

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

“Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”

PUBLIC ISSUE OF 20,000,000 ORDINARY SHARES

ISSUE DATE OF THE PROSPECTUS: March 13, 2018

OFFER PRICE TK. 10.00 EACH AT PAR  
TOTAL SIZE OF FUND TO BE RAISED TK. 200,000,000.00

**Opening and closing date of subscription:**

Opening date of subscription: April 08, 2018

Closing date of subscription: April 18, 2018

## PROSPECTUS

**Name of Issuer:**



**Indo-Bangla Pharmaceuticals Limited**

**Name of Issue Managers:**



**AFC Capital Limited**



**EBL Investments Limited**

&



**CAPM Advisory Limited**

**(a) Preliminary Information and Declarations:**

- (i) Name(s), address(s), telephone number(s), web address(s), e-mail(s), fax number(s) and contact persons of the issuer, issue manager(s), underwriter(s), auditors, credit rating company and valuer, where applicable;

| <b>Issuer</b>   |   |  |
|---|---|--|
| <b>Name &amp; Address</b>   | <b>Telephone &amp; Fax Number, E-mail, Web Address</b>  | <b>Contact Person</b>  |
| <b>Indo-Bangla Pharmaceuticals Limited (IBPL)</b><br>729, College Road, Barisal Sadar, Barisal-8200.                        | Tel: +88-04-3161028<br>Fax: +88-04-312174977<br>Email: info@indo-banglapharma.com<br>Web: www.indo-banglapharma.com | <b>Md. Faruque Hossain</b><br>Chief Financial Officer              |
| <b>Issue Managers</b>   |   |  |
| <b>Name &amp; Address</b>   | <b>Telephone &amp; Fax Number, E-mail, Web Address</b>  | <b>Contact Person</b>  |
| <b>AFC Capital Limited</b><br>Saiham Sky View Tower (11 <sup>th</sup> Floor),<br>45 Bijoy Nagar, Dhaka-1000.                | Tel: +88-02-8392371<br>Fax: +88-02-8392372<br>Email: capital.afc@gmail.com<br>Web: www.afcl.asia                    | <b>Mahbub H. Mazumdar FCMA</b><br>Chief Executive                  |
| <b>EBL Investments Limited</b><br>59 Motijheel C/A, 1 <sup>st</sup> Floor, Dhaka-1000.                                      | Tel: +88-02-7118975<br>Fax: +88-02-7120251<br>E-mail: info@eblinvestments.com<br>Web: www.eblinvestments.com        | <b>Pankaj Kumar Mutsuddi</b><br>Managing Director (Current Charge) |
| <b>CAPM Advisory Limited</b><br>Tower Hamlet (9 <sup>th</sup> Floor)<br>16, Kemal Ataturk Avenue<br>Banani C/A, Dhaka-1213. | Tel: +88-02-9822391-2<br>Fax: +88-02-9822393<br>E-mail: contact@capmadvisorybd.com<br>Web: www.capmadvisorybd.com   | <b>Tania Sharmin</b><br>Managing Director & CEO                    |
| <b>Underwriters</b>   |   |  |
| <b>Name &amp; Address</b>   | <b>Telephone &amp; Fax Number, E-mail, Web Address</b>  | <b>Contact Person</b>  |
| <b>AFC Capital Limited</b><br>Saiham Sky View Tower (11 <sup>th</sup> Floor),<br>45 Bijoy Nagar, Dhaka-1000.                | Tel: +88-02-8392371<br>Fax: +88-02-8392372<br>Email: abparvez_afcl@yahoo.com<br>Web: www.afcl.asia                  | <b>Md. Abul Bashar Parvez</b><br>Deputy Manager                    |
| <b>EBL Investments Limited</b><br>59 Motijheel C/A, 1 <sup>st</sup> Floor, Dhaka-1000.                                      | Tel: +88-02-7118975<br>Fax: +88-02-7120251<br>E-mail: pankaj@eblinvestments.com<br>Web: www.eblinvestments.com      | <b>Pankaj Kumar Mutsuddi</b><br>Managing Director (Current Charge) |

|   |  |  |
|---|--|--|
| <b>NBL Capital and Equity Management Limited</b><br>Printers Building (8 <sup>th</sup> Floor),<br>5 Rajuk Avenue, Dhaka-1000. | Tel: +88-02-7118974<br>Fax: +88-02-7118840<br>E-mail: knaher@gmail.com<br>Web: www.nblceml.com                   | <b>Kamrun Naher</b><br>Chief Executive Officer |
| <b>Janata Capital and Investment Limited</b><br>48, Motijheel (3 <sup>rd</sup> Floor), Dhaka-1000                             | Tel: +88-02-7114375<br>Fax: +88-02-7110496<br>E-mail: info@jcil.com.bd<br>Web: www.jcil-bd.com                   | <b>Dina Ahsan</b><br>Chief Executive Officer   |
| <b>Auditor</b>  |  |  |
| <b>Name &amp; Address</b>   | <b>Telephone &amp; Fax Number, E-mail, Web Address</b>   | <b>Contact Person</b>                          |
| <b>Mahfel Huq &amp; Co.</b><br>Chartered Accountants<br>BGIC Tower (4 <sup>th</sup> Floor), 34, Topkhana Road Dhaka-1000.     | Tel: +88-02-9553143, +88-02-9581786<br>Fax: +88-02-9571005<br>E-mail: mh@mahfelhuq.com<br>Web: www.mahfelhuq.com | <b>Md. Abul Kalam</b><br>Manager               |

The Company has no involvement with Credit Rating Company and Valuer.

(ii) A person interested to get a prospectus may obtain from the issuer and the issue managers.

(iii) "If you have any query about this document, you may consult the issuer, issue manager and underwriter"

(iv) "CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE OR OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY (IF ANY)."

**(v) 'Risks in relation to the First Issue'**

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 10.00 (Ten) and the issue price is Tk. 10.00(Ten) each i.e. the face value. The issue price has been determined and justified by the issuer and the issue managers as stated under the paragraph on "justification of issue price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

**(vi) 'General Risk'**

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 145-153"

**(vii) 'Indo-Bangla Pharmaceuticals Limited's Absolute Responsibility'**

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus contains all material information with regard to the issuer and the issue, that the information contained in the prospectus are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

(b) Availability of Prospectus

- (i) Names, addresses, telephone numbers, fax numbers, website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus and abridged version of prospectus are available in hard and soft forms;

The Prospectus and abridged version prospectus in hard and soft forms of the Company shall be obtained from the following addresses:

| <b>Issuer</b>   |   |  |
|---|---|--|
| <b>Name &amp; Address</b>   | <b>Telephone &amp; Fax Number, E-mail, Web Address</b>  | <b>Contact Person</b>  |
| <b>Indo-Bangla Pharmaceuticals Limited (IBPL)</b><br>729, College Road, Barisal Sadar, Barisal-8200.            | Tel: +88-04-3161028<br>Fax: +88-04-312174977<br>Email: info@indo-banglapharma.com<br>Web: www.indo-banglapharma.com | <b>Md. Faruque Hossain</b><br>Chief Financial Officer              |
| <b>Issue Managers</b>   |   |  |
| <b>Name &amp; Address</b>   | <b>Telephone &amp; Fax Number, E-mail, Web Address</b>  | <b>Contact Person</b>  |
| <b>AFC Capital Limited</b><br>Saiham Sky View Tower (11th Floor),<br>45 Bijoy Nagar, Dhaka-1000.                | Tel: +88-02-8392371<br>Fax: +88-02-8392372<br>Email: capital.afc@gmail.com<br>Web: www.afcl.asia                    | <b>Mahbub H. Mazumdar FCMA</b><br>Chief Executive                  |
| <b>EBL Investments Limited</b><br>59 Motijheel C/A, 1st Floor, Dhaka-1000.                                      | Tel: +88-02-7118975<br>Fax: +88-02-7120251<br>E-mail: info@eblinvestments.com<br>Web: www.eblinvestments.com        | <b>Pankaj Kumar Mutsuddi</b><br>Managing Director (Current Charge) |
| <b>CAPM Advisory Limited</b><br>Tower Hamlet (9th Floor)<br>16, Kemal Ataturk Avenue<br>Banani C/A, Dhaka-1213. | Tel: +88-02-9822391-2<br>Fax: +88-02-9822393<br>E-mail: contact@capmadvisorybd.com<br>Web: www.capmadvisorybd.com   | <b>Tania Sharmin</b><br>Managing Director & CEO                    |
| <b>Stock Exchanges</b>  |   |  |
| <b>Name &amp; Address</b>   | <b>Telephone &amp; Fax Number, E-mail, Web Address</b>  | <b>Contact Person</b>  |
| <b>Dhaka Stock Exchange Limited</b><br>DSE Library, 9/F Motijheel C/A, Dhaka-1000                               | 9564601, 9576210-18<br>Fax: +88-02-9564727, +88-02-9569755<br>E-mail: research@dsebd.org<br>Web: www.dsebd.org      | <b>Afzalur Rahaman</b><br>Manager                                  |

|   |   |   |
|---|---|---|
| <b>Chittagong Stock Exchange Limited</b><br>CSE Library,<br>CSE Building, 1080, Sheikh Mujib Road Agrabad,<br>Chittagong- 4100. | Tel: 031-714632-3<br>Fax: 031-714101<br>E-mail: jabed@cse.com.bd<br>Web: www.cse.com.bd | <b>Mohammed Javed Sarwar</b><br>Assistant Manager |
|---|---|---|

Prospectus would also be available on the web sites of BSEC (www.secbd.org) and at the Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

**(ii) Names and dates of the newspapers where abridged version of prospectus was published.**

Names and dates of the newspapers where abridged version of prospectus was published:

| Sl. No. | Name of the Newspaper | Date of Publication |
|---------|-----------------------|---------------------|
| 1       | The Financial Express | March 13, 2018      |
| 2       | The Independent       |                     |
| 3       | Bonik Barta           |                     |
| 4       | Samakal               |                     |

### (iii) Definitions and Acronyms or Elaborations

|  |   |
|--|---|
| <b>A</b>   |   |
| “Articles” or “Articles of Association” or “AoA” | The Articles of Association of Indo-Bangla Pharmaceuticals Limited, as amended  |
| AFCCCL   | AFC Capital Limited   |
| AGM  | Annual General Meeting  |
| Allotment  | Letter of Allotment of shares   |
| <b>B</b>   |   |
| “Board” or “Board of Directors” or “our Board”   | The Board of Directors of Indo-Bangla Pharmaceuticals Limited, as duly constituted from time to time including any committees thereof |
| B.Com  | Bachelor of Commerce  |
| B.SC   | Bachelor of Science   |
| BAS  | Bangladesh Accounting Standards   |
| BDT  | Bangladeshi Taka  |
| BFRS   | Bangladesh Financial Reporting Standards  |
| BO A/C   | Beneficiary Owner's Account   |
| BSEC   | Bangladesh Securities and Exchange Commission   |
| <b>C</b>   |   |
| CAPMAL   | CAPM Advisory Limited   |
| CDBL   | Central Depository Bangladesh Limited   |
| Certificate                                      | Share Certificate   |
| CFO  | Chief Financial Officer   |
| CIB  | Credit Information Bureau   |
| Commission                                       | Bangladesh Securities and Exchange Commission   |
| CSE  | Chittagong Stock Exchange Limited   |
| <b>D</b>   |   |
| DSE  | Dhaka Stock Exchange Limited  |
| <b>E</b>   |   |
| Email  | Electronic Mail   |
| EPS  | Earnings Per Share  |
| ETP  | Effluent Treatment Plant  |
| Exchanges  | Stock Exchanges   |
| <b>F</b>   |   |
| FC A/C   | Foreign Currency Account  |
| FDD  | Foreign Demand Draft  |
| FDR  | Fixed Deposit Receipt   |
| <b>G</b>   |   |
| GBP  | Great Britain Pound   |
| <b>I</b>   |   |
| IBPL   | Indo-Bangla Pharmaceuticals Limited   |
| IMS  | Intercontinental Marketing Services (an USA based healthcare market surveyor entity)  |
| IPO  | Initial Public Offering   |

|  |  |
|--|--|
| Issue  | Public Issue of shares   |
| Issue Managers                                       | AFC Capital Limited, EBL Investments Limited & CAPM Advisory Limited                               |
| Issuer   | Indo-Bangla Pharmaceuticals Limited  |
| <i>L</i>   |  |
| L/C  | Letter of Credit   |
| <i>M</i>   |  |
| “Memorandum” or “Memorandum of Association” or “MoA” | The Memorandum of Association of Indo-Bangla Pharmaceuticals Limited, as amended                   |
| M.Com  | Master of Commerce   |
| MS-Word  | Microsoft word   |
| <i>N</i>   |  |
| NAV  | Net Asset Value  |
| NBFI   | Non-Banking Financial Institution  |
| NRB  | Non-Resident Bangladeshi   |
| <i>O</i>   |  |
| “Our Company”  | Indo-Bangla Pharmaceuticals Limited, a public limited company incorporated under the Companies Act |
| Offering Price                                       | Price of the Securities of IBPL  |
| <i>P</i>   |  |
| PE   | Price to Earnings  |
| PSI  | Pre Shipment Inspection  |
| <i>R</i>   |  |
| RJSC   | Registrar of Joint Stock Companies and Firms   |
| <i>S</i>   |  |
| Securities   | Share of Indo-Bangla Pharmaceuticals Limited   |
| Securities Market                                    | The Share Market of Bangladesh   |
| Sponsors   | The sponsor shareholders of Indo-Bangla Pharmaceuticals Limited                                    |
| STD A/C  | Short Term Deposit Account   |
| Stock Holder   | Share Holder   |
| Subscription   | Application Money  |
| <i>T</i>   |  |
| The Company/Issuer                                   | Indo-Bangla Pharmaceuticals Limited, a public limited company incorporated under the Companies Act |
| TT   | Telephonic Transfer  |
| <i>U</i>   |  |
| UK Pound   | United Kingdom Pound   |
| USD  | United States Dollar   |
| <i>V</i>   |  |
| VAT  | Value Added Tax  |
| <i>W</i>   |  |
| WDV  | Written Down Value   |

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## CHAPTER (I): EXECUTIVE SUMMARY

### (a) About the industry:

The Pharmaceutical sector is one of the most developed among the manufacturing industries in Bangladesh although it is still small compared to other comparable sectors. The increase in awareness about healthcare, higher income and increasing government expenditure have resulted in higher demand for medicine.

The Drug Policy of 1982 has helped the industry grow by 65 times from BDT 1730 million to BDT 113 billion now, according to IMS report of 2014. In 2000 there were 173 active and licensed allopathic drug-manufacturing units in the country, while the figure now stands at 300 now.

According to the Directorate General of Drug Administration (DGDA), there are currently 200 active allopathic companies in Bangladesh. About 22,000 brands of drugs are sold which cover 1500 types of medication. There are 1495 wholesale drug license holders and about 37700 retail drug license holders. The industry meets 98% of the demand for medication in the country and can be considered to be self-sufficient.

The sector employs 1,15,000 workers and between 2013 and 2014, the growth stood around 11.37%. According to IMS Health, annual pharmaceutical sales in the local market may reach BDT 160 billion within 2018.

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. The growth in exports has averaged over 10% from 2010 to 2014. In 2015, the exports were over \$ 41.17 million. Pharmaceutical companies are trying to export to regulated, unregulated and moderately regulated markets. The domestic market is highly concentrated and competitive. The local manufacturers dominate the industry capturing market share of 90%. While the multinationals cater to the remaining demand.

Source: <http://www.lightcastlebd.com/blog/2015/12/market-insight-how-the-bangladesh-pharmaceutical-sector-is-performing-in-2015>

### (b) About the Issuer:

|   |  |                                      |
|---|--|--------------------------------------|
| <b>Incorporation</b>                        | As Private Limited Company   | June 18, 2014 & Reg. no. C-116665/14 |
| <b>Converted Public Limited Company</b>     | 21-Oct-14  |                                      |
| <b>Commencement of Commercial Operation</b> | 18-Jun-2014  |                                      |
| <b>Factory &amp; Registered Office</b>      | 729, College Road, Barisal Sadar, Barisal-8200.  |                                      |
| <b>Corporate Office</b>                     | Plot No. # 183 (6 <sup>th</sup> Floor), Block # B, Ahmed Akbar Sobhan Road, Bashundhara R/A, Baridhara, Dhaka-1229.  |                                      |
| <b>Nature of Business</b>                   | The Company is engaged in 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. |                                      |

**(c) Financial Information:**

Major financial information of Indo-Bangla Pharmaceuticals Limited (IBPL) is as follows:

| <b>Sl. No.</b> | <b>Particulars</b>       | <b>30-Jun-16</b> | <b>30-Jun-15</b> |
|----------------|--------------------------|------------------|------------------|
| 1              | Net Sales Revenue        | 444,777,724      | 435,024,108      |
| 2              | Gross profit             | 182,248,732      | 177,140,449      |
| 3              | Net profit before tax    | 90,807,238       | 92,629,642       |
| 4              | Net profit after tax     | 59,024,705       | 60,209,267       |
| 5              | Total assets             | 945,378,813      | 383,019,532      |
| 6              | Share capital            | 730,000,000      | 99,000,000       |
| 7              | Retained earnings        | 119,233,972      | 60,209,267       |
| 8              | No. of Shares            | 73,000,000       | 9,900,000        |
| 9              | Face Value               | 10.00            | 10.00            |
| 10             | NAV Per Share            | 11.63            | 16.08            |
| 11             | Earnings per Share (EPS) | 2.62             | 6.40             |

**(d) Features of the issue and its objects:**

|                                |  |
|--------------------------------|--|
| <b>Offer Price</b>             | BDT 10.00  |
| <b>Number of Shares</b>        | 20,000,000 Ordinary Shares   |
| <b>Offer Size</b>              | Tk. 200,000,000.00   |
| <b>Purpose of Raising Fund</b> | Proceeds from Initial Public Offering (IPO) will be used for Construction and other civil works, for procuring machineries and for IPO Expenses. |
| <b>Date of Implementation</b>  | Within 18 months after receiving IPO fund  |

**(e) Legal and other Information:**

| <b>SL</b> | <b>Name of Certificate/license/Registration/ NOC</b> | <b>License Issuer/Issuing Authority</b>                 | <b>Certificate/License No.</b>                           | <b>Expiry Date</b> | <b>Remarks</b>                         |
|-----------|--|---|--|--------------------|--|
| 1         | Incorporation  | RJSC  | Private Limited Company dated June18, 2014 & C-116665/14 | N/A                | -                                      |
| 2         | Certificate of Commencement of Business              | RJSC  | N/A  | N/A                | Incorporated as a private Ltd. company |
| 3         | Trade License  | Barisal City Corporation                                | 01473  | 30-06-18           | -                                      |
| 4         | TIN Certificate                                      | National Board of Revenue                               | 681332543219   | N/A                | -                                      |
| 5         | VAT Reg. No.   | Customs, Excise & VAT Commissioner ate, Barisal         | 15101029766  | -                  | -                                      |
| 6         | Import Registration Certificate                      | Controller of Import & Export, Government of Bangladesh | BA- 22 27040   | 30-06-18           | -                                      |
| 7         | Drugs License  | Drug Administration of Bangladesh                       | 13   | 25-06-18           | -                                      |
| 8         | Fire License   | Bangladesh Fire Services and Civil Defense              | Bari/1439/99   | 30-06-18           | -                                      |
| 9         | Environment Clearance Certificate                    | Department of Environment                               | 316/2005/682   | 23-08-18           | -                                      |
| 10        | Factory License                                      | Factory and Organization Inspection Authority, Barisal  | 116/Bari   | 30-06-18           | -                                      |
| 11        | BCCI   | The Barisal Chamber of Commerce & Industry              | 159  | 30-06-18           | -                                      |
| 12        | ISO 9001:2008  | Bureau of Assessment Services                           | 010160003  | 15-09-18           | -                                      |
| 13        | BAPI   | Bangladesh Association of Pharmaceutical Industries     | BASS/MD-2018/68  | 31-12-18           | -                                      |
| 14        | Acid License   | Barisal District Administrator                          | 10/2004  | 30-06-18           | -                                      |
| 15        | Madok License  | Narcotics Control Bureau of Bangladesh                  | 01/2009/2013   | 30-06-18           | -                                      |

**(f) Promoters' background:**

There is no definition of promotor in Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and amendments to the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. Sponsor means any person whose name appears as subscriber to the Memorandum and Articles of Association of a company.

When the Company was incorporated, following persons were the subscribers to the memorandum:

| Sl. No. | Name of subscribers to the memorandum |
|---------|---------------------------------------|
| 1       | A F M Anowarul Huq                    |
| 2       | Aysha Siddika                         |
| 3       | Aziza Yeasmin                         |
| 4       | Hafiza Yeasmin                        |
| 5       | Md. Bellal Khan                       |
| 6       | Md. Amin-Ur-Rashid                    |

Their background is stated below:

**A F M Anowarul Huq**

AFM Anowarul Huq, S/O- Late Azizul Huq, Address: 729, College Road, Barisal Sadar, Barisal-8200. He completed B. Sc, M.Sc. (Chemistry) and LLB degree from National University. Mr. A F M Anowarul Huq is the Managing Director of Indo-Bangla Pharmaceuticals Ltd. and he has 19 years of Professional experience on Pharmaceuticals. He is also member of Barisal Chamber of Commerce.

**Aysha Siddika**

Ayesh Siddika, W/O- AFM Anowarul Huq, Address: 729, College Road, Barisal Sadar, Barisal-8200. She was the former Chairman of Indo-Bangla Pharmaceuticals Ltd. She completed M.A and engaged with Business with her husband as a promoter.

**Aziza Yeasmin**

Aziza Yeasmin, W/O- Khandakar Mustafizur Rahman, Address: Police Line Sharak, Maitha, Barguna-8700. She is the Chairman of Indo-Bangla Pharmaceuticals Ltd. She completed Bachelor of Arts degree from National University.

**Hafiza Yeasmin**

Hafiza Yeasmin, W/O- Md. Moniruzzaman, Address: Kazi Para, Begumgonj, Noakhali. She completed PHD on Rural People Development from University of Copenhagen (Denmark) dated August 06, 2011. After coming back from Denmark, she involved in Indo-Bangla Pharmaceuticals Ltd. as Director.

**Md. Bellal Khan**

Md. Bellal Khan, S/O- Late Abdus Sobhan Khan, Address: House No # 271, Blessed Hill Residence (6B), Road No-07, Block-I, Bashundhara R/A, Dhaka-1229. He completed his BA (Honors), M.Sc. (Statistics).

**Md. Amin-Ur-Rashid**

Md. Amin-Ur-Rashid, S/O- Late Harun-Ur- Rashid, Address: Akon Bari, 453, West Chandkathi, Jhalokathi. He completed his B. Sc (Botani), M.Sc., MBA, L.L.B from National University. In 2001, he started his business carrier and involved with Indo-Bangla Pharmaceuticals Limited. He has 17 years of professional experience of Pharmaceutical manufacturing industry.

**(g) Capital structure and history of capital raising:**

| Particulars                       | No. of Shares     | Face Value (Tk.) | Amount in Taka     |
|-----------------------------------|-------------------|------------------|--------------------|
| Authorized Capital                | 100,000,000       | 10.00            | 1,000,000,000      |
| <b>Before IPO:</b>                |                   |                  |                    |
| Paid up capital                   | 73,000,000        | 10.00            | 730,000,000        |
| <b>After IPO:</b>                 |                   |                  |                    |
| To be issued as IPO               | 20,000,000        | 10.00            | 200,000,000        |
| <b>Paid up capital (Post IPO)</b> | <b>93,000,000</b> | <b>10.00</b>     | <b>930,000,000</b> |

The Company has raised its paid-up capital in following phases:

| Particulars of Allotment  | Date of Allotment | Form of Consideration (No. of Shares) |                    |          | Face Value of Share (Tk.) | Paid-up Capital    |
|---|-------------------|---------------------------------------|--------------------|----------|---------------------------|--------------------|
|   |                   | In cash                               | Other than in cash | Bonus    |                           |                    |
| First (Subscription to the Memorandum & Articles of Association at the time of incorporation) | 18-Jun-14         | 100,000                               | -                  | -        | 10.00                     | 1,000,000          |
| Second Allotment  | 07-Jul-14         | -                                     | 9,800,000          | -        | 10.00                     | 98,000,000         |
| Third Allotment   | 06-Aug-15         | 10,000,000                            | -                  | -        | 10.00                     | 100,000,000        |
| Fourth Allotment  | 06-Jun-16         | 53,100,000                            | -                  | -        | 10.00                     | 531,000,000        |
| <b>Total</b>  |                   | <b>63,200,000</b>                     | <b>9,800,000</b>   | <b>-</b> | <b>10.00</b>              | <b>730,000,000</b> |

**(h) Summary of Valuation Report of Securities:**

| Particulars   | Amount (in Tk.) |
|---|-----------------|
| <b>Method 1: Net Asset Value (NAV) per share/Equity based value per share</b> |                 |
| Price based on Net Asset Value per share (without revaluation reserve)        | 11.63           |
| <b>Method 2: Historical Earnings based value per share</b>                    |                 |
| Earnings based Value per share based on Overall Market P/E                    | 13.04           |
| <b>Method 3: Average market price per share of similar stocks:</b>            | <b>279.49</b>   |

## **CHAPTER (II): CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER**

### **DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM:**

As per provisions of the Depository Act, 1999 and regulations made there under, share of the Company will be issued in dematerialized form only and for this purpose Indo-Bangla Pharmaceuticals Limited will sign an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers, transmissions, splitting or conversions will take place on the Central Depository Bangladesh Limited system and any further issuance of shares (including rights and bonus) will also be issued in dematerialized form only.

