

# DIRECTOR'S REPORT TO THE SHAREHOLDERS

to the Members for the 12th months period ended 30 June, 2019

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, IAS-1 (International Accounting Standard-1) and Finance Act The Board of Directors of Indo-Bangla Pharmaceuticals Ltd. take the pleasure in presenting the Audited Financial position, Statements of Profit or Loss & other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the reporting period ended June 30, 2019 along with the Auditors Report thereon for your valued consideration in the following paragraph:

## BACKGROUND

Indo-Bangla Pharmaceuticals Limited (IBPL) was incorporated with the Registrar of Joint Stock Companies and Firms (RJSC) on June 18, 2014 and was converted into a Public Limited Company on October 21, 2014 under the Companies Act, 1994. The Company went for Initial Public Offering & consent date of BSEC the 19 February, 2018, issue date of Prospectus March 13, 2018. The Company was listed with Dhaka Stock Exchange Limited (DSE) on 23rd September 2018 and Chittagong Stock Exchanges Limited (CSE) on 30th September 2018. The Trading date with Exchanges October 18, 2018 The Authorized capital of the company is Tk. 1,500 million and paid-up capital 1023 million as at June 30, 2019

## INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENT OF THE COMPANY.

### OVERVIEW

The pharmaceutical industry in Bangladesh is one of the most developed sectors within Bangladesh. Manufacturers produce insulin, hormones, and cancer drugs. This sector provides 98% of the total medicinal requirement of the local market. The industry also exports medicines to global markets, including Europe. Pharmaceutical companies are expanding their business with the aim to expand the export market. The Pharmaceutical sector of Bangladesh has been transforming and evolving since the early 80s. The sector has grown from strength to strength over the last 4 decades. Since this is a technology and knowledge based sector; the journey was not an easy one for a LDC country faced with enormous economic challenges. Now, Bangladesh proudly stands alone as the only LDC that has a well-developed pharma sector.

### PHARMACEUTICAL INDUSTRY BLOOMS BIGGER

The country's domestic pharmaceutical market size stood at Tk. 20,511.8 crore with 15.6% compound annual growth rate (CAGR) for the last five years. Once largely dependent on imports and multinational companies to meet the local demand, Bangladeshi pharmaceutical industry is growing very fast meeting 98% of domestic demand and posting a 27% growth in export earnings. On top of that, the sector is expected to grow at 15% year-on-year to reach \$5.11 billion by 2023, propelled by high investment by local companies as they seek to grab a bigger share of the global market.

Bangladesh's economy is growing at over 8% per annum with increased per capita income of \$1909, 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 72.81 years in 2018. 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.

## AT A GLANCE

- Domestic market size Tk20,512 crore
- Annual growth 15.6%
- Local companies hold 90% market share
- Multinationals hold 10% share
- 98% demand met locally, 2% with exports
- Contributions to GDP 1.83%
- 80% makers produce generic drugs
- 20% manufacture patented drugs
- Bangladesh exports to 147 countries



### EXPORTS OPEN NEW AVENUES FOR BANGLADESH

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. According to Export Promotion Bureau (EPB) data, Bangladesh's medicine exports registered a 25.60% rise to \$130 million in FY19, which was \$103.46 million the previous year. 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.



## PHARMACEUTICAL EXPORTS



### 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.

### INDO-BANGLA LOOKS FOR A BRIGHT 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 challenges:

#### **TOLL MANUFACTURING AGREEMENT**

Toll Manufacturing Agreement with NIPRO JMI Pharma Ltd. Dhaka, Bangladesh has been completed for contract Manufacturing of Antibiotic, Cephalosporin and Penicillin products on behalf of Indo-Bangla Pharmaceuticals Ltd. to meet increased demand of existing products and to introduce new products.

List of Products mutually agreed to be manufactured by NIPRO JMI Pharma Ltd. are as follows: Azithromycin-500mg, Ciprofloxacin-500mg, Amoxicillin-250mg, Amoxicillin-125mg, Amoxicillin-500mg, Flucloxacillin-250mg, Flucloxacillin-125mg, Cephadrine-500mg, Cephadrine-125mg, Azithromycin-200mg.



