

DIRECTOR'S REPORT TO THE SHAREHOLDERS

To the Members for the 12th months period ended 30 June, 2022



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, Corporate Governance Code, 2018 of Bangladesh securities and exchange Commission 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 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 reporting period ended June 30, 2022 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 2021-2022, among others, centering on: -

- ◆ Turnover amounting to Tk. 484,679,693 for the year ended 30th June, 2022 as compared to Tk. 782,239,281 for the previous year, decreased by 38.04%
- ◆ Net Profit after tax stood Tk. 25,174,033 for the year ended 30th June, 2022 which was Tk. 134,728,407 in the year 2020-2021, decreased by 81.32%
- ◆ Earnings per share (EPS) stood Tk. 0.22 for the year ended 30th June, 2022 which was Tk. 1.18 in the year 2020-2021.
- ◆ Net Asset Value (NAV) per share stood Tk. 13.98 for the year ended 30th June, 2022 which was Tk. 14.29 in the year 2020-2021, decreased by 2.17%
- ◆ Dividend payout stood Tk. 11,620,518 for the year ended 30th June, 2022 which was Tk. 50,237,231 in the year 2020-2021, decreased by 76.86%

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.

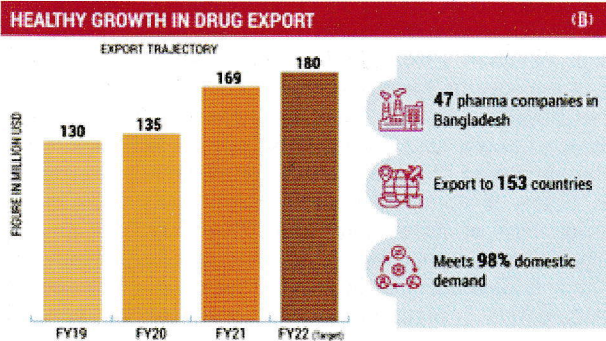


The pharmaceutical industry in Bangladesh began in the 1950s in the hands of some MNCs and local firms. After independence in 1971, Bangladesh, as a least developed country, got patent exemption in the Pharmaceutical industry. As a result, the production of generic medicine in the country began to increase. 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.



According to data from the Export Promotion Bureau, local pharmaceutical companies made US\$163.83 million from July to April of the current fiscal year (FY), 2021-22. This is almost 27% more than they made at the same time last year. Bangladesh's pharmaceutical companies are rapidly growing. They have made \$169.02 million in FY 2020-21 and \$135.79 million in FY 2019-20. In FY 2018-19, the sector made \$129.95 million, and in FY 2017-18, it earned \$103.4 million.

BANGLADESH PHARMACEUTICAL MARKET FUTURE OPPORTUNITY

Bangladesh Pharmaceutical Market Future Opportunity Outlook 2025 Highlights:

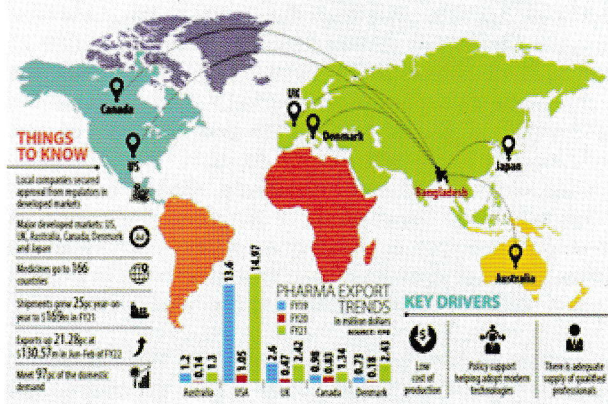
- ◆ Bangladesh Pharmaceutical Market Opportunity: More Than US\$ 6 Billion by 2025
- ◆ Share Of Local Pharmaceutical Companies: >90%
- ◆ Share of Generics Drugs in Pharmaceutical Market: >75%
- ◆ Leading Drugs Market Insight by Availability, Dosage & Price Analysis
- ◆ Number of Ongoing Clinical Studies: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

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.

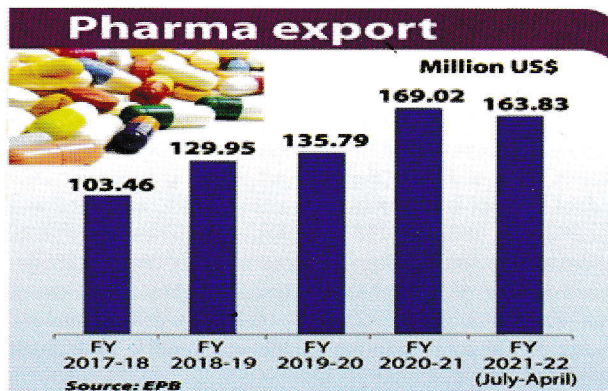
Bangladesh ranks 71st out of 178 countries in the world in terms of global pharmaceutical exports. Bangladesh's pharmaceutical industry accounts for 1.83% of the country's GDP.