### **CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969:**

#### **PART-A**

1. The Company shall go for Initial Public Offer (IPO) for 2,00,00,000 ordinary shares of Tk. 10.00 each at par totaling to **Tk. 20,00,00,000.00 (Taka Twenty Crore) only** following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act, 1999 and rules made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **2 (two) working days** of issuance of this consent letter. The issuer shall post the full prospectus, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within **3 (three) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in "MS -Word" format.
3. The company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
4. The issuer company and the issue manager shall ensure transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper. A compliance report shall be submitted in this respect to the Commission jointly by the issuer and the Issue Manager within **2 (Two) working days** from the date of said transmission of the prospectus.
5. The following declaration shall be made by the company in the prospectus, namely: -

#### **"Declaration about Listing of Shares with the stock exchange (s):**

None of the stock exchange(s), if for any reason, grants listing within **75 (Seventy Five) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **75 (Seventy Five) days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (two percent)** above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within **7 (Seven) days** of expiry of the aforesaid **15 (Fifteen) days'** time period allowed for refund of the subscription money.”

6. All applicants shall apply for minimum market lot of 500 shares worth Taka 5,000/- (Taka five thousand only) or its multiples.
7. The IPO shall stand cancelled in case of under-subscription in any category above 35%. In such an event, the issuer and issue manger shall inform the Commission **within 2 (two) working days** and release the subscription money **within 10 (ten) working days** after receiving verification report from CDBL and the information from exchanges regarding subscription.
8. **20% of the securities reserved for other general public shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী.** In case of under-subscription under any of sub-categories of eligible investor's category or general public category, the unsubscribed portion shall be added to other sub-category of the same category. In case of over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery. In case of over subscription in the eligible investor's category, securities shall be allotted on pro-rata basis. No eligible investors shall apply for more than **2% (two percent)** of the total securities reserved for the other eligible investors.
9. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money.**
11. **Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.**
12. The company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
13. Shares not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 10% or more shares, other than alternative investment funds, through stock dividends, shall be subject to a lock-in period of **02(two) years** from the date of issuance of the prospectus.

14. If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and shall remain in lock-in under CDBL system and issuer shall submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.
15. The company shall not declare any dividend/bonus shares before listing of its capital with any Exchange from the date of this consent for raising of capital.
16. The company shall not engage itself into any merger/amalgamation or acquisition activities without taking “No Objection” from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting.

## PART-B

### Application Process

#### **Step-1 (Applicant)**

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
  - a. Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
  - b. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains Foreign Currency account debiting the same account **and provide the customer with a certificate mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with their application.** No banker shall issue more than two drafts from any Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

- c. Eligible investors shall submit application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by the exchange(s).

### **Step-2 (Intermediary)**

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
  - a. post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
  - b. accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of **next working day** of the cut-off date;
  - c. instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category-wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts **and certificates** received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts **and certificates** submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

### **Step-3 (Issuer)**

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.

10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites within **06 (six) hours** and on the websites of the Commission and Exchanges within **12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
  - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
  - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
  - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
  - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

#### **Step-4 (Intermediary)**

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
  - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
  - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
  - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;

- b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account **(FC account which has been debited to apply by NRB or foreign applicants)** through banking channel within 10 (ten) working days from the date of lottery.

**Miscellaneous:**

20. The Issuer, Issue Manager, Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

## PART-C

1. The issue manager shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the stock exchanges concerned. In this regard, the issue manager shall submit a compliance report to the Commission within 5 working days from the date of such publications.
2. The fund collected through Public Offering shall not be utilized prior to listing with Exchange(s) and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
3. **The company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report in its websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.**
4. While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:
  - (a) Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;
  - (b) Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;
  - (c) Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;
  - (d) Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and
  - (e) The auditors should also confirm that:(i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.
5. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers.
6. Proceeds of the public offering shall not be transferred to any other bank account before listing with the Exchange(s). The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. Any deviation in respect of time or purpose of utilization must have prior approval of the shareholders in the general meeting and if approved by the shareholders, the meeting resolution shall be submitted to the Commission and the Exchanges along with reasonable explanations.

7. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and Rules 13 of the Securities and Exchange Rules, 1987.
8. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

#### **PART-D**

1. As per provision of the Depository Act, 1999 & Regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.
2. The issuer and the issue manager shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015' and the listing regulations of the exchanges.
3. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

## CHAPTER (III): DECLARATION AND DUE DILIGENCE CERTIFICATES

*Annexure-A*

### **DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING THE CEO OF THE ISSUER IN RESPECT OF THE PROSPECTUS**

#### [Rule 4 (1)(d)]

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this prospectus to enable the investors to make a well-informed decision for investment.

Sd/-

**Aziza Yeasmin**  
Chairman

Sd/-

**A F M Anowarul Huq**  
Managing Director & Director

Sd/-

**Hafiza Yeasmin**  
Director

Sd/-

**Md. Amin-Ur-Rashid**  
Director

Sd/-

**Sayedra Huq**  
Director

Sd/-

**Fatima Parvin**  
Director

Sd/-

**Mst. Shahanaz Akter**  
Director

Sd/-

**Md. Mizanur Rahman**  
Director

Sd/-

**Investment Corporation of Bangladesh**  
**Represented by Md. Golam Rabbani**  
Director

Sd/-

**S.M. Harun Or Rashid**  
Independent Director

Sd/-

**Md. Monirujjaman**  
Independent Director

Sd/-

**Md. Firoz Khan**  
Independent Director

Date: October 17, 2017

**DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER**  
**(AFC CAPITAL LIMITED)**

**[Rule 4 (1)(d)]**

**To**  
**The Bangladesh Securities and Exchange Commission**

**Sub:** Public Issue of 20,000,000 Ordinary Shares of Tk. 200,000,000.00 by Indo-Bangla Pharmaceuticals Limited.

**Dear Sir,**

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

**WE CONFIRM THAT:**

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;

- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;

(k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

| Serial. No. | Name of the Issue                             | Issue Month/Year | Issue Price (Tk.) | Dividend Payment History |           |           |           |           |                 |           |           |             |
|-------------|---|------------------|-------------------|--------------------------|-----------|-----------|-----------|-----------|-----------------|-----------|-----------|-------------|
|             |   |                  |                   | 30-Jun-12                | 31-Dec-12 | 30-Jun-13 | 31-Dec-13 | 30-Jun-14 | 31-Dec-14       | 30-Jun-15 | 31-Dec-15 | 30-Jun-16   |
| 1           | Global Heavy Chemicals Limited                | Oct-12           | 20.00             | N/A                      | 15% C     | N/A       | 10% C     | N/A       | 10% C           | N/A       | N/A       | 15% C       |
| 2           | Mozaffar Hossain Spinning Mills Limited       | Sep-13           | 10.00             | -                        | N/A       | -         | N/A       | 25% B     | N/A             | 20% B     | N/A       | 5% C        |
| 3           | Tung Hai Knitting & Dyeing Limited            | Apr-14           | 10.00             | N/A                      | -         | N/A       | 10% B     | N/A       | 10% B           | N/A       | N/A       | 10% B       |
| 4           | Khan Brothers PP Woven Bag Industries Limited | Jun-14           | 10.00             | -                        | N/A       | -         | N/A       | 10% B     | N/A             | 15% B     | N/A       | 11% B       |
| 5           | C & A Textiles Limited                        | Sep-14           | 10.00             | -                        | N/A       | -         | N/A       | 11% B     | N/A             | 12% B     | N/A       | 10% B       |
| 6           | Shasha Denims Limited                         | Nov-14           | 35.00             | N/A                      | -         | N/A       | -         | N/A       | 20% C,<br>15% B | N/A       | N/A       | 25% C       |
| 7           | Simtex Industries Limited                     | Jul-15           | 20.00             | -                        | N/A       | -         | N/A       | -         | N/A             | -         | N/A       | 20% C, 2% B |
| 8           | Pacific Denims Limited                        | Aug-16           | 10.00             | N/A                      | -         | N/A       | -         | N/A       | -               | N/A       | -         | -           |

*Note: B refers to Bonus/Stock Dividend; C refers to Cash Dividend.*

**Place:** Dhaka

**Date:** June 20, 2017

Sd/-  
**Mahbub H. Mazumdar FCMA**  
 Chief Executive  
**AFC Capital Limited**

**DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER**  
**(EBL INVESTMENTS LIMITED)**

[Rule 4 (1)(d)]

To

**The Bangladesh Securities and Exchange Commission**

**Sub:** Public Issue of 20,000,000 Ordinary Shares of Tk. 200,000,000.00 by Indo-Bangla Pharmaceuticals Limited.

**Dear Sir,**

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

**WE CONFIRM THAT:**

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;

- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

| Sl. | Name of the Issue            | Issue Month/Year | Issue Price (Tk.) | Dividend payment history |       |
|-----|------------------------------|------------------|-------------------|--------------------------|-------|
|     |                              |                  |                   | 2016                     |       |
|     |                              |                  |                   | Cash                     | Bonus |
| 1   | Nurani Dyeing & Sweater Ltd. | March/2017       | 10.00             | -                        | -     |

**Place:** Dhaka  
**Date:** June 20, 2017

Sd/-  
**Moinul Hossain Asif**  
 Managing Director  
**EBL Investments Limited**

**DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER**  
**(CAPM ADVISORY LIMITED)**

**[Rule 4 (1)(d)]**

**To**  
**The Bangladesh Securities and Exchange Commission**

**Sub:** Public Issue of 20,000,000 Ordinary Shares of Tk. 200,000,000.00 by Indo-Bangla Pharmaceuticals Limited.

**Dear Sir,**

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

**WE CONFIRM THAT:**

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;

- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

| Sl. | Name of the Issue            | Issue Month/Year | Issue Price (Tk.) | Dividend payment history |       |      |       |
|-----|------------------------------|------------------|-------------------|--------------------------|-------|------|-------|
|     |                              |                  |                   | 2015                     |       | 2016 |       |
|     |                              |                  |                   | Cash                     | Bonus | Cash | Bonus |
| 1   | Olympic Accessories Limited  | February/2015    | 10.00             | 5%                       | 7%    | -    | 12%   |
| 2   | Nurani Dyeing & Sweater Ltd. | March/2017       | 10.00             | -                        | -     | -    | -     |

For the Issue Manager

Sd/-

**Tania Sharmin**  
 Managing Director & CEO  
 CAPM Advisory Limited

Place: Dhaka  
 Date: June 20, 2017

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER**  
**(AFC CAPITAL LIMITED)**

**[Rule 4 (1)(d)]**

To

**The Bangladesh Securities and Exchange Commission**

**Sub:** Public Offer of 20,000,000 Ordinary Shares of Tk. 200,000,000.00 by Indo-Bangla Pharmaceuticals Limited.

**Dear Sir,**

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 130,000,000.00 (Thirteen Crore only) and we have the capacity to underwrite a total amount of Tk. 650,000,000.00 (Sixty-Five Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 17,500,000.00 (One Crore Seventy Five Lac) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

| <b>Sl.</b>   | <b>Name of the Company</b>        | <b>Amount Underwritten (TK.)</b> |
|--------------|-----------------------------------|----------------------------------|
| 1            | Nurani Dyeing & Sweater Limited   | 75,250,000                       |
| 2            | STS Holdings Limited              | 60,800,000                       |
| 3            | Intraco Refueling Station Limited | 20,000,000                       |
| 4            | Bashundhara Paper Mills Limited   | 50,000,000                       |
| 5            | Saif Powertec Limited             | 250,000,000                      |
| 6            | IFIC Bank Limited                 | 50,000,000                       |
| 7            | Index Agro Industries Limited     | 70,000,000                       |
| <b>Total</b> |                                   | <b>576,050,000</b>               |

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

Sd/-

**Mahbub H. Mazumdar FCMA**

Chief Executive

AFC Capital Limited

Place: Dhaka

Date: September 25, 2016

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER**  
**(EBL INVESTMENTS LIMITED)**

**[Rule 4 (1)(d)]**

**To**

**The Bangladesh Securities and Exchange Commission**

**Sub:** Public Offer of 20,000,000 Ordinary Shares of Tk. 200,000,000.00 by Indo-Bangla Pharmaceuticals Limited.

**Dear Sir,**

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 300,000,000.00 (Three Hundred million only) and we have the capacity to underwrite a total amount of Tk. 1,500,000,000.00 (Fifteen Hundred Million) as per relevant legal requirements. We have committed to underwrite for up to Tk. 17,500,000.00 (Seventeen point Five Million) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

| <b>Sl. No.</b> | <b>Name of The Company</b>          | <b>Amount Underwritten (in Tk.)</b> |
|----------------|-------------------------------------|-------------------------------------|
| 1.             | Pacific Denims Limited              | 75,000,000                          |
| 2.             | SBS Cables Ltd.                     | 41,922,000                          |
| 3.             | ADN Telecom Limited                 | 38,700,000                          |
| 4.             | IDLC Finance Ltd                    | 50,000,000                          |
| 5.             | Nurani Dyeing & Sweater Limited     | 75,250,000                          |
| 6.             | Silco Pharmaceuticals Limited       | 26,250,000                          |
| 7.             | STS Holdings Ltd.                   | 20,000,000                          |
| 8.             | Dhaka Regency Hotel and Resort Ltd. | 21,000,000                          |
| 9.             | Intraco refueling station           | 30,000,000                          |
| 10.            | Bashundhara Paper Mills Ltd.        | 50,000,000                          |
| 11.            | AB Bank Ltd.                        | 100,000,000                         |
| 12.            | IFIC Bank                           | 100,000,000                         |
| 13.            | Index Agro Industries Limited       | 70,000,000                          |
| 14.            | Delta Hospital Limited              | 8,000,000                           |
|                | <b>Total</b>                        | <b>706,122,000</b>                  |

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

Sd/-

**Moinul Hossain Asif**  
Managing Director  
**EBL Investments Limited**

Place: Dhaka

Date: September 25, 2016

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER**  
**(JANATA CAPITAL AND INVESTMENT LIMITED)**

**[Rule 4 (1)(d)]**

**To**

**The Bangladesh Securities and Exchange Commission**

**Sub:** Public Offer of 20,000,000 Ordinary Shares of Tk. 200,000,000.00 by Indo-Bangla Pharmaceuticals Limited.

**Dear Sir,**

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 2,000,000,000.00 (Two Hundred crores only) and we have the capacity to underwrite a total amount of Tk. 10,000,000,000.00 (One Thousand crores only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 17,500,000.00 (Seventeen point Five Million) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

| <b>Sl. No.</b> | <b>Name of The Company</b>               | <b>Amount Underwritten (in Tk.)</b> |
|----------------|--|-------------------------------------|
| 1.             | Rupsha Fish & Allied Industries Limited. | 30,000,000                          |
| 2.             | MP Spinning Mills Limited                | 30,000,000                          |
| 3.             | Amulet Pharmaceuticals Limited           | 15,000,000                          |
| 4.             | Dhaka Regency Hotel and Resort Ltd       | 25,000,000                          |
| 5.             | IFIC Bank Ltd                            | 20,000,000                          |
| <b>Total</b>   |  | <b>120,000,000</b>                  |

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

Sd/-

**Dina Ahsan**

Chief Executive Officer

**Janata Capital and Investment Limited**

Place: Dhaka

Date: October 18, 2016

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER**  
**(NBL CAPITAL AND EQUITY MANAGEMENT LIMITED)**

**[Rule 4 (1)(d)]**

**To**

**The Bangladesh Securities and Exchange Commission**

**Sub:** Public Offer of 20,000,000 Ordinary Shares of Tk. 200,000,000.00 by Indo-Bangla Pharmaceuticals Limited.

**Dear Sir,**

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,000,000.00 (Twenty-five corers only) and we have the capacity to underwrite a total amount of Tk. 1,250,000,000.00 (One Hundred twenty-five corers only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 17,500,000.00 (Seventeen point Five Million) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

| <b>Sl. No.</b> | <b>Name of The Company</b>           | <b>Amount Underwritten (in Tk.)</b> |
|----------------|--------------------------------------|-------------------------------------|
| 1.             | Aftab Hatchery Limited               | 126,000,000/-                       |
| 2.             | STS Holdings Limited                 | 20,000,000/-                        |
| 3.             | Dhaka Regency Hotel & Resort Limited | 21,000,000/-                        |
| 4.             | AB Bank Limited                      | 300,000,000/-                       |
| 5.             | IFIC Bank Limited                    | 200,000,000/-                       |
| 6.             | Oimex Electrode Limited              | 8,750,000/-                         |
| 7.             | Delta Hospital Limited               | 8,000,000/-                         |
|                | <b>Total</b>                         | <b>683,750,000</b>                  |

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

Sd/-

**Kamrun Naher**

Chief Executive Officer (CC)

**NBL Capital and Equity Management Limited**

Place: Dhaka

Date: October 18, 2016

## CHAPTER (IV): ABOUT THE ISSUER

- (a) Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address;

### Particulars of the Company:

| Particulars                                  | Description   |
|--|---|
| Name of the Issuer                           | : Indo-Bangla Pharmaceuticals Limited (IBPL)  |
| Dates of Incorporation                       | : 18-Jun-14   |
| Commencement of its Commercial Operations    | : 18-Jun-14   |
| Logo   | :                                    |
| Addresses of its Factory & Registered Office | : 729, College Road, Barisal Sadar, Barisal-8200.   |
| Telephone Number (Factory)                   | : Tel: +88-04-3161028   |
| Fax Number (Factory)                         | : Fax: +88-04-312174977   |
| Corporate Office                             | : Plot No. # 183 (6 <sup>th</sup> Floor), Block # B, Ahmed Akbar Sobhan Road, Bashundhara R/A, Baridhara, Dhaka-1229. |
| Telephone Number (Corporate Office)          | : Tel: +88-09678777995  |
| Fax Number (Corporate Office)                | : Fax: +88-09678777995 (Ext-101)  |
| Contact Person                               | : Md. Faruque Hossain<br>Chief Financial Officer  |
| Website Address                              | : Web: www.indo-banglapharma.com  |
| E-mail Address                               | : Email: info@indo-banglapharma.com   |

- (b) The names of the sponsors and directors of the issuer:

### Name of the Sponsors and Directors:

#### Sponsors:

| Sl. No. | Sponsors' Name     |
|---------|--------------------|
| 1       | A F M Anowarul Huq |
| 2       | Aysha Siddika      |
| 3       | Aziza Yeasmin      |
| 4       | Hafiza Yeasmin     |
| 5       | Md. Bellal Khan    |
| 6       | Md. Amin-Ur-Rashid |

#### Directors:

| Sl. No. | Directors' Name    | Position          |
|---------|--------------------|-------------------|
| 1       | Aziza Yeasmin      | Chairman          |
| 2       | A F M Anowarul Huq | Managing Director |
| 3       | Hafiza Yeasmin     | Director          |
| 4       | Md. Amin-Ur-Rashid | Director          |
| 5       | Sayedra Huq        | Director          |
| 6       | Fatima Parvin      | Director          |

|    |  |                      |
|----|--|----------------------|
| 7  | Mst. Shahanaz Akter  | Director             |
| 8  | Md. Mizanur Rahman   | Director             |
| 9  | Investment Corporation of Bangladesh<br>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 |

(c) **The name, logo and address of the auditors and registrar to the issue along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses:**

**Particulars of Auditor and Registrar to the issue:**

**Particulars of Auditor**

| Particulars      | Description   |
|------------------|---|
| Name             | : Mahfel Huq & Co.<br>Chartered Accountants   |
| Logo             | :  |
| Address          | : BGIC Tower (4 <sup>th</sup> Floor), 34, Topkhana Road Dhaka-1000.                 |
| Telephone Number | : Tel: +88-02-9553143, +88-02-9581786   |
| Fax Number       | : Fax: +88-02-9571005   |
| Contact Person   | : <b>Md. Abul Kalam</b><br>Manager  |
| Website Address  | : Web: <a href="http://www.mahfelhuq.com">www.mahfelhuq.com</a>                     |
| E-mail Address   | : E-mail: <a href="mailto:mh@mahfelhuq.com">mh@mahfelhuq.com</a>                    |

**Registrar to the issue:**

The Company is going to IPO under Fixed Price Method. So, no registrar to the issue is required as per amendments to the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.

(d) **The name(s) of the stock exchanges where the specified securities are proposed to be listed.**

**Name of the Stock Exchanges where the Securities to be listed:**

|                 |  |   |   |
|-----------------|--|---|---|
| Stock Exchanges | <b>DHAKA STOCK EXCHANGE LIMITED</b><br>9/F Motijheel C/A, Dhaka 1000.                              |  | Tel: +88-02-9564601, 9576210-18<br>Fax: +88-02-9564727, 9569755 |
|                 | <b>CHITTAGONG STOCK EXCHANGE LIMITED</b><br>CSE Building, 1080, Sheikh Mujib Road Chittagong 4100. |  | Tel: +880-2-9513911-15<br>Fax: +880-2-9513906                   |

## CHAPTER (V): CORPORATE DIRECTORY OF THE ISSUER

|                             |   |  |
|-----------------------------|---|--|
| Name of the Company         | : | Indo-Bangla Pharmaceuticals Limited (IBPL)   |
| Company Logo                | : |   |
| Legal Position              | : | Indo-Bangla Pharmaceuticals Limited was incorporated as a private Limited Company under the Companies Act 1994 on 18 June, 2014 vide registration no. C-116665/14. The company has been converted into public limited company on 21 October, 2014. |
| Authorized Capital          | : | Tk. 1,000,000,000 divided into 100,000,000 Ordinary Share of Tk. 10.00 each  |
| Paid up Capital             | : | Tk. 730,000,000 divided into 73,000,000 Ordinary Share of Tk. 10.00 each   |
| Corporate Office            | : | Plot No. # 183 (6 <sup>th</sup> Floor), Block # B, Ahmed Akbar Sobhan Road, Bashundhara R/A, Baridhara, Dhaka-1229.<br>Tel: +88-09678777995<br>Fax: +88-09678777995 (Ext-101)  |
| Registered Office & Factory | : | 729, College Road, Barisal Sadar, Barisal-8200.<br>Tel: +88-04-3161028<br>Fax: +88-04-312174977  |
| Email                       | : | info@indo-banglapharma.com   |
| Web                         | : | www.indo-banglapharma.com  |
| Board of Directors          | : | 12 Directors   |
| Auditors                    | : | Mahfel Huq & Co.<br>Chartered Accountants<br>BGIC Tower (4th Floor), 34, Topkhana Road Dhaka-1000.<br>Tel: +88-02-9553143, +88-02-9581786<br>Fax: +88-02-9571005<br>E-mail: mh@mahfelhuq.com   |
| Manager to the Issue        | : | AFC Capital Limited, EBL Investments Limited & CAPM Advisory Limited.  |
| Banker for IPO              | : | Eastern Bank Limited   |
| Legal Advisors              | : | Md. Atikur Rahman Riaz<br>Advocate   |
| Compliance Officer          | : | Md. Faruque Hossain<br>Chief Financial Officer   |

*The Company has no Tax Consultant.*

## CHAPTER (VI): DESCRIPTION OF THE ISSUER

### (a) Summary:

- (i) **The summary of the industry and business environment of the issuer. The summary shall not be one-sided or biased to highlight the issuer or the issue;**

#### **Summary of the industry:**

The Pharmaceutical sector is one of the most developed among the manufacturing industries in Bangladesh although it is still small compared to other comparable sectors. The increase in awareness about healthcare, higher income and increasing government expenditure have resulted in higher demand for medicine.

