among others, centering on: -

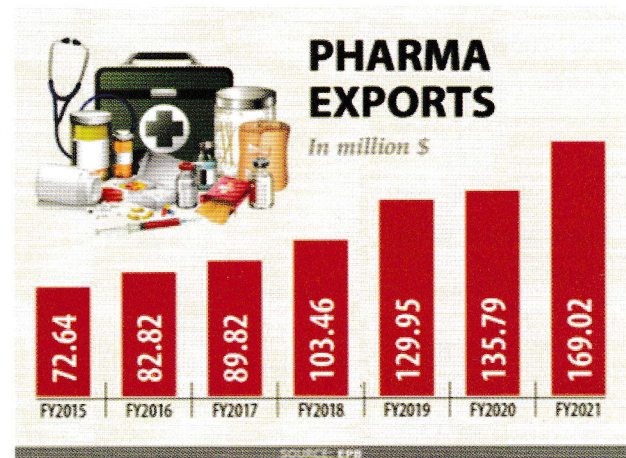
- Turnover amounting to Tk. 782,239,281 for the year ended 30th June, 2021 as compared to Tk. 866,097,783 for the previous year, decreased by 9.68%
- Earnings per share (EPS) stood Tk. 1.18 for the year ended 30th June, 2021 which was Tk. 1.37 in the year 2019-2020.
- Net Profit after tax stood Tk. 134,728,407 for the year ended 30th June, 2021 which was Tk. 156,243,664 in the year 2019-2020, decreased by 13.77%
- Net Asset Value (NAV) per share stood Tk. 14.29 for the year ended 30th June, 2021 which was Tk. 13.61 in the year 2019-2020, increased by 4.99%
- Dividend payout stood Tk. 49,314,488 for the year ended 30th June, 2021 which was Tk. 47,866,358 in the year 2019-2020, increased by 3.03%
- Enriching Product portfolio by introducing 4 new products.

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENT.

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 pharmaceuticals. In addition to meeting the domestic demand, the companies also export medicines to several countries of the world.

Manufacture of pharmaceuticals is now one of the largest capital-intensive white-collar industries in the country, which 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.

A few decades ago, the country was dependent on imported medicines as well as drugs produced by multinational companies for meeting domestic demands. 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.



PHARMACEUTICALS INDUSTRY GEARING UP FOR THE FUTUR

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 2019 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. 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 crore 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 2019-20 of \$2554, while life expectancy increased to 73 years, Life expectancy of people has significantly increased — the average life expectancy of 66.4 years in 2002 rose to 73 years in 2021. 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.

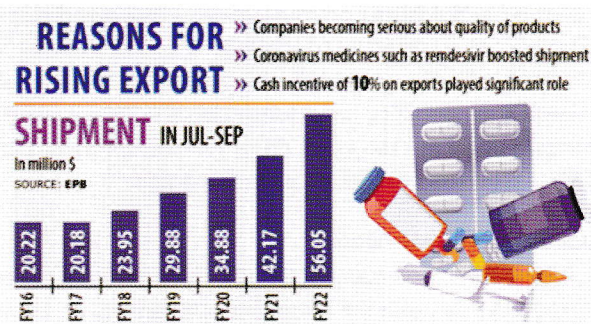
OPPORTUNITIES IN PHARMACEUTICALS SECTOR

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.



Over the past five years, the pharmaceutical industry in Bangladesh has been growing at a CAGR of 15.6% every year. In 2018, the pharmaceutical market size of Bangladesh was about 2.42 billion dollars, which increased to 3 billion dollars in 2019. According to a finding by Research-And Markets, the pharmaceutical market size will see a growth of 114% and will reach more than 6 billion dollars by the year 2025. In addition, Bangladesh has been able to earn 136 million in the 2019-20 fiscal year by exporting medicines to about 147 countries around the world. At present, the pharmaceutical industry in Bangladesh is trying to capture about 10% of the world market. 6 organizations of the country have already been able to get approval from the top regulatory bodies like World Health Organization (WHO), WTO, and WIPO.



According to the Export Promotion Bureau (EPB) figures, medicine worth U\$\$ 130 million have been exported so far in 2019 which was \$103.46 million the previous year, the growth rate being 25.56 per cent. The export volume during 2018 was U\$\$ 103.46 with a growth rate of 7.10 per cent. Global certification and adoption of new technologies along with efforts to make local medicine familiar abroad and cash incentives against exports of medicine are the key reasons for the sharp rise in exports earnings.

The export earnings to a new high, exports to the United States of America played an important role and it is a great achievement and milestone for Bangladesh. According to Bangladesh Association of Pharmaceutical Industries (BAPI), approximately 1,200 pharmaceutical products received registration for export in the last two years.