Toll Manufacturing Agreement Between Indo-Bangla Pharmaceuticals Ltd and NIPRO JMI Pharma Ltd.

#### **EXPORT ACTIVITIES**

The Company is giving utmost effort to enter the Export Market in addition, demands for generic medicine in the global market, Indo-Bangla Pharmaceuticals Ltd. has decided to drive to penetrate export markets, in this connection the Board of Directors of Indo-Bangla Pharmaceuticals Ltd. has decided to sign Manufacturing Agreement with RHK GLOBAL (hk) Limited. With its registered office at 1/F Mau Lam Commercial Building, 1st Floor, 16-18, Mau Lam Street, Jordon, Hong Kong. By this agreement Indo-Bangla Pharmaceuticals Limited will be produced Super Tramex-100mg brand Tablet (Generic Name: Tramadol Hydrochloride) at Indo-Bangla Pharmaceuticals Ltd.'s production plant, College Road, Barisal, Bangladesh. As per agreement Indo-Bangla will produce 1200 million Tablets/p.a. and the revenue of which is projected to be BDT 600 million/p.a. subject to approval from The Directorate General of Drug Administration (DGDA) under the Ministry of Health & Family Welfare, Government of the People's Republic of Bangladesh, is the Drug Regulatory Authority of the country as Pharmaceuticals Company of Bangladesh can only sell different medicine to other country when they get approval of the particular medicine from the drug authority of that particular country. Since the sector is very sophisticated and sensitive, manufacturers of medicine have adopted modern technology, which is hugely contributing to the growth of pharmaceuticals industry of Bangladesh both in domestic and exports markets. In recent time, the Government of Bangladesh has given huge emphasis on the export of Pharmaceutical products from Bangladesh. It is targeted that Pharmaceutical will be the second exporting product after readymade garments. The Government of Bangladesh has set up an export target.

## NEW PROJECT, KALIAKOIR, GAZIPUR.

You will be happy to know that, 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. In this connection 145.43 decimal of land at 1st phase out of 1028 decimal Land for which bayna deed was made earlier has been registered as well as conceptual designs of new project has been started and civil work will be started by November, 2019.

## 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 (2018-2019). the company invested a substantial amount in improving its Laboratory facilities, R&D Scale-up facilities etc.

## 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.

## OPERATIONS AND STATE OF AFFAIRS OF THE COMPANY:

### FINANCIAL RESULTS

The operating financial results of the Company for the year 2018-2019 as compared to previous year are summarized hereunder:

Particular	2018-2019	2017-2018	% Increase
Turnover	740,714,183	659,971,100	12.24%
Gross Profit	296,550,952	260,400,732	13.88%
Financial Expenses	-	-	-
Non-Operating Income	11,535,389	5,927,580	94.61%
Net Profit Before Tax (NPBT)	180,778,345	151,529,230	19.30%
Provision for Taxation	25,551,656	53,035,230	(51.63%)
Net Profit After Tax (NPAT)	155,226,689	98,493,999	57.60%%
Gross Margin (Turnover)	40.04%	39.46%	1.46%
Net Margin Before Tax	24.41%	22.96%	6.30%
Net Margin After Tax	20.96%	14.92%	40.46%
Earnings Per Share (EPS) BDT.	1.58	1.20	31.67%

The Gross Profit, Operating Profit and Net Profit (BT) increased during FY 2018-19 at 13.88%, 16.39% and 19.30% respectively over the previous year. However, the Cost of Goods Sold increased at 11.16% over previous year which helped increase Gross Profit and Operating Profit of The Company. The Net Profit (AT), however, increased by 57.60% over the previous year.