According to the Directorate General of Drug Administration (DGDA), there are currently 200 active allopathic companies in Bangladesh. About 22,000 brands of drugs are sold which cover 1500 types of medication. There are 1495 wholesale drug license holders and about 37700 retail drug license holders. The industry meets 98% of the demand for medication in the country and can be considered to be self-sufficient.

The sector employs 1,15,000 workers and between 2013 and 2014, the growth stood around 11.37%. According to IMS Health, annual pharmaceutical sales in the local market may reach BDT 160 billion within 2018.

The industry is also exporting abroad. The growth in exports has averaged over 10% from 2010 to 2014. In 2015, the exports were over \$ 41.17 million. Pharmaceutical companies are trying to export to regulated, unregulated and moderately regulated markets. The domestic market is highly concentrated and competitive. The local manufacturers dominate the industry capturing market share of 90%. While the multinationals cater to the remaining demand.

Source: <http://www.lightcastlebd.com/blog/2015/12/market-insight-how-the-bangladesh-pharmaceutical-sector-is-performing-in-2015>

#### **Business environment:**

On June 18, 2014, the Company had been incorporated under the Company Act, 1994 vide registration no. C-116665/14 as private limited company. The Company has started its commercial operation on June 18, 2014. Subsequently the Company has been converted to public limited company on October 21, 2014. The factory of the Company is located at 729, College Road, Barisal Sadar, Barisal-8200, Bangladesh and its corporate office at Plot No. # 183 (6<sup>th</sup> Floor), Block # B, Ahmed Akbar Sobhan Road, Bashundhara R/A, Baridhara, Dhaka-1229.

The Company is engaged in manufacturing, marketing and distribution of generic pharmaceuticals products which includes human drugs dosages form such as tablet, capsule, syrup, oral saline, suspension. The products of the Company are sold in domestic market. The Company applied for permission for production and selling of veterinary medicine also.

- (ii) **Summary of consolidated financial, operating and other information.**

This information is not applicable for Indo-Bangla Pharmaceuticals Limited since it has no subsidiary and associates company.

**(b) General Information:**

- (i) **Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets of the issuer;**

| <b>Particulars</b>                       | <b>Description</b>  |
|--|---|
| Name                                     | Indo-Bangla Pharmaceuticals Limited (IBPL)  |
| Factory & Registered Office Address      | 729, College Road, Barisal Sadar, Barisal-8200.   |
| Telephone and Fax Numbers of the Factory | Tel: +88-04-3161028<br>Fax: +88-04-312174977  |
| Corporate Office                         | Plot No. # 183 (6 <sup>th</sup> Floor), Block # B, Ahmed Akbar Sobhan Road, Bashundhara R/A, Baridhara, Dhaka-1229. |
| Other Offices, Business Premises         | N/A   |
| Outlets of the Issuer                    | The Company has no outlets.   |

- (ii) **The board of directors of the issuer;**

| <b>Sl. No.</b> | <b>Board of Director</b>   | <b>Designation</b>   |
|----------------|--|----------------------|
| 1              | Aziza Yeasmin  | Chairman             |
| 2              | A F M Anowarul Huq   | Managing Director    |
| 3              | Hafiza Yeasmin   | Director             |
| 4              | Md. Amin-Ur-Rashid   | Director             |
| 5              | Sayedra Huq  | Director             |
| 6              | Fatema Parven  | Director             |
| 7              | Mst. Shahanaz Akter  | Director             |
| 8              | Md. Mizanur Rahman   | Director             |
| 9              | Investment Corporation of Bangladesh<br>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 |

(iii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the chairman, managing director, whole time directors, etc. of the issuer;

| Sl. | Name & Address  | Telephone and Fax No. & E-mail Address  |
|-----|---|---|
| 1   | Name: <b>Aziza Yeasmin</b><br>Position: <i>Chairman</i><br>Address: Police Line Sharak, Maitha, Barguna-8700.   | Tel: +88-04-3161028<br>Fax: +88-04-312174977<br>Email: aziza@indo-banglapharma.com    |
| 2   | Name: <b>A F M Anowarul Huq</b><br>Position: <i>Managing Director</i><br>Address: 729, College Road, Barisal Sadar, Barisal-8200  | Tel: +88-04-3161028<br>Fax: +88-04-312174977<br>Email: md@indo-banglapharma.com       |
| 3   | Name: <b>Hafiza Yeasmin</b><br>Position: <i>Director</i><br>Address: Kazi Para, Begumgonj, Noakhali.  | Tel: +88-04-3161028<br>Fax: +88-04-312174977<br>Email: hafiza@indo-banglapharma.com   |
| 4   | Name: <b>Md. Amin-Ur-Rashid</b><br>Position: <i>Director</i><br>Address: Akon Bari, 453, West Chandkathi, Jhalokathi  | Tel: +88-04-3161028<br>Fax: +88-04-312174977<br>Email: amin@indo-banglapharma.com     |
| 5   | Name: <b>Sayedra Huq</b><br>Position: <i>Director</i><br>Address: 729, College Road, Barisal Sadar, Barisal-8200  | Tel: +88-04-3161028<br>Fax: +88-04-312174977<br>Email: sayeda@indo-banglapharma.com   |
| 6   | Name: <b>Fatima Parvin</b><br>Position: <i>Director</i><br>Address: House-Chaprashi Bari, Road-Gohorpur, Haritana, Barguna  | Tel: +88-04-3161028<br>Fax: +88-04-312174977<br>Email: fatima@indo-banglapharma.com   |
| 7   | Name: <b>Mst. Shahanaz Akter</b><br>Position: <i>Director</i><br>Address: Vill-Vodrashon, Po-Minar Bari, Bandar, Narayangonj  | Tel: +88-04-3161028<br>Fax: +88-04-312174977<br>Email: shahanaz@indo-banglapharma.com |
| 8   | Name: <b>Md. Mizanur Rahman</b><br>Position: <i>Director</i><br>Address: Vill: Shibpasha, Post: Raipasha, Thana: Korapur, Dist.: Barisal  | Tel: +88-04-3161028<br>Fax: +88-04-312174977<br>Email: mizan@indo-banglapharma.com    |
| 9   | Name: <b>Investment Corporation of Bangladesh</b><br><b>Represented by Md. Golam Rabbani</b><br>Position: <i>Director</i><br>Address: 8, Rajuk Avenue, BDBL Bhaban (Level 14-17) Dhaka-1000 | Tel: +88-04-3161028<br>Fax: +88-04-312174977<br>Email: icb@agni.com                   |

|    |  |  |
|----|--|--|
| 10 | Name: <b>S.M. Harun Or Rashid</b><br>Position: <i>Independent Director</i><br>Address: House No. # 15 (Ground Floor), Road No. # 14, Block # D, Pallabi, Mirpur-12, Dhaka-1216 | Tel: +88-04-3161028<br>Fax: +88-04-312174977<br>Email: harun@indo-banglapharma.com |
| 11 | Name: <b>Md. Monirujjaman</b><br>Position: <i>Independent Director</i><br>Address: South Patharghata, Patharghata-8720, Barguna  | Tel: +88-04-3161028<br>Fax: +88-04-312174977<br>Email: monir@indo-banglapharma.com |
| 12 | Name: <b>Md. Firoz Khan</b><br>Position: <i>Independent Director</i><br>Address: Post: Anail Bania, Thana: Kathalia, Dist.: Jhalokati.   | Tel: +88-04-3161028<br>Fax: +88-04-312174977<br>Email: firozkhan76@gmail.com       |

(iv) **Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer;**

| Sl. | Name & Address   | Telephone and Fax No. & E-mail Address  |
|-----|--|---|
| 1   | <b>Md. Faruque Hossain</b><br>Chief Financial Officer & Compliance Officer<br>Plot No. # 183 (6 <sup>th</sup> Floor), Block # B, Ahmed Akbar Sobhan Road,<br>Bashundhara R/A, Baridhara, Dhaka-1229. | Tel: +88-09678777995<br>Fax: +88-09678777995 (Ext-101)<br>E-mail: cfo@indo-banglapharma.com |
| 2   | <b>Md. Shamem Gazi</b><br>Company Secretary<br>Plot No. # 183 (6 <sup>th</sup> Floor), Block # B, Ahmed Akbar Sobhan Road,<br>Bashundhara R/A, Baridhara, Dhaka-1229.                                | Tel: +88-09678777995<br>Fax: +88-09678777995 (Ext-101)<br>E-mail: cs@indo-banglapharma.com  |
| 3   | <b>Md. Atikur Rahman Riaz</b><br>Legal Advisor<br>Room No. # 3020 (2nd Floor Annex) Supreme Court Bar Association, Shahbagh,<br>Dhaka  | Cell: +88-01711174525<br>Fax: *<br>E-mail: skzamanbd6@gmail.com                             |
| 4   | <b>Mahfel Huq &amp; Co.</b><br>Chartered Accountants<br>BGIC Tower (4th Floor), 34, Topkhana Road Dhaka-1000.  | Tel: +88-02-9553143, +88-02-9581786<br>Fax: +88-02-9571005<br>E-mail: mh@mahfelhuq.com      |

Legal Advisor, **Md. Atikur Rahman Riaz** has no Fax Number.

- v) **Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the issue manager(s), registrar to the issue etc;**

| <b>Name &amp; Address</b>   | <b>Telephone &amp; Fax Number,<br/>E-mail, Web Address</b>  | <b>Contact Person</b>   |
|---|---|---|
| <b>AFC Capital Limited</b><br>Saiham Sky View Tower<br>(11 <sup>th</sup> Floor), 45 Bijoy<br>Nagar, Dhaka-1000              | Tel: +88-02-8392371<br>Fax: +88-02-8392372<br>Email: capital.afc@gmail.com<br>Web: www.afcl.asia                  | <b>Mahbub H. Mazumdar FCMA</b><br>Chief Executive                     |
| <b>EBL Investments Limited</b><br>59 Motijheel C/A,<br>1 <sup>st</sup> Floor, Dhaka-1000.                                   | Tel: +88-02-7118975<br>Fax: +88-02-7120251<br>E-mail: info@eblinvestments.com<br>Web: www.eblinvestments.com      | <b>Pankaj Kumar Mutsuddi</b><br>Managing Director<br>(Current Charge) |
| <b>CAPM Advisory Limited</b><br>Tower Hamlet (9 <sup>th</sup> Floor)<br>16, Kemal Ataturk Avenue<br>Banani C/A, Dhaka-1213. | Tel: +88-02-9822391-2<br>Fax: +88-02-9822393<br>E-mail: contact@capmadvisorybd.com<br>Web: www.capmadvisorybd.com | <b>Tania Sharmin</b><br>Managing Director & CEO                       |

**Registrar to the issue:**

The Company is going to IPO under Fixed Price Method. So, no registrar to the issue is required as per amendments to the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.

- (vi) **The following details of credit rating, where applicable:**

- a) **The names of all the credit rating agencies from which credit rating has been obtained;**
- b) **The details of all the credit ratings obtained for the issue and the issuer;**
- c) **The rationale or description of the ratings (s) so obtained, as furnished by the credit rating agency(s);**
- d) **Observations and risk factors as stated in the credit rating report.**  
As per Section 3 of Credit Ratings Companies Rules, 1996, the Company requires no credit rating report.

(vii) Following details of underwriting:

a) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them;

| Name & Address  | Telephone & Fax Number, E-mail, Web Address  | Contact Person  | Amount Underwritten in Tk. |
|---|--|---|----------------------------|
| <b>AFC Capital Limited</b><br>Saiham Sky View Tower (11 <sup>th</sup> Floor),<br>45 Bijoy Nagar, Dhaka-1000.                  | Tel: +88-02-8392371<br>Fax: +88-02-8392372<br>Email: abparvez_afccl@yahoo.com<br>Web: www.afccl.asia           | <b>Md. Abul Bashar Parvez</b><br>Deputy Manager                       | 17,500,000                 |
| <b>EBL Investments Limited</b><br>59 Motijheel C/A, 1 <sup>st</sup> Floor, Dhaka-1000.  | Tel: +88-02-7118975<br>Fax: +88-02-7120251<br>E-mail: pankaj@eblinvestments.com<br>Web: www.eblinvestments.com | <b>Pankaj Kumar Mutsuddi</b><br>Managing Director<br>(Current Charge) | 17,500,000                 |
| <b>NBL Capital and Equity Management Limited</b><br>Printers Building (8 <sup>th</sup> Floor),<br>5 Rajuk Avenue, Dhaka-1000. | Tel: +88-02-7118974<br>Fax: +88-02-7118840<br>E-mail: knaher@gmail.com<br>Web: www.nblceml.com                 | <b>Kamrun Naher</b><br>Chief Executive Officer                        | 17,500,000                 |
| <b>Janata Capital and Investment Limited</b><br>48, Motijheel (3 <sup>rd</sup> Floor), Dhaka-1000                             | Tel: +88-02-7114375<br>Fax: +88-02-7110496<br>E-mail: info@jcil.com.bd<br>Web: www.jcil-bd.com                 | <b>Dina Ahsan</b><br>Chief Executive Officer                          | 17,500,000                 |

**b) Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations;**

All the underwriters have sufficient resources as per the regulatory requirements to discharge their respective obligations, which are disclosed in CHAPTER (III) under Due Diligence Certificate by The Underwriter(S) page number 22-29.

**c) Major terms and conditions of the underwriting agreements.**

- (i) The IPO shall stand cancelled if at least 65% in any category of the IPO is not subscribed.
- (ii) In case of under subscription in any category by up to 35% of the IPO the under-subscribed securities shall be taken up by the underwriters.
- (iii) Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Public Issue Rules shall prevail.
- (iv) Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.02 and providing for payment of underwriting commission 0.50% (zero point five zero percent) on the amount underwritten.
- (v) The Issuer shall **within 10 (Ten) days** of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares **within 15 (Fifteen) days** of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
- (vi) In any case **within 7 (seven) days** after the expiry of the aforesaid **15 (fifteen) days**, the Company shall send proof of subscription and payment by the Underwriters to the Commission.

In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission may be imposed.

In the case of failure by the underwriter to pay within the stipulated time, the Company/issuer will be under no obligation to pay any underwriting commission under this Agreement.

In the case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequences and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law.

(c) Capital Structure:

- (i) Authorized, issued, subscribed and paid up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration);

| Particulars                            | No. of Securities | Class of Securities   | Allotment |             | Nominal & Issue Price (Tk.) | Form of Consideration | Amount in Taka     |
|--|-------------------|-----------------------|-----------|-------------|-----------------------------|-----------------------|--------------------|
|  |                   |                       | Dates     | Amount      |                             |                       |                    |
| Authorized Capital                     | 100,000,000       | Ordinary Share        | -         | -           | 10.00                       | -                     | 1,000,000,000      |
| <b>Before IPO:</b>                     |                   |                       |           |             |                             |                       |                    |
| Issued, Subscribed and paid up capital | 73,000,000        | Ordinary Share        | 18-Jun-14 | 1,000,000   | 10.00                       | Cash                  | 730,000,000        |
|  |                   |                       | 07-Jul-14 | 98,000,000  | 10.00                       | Other than Cash       |                    |
|  |                   |                       | 06-Aug-15 | 100,000,000 | 10.00                       | Cash                  |                    |
|  |                   |                       | 06-Jun-16 | 531,000,000 | 10.00                       | Cash                  |                    |
| <b>After IPO:</b>                      |                   |                       |           |             |                             |                       |                    |
| To be issued as IPO                    | 20,000,000        | Ordinary Share        | -         | -           | 10.00                       | Cash                  | 200,000,000        |
| <b>Paid up capital (Post IPO)</b>      | <b>93,000,000</b> | <b>Ordinary Share</b> | <b>-</b>  | <b>-</b>    | <b>10.00</b>                | <b>Cash</b>           | <b>930,000,000</b> |

*\*Other than Cash: Share allotment made against machineries provided by A F M Anowarul Huq.*

(ii) **Size of the present issue, with break-up (number of securities, description, nominal value and issue amount);**

| Particulars  |                         |                                   | %   | No. of Ordinary Shares | Nominal Value | Issue price | Issue Amount (Taka) |
|--|-------------------------|-----------------------------------|-----|------------------------|---------------|-------------|---------------------|
| Initial Public Offering through Fixed Price Method | Eligible investors (EI) | EI excluding mutual funds and CIS | 40% | 8,000,000              | 10.00         | 10.00       | 80,000,000          |
|  |                         | Mutual Funds and CIS              | 10% | 2,000,000              |               |             | 20,000,000          |
|  | General public (GP)     | GP excluding NRB*                 | 40% | 8,000,000              |               |             | 80,000,000          |
|  |                         | NRB                               | 10% | 2,000,000              |               |             | 20,000,000          |
|  | <b>Total</b>            |                                   |     | <b>100%</b>            |               |             | <b>20,000,000</b>   |

**Other\*:** 8,000,000 Ordinary shares will be reserved for General Public and Small Affected Investors.

(iii) **Paid up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue);**

The Company has no convertible instruments and share premium account.

| Particulars  | Amount in BDT |
|--|---------------|
| Paid up capital before the present issue                             | 730,000,000   |
| Paid up capital after the present issue                              | 930,000,000   |
| Paid up capital after conversion of convertible instruments (if any) | N/A           |
| Share premium account before the present issue                       | N/A           |
| Share premium account after the present issue                        | N/A           |

(iv) **Category wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any);**

The paid-up capital of the Company is Tk. 730,000,000.00. The Company intends to issue 20,000,000 ordinary shares of Tk. 10.00 each at an issue price of Tk. 10.00 through Initial public offering (IPO) totaling to Tk. 200,000,000.00 under Fixed Price Method subject to regulatory approvals. The Company has no convertible instrument.

**Category wise shareholding structure with percentage before and after the present issue is as follows:**

| Sl. No.      | Category of Shareholders         | No. of Ordinary Shares Hold |                   | Percentage of Holding |                |
|--------------|----------------------------------|-----------------------------|-------------------|-----------------------|----------------|
|              |                                  | Pre-IPO                     | Post-IPO          | Pre-IPO               | Post-IPO       |
| 1            | Director & Sponsor               | 47,669,000                  | 47,669,000        | 65.30%                | 51.26%         |
| 2            | Institutional                    | 7,720,000                   | 15,720,000        | 10.58%                | 16.90%         |
| 3            | Mutual Funds and CIS             | -                           | 2,000,000         | 0.00%                 | 2.15%          |
| 4            | Individual                       | 17,611,000                  | 25,611,000        | 24.12%                | 27.54%         |
| 5            | Non Resident Bangladeshis (NRBs) | -                           | 2,000,000         | 0.00%                 | 2.15%          |
| <b>Total</b> |                                  | <b>73,000,000</b>           | <b>93,000,000</b> | <b>100.00%</b>        | <b>100.00%</b> |

- (v) **Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue;**

| Date of Issue | Persons to whom those are issued | Relationship with the issuer                     | Issue Price | Consideration and Valuation   | Reason for the issue    |
|---------------|----------------------------------|--|-------------|---|-------------------------|
| 7-Jul-14      | A F M Anowarul Huq               | Subscriber to the memorandum & Managing Director | 10.00       | For acquisition of business, the said Ordinary Shares issued to its sole proprietorship against the assets. | Acquisition of Business |

No benefits have been accrued to the issuer out of the issue.

- (vi) **Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted;**  
The Company has not allotted any shares in terms of any merger, amalgamation or acquisition scheme except followings:

| Date of Issue/Allotment date | Name of the Allottee | Relationship with the issuer | Issue Price | Consideration and Valuation   | Reason for the issue    | Total      |
|------------------------------|----------------------|------------------------------|-------------|---|-------------------------|------------|
| 7-Jul-14                     | A F M Anowarul Huq   | Subscriber to the memorandum | 10.00       | For acquisition of business, the said Ordinary Shares issued to its sole proprietorship against the assets. | Acquisition of Business | 98,000,000 |

- (vii) **Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued;**

The Company has not issued equity shares under one or more employee stock option schemes.

- (viii) **If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof;**

Indo-Bangla Pharmaceuticals Limited has not made any issue of specified securities at a price lower than the issue price during the preceding two years.

- (ix) **The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue;**

The Company has no such decision or intention, negotiation and consideration to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

- (x) The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them;

| Name & Position   | Nature of Issue | Date of Allotment and Acquisition & date of shares fully paid-up | No. of shares     | Face Value & Issue Price | Consideration   | Pre IPO % | Post IPO % | Lock in Period* | Number & % of pledge of shares |
|---|-----------------|--|-------------------|--------------------------|-----------------|-----------|------------|-----------------|--------------------------------|
| <b>Name:</b> Aziza Yeasmin<br><b>Position:</b> Chairman                   | Ordinary        | 18-Jun-14  | 5,000             | 10.00                    | Cash            | 2.75%     | 2.16%      | 3 Yrs.          | No Pledge                      |
|   |                 | 6-Jun-16   | 2,000,000         |                          |                 |           |            |                 |                                |
|   |                 | <b>Total</b>   | <b>2,005,000</b>  |                          |                 |           |            |                 |                                |
| <b>Name:</b> A F M Anowarul Huq<br><br><b>Position:</b> Managing Director | Ordinary        | 18-Jun-14  | 55,000            | 10.00                    | Cash            | 17.03%    | 13.37%     | 3 Yrs.          | No Pledge                      |
|   |                 | 7-Jul-14   | 9,800,000         |                          | Other than cash |           |            |                 |                                |
|   |                 | 10-Oct-14  | (1,000)           |                          | Cash            |           |            |                 |                                |
|   |                 | 10-Dec-15  | (293,000)         |                          |                 |           |            |                 |                                |
|   |                 | 6-Jun-16   | 2,849,000         |                          |                 |           |            |                 |                                |
|   |                 | 28-Jul-16  | 25,000            |                          |                 |           |            |                 |                                |
|   |                 | <b>Total</b>   | <b>12,435,000</b> |                          |                 |           |            |                 |                                |
| <b>Name:</b> Hafiza Yeasmin<br><b>Position:</b> Director                  | Ordinary        | 18-Jun-14  | 5,000             | 10.00                    | Cash            | 2.75%     | 2.16%      | 3 Yrs.          | No Pledge                      |
|   |                 | 6-Jun-16   | 2,000,000         |                          |                 |           |            |                 |                                |
|   |                 | <b>Total</b>   | <b>2,005,000</b>  |                          |                 |           |            |                 |                                |
| <b>Name:</b> Md. Amin-Ur-Rashid<br><b>Position:</b> Director              | Ordinary        | 18-Jun-14  | 15,000            | 10.00                    | Cash            | 3.45%     | 2.70%      | 3 Yrs.          | No Pledge                      |
|   |                 | 6-Aug-15   | 1,000,000         |                          |                 |           |            |                 |                                |
|   |                 | 6-Jun-16   | 1,500,000         |                          |                 |           |            |                 |                                |
|   |                 | <b>Total</b>   | <b>2,515,000</b>  |                          |                 |           |            |                 |                                |
| <b>Name:</b> Sayeda Huq<br><b>Position:</b> Director                      | Ordinary        | 10-Oct-14  | 1,000             | 10.00                    | Cash            | 2.74%     | 2.15%      | 3 Yrs.          | No Pledge                      |
|   |                 | 6-Jun-16   | 2,000,000         |                          |                 |           |            |                 |                                |
|   |                 | <b>Total</b>   | <b>2,001,000</b>  |                          |                 |           |            |                 |                                |
| <b>Name:</b> Fatima Parvin<br><b>Position:</b> Director                   | Ordinary        | 10-Dec-15  | 1,000             | 10.00                    | Cash            | 3.37%     | 2.65%      | 3 Yrs.          | No Pledge                      |
|   |                 | 6-Jun-16   | 2,460,000         |                          |                 |           |            |                 |                                |
|   |                 | <b>Total</b>   | <b>2,461,000</b>  |                          |                 |           |            |                 |                                |

|   |          |              |                   |       |      |        |        |        |           |
|---|----------|--------------|-------------------|-------|------|--------|--------|--------|-----------|
| <b>Name:</b> Mst. Shahanaz Akter<br><b>Position:</b> Director   | Ordinary | 10-Dec-15    | 1,000             | 10.00 | Cash | 2.81%  | 2.21%  | 3 Yrs. | No Pledge |
|   |          | 6-Jun-16     | 1,700,000         |       |      |        |        |        |           |
|   |          | 28-Jul-16    | 350,000           |       |      |        |        |        |           |
|   |          | <b>Total</b> | <b>2,051,000</b>  |       |      |        |        |        |           |
| <b>Name:</b> Md. Mizanur Rahman<br><b>Position:</b> Director  | Ordinary | 10-Dec-15    | 1,000             | 10.00 | Cash | 2.81%  | 2.21%  | 3 Yrs. | No Pledge |
|   |          | 6-Jun-16     | 2,050,000         |       |      |        |        |        |           |
|   |          | <b>Total</b> | <b>2,051,000</b>  |       |      |        |        |        |           |
| <b>Name:</b> Investment Corporation of Bangladesh Represented by Md. Golam Rabbani<br><b>Position:</b> Director | Ordinary | 6-Aug-15     | 5,000,000         | 10.00 | Cash | 20.55% | 16.13% | 3 Yrs. | No Pledge |
|   |          | 6-Jun-16     | 10,000,000        |       |      |        |        |        |           |
|   |          | <b>Total</b> | <b>15,000,000</b> |       |      |        |        |        |           |
| <b>Name:</b> S.M. Harun Or Rashid<br><b>Position:</b> Independent Director                                      | N/A      | N/A          | N/A               | N/A   | N/A  | N/A    | N/A    | N/A    | N/A       |
| <b>Name:</b> Md. Monirujjaman<br><b>Position:</b> Independent Director  | N/A      | N/A          | N/A               | N/A   | N/A  | N/A    | N/A    | N/A    | N/A       |
| <b>Name:</b> Md. Firoz Khan<br><b>Position:</b> Independent Director  | N/A      | N/A          | N/A               | N/A   | N/A  | N/A    | N/A    | N/A    | N/A       |
| <b>Name:</b> Aysha Siddika<br><b>Position:</b> Sponsor  | Ordinary | 18-Jun-14    | 5,000             | 10.00 | Cash | 2.75%  | 2.16%  | 3 Yrs. | No Pledge |
|   |          | 6-Jun-16     | 2,000,000         |       |      |        |        |        |           |
|   |          | <b>Total</b> | <b>2,005,000</b>  |       |      |        |        |        |           |
| <b>Name:</b> Md. Bellal Khan<br><b>Position:</b> Sponsor  | Ordinary | 18-Jun-14    | 15,000            | 10.00 | Cash | 4.30%  | 3.38%  | 3 Yrs. | No Pledge |
|   |          | 6-Aug-15     | 1,000,000         |       |      |        |        |        |           |
|   |          | 6-Jun-16     | 2,500,000         |       |      |        |        |        |           |
|   |          | 28-Jul-16    | (25,000)          |       |      |        |        |        |           |
|   |          | 28-Jul-16    | (350,000)         |       |      |        |        |        |           |
|   |          | <b>Total</b> | <b>3,140,000</b>  |       |      |        |        |        |           |