Export destinations of Bangladesh's pharmaceuticals

Rank	Destination Country	Bangladesh's Pharmaceuticals Exports (US\$)	% of Bangladesh's Export Share	Total Pharmaceutical Imports by this Country (US\$)	Bangladesh's share of this Country's Total Import
1	Sri Lanka	20,454,696	15.06%	\$276,336,000	7.40%
2	Myanmar	19,670,639	14.49%	\$434,309,000	4.53%
3	United States	15,194,642	11.39%	\$78,878,163,000	0.02%
4	Philippines	13,336,314	9.82%	\$1,377,470,000	0.97%
5	Kenya	8,319,722	6.13%	\$431,075,000	1.93%
6	Cambodia	6,140,809	4.52%	\$204,793,000	3.00%
7	Vietnam	5,248,426	3.87%	\$1,775,392,000	0.30%
8	Afghanistan	4,860,332	3.58%	\$85,712,000	5.67%
9	Slovenia	3,508,681	2.58%	\$3,989,500,000	0.09%
10	Nepal	2,702,660	1.99%	\$199,068,000	1.36%
11	Denmark	2,626,739	1.93%	\$3,292,028,000	0.08%
12	Somalia	2,321,225	1.71%	\$50,884,000	4.56%
13	South Africa	2,203,700	1.62%	\$1,785,047,000	0.12%
14	Peru	1,972,999	1.45%	\$579,307,000	0.34%
15	Great Britain	1,775,405	1.31%	\$18,796,146,000	0.01%
16	Nigeria	1,650,352	1.22%	\$858,858,000	0.19%
17	Australia	1,531,153	1.13%	\$5,349,854,000	0.03%
18	Yemen	1,509,361	1.11%	\$154,039,000	0.98%
19	Mauritius	1,407,676	1.04%	\$138,865,000	1.01%
20	Costa Rica	1,220,214	0.90%	\$583,169,000	0.21%
21	Jamaica	1,145,018	0.84%	\$52,195,000	2.39%
	All Other countries	16,985,812	12.51%		



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 2021-2022 of \$2824, 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 2022. Improved healthcare facilities and diagnosis with modern technology and rapid growth of chronic diseases due to change in lifestyle and environmental factors are other reasons for the growth of domestic drug market.

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 the Export Promotion Bureau (EPB) figures, medicine worth US\$ 163.83 million have been exported from July to April of the current fiscal year (FY), 2021-22. This is almost 27% more than they made at the same time last year. The export volume \$169.02 million in FY 2020-21 and \$135.79 million in FY 2019-20. In FY 2018-19, the sector made \$129.95 million, and in FY 2017-18, it earned \$103.4 million. 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.

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 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 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 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 team 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 policies 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 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 2021-2022 as compared to previous year are summarized hereunder:

Particular	2021-2022 Taka	2020-2021 Taka	% Change
Turnover	484,679,693	782,239,281	38.04%
Gross Profit	146,927,934	312,936,000	53.05%
Financial Expenses	4,881,097	3,814,169	27.97%
Non-Operating Income	803,180	(142,183)	%
Net Profit Before Tax (NPBT)	31,720,563	169,343,500	81.27%
Provision for Taxation	6,546,530	34,615,093	43.03%
Net Profit After Tax (NPAT)	25,174,033	134,728,407	81.32%
Gross Margin (Turnover)	38.04%	40.01%	0.02%
Net Margin Before Tax	81.27%	21.65%	13.57%
Net Margin After Tax	81.32%	17.22%	4.49%
Earnings Per Share (EPS) BDT.	0.22	1.18	13.86%

During the year 2021-2022, Gross Revenue, Net Profit before Tax, Net Profit after Tax decreased by 38.04%, 81.27% and 81.32% respectively, over the previous year 2020-2021.

The Gross Profit and Net Profit before Tax decreased during FY 2021-2022 at 53.04% and 81.27% respectively over the previous year.

The Net Profit After Tax, decreased by 81.32% over the previous year.