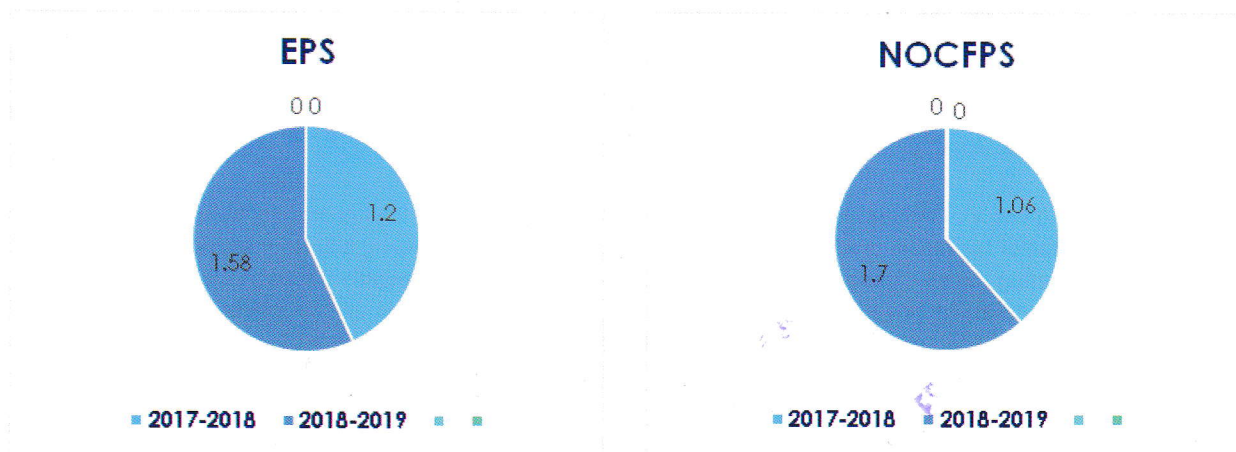
The Earning per Share of Tk. 1.58 is the basic earning dividing by the weighted average number of shares outstanding at the end of the Period.

#### DISCUSSION ON EPS & NOCFPS

The Company's Standalone Revenues from operations were TK. 740.72 million for the year ended 30th June, 2019 as compared to TK. 659.97 million for the previous year, an increase by 12.24%

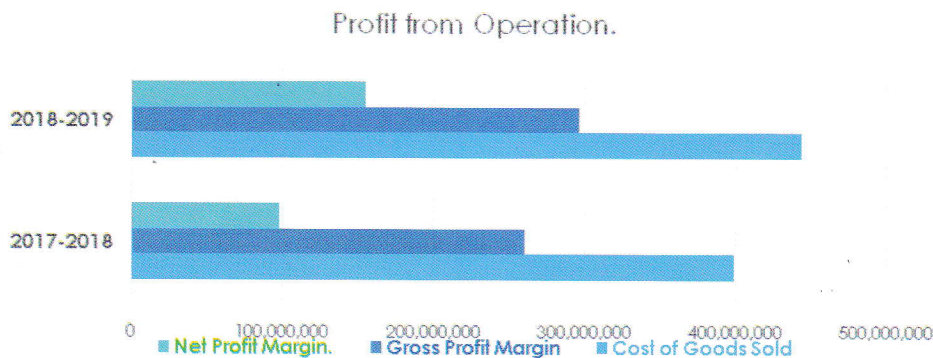
The company has made Net Profit of TK. 155.23 million on standalone basis for the year under review as compared to TK. 98.49 million for the previous year.

Earnings Per Share (EPS) of Tk. 1.58, NAV per share of Tk. 13.44, and NOCFPS of Tk. 1.70 for the year ended on June 30, 2019 as against Tk. 1.20, Tk. 14.19 and Tk. 1.06 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-19		30-June-18	
	Amount	Percentage	Amount	Percentage
Turnover	740,714,183	100.00	659,971,100	100.00
Cost of Goods Sold	444,163,230	59.96	399,570,368	60.54
Gross Profit	296,550,952	40.04	260,400,732	39.46
Net Profit for the year	155,226,689	20.96	98,493,999	14.92