*[\*From the issue date of Prospectus]*

- (xi) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the prospectus;

**Aggregate shareholding of the Sponsors and Directors:**

| Sl.          | Name of Sponsor & Director  | Number of Ordinary Shares Held | Face Value & Issue Price | Date of acquisition | Percentage    |               |
|--------------|---|--------------------------------|--------------------------|---------------------|---------------|---------------|
|              |   |                                |                          |                     | Pre-IPO       | Post-IPO      |
| 1            | Aziza Yeasmin   | 2,005,000                      | 10.00                    | 18-Jun-14           | 2.75%         | 2.16%         |
| 2            | A F M Anowarul Huq  | 12,435,000                     | 10.00                    | 18-Jun-14           | 17.03%        | 13.37%        |
| 3            | Hafiza Yeasmin  | 2,005,000                      | 10.00                    | 18-Jun-14           | 2.75%         | 2.16%         |
| 4            | Md. Amin-Ur-Rashid  | 2,515,000                      | 10.00                    | 18-Jun-14           | 3.45%         | 2.70%         |
| 5            | Sayedra Huq   | 2,001,000                      | 10.00                    | 18-Jun-14           | 2.74%         | 2.15%         |
| 6            | Fatima Parvin   | 2,461,000                      | 10.00                    | 18-Jun-14           | 3.37%         | 2.65%         |
| 7            | Mst. Shahanaz Akter   | 2,051,000                      | 10.00                    | 18-Jun-14           | 2.81%         | 2.21%         |
| 8            | Md. Mizanur Rahman  | 2,051,000                      | 10.00                    | 18-Jun-14           | 2.81%         | 2.21%         |
| 9            | Investment Corporation of Bangladesh Represented by Md. Golam Rabbani | 15,000,000                     | 10.00                    | 18-Jun-14           | 20.55%        | 16.13%        |
| 10           | S.M. Harun Or Rashid  | -                              | 10.00                    | 28-Jul-16           | 0.00%         | 0.00%         |
| 11           | Md. Monirujjaman  | -                              | 10.00                    | 28-Jul-16           | 0.00%         | 0.00%         |
| 12           | Md. Firoz Khan  | -                              | 10.00                    | 27-Nov-16           | 0.00%         | 0.00%         |
| 13           | Aysha Siddika   | 2,005,000                      | 10.00                    | 18-Jun-14           | 2.75%         | 2.16%         |
| 14           | Md. Bellal Khan   | 3,140,000                      | 10.00                    | 18-Jun-14           | 4.30%         | 3.38%         |
| <b>Total</b> |   | <b>47,669,000</b>              |                          |                     | <b>65.30%</b> | <b>51.26%</b> |

**Transferred by the sponsor and/or by the directors of the issuer:**

No share is purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the prospectus except the followings:

| Transferor      |          |              | Date      | Transferee          |                              |              |
|-----------------|----------|--------------|-----------|---------------------|------------------------------|--------------|
| Name            | Position | No. of Share |           | Name                | Position                     | No. of Share |
| Md. Bellal Khan | Sponsor  | (25,000)     | 28-Jul-16 | A F M Anowarul Huq  | Managing Director & Director | 25,000       |
| Md. Bellal Khan | Sponsor  | (350,000)    | 28-Jul-16 | Mst. Shahanaz Akter | Director                     | 350,000      |

- (xii) **The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument;**

| <b>Sl.</b> | <b>Name of the Shareholders</b>      | <b>Address</b>  | <b>Number of Shares Held</b> | <b>Pre IPO %</b> |
|------------|--------------------------------------|---|------------------------------|------------------|
| 1          | A F M Anowarul Huq                   | 729, College Road, Barisal Sadar, Barisal-8200          | 12,435,000                   | 17.03%           |
| 2          | Investment Corporation of Bangladesh | 8, Rajuk Avenue, BDBL Bhaban, (Level 14 -17) Dhaka-1000 | 15,000,000                   | 20.55%           |
| 3          | Bangladesh Fund                      | Green City Edge (4th Floor), 89, Kakrail                | 6,000,000                    | 8.22%            |

There is no event or intent of exercising warrant, option or right to convert any convertible instrument.

- (xiii) **The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned.**

None of the employees of the Company owns any shares of the issuer company “Indo-Bangla Pharmaceuticals Limited” except Managing Director.

| SL | Name of Shareholders | Position      | Number of Share | % of outstanding share |
|----|----------------------|---------------|-----------------|------------------------|
| 1  | A F M Anowarul Huq   | MD & Director | 12,435,000      | 17.03%                 |

**(d) Description of Business:**

- (i) **The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in;**

On June 18, 2014, the Company had been incorporated under the Company Act, 1994 vide registration no. C-116665/14 as private limited company. The Company has started its commercial operation on June 18, 2014. Subsequently the company has been converted to public limited company on October 21, 2014.

The factory and registered office of the Company is located at 729, College Road, Barisal Sadar, Barisal-8200, Bangladesh and its corporate office at Plot No. # 183 (6<sup>th</sup> Floor), Block # B, Ahmed Akbar Sobhan Road, Bashundhara R/A, Baridhara, Dhaka-1229.

The Company is always devoted to ensure the high quality of medicine by implementing state of art technologies and modern machineries.

The Company is engaged in 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.

There is no subsidiary company of Indo-Bangla Pharmaceuticals Limited.

- (ii) **Location of the project;**

The factory of IBPL is located at 729, College Road, Barisal Sadar, Barisal-8200.

- (iii) **Plant, machinery, technology, process, etc.**

Indo-Bangla Pharmaceuticals Limited has been using sophisticated machineries and modern technology in order to produce high quality of medicine. Market has been growing up and the Company has good opportunity to maximize market share.

- (iv) Details of the major events in the history of the issuer, including details of capacity or facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc.;

|   |   |
|---|---|
| History of the issuer                           | Indo-Bangla Pharmaceuticals Limited was incorporated as a private Limited Company under the Companies Act-1994 on 18 June 2014 vide registration no.C-116665/14.<br>Converted into a Public Limited Company on October 21, 2014.  |
| Launching of plant                              | On July 07, 2014.   |
| Capacity  | Tablet 87 Million Pcs/Year, Capsule 435 Million Pcs/Year & Liquid 145 Million ML /Year as on 30 June, 2016.   |
| Products  | Medicine  |
| Market for the product                          | Local market in Bangladesh  |
| Change in ownership or key management personnel | <p><b>On June 18, 2014:</b><br/>A F M Anowarul Huq joined as Managing Director, Shah-E-Azam joined as Plant Manager, Mizanur Rahaman joined as Manager Operation, Binay Bhuson Mondal joined as Production Manager, Md. Mustafizur Rahman joined as Manager (Admin), Orun Kumar Duary joined as Co-ordination Manager &amp; Mr. Binoy Bhuson Mondol joined as Manager, Production.</p> <p><b>On May 3, 2016:</b><br/>Md. Shamem Gazi Joined as Company Secretary.</p> <p><b>On July 01, 2016:</b><br/>Md. Faruque Hossain joined as Chief Financial Officer</p> <p><b>On July 28, 2016:</b><br/>S.M. Harun Or Rashid and Md. Monirujjaman appointed as Independent Director for the period of 3 (Three) years.</p> <p><b>On October 02, 2016:</b><br/>Mrs. Dilruba Begum joined as Manager, Quality Assurance</p> <p><b>On November 27, 2016:</b><br/>Md. Firoz Khan appointed as Independent Director for the period of 3 (Three) years.</p> |

- (v) Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data;

**Principal products or services:**

Indo-Bangla Pharmaceuticals Ltd. produces a good number of products of Human products division. All the products of Indo-Bangla Pharmaceuticals Ltd. categorized under Non-Biological Products and Biological Products. List of the products are mentioned below:

**List of Non-Biological Products:**

| SL | Brand Name        | Generic Name  | Dosages Form | Strength  | DAR No.   | Valid up to |
|----|-------------------|---|--------------|---|-----------|-------------|
| 01 | Indostin-R 150    | Ranitidine Hydrochloride USP  | Tablet       | 167.40 mg. (Equivalent to 150.00 mg. Ranitidine)        | 032-93-60 | 22.11.2019  |
| 02 | Indophyllin       | Aminophylline BP  | Tablet       | 100.00 mg.  | 032-20-18 | 22.11.2019  |
| 03 | Mebendox 30ml     | Mebendazole BP  | Suspension   | 2.0 gm / 100ml  | 032-24-55 | 22.11.2018  |
| 04 | Metrol 60ml       | Metronidazole Benzoate BP   | Suspension   | 6.40 gm. (Equivalent to 4.00 gm. Metronidazole) / 100ml | 032-26-56 | 08.12.2020  |
| 05 | Albendox          | Albendazole USP   | Tablet       | 400.00 mg.  | 032-27-55 | 08.12.2020  |
| 06 | Metrol 400mg      | Metronidazole BP  | Tablet       | 400.00 mg.  | 032-25-56 | 25.10.2021  |
| 07 | Paracetamol       | Paracetamol BP  | Tablet       | 500.00 mg.  | 032-18-06 | 25.10.2021  |
| 08 | Indosin           | Chlorpheniramine Maleate BP   | Tablet       | 4.00 mg.  | 032-83-28 | 12.12.2019  |
| 09 | Indosin 100ml     | Chlorpheniramine Maleate BP   | Syrup        | 100.00 mg. / 100ml                                      | 032-84-28 | 12.12.2019  |
| 10 | Naldic            | Nalidixic Acid BP   | Tablet       | 500.00 mg.  | 032-85-60 | 22.11.2019  |
| 11 | I-B Oral Saline   | Sodium Chloride BP, Tri Sodium Citrate Dihydrate BP, Potassium Chloride BP & Glucose Anhydrous BP | Oral Saline  | 1.30 gm, 1.45 gm, 0.75 gm & 6.75 gm                     | 032-88-69 | 25.10.2021  |
| 12 | Inket             | Ketorolac Tromethamine USP  | Tablet       | 10.00 mg.   | 032-82-65 | 25.10.2021  |
| 13 | Indoflam 400mg    | Ibuprofen BP  | Tablet       | 400.00 mg.  | 032-58-65 | 20.11.2018  |
| 14 | Indoflam 60/100ml | Ibuprofen BP  | Suspension   | 2.00 gm / 100ml   | 032-59-65 | 08.12.2021  |
| 15 | Clear Plus        | Sodium Thiosulphate USP   | Tablet       | 15.00 mg.   | 032-77-95 | 20.11.2018  |
| 16 | Clear             | Sodium Thiosulphate USP   | Tablet       | 7.50 mg.  | 032-78-95 | 22.11.2019  |
| 17 | Dextrin           | Dexamethasone BP  | Tablet       | 0.50 mg.  | 032-57-50 | 15.10.2021  |
| 18 | Frusidin          | Frusemide BP  | Tablet       | 40.00 mg.   | 032-55-42 | 22.12.2020  |
| 19 | Gyfusin           | Griseofulvin BP   | Tablet       | 500.00 mg.  | 032-56-62 | 22.12.2020  |
| 20 | I-Cin             | Indomethacin BP   | Capsule      | 25.00 mg.   | 032-52-65 | 29.10.2021  |
| 21 | Tensareal         | Diazepam BP   | Tablet       | 5.00 mg.  | 032-63-02 | 19.10.2021  |
| 22 | I-Pedom           | Domperidone Maleate BP  | Tablet       | 12.726 mg. (Equivalent to 10.00 mg. Domperidone)        | 032-53-32 | 23.07.2019  |
| 23 | I-Pedom 60/100ml  | Domperidone BP  | Suspension   | 100.00 mg. / 100ml                                      | 032-54-32 | 23.07.2019  |
| 24 | I-Solone          | Prednisolone BP   | Tablet       | 5.00 mg   | 032-79-50 | 19.12.2018  |
| 25 | I-Zam             | Clobazam BP   | Tablet       | 10.00 mg.   | 032-64-09 | 08.11.2020  |

|    |                      |   |            |   |           |            |
|----|----------------------|---|------------|---|-----------|------------|
| 26 | Puretab Plus         | Halazone USP  | Tablet     | 15.00 mg.   | 032-80-95 | 12.11.2019 |
| 27 | Puretab              | Halazone USP  | Tablet     | 7.50 mg.  | 032-81-95 | 12.11.2019 |
| 28 | Relise               | Aceclofenac BP  | Tablet     | 10.00 mg.   | 032-60-65 | 15.10.2021 |
| 29 | Sulbumol             | Salbutamol Sulphate BP                                    | Tablet     | 2.40 mg. (Equivalent to 2.00 mg. Salbutamol)                    | 032-67-18 | 20.11.2020 |
| 30 | Sulbumol Plus        | Salbutamol Sulphate BP                                    | Tablet     | 4.80 mg. (Equivalent to 4.00 mg. Salbutamol)                    | 032-68-18 | 20.11.2020 |
| 31 | Sulbumol 60/100ml    | Salbutamol Sulphate BP                                    | Syrup      | 48.00mg. (Equivalent to 2.00mg. Salbutamol) / 100ml             | 032-69-18 | 20.11.2020 |
| 32 | Metrol 200mg         | Metronidazole BP  | Tablet     | 200.00 mg.  | 032-09-56 | 19.10.2021 |
| 33 | Paramol 60ml         | Paracetamol BP  | Suspension | 2.40 gm. / 100ml  | 032-22-06 | 19.10.2021 |
| 34 | Mebendox 100mg       | Mebendazole BP  | Tablet     | 100.00 mg   | 032-17-55 | 19.10.2021 |
| 35 | Arromin 60ml & 100ml | Promethazine Hydrochloride BP                             | Elixir     | 100.00 mg. / 100ml  | 032-15-28 | 19.10.2021 |
| 36 | Trialugel            | Aluminium Hydroxide Dried Gel BP & Magnesium Hydroxide BP | Tablet     | 250.00 mg. & 400.00 mg.   | 032-12-29 | 19.10.2021 |
| 37 | Indomol Plus         | Paracetamol BP & Caffeine BP                              | Tablet     | 500.00 mg. & 65.00 mg.  | 032-45-06 | 15.10.2021 |
| 38 | Indofenac - SR       | Diclofenac Sodium BP (Time Release Pellets)               | Capsule    | 250.00 mg. Pellets (Equivalent to 100.00 mg. Diclofenac Sodium) | 032-49-06 | 19.10.2021 |
| 39 | Protobit             | Omeprazole BP (Enteric Coated Pellets)                    | Capsule    | 240.00 mg. Pellets (Equivalent to 20.00 mg. Omeprazole)         | 032-44-29 | 15.10.2021 |
| 40 | Indoprox 250mg       | Naproxen Sodium USP                                       | Tablet     | 275.00 mg. (Equivalent to 250.00 mg. Naproxen)                  | 032-47-65 | 29.10.2021 |
| 41 | Indoprox 500mg       | Naproxen Sodium USP                                       | Tablet     | 550.00 mg. (Equivalent to 500.00 mg. Naproxen)                  | 032-46-65 | 19.10.2021 |
| 42 | Indo-Fila            | Diethyl Carbamazine Citrate BP                            | Tablet     | 100.00 mg.  | 032-43-55 | 08.07.2018 |
| 43 | I-Cet                | Cetirizine Hydrochloride BP                               | Syrup      | 100.00 mg. / 100ml  | 032-41-28 | 19.10.2021 |
| 44 | I-Cet                | Cetirizine Hydrochloride BP                               | Tablet     | 10.00 mg.   | 032-40-28 | 15.10.2021 |
| 45 | Zins                 | Zinc Sulphate Monohydrate USP                             | Syrup      | 549.33mg. (Equivalent to 200.00 mg. Elemental Zinc)             | 032-39-67 | 19.10.2021 |
| 46 | Caltab               | Calcium Lactate BP  | Tablet     | 300.00 mg.  | 032-29-67 | 19.10.2021 |
| 47 | Indocal              | Calcium Carbonate BP                                      | Tablet     | 1250.00mg (Equivalent to 500.00mg. Elemental Calcium)           | 032-38-67 | 19.10.2021 |

**List of Biological Products:**

| SL | Brand Name             | Generic Name  | Dosages Form               | Strength  | DAR No.   | Valid up to |
|----|------------------------|---|----------------------------|---|-----------|-------------|
| 01 | Indocef 500mg          | Cephhradine Monohydrate (Compacted) BP  | Capsule                    | 525.00 mg. (Equivalent to 500.00 mg. Cephhradine)                               | 032-89-60 | 23.11.2019  |
| 02 | Indocef DS 100ml       | Cephhradine Monohydrate (Micronised) BP   | Powder for Suspension      | 5.25 gm. (Equivalent to 5.00gm. Cephhradine)/100ml                              | 032-90-60 | 23.11.2019  |
| 03 | Indocef 100ml          | Cephhradine Monohydrate (Micronised) BP   | Powder for Suspension      | 2.625 gm. (Equivalent to 2.50gm. Cephhradine)/100ml                             | 032-91-60 | 23.11.2019  |
| 04 | Indocef 15ml           | Cephhradine Monohydrate (Micronised) BP   | Powder for Paediatric Drop | 1.575 gm. (Equivalent to 1.50gm. Cephhradine) / 15ml                            | 032-91-60 | 23.11.2019  |
| 05 | Cotrimox-DS            | Sulphamethoxazole BP & Trimethoprim BP  | Tablet                     | 800.00 mg. & 160.00 mg.   | 032-28-59 | 25.10.2021  |
| 06 | Insoplex 100ml & 200ml | Thiamine Hydrochloride(B <sub>1</sub> ) BP, Riboflavin -5- Phosphate Sodium(B <sub>2</sub> ) BP, Pyridoxine Hydrochloride(B <sub>6</sub> ) BP & Nicotinamide BP | Syrup                      | (100.00 mg, 54.80 mg, 40.00 mg, & 400.00 mg) / 100ml                            | 032-21-39 | 19.10.2021  |
| 07 | I Need Z               | Dried Ferrous Sulphate, Folic Acid & Zinc Sulphate (Time Release Pellets) BP/USP  | Capsule                    | 285.00 mg.  | 032-86-39 | 25.10.2021  |
| 08 | BCE                    | Vitamin-C BP, Vitamin-E 50% BP & Betacarotene USP   | Tablet                     | 200.00 mg, 50.00 mg, & 06.00 mg.  | 032-87-39 | 08.12.2018  |
| 09 | Indocal-D              | Calcium Carbonate BP & Vitamin-D <sub>3</sub> BP  | Tablet                     | 1250.00mg. (Equivalent to 500.00mg. Calcium) & 200.00i.u. ( as cholecalciferol) | 032-99-39 | 19.10.2021  |
| 10 | Indomoxin 15ml         | Amoxycillin Trihydrate Micronised) BP   | Paediatric Drops           | 1.725 gm.   | 032-65-60 | 25.10.2021  |
| 11 | Indozith 15/30ml       | Azithromycin Dihydrate USP  | Powder for Suspension      | 00.84gm (Equivalent to 00.80gm. Azithromycin)                                   | 032-72-60 | 15.10.2021  |
| 12 | Indozith 250mg         | Azithromycin Dihydrate USP  | Capsule                    | 262.500mg (Equivalent to 250.00mg. Azithromycin)                                | 032-70-60 | 29.10.2021  |
| 13 | Indozith 500mg         | Azithromycin Dihydrate USP  | Tablet                     | 525.00mg (Equivalent to 500.00mg. Azithromycin)                                 | 032-71-60 | 15.10.2021  |
| 14 | Cipro-I 750mg          | Ciprofloxacin Hydrochloride USP   | Tablet                     | 873.30mg (Equivalent to 750.00mg Ciprofloxacin)                                 | 032-76-60 | 20.09.2018  |
| 15 | I-Cillin 250mg         | Ampicillin Trihydrate (Compacted) BP  | Capsule                    | 288.70mg (Equivalent to 250.00mg Ampicillin)                                    | 032-73-60 | 09.04.2019  |

|    |                 |  |                       |   |           |            |
|----|-----------------|--|-----------------------|---|-----------|------------|
| 16 | I-Cillin 500mg  | Ampicillin Trihydrate (Compacted) BP   | Capsule               | 577.40mg (Equivalent to 500.00mg Ampicillin)        | 032-74-60 | 09.04.2019 |
| 17 | I-Cillin 100ml  | Ampicillin Trihydrate (Micronised) BP  | Powder for Suspension | 2.88gm (Equivalent to 2.500gm Ampicillin)           | 032-75-60 | 09.04.2019 |
| 18 | I-Fol           | Ferrous Fumarate BP & Foilc Acid BP  | Tablet                | 200.00 mg. & 200.00 mcg.                            | 032-61-26 | 23.12.2018 |
| 19 | I-Fol Plus      | Ferrous Fumarate BP & Foilc Acid BP  | Tablet                | 200.00 mg. & 400.00 mcg.                            | 032-62-27 | 23.12.2018 |
| 20 | Riboflavine     | Riboflavine BP   | Tablet                | 5.00 mg.  | 032-08-39 | 19.10.2021 |
| 21 | Cotrimox 60ml   | Sulphamethoxazole BP & Trimethoprim BP   | Suspension            | (4.00 gm & 0.80 gm)/100ml                           | 032-16-59 | 12.08.2020 |
| 22 | Cotrimox 480mg  | Sulphamethoxazole BP & Trimethoprim BP   | Tablet                | 400 mg. & 80.00 mg.                                 | 032-11-59 | 12.08.2020 |
| 23 | Auriotone       | Ferrous Sulphate BP  | Syrup                 | 4.00 gm   | 032-23-39 | 20.12.2019 |
| 24 | Indox           | Doxycycline Hydrochloride BP   | Capsule               | 115.00mg. (Equivalent to 100.00mg Doxycycline)      | 032-50-60 | 19.10.2021 |
| 25 | Indomoxin 100ml | Amoxycillin Trihydrate (Micronised) BP   | Powder for Suspension | 2.875gm (Equivalent to 2.500gm Amoxycillin)         | 032-48-60 | 15.10.2021 |
| 26 | Cipro-I 500mg   | Ciprofloxacin Hydrochloride USP  | Tablet                | 582.20 mg. (Equivalent to 500.00 mg. Ciprofloxacin) | 032-32-60 | 19.10.2021 |
| 27 | Indomoxin 250mg | Amoxycillin Trihydrate (Compacted) BP  | Capsule               | 287.50mg. (Equivalent to 250.00mg Amoxycillin)      | 032-33-60 | 29.10.2021 |
| 28 | Indomoxin 500mg | Amoxycillin Trihydrate (Compacted) BP  | Capsule               | 575.00mg. (Equivalent to 500.00 mg Amoxycillin)     | 032-34-60 | 19.10.2021 |
| 29 | Indotetra 500mg | Tetracycline Hydrochloride BP  | Capsule               | 500.00 mg.  | 032-42-60 | 19.10.2021 |
| 30 | Indoflox 100ml  | Flucloxacillin Sodium BP   | Powder for Suspension | 2.72gm. (Equivalent to 2.50gm Flucloxacillin)       | 032-37-60 | 15.10.2021 |
| 31 | Indoflox 250mg  | Flucloxacillin Sodium BP   | Capsule               | 272.00mg. (Equivalent to 250.00mg. Flucloxacillin)  | 032-35-60 | 29.10.2021 |
| 32 | Indoflox 500mg  | Flucloxacillin Sodium BP   | Capsule               | 544.00mg. (Equivalent to 500.00mg. Flucloxacillin)  | 032-36-60 | 29.10.2021 |
| 33 | Indoplex-B      | Thiamine Hydrochloride(B <sub>1</sub> ) BP, Riboflavine (B <sub>2</sub> ) BP, Pyridoxine Hydrochloride(B <sub>6</sub> ) BP & Nicotinamide BP | Tablet                | 5.00 mg, 2.00 mg, 2.00 mg & 20.00 mg                | 032-30-39 | 19.10.2021 |
| 34 | Indomox 250mg   | Amoxycillin Trihydrate (Compacted) BP  | Tablet                | 287.50mg. (Equivalent to 250.00mg. Amoxycillin)     | 032-31-60 | 29.10.2021 |

*\*Non-Biological Products and Biological Products list as per approved by Directorate General of Drug Administration & Licensing Authority (Drugs), Government of the People's Republic of Bangladesh.*

**Markets for such products or services:**

All of the products' markets are throughout the Bangladesh.

**Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data:**

Indo-Bangla Pharmaceuticals Limited was incorporated as a private Limited Company under the Companies Act-1994 on 18 June 2014 vides registration no.C-116665/14.

Last 2 years sales of Indo-Bangla Pharmaceuticals Limited:

As per audited financial statement:

*(Amount in BDT)*

| Particulars   | 30-Jun-16   | 30-Jun -15  |
|---------------|-------------|-------------|
| Sales Revenue | 444,777,724 | 435,024,108 |

Pharmaceuticals products are met one of the basic needs for all living being. It is one of the fastest growing industries in the world. According to IMS by 2017, demand of pharma products will be USD 1,200 billion.

According to the same source, in the year 2014 Bangladesh pharma market size was Tk. 10,600 crore with a growth percentage 8.48. For the year ended 30 June 2016, IBPL's sales was Tk. 444.78 million and with a 19.75% growth. According to IMS in the year 2015, Bangladesh pharma market size was Tk. 12,000 crore.

Source: <http://www.lightcastlebd.com/blog/2015/12/market-insight-how-the-bangladesh-pharmaceutical-sector-is-performing-in-2015>

- (vi) **If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues;**

There is no product that account for more than 10% of the Company's total revenue.

- (vii) **Description of associates, subsidiary and holding company of the issuer and core areas of business thereof;**

IBPL has no associates, subsidiary and holding company.

- (viii) **How the products or services are distributed with details of the distribution channel. Export possibilities and export obligations;**

IBPL has its own distribution network to distribute its products throughout the country.

**Details of the distribution channel:**



**Export possibilities and export obligations:**

At present, IBPL is concentrating to grasp the market share of local market. Hence, there is no export possibilities now.

(ix) **Competitive conditions in business with names, percentage and volume of market shares of major competitors;**

IBPL has a number of competitors and these as follows:

| Sl. No. | Name of the Company             | Core area of work      |
|---------|---------------------------------|------------------------|
| 01      | Orion Pharma Limited            | Manufacturing medicine |
| 02      | Popular Pharmaceuticals Limited | Manufacturing medicine |
| 03      | Central Pharma Limited          | Manufacturing medicine |
| 04      | Opsonin Pharma Limited          | Manufacturing medicine |
| 05      | Beacon Pharmaceuticals Limited  | Manufacturing medicine |
| 06      | Ziska Pharma Limited            | Manufacturing medicine |

IMS in its report dated 30 June 2015, reported the following top fifteen competitors and their market share in values and percentage

| Name of the Competitors         | Market share (30 June 2015) |       |
|---------------------------------|-----------------------------|-------|
|                                 | Values (in BDT)             | (%)   |
| Square Pharmaceuticals Ltd.     | 21,930,698,095              | 18.32 |
| Incepta Pharmaceuticals Ltd.    | 12,355,658,045              | 10.32 |
| Beximco Pharmaceuticals Ltd.    | 10,216,986,848              | 8.53  |
| Opsonin Pharma Ltd.             | 6,602,671,150               | 5.52  |
| Renata Ltd.                     | 5,997,526,422               | 5.01  |
| Eskayef Bangladesh Ltd.         | 5,373,278,479               | 4.49  |
| Aristopharma Ltd.               | 5,485,190,024               | 4.58  |
| ACI Ltd.                        | 4,969,069,843               | 4.15  |
| The ACME Laboratories Ltd.      | 4,624,965,118               | 3.86  |
| Drug International Ltd.         | 3,629,945,107               | 3.03  |
| Healthcare Pharmaceuticals Ltd. | 3,662,648,632               | 3.06  |
| Novo Nordisk                    | 2,168,873,133               | 1.81  |
| Sanofi Aventis (BD) Ltd.        | 2,398,799,630               | 2     |
| General Pharmaceuticals Ltd.    | 2,419,756,889               | 2.02  |
| Popular Pharmaceuticals Ltd.    | 2,113,164,442               | 1.77  |

Apart from this, as per annual report of the listed companies and audited financial statements of Indo-Bangla Pharmaceuticals Limited, the sales amounts are presented below:

| <i>Amount in BDT (Million)</i> |   |           |  |          |
|--------------------------------|---|-----------|--|----------|
| Sl.                            | Name of the Company                       | 2015/2016 | Period/Year                            | Year End |
| 1                              | Indo-Bangla Pharmaceuticals Limited       | 458.14    | From 1 Jul,<br>2016 to 31<br>Mar, 2017 | 30 Jun   |
| 2                              | Square Pharmaceuticals Ltd.               | 26,642.14 |  |          |
| 3                              | Renata Ltd.                               | 11,659.47 |  |          |
| 4                              | The ACME Laboratories Ltd.                | 9,769.86  |  |          |
| 5                              | ACI Ltd.                                  | 34,716.85 |  |          |
| 6                              | The IBN SINA Pharmaceutical Industry Ltd. | 2,963.63  |  |          |
| 7                              | Orion Pharma Limited                      | 6,857.53  |  |          |
| 8                              | Central Pharma Limited                    | 409.52    |  |          |
| 9                              | Beacon Pharmaceuticals Limited            | 2,334.64  |  |          |

*There is no data available regarding market shares of the respective listed company in their annual report.*

**(x) Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption;**

Most of the raw materials of the Company are procured from abroad. The names of main suppliers are mentioned below:

| SL | Name of Raw Materials                     | Address  | Country of origin | Name of Principal Suppliers                 |
|----|---|--|-------------------|---|
| 01 | Albendazole USP                           | Room-61, Block –C, Yuxiu Center, No-38, Yuxiuli, Xiamen, China   | China             | Hubei Maxpharm Industries Co. Ltd.          |
|    |   | Room-202, Bldg-2, Zindi Garden, Fengze District, Quanzhou, Fujian China  | China             | Zhuzhou Xin Hualian Pharmaceutical Co. Ltd. |
| 02 | Aceclofenac BP                            | Mahendra Industrial Estate, Ground Floor, Road No 29, Sion (East), Mumbai- 400 022 (India)                             | India             | Aarti Drugs Ltd.                            |
|    |   | 407, Dalmal House, Jamnalal Bajaj Road, Nariman Point, Nariman Point, Mumbai, Maharashtra 400021, India                | India             | Amoli Organics Pvt. Ltd.                    |
| 03 | Ascorbic Acid BP/USP                      | 8F, Qushi Building, Sijing Industrial Area, Jinjian Fujian, China  | China             | Shandong Luwei Pharmaceutical Co. Ltd.      |
|    |   | 12/F, Zhongyin Building Chongde Road, Jinjiang, Fujian, China  | China             | Evervictory Pharm Co. Ltd.                  |
|    |   | Room-402, No-999, 1001 Anling Road, Huli District, Xiamen, China   | China             | North China Pharmaceutical Co. Ltd.         |
|    |   | Unit 3105-1, 31/F, No.100, Lujiang Road, Xiamen, China   | China             | Anhui Master Chemical Co. Ltd.              |
| 04 | 30% Natural Beta-carotene in MCT Oil      | 521 Kororoit Creek Rd, Altona VIC 3018, Australia  | Australia         | BASF Australia Limited                      |
| 05 | Ibuprofen                                 | No. 85, Industrial Area- A Ludhiana, India - 141003  | India             | IOL Chemicals & Pharmaceuticals Ltd.        |
| 06 | Pantoprazole Enteric Coated Pellets 20%   | 7-2-A2, Hetero Corporate Industrial Estates. Sanath Nagar Hyderabad - 500 018. India                                   | India             | Hetero Labs Ltd                             |
| 07 | Rabeprazole Pellets 8.5%                  | 5-5-35/32b, Prashant Nagar, Ida, Kukatpally, Kukatpally, Hyderabad, Telangana 500072, India                            | India             | Goldfish Pharma Pvt. Ltd                    |
| 08 | Esomeprazole Enteric Coated Pellets 22.5% | 8-2-337, Road No 3, Banjara Hills Hyderabad Telangana, 500034  | India             | Dr. Reddy's Laboratories Ltd.               |
| 09 | Domperidone Maleate                       | 8-2-337, Road No 3, Banjara Hills Hyderabad Telangana, 500034  | India             | Dr. Reddy's Laboratories Ltd.               |
| 10 | Caffeine Anhydrous                        | Karlstraße 15, 32423 Minden, Germany   | Germany           | BASF PharmaChemikalien GmbH & Co.           |
| 11 | Magnesium Carbonate Powder                | Hauptstraße 2, 31860 Emmerthal, Germany  | Germany           | Dr. Paul Lohmann GmbH KG                    |
| 12 | Salbutamol                                | Sanali Info Park, 'A' Block, Ground Floor, 8-2-120/113, Road No. 2, Banjara Hills, Hyderabad, 500034, Telangana, India | India             | Neuland Laboratories Ltd.                   |

**Contingency Plan in case of any disruption:**

We have been collecting our raw materials from different international suppliers. Supplier's countries are China, India, Australia and Germany. Hence, there is already contingency plan in place in case of any disruption.

**(xi) Sources of, and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption;**

**Power:**

For electricity consumption, IBPL depends on West Zone Power Distribution Co Ltd. (An Enterprise of B.P.D.B) from transformer of 315 KV and company has two diesel generators of capacity 335KV. Also, Company has a substation with PFI and transformer.

**Gas:**

Indo-Bangla Pharmaceuticals Ltd. is a medicine manufacturing company. It doesn't require any gas for its production.

**Water:**

Water is the vital and most essential material for medicine production. This resource is collected from mineral and the companies own water treatment plant.

**Contingency Plan in case of any disruption:**

The Company has two diesel generators as standby with the total capacity of 335 KV in case of any power disruption.

**(xii) Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products or services with amount and percentage thereof;**

No particular customers who purchases 10% or more of the Company's products.

**(xiii) Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw material or finished goods with amount and percentage thereof;**

The company has no suppliers from whom it purchases 10% or more of its raw material/finished goods.

**(xiv) Description of any contract which the issuer has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract. If there is not any of such contract, a declaration is to be disclosed duly signed by CEO or MD, CFO and Chairman on behalf of Board of Directors;**

The company has not entered into any contract with any of its suppliers or customers.

**No contract with principal suppliers or customers:**

We, on behalf of the Board of Directors certify that Indo-Bangla Pharmaceuticals Limited did not enter into any contract with its principal suppliers or customers.

Sd/-

**A F M Anowarul Huq**  
Managing Director

Sd/-

**Md. Faruque Hossain**  
Chief Financial Officer

Sd/-

**Aziza Yeasmin**  
Chairman  
on behalf of Board of Directors

**(xv) Description of licenses, registrations, NOC and permissions obtained by the issuer with issue, renewal and expiry dates;**

The Company neither obtained any Patent Right/Trademarks nor signed any royalty agreement with any party. But IBPL has several regulatory licenses and certificates in order to continue its operations. The table shows list of licenses:

| SL | Name of Certificate/license/Registration / NOC | License Issuer/Issuing Authority                        | Certificate/License No.                                  | Expiry Date | Remarks                                |
|----|--|---|--|-------------|--|
| 1  | Incorporation                                  | RJSC  | Private Limited Company dated June18, 2014 & C-116665/14 | N/A         | -                                      |
| 2  | Certificate of Commencement of Business        | RJSC  | N/A  | N/A         | Incorporated as a private Ltd. company |
| 3  | Trade License                                  | Barisal City Corporation                                | 01473  | 30-06-18    | -                                      |
| 4  | TIN Certificate                                | National Board of Revenue                               | 681332543219   | N/A         | -                                      |
| 5  | VAT Reg. No.                                   | Customs, Excise & VAT Commissionerate, Barisal          | 15101029766  | -           | -                                      |
| 6  | Import Registration Certificate                | Controller of Import & Export, Government of Bangladesh | BA- 22 27040   | 30-06-18    | -                                      |
| 7  | Drugs License                                  | Drug Administration of Bangladesh                       | 13   | 25-06-18    | -                                      |
| 8  | Fire License                                   | Bangladesh Fire Services and Civil Defense              | Bari/1439/99   | 30-06-18    | -                                      |
| 9  | Environment Clearance Certificate              | Department of Environment                               | 316/2005/682   | 23-08-18    | -                                      |
| 10 | Factory License                                | Factory and Organization Inspection Authority, Barisal  | 116/Bari   | 30-06-18    | -                                      |
| 11 | BCCI   | The Barisal Chamber of Commerce & Industry              | 159  | 30-06-18    | -                                      |
| 12 | ISO 9001:2008                                  | Bureau of Assessment Services                           | 010160003  | 15-09-18    | -                                      |
| 13 | BAPI   | Bangladesh Association of Pharmaceutical Industries     | BASS/MD-2018/68  | 31-12-18    | -                                      |
| 14 | Acid License                                   | Barisal District Administrator                          | 10/2004  | 30-06-18    | -                                      |
| 15 | Madok License                                  | Narcotics Control Bureau of Bangladesh                  | 01/2009/2013   | 30-06-18    | -                                      |

**(xvi) Description of any material patents, trademarks, licenses or royalty agreements;**

The Company neither obtained any Patent Right/Trademarks nor signed any royalty agreement with any party. However, it has several regulatory licenses (Prospectus Page number 57) and certificate in order to continue its operation.

**(xvii) Number of total employees and number of full-time employees;**

The Company has 206 full-time employees as of June 30, 2016, Details are as follows:

| <b>Employees</b>                                     | <b>2016</b> | <b>2015</b> |
|--|-------------|-------------|
| Number of employees whose salary was below Tk. 5,300 | -           | -           |
| Number of employees whose salary was above Tk. 5,300 | 206         | 138         |

The Company has no part time employee.

**(xviii) A brief description of business strategy;**

A business strategy sets out to achieve the desired goals. Business strategy is defined as long-term business planning which is concerned with the scope of a business' activities.

Two main categories of can be defined as

- a) Generic Strategy
- b) Competitive Strategy

1. **Generic Strategy:** It is concerned with growth. Now company is in planning to invest in fixed assets in order to expand its existing business.

2. **Competitive Strategy:** It is concerned with doing things better than rivals. The following competitive strategies are in place.

- Lower price: In order to be market Leader Company is trying to be competitive price to deal with its rivals.
- Economic Scale: With a view to spreading the fixed cost over more units company is trying to increase economic of scale.
- Strengthening our existing market share
- Comprehensive marketing and distribution network.
- Ensure stable and long-term return to our investors.

(xix) A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, rationale to achieve the projected levels.

**Existing capacity utilization:**

| Product | Unit        | Installed Capacity |                  | Capacity utilization for this Products |                  | Actual Capacity Utilization (%) |                  |
|---------|-------------|--------------------|------------------|--|------------------|---------------------------------|------------------|
|         |             | Jul'14 to Jun'15   | Jul'15 to Jun'16 | Jul'14 to Jun'15                       | Jul'15 to Jun'16 | Jul'14 to Jun'15                | Jul'15 to Jun'16 |
| Tablet  | Million Pcs | 84.5               | 87               | 55                                     | 58               | 65.09%                          | 66.67%           |
| Capsule | Million Pcs | 425                | 435              | 280                                    | 290              | 65.88%                          | 66.67%           |
| Liquid  | Million ML  | 140                | 145              | 81                                     | 87               | 57.86%                          | 60.00%           |

**Projected capacity utilization:**

| Product | Unit        | Installed Capacity |                  |                  | Capacity utilization for this Products |                  |                  | Actual Capacity Utilization (%) |                  |                  |
|---------|-------------|--------------------|------------------|------------------|--|------------------|------------------|---------------------------------|------------------|------------------|
|         |             | Jul'16 to Jun'17   | Jul'17 to Jun'18 | Jul'18 to Jun'19 | Jul'16 to Jun'17                       | Jul'17 to Jun'18 | Jul'18 to Jun'19 | Jul'16 to Jun'17                | Jul'17 to Jun'18 | Jul'18 to Jun'19 |
| Tablet  | Million Pcs | 146.16             | 255.78           | 365.77           | 105.24                                 | 191.84           | 292.61           | 72.00%                          | 75.00%           | 80.00%           |
| Capsule | Million Pcs | 730.80             | 1,278.90         | 1,828.83         | 526.18                                 | 959.18           | 1,463.06         | 72.00%                          | 75.00%           | 80.00%           |
| Liquid  | Million ML  | 243.60             | 426.30           | 609.61           | 175.39                                 | 319.73           | 487.69           | 72.00%                          | 75.00%           | 80.00%           |

**Assumptions for future capacity utilization:**

| Assumption indicator | Assumption's Basis  | Assumptions Years |            |            |
|----------------------|---|-------------------|------------|------------|
|                      |   | 30-June-17        | 30-June-18 | 30-June-19 |
| Capacity Increase    | Capacity will be increased as new instruments will be introduced. | 68.00%            | 75.00%     | 43.00%     |

**Rationale to achieve the projected levels:**

The Company has projected that the capacity utilization will increase. As the total market is increased day by day and market share of the company is increasing. Hence, the management of the Company thinks that the projected capacity is attainable.

**(e) Description of Property:**

The written down value of Property, Plant & equipment's owned by the Company as per audited accounts as on 30 June, 2016 are stated below: -

*Amount in Taka*

| Particulars             | Written Down Value as at 30.06.2016 |
|-------------------------|-------------------------------------|
| Machineries & Equipment | 112,409,855                         |
| Generator               | 2,712,501                           |
| Furniture & Fixture     | 5,276,171                           |
| Office Equipment        | 2,704,824                           |
| Transport               | 1,508,079                           |
| Building                | 82,827,610                          |
| ETP Plant               | 2,205,122                           |
| Water Plant             | 1,756,324                           |
| <b>Total</b>            | <b>211,400,486</b>                  |

*\*Mentionable here that, the Company has purchased 37.40 decimals and 159.50 decimals of land on 24.08.2016 and 04.01.2017 respectively.*

**(i) Location and area of the land, building, principal plants and other property of the company and the condition thereof;**

The above-mentioned assets except land are located at the Company's factory at 729, College Road, Barisal Sadar, Barisal-8200. Furniture & Fixture are located at both factory and corporate office at Plot No. # 183 (6<sup>th</sup> Floor), Block # B, Ahmed Akbar Sobhan Road, Bashundhara R/A, Baridhara, Dhaka-1229.

**Location and area of Land:** 37.40 decimals land located at College Road, Barisal and 159.50 decimals land located at Ranirhat, Bakergonj, Barisal.

**Building:**

| Number of Buildings | Type (Bricks/Tin/Prefabricated Steel)                                | Total Area (Sft) | Status of Use        |
|---------------------|--|------------------|----------------------|
| Building-1          | Pillar-RCC, Wall-Brick Roof-Brick. (Two Storied Completed Building)  | 5,359.20         | Office               |
| Building-2          | Pillar-RCC, Wall-Brick Roof-Brick. (Two Storied Completed Building)  | 9,383.60         | Factory              |
| Building-3          | Pillar-RCC, Wall-Brick Roof-Brick. (Two Storied Completed Building)  | 2,345.00         | Finished goods store |
| Building-4          | Pillar-RCC, Wall-Brick Roof-Brick. (Four Storied Completed Building) | 9,106.40         | Factory              |
| Building-5          | Pillar-RCC, Wall-Brick Roof-Brick. (Four Storied Completed Building) | 16,447.20        | Raw materials store  |

All of the above-mentioned Property, Plant & Equipments are in working condition.

**(ii) Whether the property is owned by the company or taken on lease;**

All the assets of the Company are in its own name.

- (iii) Dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof;

| Deed No.     | Date of purchase | Location                     | Mutation date | Last date of current rent (খাজনা) | S.A Dag No.                | Deed Value (Tk.)  | Land development & others cost | Area of land (Decimal) | Current Use          |
|--------------|------------------|------------------------------|---------------|-----------------------------------|----------------------------|-------------------|--------------------------------|------------------------|----------------------|
| 8606         | 24.08.2016       | College Road, Barisal        | 15.11.2016    | 22.08.2016                        | 3480, 3480/1               | 17,298,000        | -                              | 5.00                   | Factory              |
| 8611         |                  |                              |               |                                   |                            | 16,733,000        | -                              | 32.40                  |                      |
| 5421         | 04.01.17         | Ranirhat, Bakergonj, Barisal | 19.02.2017    | 19.02.2017                        | 46, 1879, 1761, 1762, 1764 | 2,000,000         | -                              | 159.50                 | Developed open field |
| <b>Total</b> |                  |                              |               |                                   |                            | <b>36,031,000</b> |                                | <b>196.90</b>          |                      |

\*Mentionable here that under deed no. 8606 there is 5.00 decimal land along with 2,200 Sft building.

- (iv) The names of the persons from whom the lands has been acquired/proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof;

| Name of the persons from whom the land has been acquired | Cost of acquisition | Relations                                    |
|--|---------------------|--|
| Aziza Yeasmin  | Tk. 34,031,000      | Subscriber to Memorandum & Director          |
| A F M Anowarul Huq                                       |                     |  |
| Hafiza Yeasmin   |                     |  |
| Sayedha Haq  |                     |  |
| A F M Anowarul Huq                                       | Tk. 2,000,000       | Subscriber to Memorandum & Managing Director |

\*Currently the Company has no plan to acquire any land.

- (v) Details of whether the issuer has received all the approvals pertaining to use of the land, if required;  
The Company has received all the approvals pertaining to use of the land.
- (vi) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee;  
There is no mortgage or other type of charge on the property of Indo-Bangla Pharmaceuticals Limited.
- (vii) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment;  
No property is taken by the Company under lease agreement.