The Earnings per Share (EPS) for the financial year under review stood at Tk. 0.22 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 81.35% decreased over the previous year 2020-2021. 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

The main reason behind of decreased Gross Revenue by 38.04% from BDT 782,239,281 to BDT 484,679,693 in comparison to previous year i.e. 2020-2021 due to discontinuation of marketing and selling of 9 (Nine) listed products as temporary ban order imposed by Directorate General of Drug Administration (DGDA) Memo no: DGDA/ML-032/06/4616 Dated 7th March 2021 and Memo no: DGDA/ML-032/06/22307 Dated 10th November 2021.

The reasons, for Significant Deviation in Profit Before Tax:

Due to temporary suspension order of marketing and selling of 9 (Nine) listed products issued by Directorate General of Drug Administration (DGDA), the company withdrawn all expiry-dated above mentioned 9 listed product from the market and destroyed the same amounting to Tk. 25,575,384 (as depicted in Note 22 of the financial accounts).

The company also destroyed all expiry-dated raw materials of 9 temporary suspended products amounting to Tk. 10,048,500 (as depicted in Note 19.01 of the Financial Accounts). These unfavorable activities have resulted in decreased net profit before Tax by 81.27% for the year ended 30 June, 2022.

The reasons, for significant Deviation in Earning per share (EPS):

The weighted average number of ordinary shares outstanding for the year ended 30 June 2022 is 116,205,178 that was 113,737,140 on the year ended 30 June, 2021. The main reason behind of sloping down Earnings Per Share (EPS) is dropping Gross Revenue and Net Profit by 38.03% and 81.32% respectively, over the previous year 2020-2021.

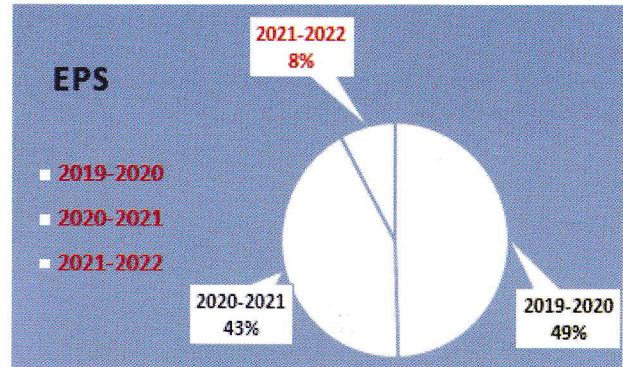
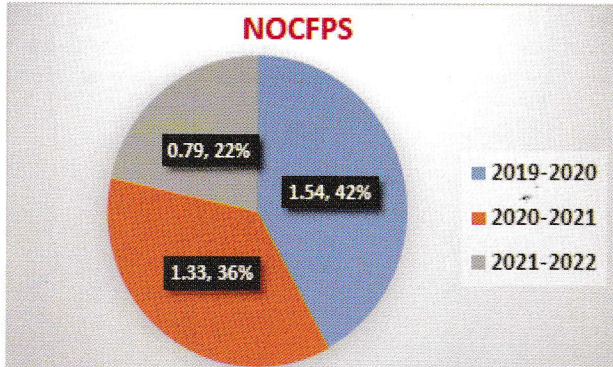
Another reason behind of sloping down Gross Revenue by 38.04% is the company has changed its marketing policy than existing. In existing policy, the company had to distribute medicine door step of each and every chemist all over the country through MR & SR based on demand that involve a huge numbers of MR & SR salary and wages, free sample distribution, as well as carrying expenses which is very high than that of profit margin company earn.

Thus, the management has decided to change its marketing and distribution policy. Company has set dealers/distributors in 64 districts, some cases in potential areas also. Now the company will distribute medicine only dealer/distribution point only. The dealers /distributor will receive a commission at the yearend on the basis of volume of sales, based on the policy framed by the company.