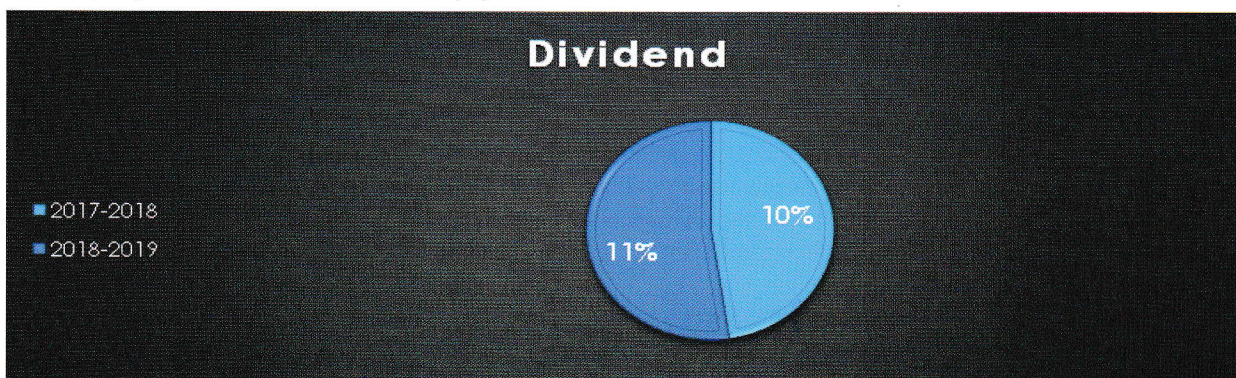
### APPROPRIATION OF PROFIT.

The Board of Directors recommended the appropriation of the net profit earned during the year 2018-2019 in the following manner:

A. Net Profit for the year (2018-2019)	Tk. 155,226,689
B. Appropriation Proposed:	
(i) Cash Dividend @ 2% (Tk.0.20 per share)	13,272,820
(ii) Stock Dividend @ 9%, face value of Stock Dividend (Bonus Share)	92,070,000
	105,342,820
C. Net Un appropriate Profit	49,883,869

### 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, 2019 has recommended 2% Cash Dividend for all general shreholders and ICB (excluding Sponsor/Directors) and 9% Stock Dividend for all shareholders for the year ended on June 30, 2019 the Sponsors/Directors hold 3,59,35,900 shares out of total 102300000 shares of the Company and the cash Dividend to be payable to the General Shareholders of TK. 13.273 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 vaterinary 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, 2019

### RELATED PARTY TRANSACTION

Related party transactions are presented in note no. 33 of the notes to the financial statements.

### RELATED PARTIES TRANSACTIONS:

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)	
			2018-2019	2017-2018
Mr. A.F.M Anowarul Huq	Managing Director	Remuneration	1800000	1,800,000

## (B) BOARD MEETING FEE

Name	Designation	Nature of Transaction	Amount in (BDT)	
			2018-2019	2017-2018
Mrs. Aziza Yeasmin	Chairman	Board Meeting fee	50,000	50,000
Mr. A.F.M Anowarul Huq	Managing Director		55,000	50,000
Mrs. Hafiza Yeasmin	Director		20,000	50,000
Md. Amin-Ur-Rashid	Director		50,000	40,000
Sayed a Huq	Director		50,000	40,000
Fatima Parvin	Director		55,000	35,000
Mst. Shanaj Akter	Director		40,000	35,000
Mizanur Rahman	Director		50,000	35,000
Md. Golam Rabbani	Director ( Represented of ICB)			20,000
S.M. Harun Or Rashid	Independent Director		50,000	20,000
Md. Monirujjaman	Independent Director		45,000	15,000
Md. Firoz Khan	Independent Director		40,000	15,000

## STATEMENT OF UTILIZATION OF PROCEEDS RAISED THROUGH IPO

Indo-Bangla Pharmaceuticals Ltd. has received Tk. 200,000,000 (Taka Twenty Crore) only as Initial Public Offering (IPO) proceeds through subscription from 09 August to 16 August. And the expenses/utilization has been made in the line with the provision of Initial Public Offering (IPO).