**(viii) Dates of purchase of plant and machineries along with sellers name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value;**

| <b>Date of Purchase or Installation</b> | <b>Sellers Name</b>                                | <b>Address</b>  | <b>Years of Sale</b> | <b>Condition when Purchased</b> | <b>Origin</b> | <b>Useful Economic Life at Purchase</b> | <b>Remaining Economic Life</b> | <b>Purchase Price in Tk.</b> | <b>W.D.V in Tk.</b> |
|---|--|---|----------------------|---------------------------------|---------------|---|--------------------------------|------------------------------|---------------------|
| 7 July 2014                             | Shanghai Tiafeng Pharmaceutical Machinery Co, Ltd. | No.8, Tiafeng Road, Songjiang Zone, Shanghai, China                 | N/A                  | Brand New                       | China         | 33 Years 4 Month                        | 31 Years 4 Month               | 4,878,750                    | 4,590,416           |
| 7 July 2014                             | Nimco Engg. Corporation                            | Anand Parbat Indl. Estate, Street No. 2, New Rohtak Road, New Delhi | N/A                  | Brand New                       | India         | 33 Years 4 Month                        | 31 Years 4 Month               | 4,996,250                    | 4,700,972           |
| 7 July 2014                             | Takashi Electronic Ltd.                            | 3-21-16 Higashi-ryoke, Kawaguchi-shi, Japan (332-0003)              | N/A                  | Brand New                       | Japan         | 33 Years 4 Month                        | 31 Years 4 Month               | 5,049,860                    | 4,751,413           |
| 7 July 2014                             | Wraptech Machines Ltd.                             | TTC Industrial Area, Pawne, Navi Mumbai, Maharashtra 400705,        | N/A                  | Brand New                       | India         | 33 Years 4 Month                        | 31 Years 4 Month               | 5,177,300                    | 4,871,322           |
| 7 July 2014                             | Zhejiang Feiyun Technology Co., Ltd.               | 281, West Yanjiang Road, Ruian City, Zhejiang Province, P. R. China | N/A                  | Brand New                       | Feiyun, China | 33 Years 4 Month                        | 31 Years 4 Month               | 7,747,750                    | 7,289,858           |
| 7 July 2014                             | Diamond Ind. Pvt.                                  | Hossain Tower, 75 Green Road, Farmgate, Dhaka                       | N/A                  | Brand New                       | Bangladesh    | 33 Years 4 Month                        | 31 Years 4 Month               | 561,250                      | 528,080             |
| 7 July 2014                             | Yenchen Machinery Co.                              | 38, Huaya 1St Rd, Kueishan Township, Taoyuan                        | N/A                  | Brand New                       | Taiwan        | 33 Years 4 Month                        | 31 Years 4 Month               | 351,250                      | 330,491             |
| 7 July 2014                             | Pharmaceuticals and Medica Supply Limited          | Linpu Road, Dong'Ou Industrial Park.                                | N/A                  | Brand New                       | China         | 33 Years 4 Month                        | 31 Years 4 Month               | 377,420                      | 355,114             |
| 7 July 2014                             | Changzhou Yutong Drying, Equipment Co. Ltd.        | Shun Xi Road, Jiao Xi Town, Changhou, China                         | N/A                  | Brand New                       | China         | 33 Years 4 Month                        | 31 Years 4 Month               | 191,280                      | 179,975             |
| 7 July 2014                             | Wraptech Machines Ltd.                             | TTC Industrial Area, Pawne, Navi Mumbai, Maharashtra 400705, India  | N/A                  | Brand New                       | India         | 33 Years 4 Month                        | 31 Years 4 Month               | 2,874,250                    | 2,704,382           |
| 7 July 2014                             | National Pharma Machinery                          | Gota, Ahmedabad India   | N/A                  | Brand New                       | India         | 33 Years 4 Month                        | 31 Years 4 Month               | 2,874,250                    | 2,704,382           |

|             |                               |   |     |           |                  |                  |                  |            |            |
|-------------|-------------------------------|---|-----|-----------|------------------|------------------|------------------|------------|------------|
| 7 July 2014 | Gaylord Engineers             | B Patel Road, Goregaon East, Goregaon East, Mumbai, Maharashtra 400063, India                           | N/A | Brand New | India            | 33 Years 4 Month | 31 Years 4 Month | 485,832    | 457,119    |
| 7 July 2014 | Tras Eng. Pvt Ltd             | Neelkanth Apartments, Gokuldas Pasta Road, Mumbai - 400014,   | N/A | Brand New | India            | 33 Years 4 Month | 31 Years 4 Month | 502,768    | 473,054    |
| 7 July 2014 | Diamond Ind. Pvt.             | Hossain Tower, 75 Green Road, Farmgate, Dhaka   | N/A | Brand New | Bangladesh       | 33 Years 4 Month | 31 Years 4 Month | 280,656    | 264,069    |
| 7 July 2014 | Power Co                      | Not available   | N/A | Brand New | Perking, England | 33 Years 4 Month | 31 Years 4 Month | 24,245,657 | 22,812,739 |
| 7 July 2014 | Magumps                       | Block, 97, D. Phakle Road, Dadar (East), Central Railway, Mumbai - 40001                                | N/A | Brand New | India            | 33 Years 4 Month | 31 Years 4 Month | 2,615,823  | 2,461,228  |
| 7 July 2014 | Boeco                         | Rödingsmarkt 33, 20459 Hamburg, Germany   | N/A | Brand New | Germany          | 33 Years 4 Month | 31 Years 4 Month | 3,215,732  | 3,025,682  |
| 7 July 2014 | Bellingham and Stanley Ltd    | Jays Close, Viabes Estate, Basingstoke, Hants, RG22 4BA, UK   | N/A | Brand New | England          | 33 Years 4 Month | 31 Years 4 Month | 1,521,568  | 1,431,643  |
| 7 July 2014 | Pharmag Ins.                  | B-60, Asokar Street, A Colony, Jothi Nagar, Pollachi - 642 001, Coimbatore District, Tamil Nadu, India. | N/A | Brand New | India            | 33 Years 4 Month | 31 Years 4 Month | 1,592,561  | 1,498,441  |
| 7 July 2014 | Kruss Optronic                | Alsterdorfer Strasse 276-278 22297 Hamburg / Germany  | N/A | Brand New | Germany          | 33 Years 4 Month | 31 Years 4 Month | 190,568    | 179,305    |
| 7 July 2014 | Osworld Scientific Equipments | B-44, New Empire Industrial Premises, Kandivita, Mumbai,  | N/A | Brand New | India            | 33 Years 4 Month | 31 Years 4 Month | 880,670    | 828,622    |
| 7 July 2014 | Eastern Instruments           | Mercantile Building, 9/A, Lal Bazar St., 3rd Floor, Block-c, Kolkata 700001                             | N/A | Brand New | India            | 33 Years 4 Month | 31 Years 4 Month | 670,650    | 631,015    |
| 7 July 2014 | Sonicator Industries Ltd.     | Shinka Industry Co., Ltd. Asahi-tamagawa building 2F 1-636 Maruko-Dori, Nakahara-Ku 211-0006            | N/A | Brand New | Japan            | 33 Years 4 Month | 31 Years 4 Month | 680,775    | 640,541    |

|             |   |  |     |           |            |                  |                  |           |           |
|-------------|---|--|-----|-----------|------------|------------------|------------------|-----------|-----------|
| 7 July 2014 | Pharmalink Bd                           | 55, Purana Paltan, Dhaka   | N/A | Brand New | Bangladesh | 33 Years 4 Month | 31 Years 4 Month | 2,875,750 | 2,705,793 |
| 7 July 2014 | YSI                                     | Fondriest Environmental<br>2091 Exchange Court<br>Fairborn, OH 45324                   | N/A | Brand New | U.S.A      | 33 Years 4 Month | 31 Years 4 Month | 2,875,750 | 2,705,793 |
| 7 July 2014 | SI Analytics                            | Hattenbergstraße 10,<br>55122 Mainz, Germany   | N/A | Brand New | Germany    | 33 Years 4 Month | 31 Years 4 Month | 2,550,642 | 2,399,899 |
| 7 July 2014 | Adair Dutt & Co                         | 201, Anna Salai, Mount<br>Road, Mount Road,<br>Chennai, Tamil Nadu<br>600002, India    | N/A | Brand New | China      | 33 Years 4 Month | 31 Years 4 Month | 3,240,520 | 3,049,005 |
| 7 July 2014 | Gaylord Engineers                       | B Patel Road, Goregaon<br>East, Goregaon East,<br>Mumbai, Maharashtra<br>400063, India | N/A | Brand New | India      | 33 Years 4 Month | 31 Years 4 Month | 2,016,570 | 1,897,391 |
| 7 July 2014 | Techno Mate                             | Eastern Housing, J-41,<br>Pallabi, Mirpur, Dhaka                                       | N/A | Brand New | Bangladesh | 33 Years 4 Month | 31 Years 4 Month | 3,270,532 | 3,077,244 |
| 7 July 2014 | Tecnoworth                              | 78, Motijheel, Dhaka   | N/A | Brand New | Bangladesh | 33 Years 4 Month | 31 Years 4 Month | 605,755   | 569,955   |
| 7 July 2014 | Puriest Pharma.<br>Technology<br>Co Ltd | 410, Yingjiachuntian, 175<br>No. Jinsheng Rd. Vanjing,<br>China 211101, China          | N/A | Brand New | China      | 33 Years 4 Month | 31 Years 4 Month | 72,532    | 68,245    |
| 7 July 2014 | Diamond Ind. Pvt. Ltd                   | Hossain Tower, 75 Green<br>Road, Farmgate, Dhaka                                       | N/A | Brand New | Bangladesh | 33 Years 4 Month | 31 Years 4 Month | 520,650   | 489,880   |
| 7 July 2014 | Pharmalink Bd                           | 55, Purana Paltan, Dhaka   | N/A | Brand New | Bangladesh | 33 Years 4 Month | 31 Years 4 Month | 364,587   | 343,040   |
| 7 July 2014 | Zhejiang Feiyun Technology<br>Co., Ltd. | 281, West Yanjiang Road,<br>Ruian City, Zhejiang<br>Province, P. R. China              | N/A | Brand New | China      | 33 Years 4 Month | 31 Years 4 Month | 7,643,842 | 7,192,091 |
| 4 Jan 2015  | Wraptech Machines Ltd.                  | TTC Industrial Area,<br>Pawne, Navi Mumbai,<br>Maharashtra 400705,                     | N/A | Brand New | India      | 33 Years 4 Month | 32 Years 2 Month | 3,032,652 | 2,926,964 |
| 12 Jan 2015 | Wraptech Machines Ltd.                  | TTC Industrial Area,<br>Pawne, Navi Mumbai,<br>Maharashtra 400705,<br>India            | N/A | Brand New | India      | 33 Years 4 Month | 32 Years 2 Month | 2,123,540 | 2,049,535 |
| 10 Feb 2015 | Diamond Ind. Pvt. Ltd                   | Hossain Tower, 75 Green<br>Road, Farmgate, Dhaka                                       | N/A | Brand New | Bangladesh | 33 Years 4 Month | 32 Years 2 Month | 2,508,672 | 2,421,245 |

|                  |                                     |  |     |              |            |                     |                     |           |           |
|------------------|-------------------------------------|--|-----|--------------|------------|---------------------|---------------------|-----------|-----------|
| 18 Feb 2015      | Otomac Bd                           | House-191, Road-01,<br>New DOHS Mohakhali,<br>Dhaka,                             | N/A | Brand<br>New | Bangladesh | 33 Years<br>4 Month | 32 Years 2<br>Month | 3,342,520 | 3,226,033 |
| 12 March<br>2015 | Otomac Bd                           | House-191, Road-01,<br>New DOHS Mohakhali,<br>Dhaka,                             | N/A | Brand<br>New | Bangladesh | 33 Years<br>4 Month | 32 Years 2<br>Month | 1,892,897 | 1,826,930 |
| 12 March<br>2015 | Funke Gerber Germany                | Ringstraße 42, 12105<br>Berlin, Germany  | N/A | Brand<br>New | Germany    | 33 Years<br>4 Month | 32 Years 2<br>Month | 3,653,254 | 3,525,938 |
| 1 Jun 2016       | Julian Machinery Co. Ltd.<br>Taiwan | No.100, Sec. 1, Guofeng<br>Rd. Shengang Dist.,<br>Taichung City 42942,<br>Taiwan | N/A | Brand<br>New | Taiwan     | 33 Years<br>4 Month | 33 Years 3<br>Month | 2,117,800 | 2,054,266 |
| 1 Jun 2016       | Julian Machinery Co. Ltd.<br>Taiwan | No.100, Sec. 1, Guofeng<br>Rd. Shengang Dist.,<br>Taichung City 42942,<br>Taiwan | N/A | Brand<br>New | Taiwan     | 33 Years<br>4 Month | 33 Years 3<br>Month | 2,117,800 | 2,054,266 |

**(ix) Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.**

No machineries are required to be bought by the issuer except machineries to be bought from IPO proceeds.

| Sl.   | Name of Machineries                         | Name of Supplier            | Model    | Brand             | Origin  | Qty (Nos.) | Unit Price (USD) | Total Price (USD) | Exchange Rate | Total Price (BDT)  |
|---|---|-----------------------------|----------|-------------------|---------|------------|------------------|-------------------|---------------|--------------------|
| 1   | High Speed Mixer Granulator                 | Prisma Corporation          | K-100    | Prisma            | India   | 4          | 26632.93         | 106531.72         | 78.36         | 8,347,826          |
| 2   | Multi Mill                                  | Thiyya Technology           | M-60     | Thiyya Technology | India   | 4          | 1664.56          | 6658.24           |               | 521,740            |
| 3   | Fluid bed Dryer                             | Thiyya Technology           | F-80     | Thiyya Technology | India   | 4          | 9987.34          | 39949.36          |               | 3,130,432          |
| 4   | Tablet Compression                          | Jaguar                      | JD-35    | Jaguar            | India   | 4          | 32608.73         | 130434.93         |               | 10,220,881         |
| 5   | Tablet Compression                          | Jaguar                      | JD-35    | Jaguar            | India   | 2          | 26632.93         | 53265.86          |               | 4,173,913          |
| 6   | Tablet Coating                              | NP Machinery                | T-30     | NP Machinery      | India   | 2          | 44388.22         | 88776.44          |               | 6,956,522          |
| 7   | Tablet Compression                          | Chaminda Corporation        | CPMD4-29 | Chaminda          | India   | 4          | 26632.93         | 106531.72         |               | 8,347,825          |
| 8   | Blister Packing                             | Technomake                  | TI-1     | Technomake        | India   | 4          | 49936.74         | 199746.96         |               | 15,652,172         |
| 9   | Blister Packing                             | Huallan Phar. Machinery     | DPP-250  | Feiyun            | China   | 2          | 27742.63         | 55485.26          |               | 4,347,825          |
| 10  | Automatic Capsule Filling & Sealing machine | Project Consultancy Service | SAF-D2   | Pacifab           | India   | 4          | 35510.57         | 142042.28         |               | 11,130,433         |
| 11  | Auto Liquid Filling & Sealing machine       | Project Consultancy Service | L-60     | United            | India   | 2          | 19974.69         | 39949.38          |               | 3,130,433          |
| 12  | Dry Powder Filling machine                  | Project Consultancy Service | DPL-60   | United            | India   | 2          | 16645.58         | 33291.16          |               | 2,608,695          |
| 13  | Mass Mixer (PD)                             | Prisma Corporation          | M-5      | Prisma            | India   | 2          | 665.82           | 1331.64           |               | 104,347            |
| 14  | Automatic Strip packing machine             | Prisma Corporation          | S-45     | United            | India   | 2          | 7213.09          | 14426.18          |               | 1,130,435          |
| 15  | Auto Sachet filling                         | Wraptech                    | MB-100   | Wraptech          | India   | 2          | 2774.25          | 5548.5            |               | 434,780            |
| 17  | HPLC  | Knauer                      | SMB      | Osmometoy         | Germany | 2          | 38839.68         | 77679.36          |               | 6,086,955          |
| 18  | FTIR  | Bruker                      | Alpha    | Bruker            | Germany | 2          | 72130.85         | 144261.7          |               | 11,304,347         |
| 19  | Moisture Blance                             | Boelo                       | BT-600   | Boelo             | Germany | 2          | 49936.74         | 99873.48          |               | 7,826,086          |
| 20  | Compression (PD)                            | Jaguar                      | C-2      | Jaguar            | India   | 2          | 5548.53          | 11097.10          |               | 869,569            |
| 21  | Fluid bed Dryer (PD)                        | Thiyya Technology           | F-5      | Thiyya Technology | India   | 2          | 1109.71          | 2219.42           |               | 173,914            |
| 22  | Coating (PD)                                | NP Machinery                | C-5      | NP Machinery      | India   | 2          | 3329.12          | 6658.24           |               | 521,740            |
| <b>Total Price</b>  |   |                             |          |                   |         |            |                  |                   |               |                    |
| <b>Local Cost of Duty, port charges, C&amp;F, Insurance, Transportation, Installation, etc.</b> |   |                             |          |                   |         |            | 15%              |                   |               | 16,053,130         |
| <b>Total cost for imported Machinery &amp; equipment- Local Machinery</b>                       |   |                             |          |                   |         |            |                  |                   |               | <b>123,074,000</b> |
| 23  | <b>Boiler</b>                               |                             |          |                   |         | 1          | -                | -                 |               | <b>650,000</b>     |
| 24  | <b>Jacketed Vassel</b>                      |                             |          |                   |         | 1          | -                | -                 |               | <b>196,000</b>     |
| 25  | <b>Air Compressor</b>                       |                             |          |                   |         | 2          | -                | -                 |               | <b>800,000</b>     |
| <b>Grand Total:</b>   |   |                             |          |                   |         |            |                  |                   |               | <b>124,720,000</b> |

**Probable date of Placement:** After receiving of IPO fund.

**Probable date or expected date of supply:** within 15 months after receiving of IPO fund.

- (x) **In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned;**  
There are no machineries, which are yet to be delivered.
- (xi) **If plant is purchased in brand new condition then it should be mentioned;**  
All plants and machineries of the Company were purchased in brand new condition.

**DECLARATION RELATED TO MACHINERIES BEING BRAND NEW**

We do hereby declare that all the plants and machineries of the Company amounting to Tk. 119,083,803 (including takeover machineries amounting Tk. 98,000,000.00) as on June 30, 2016 were purchased in brand new condition. There are no re-conditioned or second hand machineries installed in the Company.

Place: Dhaka  
Dated: June 20, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

- (xii) **Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission;**  
The Company purchased neither any second hand or reconditioned machineries nor any plan to purchase in future. It is mentionable here that IBPL has acquired capital machineries from A F M Anowarul Huq. The machineries were bought by A F M Anowarul Huq in brand new condition.

(xiii) A physical verification report by the issue manager(s) regarding the properties as submitted to the Commission;

### PHYSICAL VERIFICATION REPORT

of

#### Indo-Bangla Pharmaceuticals Limited

This is to certify that we have visited Indo-Bangla Pharmaceuticals Limited on October 01, 2017 and we have found the followings as details below:

#### Visited and Accompanied by:

| Particulars                             |   | Name & Designation   | Company                             |
|---|---|--|-------------------------------------|
| Visited by<br>(AFC Capital Limited)     | : | <b>Mahbub H. Mazumdar FCMA</b><br><i>Chief Executive</i>   | AFC Capital Limited                 |
| Visited by<br>(EBL Investments Limited) | : | <b>Moinul Hossain Asif</b><br><i>Managing Director</i>     | EBL Investments Limited             |
| Visited by<br>(CAPM Advisory Limited)   | : | <b>Tania Sharmin</b><br><i>Managing Director &amp; CEO</i> | CAPM Advisory Limited               |
|   | : | <b>Md. Arifur Rahman</b><br><i>Senior Manager</i>          |                                     |
| Accompanied by                          | : | <b>A F M Anowarul Huq</b><br><i>Managing Director</i>      | Indo-Bangla Pharmaceuticals Limited |
|   | : | <b>Md. Shamem Gazi</b><br><i>Company Secretary</i>         |                                     |

#### Company Overview:

On June 18, 2014, the Company had been incorporated under the Company Act, 1994 vide registration no. C-116665/14 as private limited company. The Company has started its commercial operation on June 18, 2014. Subsequently the company has been converted to public limited company on October 21, 2014.

The factory and registered office of the Company is located at 729, College Road, Barisal Sadar, Barisal-8200, Bangladesh and its corporate office at Plot No. # 183 (6<sup>th</sup> Floor), Block # B, Ahmed Akbar Sobhan Road, Bashundhara R/A, Baridhara, Dhaka-1229.

The Company is always devoted to ensure the high quality of medicine by implementing state of art technologies and modern machineries.

There is no subsidiary company of Indo-Bangla Pharmaceuticals Limited.

The authorized and paid-up capital of the company is as follows:

Authorized Capital : Tk. 1,000,000,000.00  
 Paid up Capital : Tk. 730,000,000.00  
 Proposed IPO Size : Tk. 200,000,000.00 (2.00 Crore Shares @ Tk. 10.00 each)

#### Factory & Corporate Office:

The factory and registered office of the Company is located at 729, College Road, Barisal Sadar, Barisal-8200, Bangladesh and its corporate office at Plot No. # 183 (6<sup>th</sup> Floor), Block # B, Ahmed Akbar Sobhan Road, Bashundhara R/A, Baridhara, Dhaka-1229.

### Nature of Business:

The Company is engaged in 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.