Discussion on EPS & NOCFPS

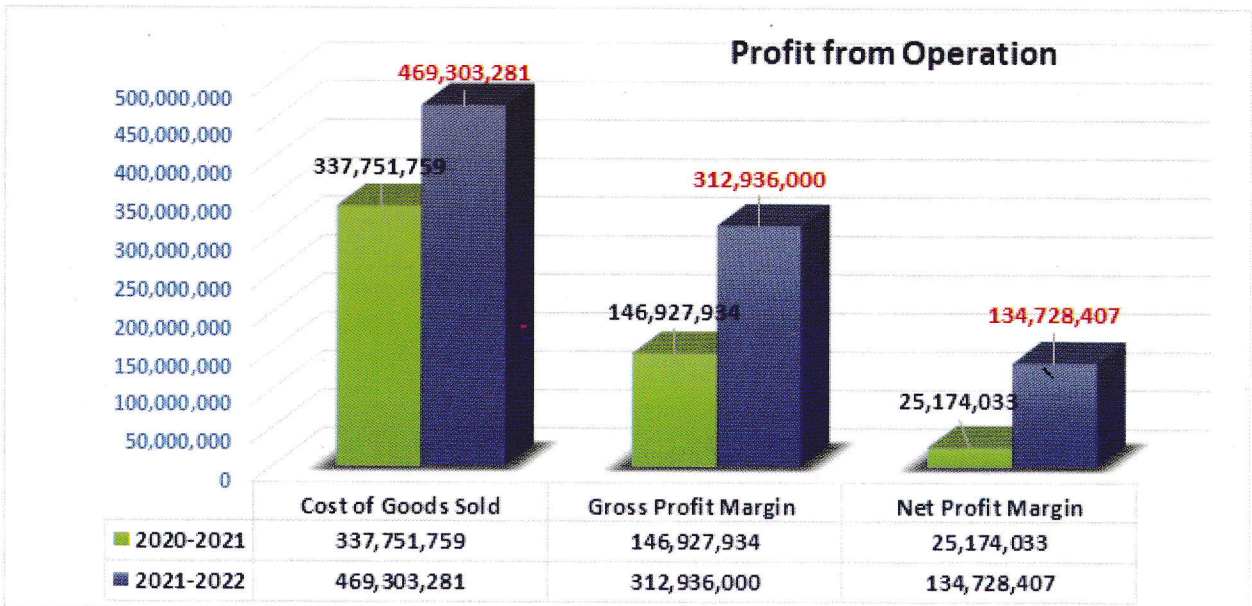
The Company's Standalone Revenues from operations were TK. 484.68 million for the year ended 30th June, 2022 as compared to TK. 782.23 million for the previous year, a decrease by 38.03%

The company has made Net Profit of TK. 25.17 million on standalone basis for the year under review as compared to TK. 134.72 million for the previous year. Earnings Per Share (EPS) of Tk. 0.22, Net Asset Value (NAV) per share of Tk. 13.98, and Net Operating Cash Flows Per share (NOCFPS) of Tk. 0.79 for the year ended on June 30, 2022 as against Tk. 1.18, Tk. 14.29 and Tk. 1.30 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-2022		30-June-2021	
	Amount	Percentage	Amount	Percentage
Turnover	484,679,693	100.00	782,239,281	100.00
Cost of Goods Sold	337,751,759	69.68	469,303,281	59.99
Gross Profit	146,927,934	30.32	312,936,000	40.01
Net Profit for the year	25,174,033	5.19	134,728,407	17.22



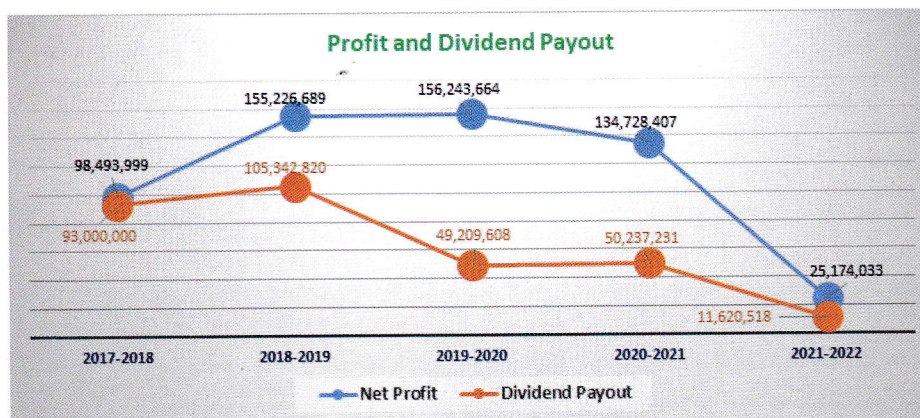
APPROPRIATION OF PROFIT.

Board of Directors in its meeting held on 07 November, 2022 has recommended the appropriation of the Net Profit earned during the year 2021-2022 in the following manner:

Net Profit for the year (2021-2022)		25,174,033
Appropriation Recommended:		
Less: Cash Dividend @ 1% (Tk. 0.10 per share)	11,620,518	
Net Un-appropriated Profit		13,553,515

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 07 November, 2022 has recommended 1% Cash Dividend for all shareholders for the year ended 30th June, 2022. The cash Dividend to be payable to the General Shareholders of TK. 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, 2022.