All the associated factors are in favor for the rapid growth Bangladesh pharmaceutical market and it is expected to grow with a CAGR of 15.6% during 2019-2025 period. The share of generic drugs is expected to surpass 85% by the 2025, which will further strengthen the dominance of local pharmaceutical companies in the market. In addition to this, the presence of leading multinational pharmaceutical companies is also increasing in Bangladesh, which is indicating towards the competitive landscape in upcoming years.

- **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**
- **Contribution to GDP 1.33%**

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 \$533 billion by 2021 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 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.

TECHNOLOGY AND QUALITY CONTROL

Indo-Bangla Pharmaceuticals Ltd., is striving to upgrade and adopt new 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 (2020-2021). 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 from market of all expiry dated products through 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, Indo-Bangla Pharmaceuticals Ltd., has undertaken a courageous step in setting up of 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 145.43 decimal land at 1st phase out of 1028 decimal land for which "Bainanama Agreement" was made earlier for purchase of 1028 Decimal Land and in 2021 Indo-Bangla Pharmaceuticals Ltd., executed another register Sale Deed for the purchase of land measuring 1.612 Acres (161.21 Decimal) as 2nd phase situated at Fulbaria, Kaliakoir, Gazipur.

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

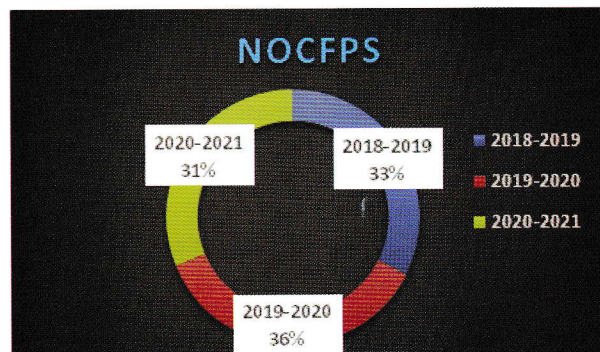
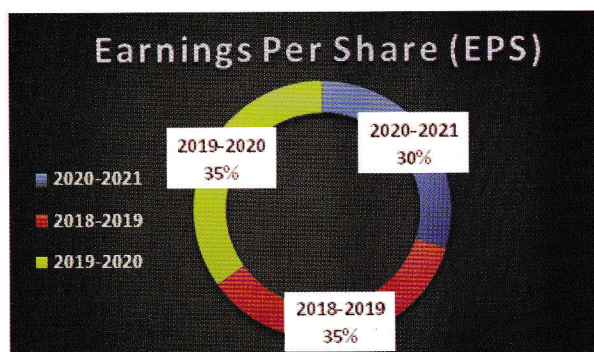
The operating financial results of the Company for the year 2020-2021 as compared to previous year are summarized hereunder:

Particular	2020-2021	2019-2020	% ↑↓
	Taka	Taka	
Turnover	782,239,281	866,097,783	9.68% ↓
Gross Profit	312,936,000	346,450,050	9.67% ↓
Financial Expenses	3,814,169	-	- ↑
Non-Operating Income	(142,183)	5,188,305	102.74% ↓
Net Profit Before Tax (NPBT)	169,343,500	217,005,550	21.96% ↓
Provision for Taxation	34,615,093	60,761,886	43.03% ↓
Net Profit After Tax (NPAT)	134,728,407	156,243,664	13.77% ↓
Gross Margin (Turnover)	40.01%	40.00%	0.02% ↑
Net Margin Before Tax	21.65%	25.05%	13.57% ↓
Net Margin After Tax	17.22%	18.03%	4.49% ↓
Earnings Per Share (EPS) BDT.	1.18	1.37	13.86% ↓

The Gross Profit and Net Profit (BT) decreased during FY 2020-2021 at 9.68% and 13.77% respectively over the previous year. However, the Cost of Goods Sold decreased at 9.68% over previous year which decrease Gross Profit and Operating Profit of the Company. The Net Profit After Tax, decreased by 13.77% over the previous year. The Earning per Share of Tk. 1.18 is the basic earning dividing by the weighted average number of shares outstanding at the end of the Period.