### Products:

Indo-Bangla Pharmaceuticals Ltd. produces a good number of products of Human products division. All the products of Indo-Bangla Pharmaceuticals Ltd. categorized under Non-Biological Products and Biological Products. List of the products are mentioned below:

### List of Non-Biological Products:

| SL | Brand Name           | Generic Name  | Dosages Form | Strength  | DAR No.   | Valid up to |
|----|----------------------|---|--------------|---|-----------|-------------|
| 01 | Indostin-R 150       | Ranitidine Hydrochloride USP  | Tablet       | 167.40 mg. (Equivalent to 150.00 mg. Ranitidine)                | 032-93-60 | 22.11.2019  |
| 02 | Indophyllin          | Aminophylline BP  | Tablet       | 100.00 mg.  | 032-20-18 | 22.11.2019  |
| 03 | Mebendox 30ml        | Mebendazole BP  | Suspension   | 2.0 gm / 100ml  | 032-24-55 | 22.11.2018  |
| 04 | Metrol 60ml          | Metronidazole Benzoate BP   | Suspension   | 6.40 gm. (Equivalent to 4.00 gm. Metronidazole) / 100ml         | 032-26-56 | 08.12.2020  |
| 05 | Albendox             | Albendazole USP   | Tablet       | 400.00 mg.  | 032-27-55 | 08.12.2020  |
| 06 | Metrol 400mg         | Metronidazole BP  | Tablet       | 400.00 mg.  | 032-25-56 | 25.10.2021  |
| 07 | Paracetamol          | Paracetamol BP  | Tablet       | 500.00 mg.  | 032-18-06 | 25.10.2021  |
| 08 | Indosin              | Chlorpheniramine Maleate BP   | Tablet       | 4.00 mg.  | 032-83-28 | 12.12.2019  |
| 09 | Indosin 100ml        | Chlorpheniramine Maleate BP   | Syrup        | 100.00 mg. / 100ml  | 032-84-28 | 12.12.2019  |
| 10 | Naldic               | Nalidixic Acid BP   | Tablet       | 500.00 mg.  | 032-85-60 | 22.11.2019  |
| 11 | I-B Oral Saline      | Sodium Chloride BP, Tri Sodium Citrate Dihydrate BP, Potassium Chloride BP & Glucose Anhydrous BP | Oral Saline  | 1.30 gm, 1.45 gm, 0.75 gm & 6.75 gm                             | 032-88-69 | 25.10.2021  |
| 12 | Inket                | Ketorolac Tromethamine USP  | Tablet       | 10.00 mg.   | 032-82-65 | 25.10.2021  |
| 13 | Indoflam 400mg       | Ibuprofen BP  | Tablet       | 400.00 mg.  | 032-58-65 | 20.11.2018  |
| 14 | Indoflam 60/100ml    | Ibuprofen BP  | Suspension   | 2.00 gm / 100ml   | 032-59-65 | 08.12.2021  |
| 15 | Clear Plus           | Sodium Thiosulphate USP   | Tablet       | 15.00 mg.   | 032-77-95 | 20.11.2018  |
| 16 | Clear                | Sodium Thiosulphate USP   | Tablet       | 7.50 mg.  | 032-78-95 | 22.11.2019  |
| 17 | Dextrin              | Dexamethasone BP  | Tablet       | 0.50 mg.  | 032-57-50 | 15.10.2021  |
| 18 | Frusidin             | Frusemide BP  | Tablet       | 40.00 mg.   | 032-55-42 | 22.12.2020  |
| 19 | Gyfusin              | Griseofulvin BP   | Tablet       | 500.00 mg.  | 032-56-62 | 22.12.2020  |
| 20 | I-Cin                | Indomethacin BP   | Capsule      | 25.00 mg.   | 032-52-65 | 29.10.2021  |
| 21 | Tensareal            | Diazepam BP   | Tablet       | 5.00 mg.  | 032-63-02 | 19.10.2021  |
| 22 | I-Pedom              | Domperidone Maleate BP  | Tablet       | 12.726 mg. (Equivalent to 10.00 mg. Domperidone)                | 032-53-32 | 23.07.2019  |
| 23 | I-Pedom 60/100ml     | Domperidone BP  | Suspension   | 100.00 mg. / 100ml  | 032-54-32 | 23.07.2019  |
| 24 | I-Solone             | Prednisolone BP   | Tablet       | 5.00 mg   | 032-79-50 | 19.12.2018  |
| 25 | I-Zam                | Clobazam BP   | Tablet       | 10.00 mg.   | 032-64-09 | 08.11.2020  |
| 26 | Puretab Plus         | Halazone USP  | Tablet       | 15.00 mg.   | 032-80-95 | 12.11.2019  |
| 27 | Puretab              | Halazone USP  | Tablet       | 7.50 mg.  | 032-81-95 | 12.11.2019  |
| 28 | Relise               | Aceclofenac BP  | Tablet       | 10.00 mg.   | 032-60-65 | 15.10.2021  |
| 29 | Sulbumol             | Salbutamol Sulphate BP  | Tablet       | 2.40 mg. (Equivalent to 2.00 mg. Salbutamol)                    | 032-67-18 | 20.11.2020  |
| 30 | Sulbumol Plus        | Salbutamol Sulphate BP  | Tablet       | 4.80 mg. (Equivalent to 4.00 mg. Salbutamol)                    | 032-68-18 | 20.11.2020  |
| 31 | Sulbumol 60/100ml    | Salbutamol Sulphate BP  | Syrup        | 48.00mg. (Equivalent to 2.00mg. Salbutamol) / 100ml             | 032-69-18 | 20.11.2020  |
| 32 | Metrol 200mg         | Metronidazole BP  | Tablet       | 200.00 mg.  | 032-09-56 | 19.10.2021  |
| 33 | Paramol 60ml         | Paracetamol BP  | Suspension   | 2.40 gm. / 100ml  | 032-22-06 | 19.10.2021  |
| 34 | Mebendox 100mg       | Mebendazole BP  | Tablet       | 100.00 mg   | 032-17-55 | 19.10.2021  |
| 35 | Arromin 60ml & 100ml | Promethazine Hydrochloride BP   | Elixir       | 100.00 mg. / 100ml  | 032-15-28 | 19.10.2021  |
| 36 | Trialugel            | Aluminium Hydroxide Dried Gel BP & Magnesium Hydroxide BP   | Tablet       | 250.00 mg. & 400.00 mg.   | 032-12-29 | 19.10.2021  |
| 37 | Indomol Plus         | Paracetamol BP & Caffeine BP  | Tablet       | 500.00 mg. & 65.00 mg.  | 032-45-06 | 15.10.2021  |
| 38 | Indofenac - SR       | Diclofenac Sodium BP (Time Release Pellets)   | Capsule      | 250.00 mg. Pellets (Equivalent to 100.00 mg. Diclofenac Sodium) | 032-49-06 | 19.10.2021  |
| 39 | Protobit             | Omeprazole BP (Enteric Coated Pellets)  | Capsule      | 240.00 mg. Pellets (Equivalent to 20.00 mg. Omeprazole)         | 032-44-29 | 15.10.2021  |
| 40 | Indoprox 250mg       | Naproxen Sodium USP   | Tablet       | 275.00 mg. (Equivalent to 250.00 mg. Naproxen)                  | 032-47-65 | 29.10.2021  |
| 41 | Indoprox 500mg       | Naproxen Sodium USP   | Tablet       | 550.00 mg. (Equivalent to 500.00 mg. Naproxen)                  | 032-46-65 | 19.10.2021  |

|    |           |                                |        |   |           |            |
|----|-----------|--------------------------------|--------|---|-----------|------------|
| 42 | Indo-Fila | Diethyl Carbamazine Citrate BP | Tablet | 100.00 mg.  | 032-43-55 | 08.07.2018 |
| 43 | I-Cet     | Cetirizine Hydrochloride BP    | Syrup  | 100.00 mg. / 100ml                                    | 032-41-28 | 19.10.2021 |
| 44 | I-Cet     | Cetirizine Hydrochloride BP    | Tablet | 10.00 mg.   | 032-40-28 | 15.10.2021 |
| 45 | Zins      | Zinc Sulphate Monohydrate USP  | Syrup  | 549.33mg. (Equivalent to 200.00 mg. Elemental Zinc)   | 032-39-67 | 19.10.2021 |
| 46 | Caltab    | Calcium Lactate BP             | Tablet | 300.00 mg.  | 032-29-67 | 19.10.2021 |
| 47 | Indocal   | Calcium Carbonate BP           | Tablet | 1250.00mg (Equivalent to 500.00mg. Elemental Calcium) | 032-38-67 | 19.10.2021 |

### **List of Biological Products:**

| SL | Brand Name             | Generic Name  | Dosages Form               | Strength  | DAR No.   | Valid up to |
|----|------------------------|---|----------------------------|---|-----------|-------------|
| 01 | Indocef 500mg          | Cephadrine Monohydrate (Compacted) BP   | Capsule                    | 525.00 mg. (Equivalent to 500.00 mg. Cephadrine)                                | 032-89-60 | 23.11.2019  |
| 02 | Indocef DS 100ml       | Cephadrine Monohydrate (Micronised) BP  | Powder for Suspension      | 5.25 gm. (Equivalent to 5.00gm. Cephadrine)/100ml                               | 032-90-60 | 23.11.2019  |
| 03 | Indocef 100ml          | Cephadrine Monohydrate (Micronised) BP  | Powder for Suspension      | 2.625 gm. (Equivalent to 2.50gm. Cephadrine)/100ml                              | 032-91-60 | 23.11.2019  |
| 04 | Indocef 15ml           | Cephadrine Monohydrate (Micronised) BP  | Powder for Paediatric Drop | 1.575 gm. (Equivalent to 1.50gm. Cephadrine) / 15ml                             | 032-91-60 | 23.11.2019  |
| 05 | Cotrimox-DS            | Sulphamethoxazole BP & Trimethoprim BP  | Tablet                     | 800.00 mg. & 160.00 mg.   | 032-28-59 | 25.10.2021  |
| 06 | Insoplex 100ml & 200ml | Thiamine Hydrochloride(B <sub>1</sub> ) BP, Riboflavin -5- Phosphate Sodium(B <sub>2</sub> ) BP, Pyridoxine Hydrochloride(B <sub>6</sub> ) BP & Nicotinamide BP | Syrup                      | (100.00 mg, 54.80 mg, 40.00 mg, & 400.00 mg) / 100ml                            | 032-21-39 | 19.10.2021  |
| 07 | I Need Z               | Dried Ferrous Sulphate, Folic Acid & Zinc Sulphate (Time Release Pellets) BP/USP  | Capsule                    | 285.00 mg.  | 032-86-39 | 25.10.2021  |
| 08 | BCE                    | Vitamin-C BP, Vitamin-E 50% BP & Betacarotene USP   | Tablet                     | 200.00 mg, 50.00 mg, & 06.00 mg.  | 032-87-39 | 08.12.2018  |
| 09 | Indocal-D              | Calcium Carbonate BP & Vitamin-D <sub>3</sub> BP  | Tablet                     | 1250.00mg. (Equivalent to 500.00mg. Calcium) & 200.00i.u. ( as cholecalciferol) | 032-99-39 | 19.10.2021  |
| 10 | Indomoxin 15ml         | Amoxycillin Trihydrate (Micronised) BP  | Paediatric Drops           | 1.725 gm.   | 032-65-60 | 25.10.2021  |
| 11 | Indozith 15/30ml       | Azithromycin Dihydrate USP  | Powder for Suspension      | 00.84gm (Equivalent to 00.80gm. Azithromycin)                                   | 032-72-60 | 15.10.2021  |
| 12 | Indozith 250mg         | Azithromycin Dihydrate USP  | Capsule                    | 262.500mg (Equivalent to 250.00mg. Azithromycin)                                | 032-70-60 | 29.10.2021  |
| 13 | Indozith 500mg         | Azithromycin Dihydrate USP  | Tablet                     | 525.00mg (Equivalent to 500.00mg. Azithromycin)                                 | 032-71-60 | 15.10.2021  |
| 14 | Cipro-I 750mg          | Ciprofloxacin Hydrochloride USP   | Tablet                     | 873.30mg (Equivalent to 750.00mg Ciprofloxacin)                                 | 032-76-60 | 20.09.2018  |
| 15 | I-Cillin 250mg         | Ampicillin Trihydrate (Compacted) BP  | Capsule                    | 288.70mg (Equivalent to 250.00mg Ampicillin)                                    | 032-73-60 | 09.04.2019  |
| 16 | I-Cillin 500mg         | Ampicillin Trihydrate (Compacted) BP  | Capsule                    | 577.40mg (Equivalent to 500.00mg Ampicillin)                                    | 032-74-60 | 09.04.2019  |
| 17 | I-Cillin 100ml         | Ampicillin Trihydrate (Micronised) BP   | Powder for Suspension      | 2.88gm (Equivalent to 2.500gm Ampicillin)                                       | 032-75-60 | 09.04.2019  |
| 18 | I-Fol                  | Ferrous Fumarate BP & Foilc Acid BP   | Tablet                     | 200.00 mg. & 200.00 mcg.  | 032-61-26 | 23.12.2018  |
| 19 | I-Fol Plus             | Ferrous Fumarate BP & Foilc Acid BP   | Tablet                     | 200.00 mg. & 400.00 mcg.  | 032-62-27 | 23.12.2018  |
| 20 | Riboflavine            | Riboflavine BP  | Tablet                     | 5.00 mg.  | 032-08-39 | 19.10.2021  |
| 21 | Cotrimox 60ml          | Sulphamethoxazole BP & Trimethoprim BP  | Suspension                 | (4.00 gm & 0.80 gm)/100ml   | 032-16-59 | 12.08.2020  |
| 22 | Cotrimox 480mg         | Sulphamethoxazole BP & Trimethoprim BP  | Tablet                     | 400 mg. & 80.00 mg.   | 032-11-59 | 12.08.2020  |
| 23 | Auriotone              | Ferrous Sulphate BP   | Syrup                      | 4.00 gm   | 032-23-39 | 20.12.2019  |
| 24 | Indox                  | Doxycycline Hydrochloride BP  | Capsule                    | 115.00mg. (Equivalent to 100.00mg Doxycycline)                                  | 032-50-60 | 19.10.2021  |
| 25 | Indomoxin 100ml        | Amoxycillin Trihydrate (Micronised) BP  | Powder for Suspension      | 2.875gm (Equivalent to 2.500gm Amoxycillin)                                     | 032-48-60 | 15.10.2021  |
| 26 | Cipro-I 500mg          | Ciprofloxacin Hydrochloride USP   | Tablet                     | 582.20 mg. (Equivalent to 500.00 mg. Ciprofloxacin)                             | 032-32-60 | 19.10.2021  |
| 27 | Indomoxin 250mg        | Amoxycillin Trihydrate (Compacted) BP   | Capsule                    | 287.50mg. (Equivalent to 250.00mg Amoxycillin)                                  | 032-33-60 | 29.10.2021  |
| 28 | Indomoxin 500mg        | Amoxycillin Trihydrate (Compacted) BP   | Capsule                    | 575.00mg. (Equivalent to 500.00 mg Amoxycillin)                                 | 032-34-60 | 19.10.2021  |
| 29 | Indotetra 500mg        | Tetracycline Hydrochloride BP   | Capsule                    | 500.00 mg.  | 032-42-60 | 19.10.2021  |
| 30 | Indoflox 100ml         | Flucloxacillin Sodium BP  | Powder for Suspension      | 2.72gm. (Equivalent to 2.50gm Flucloxacillin)                                   | 032-37-60 | 15.10.2021  |
| 31 | Indoflox 250mg         | Flucloxacillin Sodium BP  | Capsule                    | 272.00mg. (Equivalent to 250.00mg. Flucloxacillin)                              | 032-35-60 | 29.10.2021  |
| 32 | Indoflox 500mg         | Flucloxacillin Sodium BP  | Capsule                    | 544.00mg. (Equivalent to 500.00mg. Flucloxacillin)                              | 032-36-60 | 29.10.2021  |

|    |               |  |        |   |           |            |
|----|---------------|--|--------|---|-----------|------------|
| 33 | Indoplex-B    | Thiamine Hydrochloride(B <sub>1</sub> ) BP, Riboflavine (B <sub>2</sub> ) BP, Pyridoxine Hydrochloride(B <sub>6</sub> ) BP & Nicotinamide BP | Tablet | 5.00 mg, 2.00 mg, 2.00 mg & 20.00 mg            | 032-30-39 | 19.10.2021 |
| 34 | Indomox 250mg | Amoxicillin Trihydrate (Compacted) BP  | Tablet | 287.50mg. (Equivalent to 250.00mg. Amoxicillin) | 032-31-60 | 29.10.2021 |

*\*Non-Biological Products and Biological Products list as per approved by Directorate General of Drug Administration & Licensing Authority (Drugs), Government of the People's Republic of Bangladesh.*

During our visit, we found that the production was going on. We also checked about the products other than Annexure I & II approved by Drug Administration of Bangladesh. We found no products other than Annexure I & II are produced by the Company.

**Location of the factory:**

729, College Road, Barisal Sadar, Barisal-8200., Bangladesh.

**Description of Property:**

We have found properties at the factory premises like:

- 1) **Land:** 37.40 decimals of land surrounded by boundary wall in 729, College Road, Barisal Sadar, Barisal-8200 and 159.50 decimals of vacant land surrounded by fence in Ranirhat, Bakergonj, Barisal.
- 2) **Vehicle:** details of vehicle is as follows:

| Particulars                 | Description                      |
|-----------------------------|----------------------------------|
| Number of Transport         | One Pcs                          |
| Owner Name                  | Indo-Bangla Pharmaceuticals Ltd. |
| Classification of Transport | Covered Van Tata 2009            |
| Registration Number         | Dhaka Metro NA 14-2674           |
| Chassis Number              | MAT4450519ZR57923                |
| Engine Number               | 275IDI05MQZSE8160                |

3) **Building & Other Construction:** Details of the building & other construction status are given below:

| Number of Buildings | Type (Bricks/Tin/Prefabricated Steel)                                   | Total Area (Sft) | Cost Per Sft (BDT) | Total Cost (BDT) | Status of Use        |
|---------------------|---|------------------|--------------------|------------------|----------------------|
| Building-1          | Pillar-RCC, Wall-Brick Roof-Brick.<br>(Two Storied Completed Building)  | 5,359.20         | 3,580              | 19,185,936       | Office               |
| Building-2          | Pillar-RCC, Wall-Brick Roof-Brick.<br>(Two Storied Completed Building)  | 9,383.60         | 3,650              | 34,250,140       | Factory              |
| Building-3          | Pillar-RCC, Wall-Brick Roof-Brick.<br>(Two Storied Completed Building)  | 2,345.00         | 3,595              | 8,430,275        | Finished goods store |
| Building-4          | Pillar-RCC, Wall-Brick Roof-Brick.<br>(Four Storied Completed Building) | 9,106.40         | 3,542              | 32,254,869       | Factory              |
| Building-5          | Pillar-RCC, Wall-Brick Roof-Brick.<br>(Four Storied Completed Building) | 16,447.20        | 3,488              | 57,373,542       | Raw materials store  |

4) **Plant & Machineries:**

| Sl. No. | Name of Machines               | Quantity (Pcs) |
|---------|--------------------------------|----------------|
| 1       | Fluid bed Drier                | 1              |
| 2       | Multi - Mill                   | 1              |
| 3       | Double cone blander            | 1              |
| 4       | Tablet Compression -35         | 2              |
| 5       | Tablet Compression -16         | 2              |
| 6       | Mass Mixer                     | 1              |
| 7       | Strip Packing                  | 1              |
| 8       | Bottle Dryer                   | 2              |
| 9       | Blister Packing                | 8              |
| 10      | Tablet compression 27 jaguars  | 2              |
| 11      | D- Duster                      | 1              |
| 12      | Mass Mixer                     | 2              |
| 13      | Batch printing                 | 1              |
| 14      | Drum mixer                     | 2              |
| 15      | Cap sealing                    | 7              |
| 16      | Fluid Bed Drier                | 1              |
| 17      | Emulsifier                     | 3              |
| 18      | Sachet filing &sealing         | 6              |
| 19      | Air compressor                 | 3              |
| 20      | DM plant                       | 3              |
| 21      | Tablet coating                 | 2              |
| 22      | Liquid Transfer pump           | 2              |
| 23      | Liquid filling                 | 4              |
| 24      | Boiling jacket                 | 2              |
| 25      | Strip packing                  | 1              |
| 26      | Conveyer belt                  | 1              |
| 27      | Cap sealing                    | 9              |
| 28      | Liquid filling (Suspension)    | 2              |
| 29      | Hand capsule filling & sealing | 4              |
| 30      | Fizz - Mill                    | 3              |
| 31      | Fluid Bed Drier                | 2              |
| 32      | Automatic capsule loading      | 1              |
| 33      | Powder filling                 | 1              |
| 34      | Multi -Mill                    | 3              |
| 35      | Mixer Granulator               | 2              |
| 36      | ETP Plant                      | 1              |
| 37      | Generator                      | 2              |
| 38      | Tablet Compression -29         | 2              |
| 39      | Sachet filing &sealing         | 7              |
| 40      | Mechanical Shifter             | 1              |
| 41      | Wrapping sealing               | 1              |
| 42      | Tablet Compression -45         | 4              |
| 43      | Tablet Compression -40         | 3              |
| 44      | Auto Capsule machine           | 4              |
| 45      | Dry Powder filling machine     | 2              |
| 46      | Augur Filling                  | 1              |
| 47      | Transfer Pump                  | 1              |
| 48      | Tube Filling                   | 1              |
| 49      | Same Auto Capsule machine      | 2              |
| 50      | Spectrophotometer              | 2              |

|    |   |   |
|----|---|---|
| 51 | Analytical balance                                | 2 |
| 52 | Infrared moisture meter                           | 1 |
| 53 | Melting point apparatus                           | 1 |
| 54 | Tab. friability tester                            | 1 |
| 55 | Tab. Disintegration testing machine               | 1 |
| 56 | Tab. Dissolution testing m/c                      | 1 |
| 57 | Leak test m/c                                     | 3 |
| 58 | Water bath  | 1 |
| 59 | Incubator   | 1 |
| 60 | Stability chamber                                 | 1 |
| 61 | Refrigerator                                      | 1 |
| 62 | Laminar air flow cabinet                          | 1 |
| 63 | Laboratory oven                                   | 1 |
| 64 | Flame photometer 102                              | 1 |
| 65 | P.H meter   | 4 |
| 66 | Microscope  | 3 |
| 67 | Hydrometer  | 5 |
| 68 | Autoclave   | 2 |
| 69 | HPLC  | 2 |
| 70 | Ultrasonic Bath                                   | 1 |
| 71 | Tablet Hardness Instrument                        | 1 |
| 72 | Digital Moisture Balance                          | 1 |
| 73 | Laboratory Centrifuge                             | 1 |
| 74 | FTIR  | 2 |
| 75 | Karl Fisher Titrator                              | 2 |
| 76 | Polarimeter Automatic                             | 4 |
| 77 | Melting Point Apparatus                           | 1 |
| 78 | Digital Tablet Hardness Tester                    | 8 |
| 79 | Leak Test Apparatus Digital                       | 1 |
| 80 | Autoclave Digital                                 | 2 |
| 81 | Colony Counter with colored illumination          | 1 |
| 82 | Conductivity Meter /TDS (EC Meter)                | 1 |
| 83 | Eye Shower  | 1 |
| 84 | Dispensing Booth Chamber                          | 2 |
| 85 | Sampling Booth Chamber                            | 2 |
| 86 | Automatic capsulating filling & Sealing full unit | 2 |
| 87 | Spectrophotometer                                 | 1 |
| 88 | Melting point apparatus                           | 1 |
| 89 | Tab. Disintegration testing machine               | 1 |
| 90 | Tab. friability tester                            | 1 |
| 91 | Digital Slide calipers                            | 5 |
| 92 | Colam Oven  | 1 |
| 93 | Digital pH meter                                  | 3 |
| 94 | Digital Moisture Balance                          | 1 |
| 95 | Laboratory Centrifuge                             | 1 |
| 96 | Micrometer  | 1 |
| 97 | All touch Induction stove                         | 1 |

- 5) **Generator:** IBPL have two diesel generators of capacity 335 KV
- 6) **ETP plant:** During our visit, we found ETP plant. Moreover, as per environmental clearance certificate IBPL has expanded in ETP plant.

Besides these assets, we have also found other assets like Furniture & fixture, Office Equipment, Fire Extinguisher, water plant.

We checked inventory register and roster (workers' duty register) and found satisfactory. We also noticed that all machineries of IBPL are in good condition and running well.

**Signboard:** The signboard of the Company is well displayed at the corporate office and factory premises.

Sd/-

**Mahbub H. Mazumdar FCMA**  
Chief Executive  
AFC Capital Limited

Sd/-

**Moinul Hossain Asif**  
Managing Director  
EBL Investments Limited

Sd/-

**Tania Sharmin**  
Managing Director & CEO  
CAPM Advisory Limited

- (xiv) **If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with;**

The Company has no intellectual property right or intangible asset.