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)	
			2021-2022	2020-2021
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)	
			2021-2022	2020-2021
Mrs. Aziza Yeasmin	Ex-Chairman	Board Meeting Fee	40,000	85,000
Mr. A.F.M Anowarul Huq	Managing Director		90,000	85,000
Mrs. Aysha Siddika	Director		40,000	80,000
Mrs. Sayeda Huq	Director		40,000	85,000
Mrs. Fatima Parvin	Director		90,000	85,000
Md. Mizanur Rahman	Director		-	30,000
Md. Golam Rabbani	Director		60,000	65,000
Md. Iftikhar-Uz-Zaman	Independent Director		60,000	70,000
S.M. Harun-Or-Rashid	Independent Director		-	5,000
Md. Monirujjaman	Independent Director		40,000	65,000

(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	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 limit prescribed by the BSEC Regulations.

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
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.	Mr. Md. Iftikhar-Uz-Zaman	Independent Director	Continuing
9.	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

Mrs. Fatima Parvin, Director retires as per Article-55, 56, 57 of the Articles of Association of the company, being eligible, Mrs. Fatima Parvin, Director have offered her selves 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)	
			2020-2021	2019-2020
Mr. A.F.M Anowarul Huq	Managing Director	Remuneration	4,800,000	4,800,000

APPOINTMENT OF STATUTORY AUDITORS

The existing Auditors of the company **M/s Fames & R., Chartered Accountants**, will retire at this 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. But M/s. Fames & R, Chartered Accountants has given the unwillingness to be re-appointed.

Thus, the Board of Directors unanimously recommended the appointment of M/s Shafiq Basak & Co. Chartered Accountants, as the Statutory Auditor of the Company for the Financial Year 2022-2023, 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 8th 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. Haunur Rashid & Associates., Chartered Secretaries and Management Consultants retires at this Annual General Meeting and being eligible for reappointment, they have expressed their interest to be appointed as compliance auditors of the Company for the year 2022-2023, which was recommended by the Board of Directors at its meeting held on 07 November, 2022.

Thus, the Board of Directors unanimously recommended the appointment of M/S. Harunur Rashid & Associates, Chartered Secretaries and Management Consultants as the Compliance Auditor of the Company for the Financial Year 2022-2023, 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 8th Annual General Meeting of the company to be held on 22 December, 2022 by the members of the company.

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

Mrs. Fatima Parvin, Director retires as per Article-55, 56, 57 of the Articles of Association of the company, being eligible, Mrs. Fatima Parvin, Director have offered her selves 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)	
			2020-2021	2019-2020
Mr. A.F.M Anowarul Huq	Managing Director	Remuneration	4,800,000	4,800,000

APPOINTMENT OF STATUTORY AUDITORS

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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. Haunur Rashid & Associates., Chartered Secretaries and Management Consultants retires at this Annual General Meeting and being eligible for reappointment, they have expressed their interest to be appointed as compliance auditors of the Company for the year 2022-2023, which was recommended by the Board of Directors at its meeting held on 07 November, 2022.

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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.	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/CMRRC/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 2021-2022 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, Non-Executive Director	Member
3.	Mrs. Fatima Parvin, Non-Executive Director	Member
4.	Mr. Mohi Uddin, QCS	Secretary

MEETING & ATTENDANCE OF AUDIT COMMITTEE

SL	Position	No. of Meeting held during his/her tenure	Meetings Attend	Remarks
Md. Iftikhar-Uz-Zaman (Independent Director)	Chairman	4	4	Continuing
Md. Monirujjaman (Independent Director)	Member	4	1	Membership was vacated due to resignation from the Board.
Mrs. Fatima Parvin (Non-Executive Director)	Member	4	4	Continuing
Md. Golam Rabbani (Non-Executive Director)	Member	4	3	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 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.	Md. Iftikhar-Uz-Zaman, Independent Director	Chairman
2.	Md. Golam Rabbani, Non-Executive Director	Member
3.	Mrs. Fatima Parvin, 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, 2022 were 1 (one). 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 2021-2022 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 during his/her tenure	Meeting(s) Attend	Remarks
Md. Monirujjaman (Independent Director)	Chairperson	1	1	Membership was vacated due to resignation from the Board.
Mrs. Sayeda Huq Non-Executive Director	Member	1	1	Membership was vacated due to resignation from the Board.
Mrs. Fatima Parvin Non -Executive Director	Member	1	1	Continuing
Md. Iftikha -Uz-r Zaman (Independent Director)	Chairperson	1	-	Appointed as a Chairman of the Audit Committee on 28 October 2021.
Md. Golam Rabbani Non-Executive Director	Member	1	-	Appointed as a member of the Audit Committee on 28 October 2021.
Mohi Uddin, QCS	Secretary	1	1	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 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
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, V, 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 Annexure- I of this report.

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