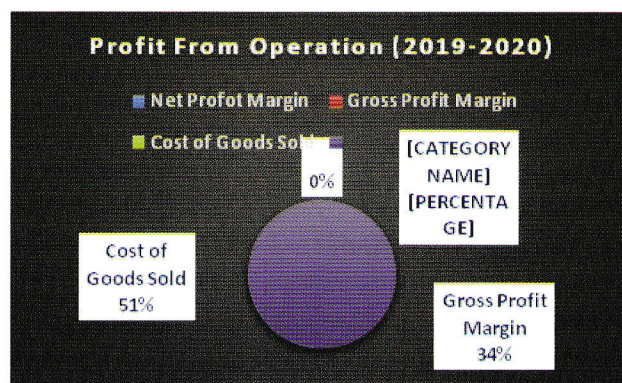
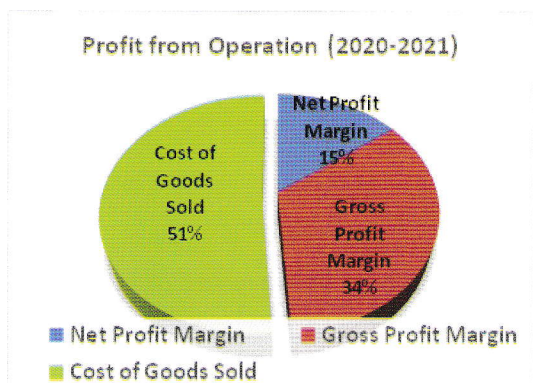
Discussion on EPS & NOCFPS

The Company's Standalone Revenues from operations were TK. 782.23 million for the year ended 30th June, 2021 as compared to TK. 866.09 million for the previous year, a decrease by 9.68% The company has made Net Profit of TK. 134.72 million on standalone basis for the year under review as compared to TK. 156.24 million for the previous year. Earnings Per Share (EPS) of Tk. 1.18, NAV per share of Tk. 14.29, and NOCFPS of Tk. 1.33 for the year ended on June 30, 2021 as against Tk. 1.37 Tk. 13.61 and Tk. 1.54 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-2021		30-June-2020	
	Amount	Percentage	Amount	Percentage
Turnover	782,239,281	100.00	866,097,783	100.00 ↑
Cost of Goods Sold	469,303,281	59.99	519,647,733	60.00 ↑
Gross Profit	312,936,000	40.01	346,450,050	40.00 ↓
Net Profit for the year	134,728,407	17.22	156,243,664	18.04 ↓



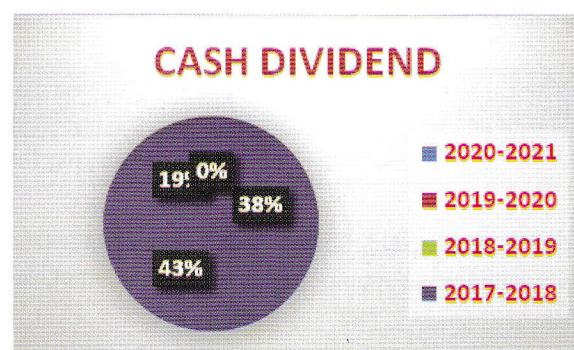
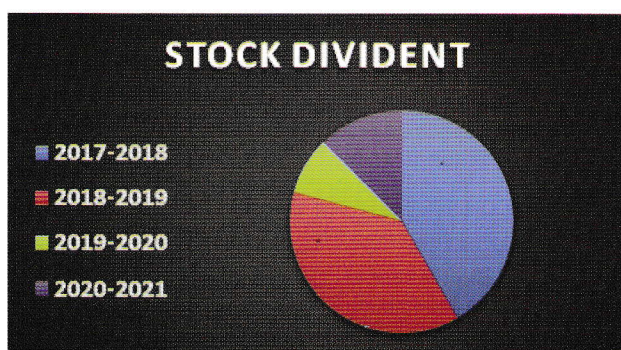
APPROPRIATION OF PROFIT.

The Board of Directors recommended the appropriation of the net profit earned during the year 2020-2021 in the following manner:

Details	Amount (Tk.)	Amount (Tk.)
Net Profit after Tax year ended 30 June, 2021	134,728,407	
Total Paid Up Capital as at 30 June 2021	1,137,371,400	
Less: Director & Sponsors (See details of Sponsors & Directors)	(49,845,0130)	
General Public other than Directors & Sponsors:	638,921,270	
Add: Investment Corporation of Bangladesh(ICB)	153,000,000	
General Public and ICB:	791,921,270	
(A) 4% Cash Dividend for all shareholders excluding the Sponsors & Directors (638,921,270*4%)	25,556,850	
(B) 3% Stock Dividend for all General Shareholders and ICB excluding the Sponsors & Directors (791,921,270*3%)	23,757,638	
Dividend (7%) Payable for the Year ended 30 June 2021 (A+B)		49,314,488
Net Un appropriate Profit		8,54,13,919

DIVIDEND

The Company has invested a substantial amount for expansion of capacity as well as diversification of products and business. However, the Board of Directors at its Board meeting held on 28 October, 2021 has recommended 7% dividend (4% Cash Dividend for all shareholders excluding the Sponsors & Directors and 3% Stock Dividend for all General Shareholders and ICB excluding the Sponsors & Directors for the year ended 30th June, 2021. The cash Dividend to be payable to the General Shareholders of TK. 25.55 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, 2021.