The expenses/utilization Tk. 10,61,63,090 of IPO proceeds have been completed Nine (9) month (after the receiving of IPO fund) within 24 (Twenty-Four) months mentioned the time schedule/implementation schedule as specified Initial Public Offering (IPO) documents as well as the utilization made is accurate for the purpose of the Company as mentioned in Initial Public Offering (IPO) documents.

The breakup of Utilization Position of IPO proceeds up to 30 June, 2019 was as under:

Purpose as per prospectus	Amount as per Prospectus	Utilized during the year	Total Utilization
Construction and other civil works	58,580,000	-	-
Machineries	124,720,000	89,463,090	89,463,090
IPO expenses	16,700,000	16,700,000	16,700,000
	200,000,000	106,163,090	106,163,090

The company raised Tk. 200,000,000 divided into 20,000,000 ordinary shares of Tk. 10 each through IPO on September 13, 2018. The company utilized Tk. 106,163,090 in total up to June 30, 2019 for the purposes described above as certified by independent auditor, G. Kibria & Co, Chartered Accountants.

## SIGNIFICANT VARIANCE OF FINANCIAL STATEMENTS

No significant variation occurred between quarterly and final results of the Company during the year ended June 30, 2019.

## BOARD SIZE

The number of members of the Board of Directors stands at 12 (including Three Independent Director) which are within the limits given by the BSEC Notification.

SL	Name	Designation in IBPL
1	Aziza Yeasmin	Chairman
2	A F M Anowarul Huq	Managing Director
3	Hafiza Yeasmin	Director
4	Md. Amin-Ur-Rashid	Director
5	Sayed a Huq	Director

SL	Name	Designation in IBPL
6	Fatima Parvin	Director
7	Mst. ShahanazAkter	Director
8	Md. Mizanur Rahman	Director
9	Investment Corporation of Banglades Represented by Md. Golam Rabbani	Director
10	S.M. Harun Or Rashid	Independent Director
11	Md. Monirujjaman	Independent Director
12	Md. Firoz Khan	Independent Director

#### DIRECTORS INVOLVED IN OTHER COMPANIES

SL	Name	Designation in IBPL	Directorship/Ownership with Other Companies	
			Companies	Position
1	Aziza Yeasmin	Chairman	-	-
2	A F M Anowarul Huq	Managing Director	IBP Agrovet Ltd., Sabila Sea Foods Ltd. HBS Apparels Ltd.	-
3	Hafiza Yeasmin	Director	-	-
4	Md. Amin-Ur-Rashid	Director	-	-
5	Sayedra Huq	Director	-	-
6	Fatima Parvin	Director	-	-
7	Mst. ShahanazAkter	Director	-	-
8	Md. Mizanur Rahman	Director	-	-
9	Investment Corporation of Bangladesh Represented by Md. Golam Rabbani	Director	-	-
10	S.M. Harun Or Rashid	Independent Director	-	-
11	Md. Moniruj jaman	Independent Director	-	-
12	Md. Firoz Khan	Independent Director	Sabila Sea Foods Ltd.	Director

#### ELECTION OF DIRECTORS

Mrs. HafizaYeasmin, Mr. Md. Amin Ur Rashid and Md. Mizanur Rahman retires as per Article-55, 56, 57 of the Articles of Association of the company, being eligible, Mrs. HafizaYeasmin& Md. Mizanur Rahman have offered themselves for re-election. But Mr. Md. Amin Ur Rashid has desired to resign from Directorship of the Company. 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. 32 (a) of the notes to the Financial Statements. There is no remuneration for Independent Directors.

#### REMUNERATION

Name	Designation	Nature of Transaction	Amount in (BDT)	
			2018-2019	2017-2018
Mr. A.F.M Anowarul Huq	Managing Director	Remuneration	1,800,000	1,800,000

#### INDEPENDENT DIRECTORS:

In the terms of provision under the Corporate Governance Code dated: on 3 June 2018 the Board of Directors has appointed Mr. S M Harun Or Rashid, Mr. Md. Monirujjaman and Mr. Md. Firoz Khan as Independent Director of the Company for the period of three years which approved by Shareholders in AGM.