RELATED PARTY TRANSACTION

Related Parties 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)	
			2020-2021	2019-2020
Mr. A.F.M Anowarul Huq	Managing Director	Remuneration	4,800,000	2,400,000

(b) Board meeting fee

Name	Designation	Nature of Transaction	Amount in (BDT)	
			2020-2021	2019-2020
Mr. Aziza Yeasmin	Chairman	Board Meeting Fee	85,000	50,000
Mr. A.F.M Anowarul Huq	Managing Director		85,000	50,000
Mrs. Aysha Siddika	Director		80,000	-
Mrs. Hafiza Yeasmin	Director		-	-
Md. Amin-Ur-Rashid	Director		-	15,000
Sayedra Huq	Director		85,000	45,000
Fatima Parvin	Director		85,000	50,000
Mst. Shahanaz Akter	Director		-	15,000
Md. Mizanur Rahman	Director		30,000	45,000
Md. Golam Rabbani	Director (Represented of ICB)		65,000	30,000
Md. Iftikhar-Uz-Zaman	Independent Director		70,000	-
S.M. Harun-Or-Rashid	Independent Director		5,000	15,000
Md. Monirujjaman	Independent Director		65,000	45,000
Md. Firoz khan	Independent Director		-	10,000

(c) Short Term Loan

Name	Designation	Nature of Transaction	Amount in (BDT)	
			2020-2021	2019-2020
Mr. A.F.M Anowarul Huq	Managing Director	Temporary Loan	26,800,000	-

SIGNIFICANT VARIANCE OF FINANCIAL STATEMENTS

No significant variation occurred between quarterly and final results of the Company during the year ended June 30, 2021.

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	Membership was vacated due to resignation from the Board on 28 October 2021.
2.	Mr. A F M Anowarul Huq	Managing Director	Continuing
3.	Mrs. Hafiza Yeasmin	Chairman	Continuing, Appointed as Chairman on 28 October, 2021
4.	Mrs. Aysha Siddika	Director	Membership was vacated due to resignation from the Board on 28 October 2021.
5.	Mrs. Sayeda Huq	Director	Membership was vacated due to resignation from the Board on 28 October 2021.
6.	Mr. Md. Golam Rabbani	Director	Continuing
7.	Mrs. Fatima Parvin	Director	Continuing
8.	Md. Mizanur Rahman	Director	Membership was vacated due to resignation from the Board.
9.	Mr. Md. Iftikhar-Uz-Zaman	Independent Director	Continuing
10.	Mr. Md. Monirujjaman	Independent Director	Membership was vacated due to resignation from the Board on 28 October 2021.

SL	Name	Position
1.	Mrs. Hafiza Yeasmin	Chairman
2.	Mr. A F M Anowarul Huq	Managing Director
3.	Mr. Md. Golam Rabbani (Nominated By ICB)	Director
4.	Mrs. Fatima Parvin	Director
5.	Mr. Md. Iftikhar-Uz-Zaman	Independent Director

DIRECTORS INVOLVED IN OTHER COMPANIES

SL	NAME	POSITION	DIRECTORSHIP/OWNERSHIP WITH OTHER COMPANIES.	
			COMPANIES	POSITION
1	Mrs. Hafiza Yeasmin	Chairman	-	-
2	Mr. A F M Anowarul Huq	Managing Director	-	-
3.	Mr. Md. Golam Rabbani (Nominated By ICB)	Director	-	-
4.	Mrs. Fatima Parvin	Director	-	-
5.	Mr. Md. Iftikhar-Uz-Zaman	Independent Director	- Wata Chemicals Ltd. - Aman Feeds Ltd. - Metro Spinning Ltd. - Aman Cotton Ltd.	Independent Director

ELECTION OF DIRECTORS

Md. Golam Rabbani, Director retires as per Article-55, 56, 57 of the Articles of Association of the company, being eligible, 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.34(a) of the notes to the Financial Statements. There is no remuneration for Independent Directors.