### **APPOINTMENT OF AUDITORS**

The existing Auditors of the company **M/s Mahfel Huq & Co.**, Chartered Accountants, will retire at the conclusion of the 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 Mahfel Huq & Co. is eligible for reappointment, they have expressed their interest to perform the audit of the Company's financial statement for the year 2019-2020. Therefore, the Board of Directors proposed, Mahfel Huq & Co. Chartered Accounts to engage as Statutory Auditors subject to approval at the 5th Annual General Meeting to be held on December 12 by the members of the company upto the 6th Annual General Meeting to be held 2020.

### **PROFESSIONALS FOR COMPLIANCE OF CORPORATE GOVERNANCE CODE.**

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, Shafiq Basak & Co. Chartered Accountants eligible for appoint, they have expressed their interest to perform Compliance Audit of the company. Therefore, the Board of Directors proposed, Suraiya Parveen & Associates Chartered Secretaries firm to engage subject to approval at the 5th Annual General Meeting to be held on December 12 by the members of the company.

### **RE-APPOINTMENT OF MANAGING DIRECTOR.**

The tenure of the Managing Director, Mr. A F M Anowarul Huq has already expired on 18th June, 2019. The Board of Directors in its meeting held on 9th May 2019 decided to re-appoint him for a further term of five years with effect from 19th June, 2019 for which they recommended for approval by the shareholders in the ensuing Annual General Meeting. Brief resume and other information of the Managing Director is depicted in Annexure-II.

### **RE-APPOINTMENT OF INDEPENDENT DIRECTOR**

The Board of Directors in its meeting held on 27th June, 2019 decided to re-appoint Mr. S. M. Harun Or Rashid & Mr. Md. Monirujjaman as Independent Director of the Company for a further period of 3 (three) years with effect from 29th July, 2019 as per BSEC Regulations and re-commended for approval by the shareholders in the ensuing Annual General Meeting. Brief resume and other information of the above mentioned independent director is depicted in ANNEXURE-II.

### **COMPANY SECRETARY, CHIEF FINANCIAL OFFICER, HEAD OF INTERNAL AUDIT**

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

Company Secretary	: Mohi Uddin QCS
Chief Financial Officer	: Md. Faruque Hossain
Head of Internal Audit	: Md. Abu Taleb

### **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 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.

### **MEMBERS OF AUDIT COMMITTEE**

The Board has established a committee of the Board known as the Audit Committee consisting of three (3) members to assist the Board

Chairman	S. M. Harun or Rashid
Members	Md. Amin-Ur-Rashid
	Fatima Parvin
In attendance	
Secretary	Mohi Uddin QCS, Company Secretary

Report of the Audit Committee is depicted Annexure -iv

#### **NOMINATION & REMUNERATION COMMITTEE**

The Board has formed a Nomination & Remuneration Committee of the Board consisting of three (3) members to assist the Board in formulation measures policy for determining qualifications, positive attributes, experiences and independence of director and top level executives.

The Nomination and Remuneration Committee shall assist the Board in formulation of the nomination criteria for a policy for formal process of considering remuneration of directors and top level executives

#### **MEMBERS OF NOMINATION & REMUNERATION COMMITTEE**

The Board has established a committee of the Board known as the Nomination & Remuneration Committee

#### **CONSISTING OF THREE (3) MEMBERS TO ASSIST THE BOARD**

Chairman	-Md. Monirujjaman.
Members	-Mrs. Sayeda Huq.
	-Md. Mizanur Rahman
In attendance	-Chairman -Managing Director -External Advisers – by invitation -Any Non-Executive Director shall be entitled to attend the Committee's meetings.
Secretary	-Mohi Uddin QCS, Company 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, 2019 were 1(one).

#### **MAINTAINING A WEBSITE**

The company has been maintaining an official website [www.indo-banglapharma.com](http://www.indo-banglapharma.com) which is linked with the website of the stock exchange.

#### **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.

#### **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.