REMUNERATION

Name	Designation	Nature of Transaction	Amount in (BDT)	
			2020-2021	2019-2020
Mr. A.F.M Anowarul Huq	Managing Director	Remuneration	4,800,000	2,400,000

APPOINTMENT OF INDEPENDENT DIRECTOR

The Board of Directors has appointed Mr. Md. Iftikhar-Uz-Zaman as an Independent Director for the in its meeting dated 31st January, 2020 for the period of three years which will be approved by Shareholders in AGM. Brief resume and other information of the above mentioned director is depicted in Directors Biography.

APPOINTMENT OF STATUTORY AUDITORS

The existing Auditors of the company M/s Fames & R., Chartered Accountants, will retire at the conclusion of the ensuing Annual General Meeting. As per the requirement of Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018, every public listed company shall not appoint any firm of Chartered Accounts as its statutory Auditors for a consecutive period exceeding the three years. Since M/s Fames & R., is eligible for reappointment, they have expressed their interest to perform the audit of the Company's financial statement for the year 2021-2022. Therefore, the Board of Directors proposed, M/s Fames & R., Chartered Accounts to engage as Statutory Auditors subject to approval at the 7th Annual General Meeting to be held on December 23 by the members of the company upto the 8th Annual General Meeting to be held 2022.

Thus, the Board of Directors unanimously recommended the appointment of M/S. FAMES & R Chartered Accountants, as the Statutory Auditor of the Company for the Financial Year 2021-2022, and to continue the next Annual General Meeting at a fees of tk. 2,50,000.00 (Two Lac Fifty Lac) only, subject to approval of the shareholders at the forthcoming 7th Annual General Meeting of the company.

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. Since, the existing Auditors of the company M/s Shafiq Basak & Co., Chartered Accountants retires at this Annual General Meeting and being eligible, have offered themselves for not reappointment as Compliance Auditors of the company for the year 2021- 2022.

Thus, the Board of Directors unanimously recommended the appointment of M/S. Harunur Rashid & Associates, as the Compliance Auditor of the Company for the Financial Year 2021-2022, and to continue the next Annual General Meeting at a fees of tk. 30,000.00 (Thirty Thousand) only, subject to approval of the shareholders at the forthcoming 7th Annual General Meeting of the company to be held on 23 December, 2021 by the members of the company.

COMPANY SECRETARY, CHIEF FINANCIAL OFFICER, HEAD OF INTERNAL AUDIT & COMPLIANCE

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

SL	Name	Position
1.	Mohi Uddin QCS	Company Secretary
2.	Md. Faruque Hossain	Chief Financial Officer
3.	Md. Abu Taleb	Head of Internal Audit and Compliance

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 2020-2021 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.	Md. Iftikhar-Uz-Zaman (Independent Director)	Chairman
2.	Md. Golam Rabbani, Director	Member
3.	Mrs. Fatima Parvin, Director.	Member
4.	Mr. Mohi Uddin, QCS	Secretary

MEETING & ATTENDANCE OF AUDIT COMMITTEE

During the year 2020-2021 under review, the Committee held four meetings. The attendance of the Member at these meeting is outlined below:

SL	Position	No. of Meeting held whilst a Committee Member	Meetings Attend	Remarks
Md. Iftikhar-Uz-Zaman (Independent Director)	Chairperson	4	3	Continuing
Md. Monirujjaman	Member	4	4	Membership was vacated due to resignation from the Board.
Mrs. Fatima Parvin	Member	4	4	Continuing
Md. Golam Rabbani	Member	4	-	Appointed as a member of the Audit Committee on 28 October 2021.
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 chartered 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.	Md. Iftikhar-Uz-Zaman, Independent Director	Chairman
2.	Md. Golam Rabbani, Director	Member
3.	Mrs. Fatima Parvin, 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, 2020 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 2020-2021 under review, the Committee held four meetings. The attendance of the Member at these meeting is outlined below:

Name of the Member	Position	No. of Meeting held whilst a Committee Member	Meetings Attend	Remarks
Md. Monirujjaman (Independent Director)	Chairperson	2	2	Membership was vacated due to resignation from the Board.
Mrs. Sayeda Huq	Member	2	2	Membership was vacated due to resignation from the Board.
Md. Mizanur Rahman	Member	2	1	Membership was vacated due to resignation from the Board.
Mrs. Fatima Parvin	Member	2	1	Appointed as a member of the Audit Committee on 18 July 2021.
Md. Iftikhar-Uz-Zaman (Independent Director)	Chairperson	2	-	Appointed as a member of the Audit Committee on 28 October 2021.
Md. Golam Rabbani	Member	2	-	Appointed as a member of the Audit Committee on 28 October 2021.
Mohi Uddin, QCS	Secretary	2	2	Continuing

MAINTAINING 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 compliant 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
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.

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 are as on able 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 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 continued 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. Hafiza Yeasmin)

Chairman