- (xv) **Full description of other properties of the issuer.**

**Vehicle:** details of vehicle is as follows:

| Particulars                 | Description                      |
|-----------------------------|----------------------------------|
| Number of Transport         | One Pcs                          |
| Owner Name                  | Indo-Bangla Pharmaceuticals Ltd. |
| Classification of Transport | Covered Van Tata 2009            |
| Registration Number         | Dhaka Metro NA 14-2674           |
| Chassis Number              | MAT4450519ZR57923                |
| Engine Number               | 275IDI05MQZSE8160                |

**Building & Other Construction:**

| Name of Buildings | Type (Bricks/Tin/Prefabricated Steel)                                   | Total Area (Sft) | Status of Use        |
|-------------------|---|------------------|----------------------|
| Building-1        | Pillar-RCC, Wall-Brick Roof-Brick.<br>(Two Storied Completed Building)  | 5,359.20         | Office               |
| Building-2        | Pillar-RCC, Wall-Brick Roof-Brick.<br>(Two Storied Completed Building)  | 9,383.60         | Factory              |
| Building-3        | Pillar-RCC, Wall-Brick Roof-Brick.<br>(Two Storied Completed Building)  | 2,345.00         | Finished goods store |
| Building-4        | Pillar-RCC, Wall-Brick Roof-Brick.<br>(Four Storied Completed Building) | 9,106.40         | Factory              |
| Building-5        | Pillar-RCC, Wall-Brick Roof-Brick.<br>(Four Storied Completed Building) | 16,447.20        | Raw materials store  |

**Generator:** IBPL have two diesel generators of capacity 335KV.

**(f) Plan of Operation and Discussion of Financial Condition:**

The issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years:

**Revenue and results from operation:**

| Particulars  | Amount in Taka     |                    |
|--|--------------------|--------------------|
|  | 30-Jun-16          | 30-Jun-15          |
| Net Sales Revenue  | 444,777,724        | 435,024,108        |
| Cost of Goods Sold   | 262,528,992        | 257,883,659        |
| <b>Gross Profit</b>  | <b>182,248,732</b> | <b>177,140,449</b> |
| <b>Operating Expenses:</b>                                   | <b>87,751,623</b>  | <b>84,720,465</b>  |
| Administrative Expenses                                      | 23,381,246         | 22,007,014         |
| Selling & Distributing Expenses                              | 64,370,377         | 62,713,451         |
| <b>Profit from Operations</b>                                | <b>94,497,109</b>  | <b>92,419,984</b>  |
| Non-Operating Income   | 850,491            | 209,658            |
| <b>Profit before Contribution to WPPF &amp; Welfare Fund</b> | <b>95,347,600</b>  | <b>92,629,642</b>  |
| Contribution to WPPF & Welfare Fund                          | 4,540,362          | -                  |
| <b>Profit before Tax</b>                                     | <b>90,807,238</b>  | <b>92,629,642</b>  |
| <b>Provision for Taxation:</b>                               | <b>31,782,533</b>  | <b>32,420,375</b>  |
| Income Tax Current year                                      | 26,522,010         | 28,397,581         |
| Deferred Tax Current year                                    | 5,260,523          | 4,022,794          |
| <b>Profit after tax</b>                                      | <b>59,024,705</b>  | <b>60,209,267</b>  |

**Financial position:**

| Particulars                         | Amount in Taka     |                    |
|-------------------------------------|--------------------|--------------------|
|                                     | 30-Jun-16          | 30-Jun-15          |
| <b>APPLICATION OF FUND</b>          |                    |                    |
| <b>NON-CURRENT ASSETS</b>           |                    |                    |
| Property, Plant and Equipment       | 211,400,486        | 147,873,513        |
| Work In Progress                    | 119,069,371        | 10,401,337         |
| <b>Total Non-Current Assets</b>     | <b>330,469,857</b> | <b>158,274,850</b> |
| <b>CURRENT ASSETS</b>               |                    |                    |
| Inventories                         | 156,521,360        | 142,164,099        |
| Trade & Other Receivables           | 112,266,319        | 41,438,482         |
| Advance, Deposits and Prepayments   | 105,325,972        | 35,253,978         |
| Cash and Cash equivalents           | 240,795,305        | 5,888,123          |
| <b>Total Current Assets</b>         | <b>614,908,956</b> | <b>224,744,682</b> |
| <b>TOTAL ASSETS</b>                 | <b>945,378,813</b> | <b>383,019,532</b> |
| <b>OWNER'S EQUITY</b>               |                    |                    |
| Share Capital                       | 730,000,000        | 99,000,000         |
| Retained Earnings                   | 119,233,972        | 60,209,267         |
| <b>Total Equity</b>                 | <b>849,233,972</b> | <b>159,209,267</b> |
| <b>NON-CURRENT LIABILITIES</b>      |                    |                    |
| Deferred Tax Liability              | 9,283,317          | 4,022,794          |
| Provision for WPPF                  | 4,540,362          | -                  |
|                                     | <b>13,823,679</b>  | <b>4,022,794</b>   |
| <b>CURRENT LIABILITIES</b>          |                    |                    |
| Trade and other Payables            | 15,911,787         | 11,847,860         |
| Vendors payable Account             | -                  | 171,837,213        |
| Provision for Taxes                 | 54,919,591         | 28,397,581         |
| Liabilities for Expenses            | 11,489,784         | 7,704,817          |
| <b>TOTAL CURRENT LIABILITIES</b>    | <b>82,321,162</b>  | <b>219,787,471</b> |
| <b>TOTAL LIABILITIES</b>            | <b>96,144,840</b>  | <b>223,810,265</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>945,378,813</b> | <b>383,019,532</b> |

**Changes in financial position:**

| Particular                         | Ordinary Share Capital | Retained Earnings | Total       |
|------------------------------------|------------------------|-------------------|-------------|
| Initial Capital (at incorporation) | 1,000,000              | -                 | 1,000,000   |
| Balance as on 30 June 2015         | 99,000,000             | 60,209,267        | 99,000,000  |
| Balance as on 30 June 2016         | 730,000,000            | 119,233,972       | 849,233,972 |

**Cash Flows Statement:**

| Particulars  | Amounts in Taka      |                     |
|--|----------------------|---------------------|
|  | 2016                 | 2015                |
| <b>Cash Flow from Operating Activities</b>           |                      |                     |
| Cash receipts from customers                         | 374,559,271          | 438,103,575         |
| Cash receipts from others income                     | 241,107              | 209,658             |
| Cash payment to Suppliers                            | (256,407,305)        | (288,800,236)       |
| Cash payment to Employees                            | (62,440,406)         | (59,295,036)        |
| Cash payment to Others                               | (34,132,076)         | (7,810,716)         |
| <b>Cash Generate from operation</b>                  | <b>21,820,591</b>    | <b>82,407,246</b>   |
| Cash payment against income Tax                      | (7,801,198)          | (7,551,199)         |
| <b>Net Cash from Operating Activities</b>            | <b>14,019,393</b>    | <b>74,856,046</b>   |
| <b>Cash Flow from Investing Activities</b>           |                      |                     |
| Acquisition of property, plant and equipment         | (6,470,900)          | (48,342,450)        |
| Advance paid for construction                        | (22,448,801)         | (12,448,801)        |
| Advance paid L/C Margin for Machinery                | (30,568,200)         |                     |
| Paid for Work in Progress                            | (158,787,097)        | (10,401,337)        |
| Advance paid for Land                                | (20,000,000)         |                     |
| Paid for Vendor Payable                              | (171,837,213)        | -                   |
| <b>Net Cash used in Investing Activities</b>         | <b>(410,112,211)</b> | <b>(71,192,588)</b> |
| <b>Cash Flow from Financing Activities</b>           |                      |                     |
| Proceeds from issue of share capital                 | 631,000,000          | 1,000,000           |
| <b>Net Cash from Financing Activities</b>            | <b>631,000,000</b>   | <b>1,000,000</b>    |
| <b>Net increase in Cash and Cash equivalents</b>     | <b>234,907,182</b>   | <b>4,663,458</b>    |
| Cash and Cash Equivalents at beginning of the period | 5,888,123            | 1,224,665           |
| <b>Cash and Cash Equivalent at end of the Period</b> | <b>240,795,305</b>   | <b>5,888,123</b>    |

a) **Internal and external sources of cash;**

| Particular        | 30-06-2016       | 30-06-2015       |
|-------------------|------------------|------------------|
| Share Capital     | 730,000,000      | 99,000,000       |
| Retained earnings | 119,233,972      | 60,209,267       |
| <b>Total</b>      | <b>849233972</b> | <b>159209267</b> |

IBPL have not any external sources of cash.

b) **Any material commitments for capital expenditure and expected sources of funds for such expenditure;**

The Company has not yet made any material commitment for capital expenditure except for those that are mentioned under the head 'Use of Proceeds' from IPO fund.

c) **Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income;**

The company's revenue and other income as well as operating expenses and net income have continued to change due to increasing production by adding new machine and increase sales volume.

| Particular         | 30-June-16  | 30-Jun-15   |
|--------------------|-------------|-------------|
| Sales Revenue      | 444,777,724 | 435,024,108 |
| Cost of Sales      | 262,528,992 | 257,883,659 |
| Operating Expenses | 87,751,623  | 84,720,465  |
| Net Income         | 59,024,705  | 60,209,267  |

**Causes for changes:**

**Revenues:**

Revenue has been increase due to normal growth of business.

**Cost of goods sold:**

Increase of cost of goods sold in period to period is in the line with sales volume.

**Other operating expenses:**

Increase of operating expenses in period to period is in the line with production and sale volume.

**Net income:**

Though net income has been decreased, it is consistent with the growth. The net income has been decreased due to provision for WPPF. No unusual changes have been occurred during the last two years on the above matters.

d) **Any seasonal aspects of the issuer's business;**

No seasonal aspects adversely affect the business of IBPL.

e) **Any known trends, events or uncertainties that may have material effect on the issuer's future business;**

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business except for those, which are naturally beyond control of human being.

The business operation of the Company may be affected by the following events:

- I. Political unrest
- II. Natural disaster.

- f) **Any assets of the company used to pay off any liabilities;**  
None of the assets of the company has been used to pay off any liabilities of the company.
- g) **Any loan taken from or given to any related party or connected person of the issuer with details of the same;**  
IBPL has no associate, subsidiary or holding company. No loan was taken from or given to aforesaid.
- h) **Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer;**  
The Company has no plan to enter into any contract creating future liabilities for the Company except for those, which are created in the normal course of business activities.
- i) **The estimated amount, where applicable, of future capital expenditure;**  
The Company has no plan for capital expenditure except for those mentioned in the 'Use of Proceeds' from IPO fund.
- j) **Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 years or from commercial operation, which is shorter;**

**VAT:** There is no VAT liability of the Company as on 30 June, 2016.

**Customs Duty or other tax liabilities:** There is no customs duty Liability of the Company as on 30 June, 2016.

**Income Tax:** The Company is a regular tax payer. The TIN number of the company was 681332543219/Circle-1 (Companies), Barisal. Subsequently which is transfer to Circle-167 (Companies), Taxes Zone-08, Dhaka due to change corporate address to Dhaka. Following are the details of income tax related information of the Company:

| Income Year | Assessment Year | Status  |
|-------------|-----------------|---|
| 2015-2016   | 2016-2017       | Return was submitted. Subsequently, the Deputy Commissioner of Taxes completed the assessment by demanding tax liability of Tk. 10,450,292 as per notice of demand dated on 30 May, 2017. We received notice of demand dated on 14 September, 2017. Against the assessment, the Company appeal the same to the Taxes Appellate Tribunal Khulna Bench dated on 19 September, 2017. |
| 2014-2015   | 2015-2016       | Return was submitted. Subsequently, the Deputy Commissioner of Taxes completed the assessment by demanding tax liability of Tk. 25,565,930 as per notice of demand dated on 24 August, 2016. We received notice of demand dated 14 September, 2017. Against the assessment, the Company appeal the same to the Taxes Appellate Tribunal Khulna Bench on dated 19 September, 2017. |

- k) **Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be effected;**

The Company has no operating lease obligation with anyone. However, the corporate office of the Company is under rental agreement.

| Address   | Area (Sft) | Rent/Sft.     | Period                       | Rent p/m (Tk.) |
|---|------------|---------------|------------------------------|----------------|
| Plot No. # 183 (6 <sup>th</sup> Floor), Block # B, Ahmed Akbar Sobhan Road, Bashundhara R/A, Baridhara, Dhaka-1229. | 2,130      | @ Tk. 22.54/- | Nov 01, 2017 to Oct 30, 2019 | 48,000/-       |

NB: Apart from the above, the Company does not or did not have, during the period since its commencement of commercial operation any finance lease or such type of other commitment.

- l) **Details of all personnel related schemes for which the company has to make provision for in future years;**

The Company gives values to the employee benefit packages since the management of IBPL believes that the employees of the organization are the key to the success of the Company's business. IBPL gives its employees remunerations including WPPF, festival bonuses.

As per the requirements of Bangladesh Labor (Amendment) Act, 2013, IBPL has formed the Trusty Board, opened bank account and disbursed the WPPF fund.

The Company has introduced the Group Insurance policy with Republic Insurance Company Limited.

- m) **Break down of all expenses related to the public issue;**

The following amount to be paid to the Issue Managers, Underwriters and other costs are as follows:

| Sl. No.   | Particulars   | Basis   | Amount in BDT (approx.) |
|-----------|---|---|-------------------------|
| <b>A.</b> | <b>MANAGERS TO THE ISSUE FEES</b>                       |   | <b>2,300,000</b>        |
| 1         | Managers to the Issue fee                               | Maximum 2% (two percent) of the public offer amount   | 2,000,000               |
| 2         | VAT against Issue Management Fees                       | 15% of issue management fees  | 300,000                 |
| <b>B.</b> | <b>FEES RELATED TO LISTING WITH THE STOCK EXCHANGES</b> |   | <b>4,420,000</b>        |
| 3         | Prospectus Submission Fees to DSE & CSE                 | Fixed   | 100,000                 |
| 4         | DSE and CSE Annual Fee                                  | Fixed   | 930,000                 |
| 5         | Fees related to Listing with the stock exchanges        | @ 0.25% on Tk. 10 Crore and 0.15% on the rest amount of paid up capital range; (minimum 50 thousand maximum Tk. 1 crore for each exchanges) | 2,990,000               |
| 6         | Data Transmission Fee for DSE & CSE                     | Fixed   | 400,000                 |
| <b>C.</b> | <b>BSEC FEES</b>  |   | <b>850,000</b>          |
| 7         | Application fee   | Tk. 50,000.00 (non-refundable)  | 50,000                  |
| 8         | Consent fee   | fee @ 0.40% on entire offer   | 800,000                 |

|                    |   |   |           |                   |
|--------------------|---|---|-----------|-------------------|
| <b>D.</b>          | <b>IPO RELATED FEES</b>   |   |           | <b>550,000</b>    |
| 9                  | Underwriting commission [Maximum 1% (one percent) on 35% (thirty five percent) of the public offer amount.] | Commission @ 0.50% on Underwritten Amount             | 350,000   |                   |
| 10                 | Auditors Certification fees   | At Actual   | 200,000   |                   |
| <b>E.</b>          | <b>CDBL FEES AND EXPENSES</b>   |   |           | <b>748,000</b>    |
| 11                 | Security Deposit  | At Actual   | 500,000   |                   |
| 12                 | Documentation fee   | At Actual   | 2,500     |                   |
| 13                 | Annual fee  | At Actual   | 100,000   |                   |
| 14                 | Connection Fee (TK. 500 per month* 12)  | At Actual   | 6,000     |                   |
| 15                 | Initial Public Offering fee   | @.015% of issue size+.015% of Pre-IPO paid up capital | 139,500   |                   |
| <b>F.</b>          | <b>PRINTING AND POST PUBLIC OFFER EXPENSES</b>  |   |           | <b>7,832,000</b>  |
| 16                 | Publication of prospectus   | Estimated (to be paid at actual)                      | 650,000   |                   |
| 17                 | Abridge Version of Prospectus and Notice in 4 daily news paper  | Estimated (to be paid at actual)                      | 600,000   |                   |
| 18                 | Notice for prospectus, Lottery, Refund etc. in 4 daily news paper   | Estimated (to be paid at actual)                      | 252,000   |                   |
| 19                 | Lottery related expenses including BUET fee   | Estimated (to be paid at actual)                      | 800,000   |                   |
| 20                 | Data Processing and Share Software Charge   | Estimated (to be paid at actual)                      | 4,960,000 |                   |
| 21                 | Courier Expenses  | Estimated (to be paid at actual)                      | 220,000   |                   |
| 22                 | Administrative & Stationary Expense   | Estimated (to be paid at actual)                      | 350,000   |                   |
| <b>Grand Total</b> |   |   |           | <b>16,700,000</b> |

*N.B.: Actual costs will vary if above mentioned estimates differ and will be adjusted accordingly.*

- n) **If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;**  
Indo-Bangla Pharmaceuticals Limited doesn't make any revaluation of its asset.
- o) **Where the issuer is a holding or subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;**  
The Company has no holding or subsidiary companies and also doesn't have any associate company. Hence, there is no transaction has taken place between the issuer and its holding or subsidiary company.
- p) **Financial Information of Group Companies and Companies under common ownership by more than 50%: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:**  
IBPL has no group companies and companies under common ownership by more than 50%. Hence information under this head is not applicable for the Company.
- q) **Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer**  
Not applicable.

- r) **A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares;**

**A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares**

After due verification, we certify that the following shares have been allotted for consideration in otherwise than cash of Indo-Bangla Pharmaceuticals Limited as of 30 June 2017:

| <b>Date of allotment</b> | <b>Persons to whom those are issued</b> | <b>No. of shares allotted</b> | <b>Relationship with the Issuer</b> | <b>Reasons for the issue</b> | <b>Rational of Issue Price</b> |
|--------------------------|---|-------------------------------|-------------------------------------|------------------------------|--------------------------------|
| 7-Jul-2014               | A F M Anowarul Huq                      | 9,800,000                     | Director & Managing Director        | To acquire machineries       | Face Value                     |

Place: Dhaka  
Date: September 20, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

- s) **Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public**  
There is no material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public
- t) **Business strategies and future plans - projected financial statements shall be required only for companies not started commercial operation yet and authenticated by Chairman, two Directors, Managing Director, CFO, and Company Secretary;**

#### **Business Strategies**

IBPL's key strategic objectives are to:

- Lower price: In order to be market Leader Company is trying to be competitive price to deal with its rivals.
- Economic Scale: With a view to spreading the fixed cost over more units company is trying to increase economic of scale.
- Strengthening our existing market share
- Comprehensive marketing and distribution network.
- Ensure stable and long-term return to our investors.

#### **Future plans**

In persuasion of aforesaid Strategies IBPL and its experienced team have been working insistentlly keeping in consideration future as well. IBPL has a planned for expansion of business activities by using IPO proceeds.

u) **Discussion on the results of operations shall inter-alia contain the following:**

- 1) **A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure;**

| <b>Particular</b>     | <b>30 June 2016</b> | <b>30 June 2015</b> |
|-----------------------|---------------------|---------------------|
| Non-Current Assets    | 330,469,857         | 158,274,850         |
| Current Assets        | 614,908,956         | 224,744,682         |
| Shareholders' Equity  | 849,233,972         | 159,209,267         |
| Current Liabilities   | 82,321,162          | 219,704,439         |
| Turn Over             | 444,777,724         | 435,024,108         |
| Gross profit          | 182,248,732         | 177,140,449         |
| Net Profit before Tax | 90,807,238          | 92,629,642          |
| Net Profit After tax  | 59,024,705          | 60,209,267          |

- 2) **A summary of major items of income and expenditure;**

**Major Item of income:**

| <b>Particular</b> | <b>30 June 2016</b> | <b>30 June 2015</b> |
|-------------------|---------------------|---------------------|
| <b>Turn Over</b>  | 444,777,724         | 435,024,108         |

**Major item of Expenditure:**

| <b>Particular</b> | <b>30 June 2016</b> | <b>30 June 2015</b> |
|-------------------|---------------------|---------------------|
| Cost of sale      | 262,528,992         | 257,883,659         |
| Operating expense | 87,751,623          | 84,720,465          |

- 3) **The income and sales on account of major products or services;**  
There is only one product of the Company, which contributed to the Company's total revenue.
- 4) **In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring;**  
The Company's other income is not more than 10% of the total income.
- 5) **If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly, if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations;**  
The Company's income is not dependent upon a single customer or a few major customers nor foreign customer.
- 6) **In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed.**  
The issuer has not followed any unorthodox procedure for recording sales and revenues.

- v) **Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:**

| Particulars  | Amounts in Taka    |                    |
|--|--------------------|--------------------|
|  | 30th June,2016     | 30th June,2015     |
| <b>Net Sales Revenue</b>                                     | 444,777,724        | 435,024,108        |
| Less: Cost of Sales  | 262,528,992        | 257,883,659        |
| <b>Gross Profit</b>  | <b>182,248,732</b> | <b>177,140,449</b> |
| <b>Less: Operating Expenses:</b>                             | 87,751,623         | 84,720,465         |
| Administrative Expenses                                      | 23,381,246         | 22,007,014         |
| Selling & Distributing Expenses                              | 64,370,377         | 62,713,451         |
| <b>Profit from Operations</b>                                | <b>94,497,109</b>  | <b>92,419,984</b>  |
| Add: Non-Operating Income:                                   | 850,491            | 209,658            |
| <b>Profit before Contribution to WPPF &amp; Welfare Fund</b> | <b>95,347,600</b>  | <b>92,629,642</b>  |
| Less: Contribution to WPPF & Welfare Fund                    | 4,540,362          | -                  |
| <b>Profit before Tax</b>                                     | <b>90,807,238</b>  | <b>92,629,642</b>  |
| <b>Less: Income Tax Expenses:</b>                            | 31,782,533         | 32,420,375         |
| Current Tax  | 26,522,010         | 28,397,581         |
| Deferred Tax   | 5,260,523          | 4,022,794          |
| <b>Net Profit for the year</b>                               | <b>59,024,705</b>  | <b>60,209,267</b>  |

**Analysis of reasons for the changes in significant items of income and expenditure:**

There is no change in significant items of income and expenditure of IBPL.

- 1) **Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.**  
The is no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, and discretionary reduction of expenses etc.
- 2) **Significant economic changes that materially affect or are likely to affect income from continuing operations;**  
There are no significant economic changes that materially affect or are likely to affect income from continuing operations.
- 3) **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;**  
At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business except for those which are naturally beyond control of human being.

- 4) **Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known;**

We are aware of the fact that future is always uncertain that affect business. It is expected that labor and material price will go up in future because of inflation and other factors. However, revenue is always adjusted and follows the trend in line with production cost. Hence, any change in cost will be reflected in sales price.

- 5) **The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;**

There is no material increase in sales volume or revenue due to increased sales volume, introduction of new products or services or increased sales prices.

- 6) **Total turnover of each major industry segment in which the issuer operated;** Pharmaceuticals products are met one of the basic needs for all living being. It is one of the fastest growing industries in the world. According to IMS by 2017 demand of pharma products will be USD 1,200 billion, which was USD 965 billion in the year 2012.

According to the same source, in the year 2014 Bangladesh pharma market size was Tk. 10,600 crore with a growth percentage 8.48. For the year ended 30 June 2016 IBPL sales was Tk. 44.48 crore. According to IMS in the year 2015 Bangladesh pharma market size was Tk. 12,000 crore. Insiders of the industry apprehend that by the year 2020 Bangladesh pharma size will be Tk. 20,000 crore. They also apprehend that pharma products are going to be added into the Bangladesh export basket in a big way within couple of years.

Therapeutic class wise sales of pharma product in the year 2014 & 2015:

(Amount in BDT Crore)

| Sl. | Name of the Therapeutic class | 30 June 2015 |              | 30 June 2014 |              |
|-----|-------------------------------|--------------|--------------|--------------|--------------|
|     |                               | Sales        | Market share | Sales        | Market share |
| 1   | Alimentary T.& Metabolism     | 4,145.64     | 34.68        | 3,635.51     | 34.34        |
| 2   | Systemic Anti-Infectives      | 2,197.38     | 18.38        | 2,045.58     | 19.32        |
| 3   | Nervous System                | 1,242.44     | 10.39        | 1,138.74     | 10.76        |
| 4   | Cardiovascular System         | 1,153.32     | 9.65         | 988.34       | 9.34         |
| 5   | Respiratory System            | 1,051.38     | 8.79         | 881.82       | 8.33         |
| 6   | Musculo-SkeletalSystem        | 654.66       | 5.48         | 576.17       | 5.44         |
| 7   | G.U.System & Sex Hormones     | 354.00       | 2.96         | 285.72       | 2.70         |
| 8   | Dermatologicals               | 288.04       | 2.41         | 247.00       | 2.33         |
| 9   | Blood + B.Forming Organs      | 247.27       | 2.07         | 223.41       | 2.11         |
| 10  | Sensory Organs                | 185.12       | 1.55         | 160.34       | 1.51         |
| 11  | Systemic Hormones             | 137.41       | 1.15         | 119.72       | 1.13         |
| 12  | Hospital Solutions            | 127.06       | 1.06         | 128.88       | 1.22         |
| 13  | Parasitology                  | 113.56       | 0.95         | 109.70       | 1.04         |
| 14  | Antineoplast+Immunomodul      | 34.47        | 0.29         | 28.51        | 0.27         |
| 15  | Various                       | 22.96        | 0.19         | 16.58        | 0.16         |
| 16  | Diagnostic Agents             | 0.13         | 0.00         | 0.34         | 0.00         |

Source:<http://www.lightcastlebd.com/blog/2015/12/market-insight-how-the-bangladesh-pharmaceutical-sector-is-performing-in-2015>

- 7) **Status of any publicly announced new products or business segment;**  
The Company did not announce new products or business segment.
- 8) **The extent to which the business is seasonal.**  
We have been pharmaceutical business around the Country. So, it is not seasonal business.
- w) **Defaults or rescheduling of borrowings with financial institutions or banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company;**  
The Company neither defaulted or rescheduled of its borrowings with financial institutions or banks nor converted any of its loans into equity till to date.
- x) **Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors;**  
On 7<sup>th</sup> June 2016, Honorable High Court division of Supreme Court ordered to stop manufacturing and marketing antibiotic. It will not create any material effect since the order came in the last month of the accounting year affecting three weeks' production and sales. Now we are on the process to get permission for production and marketing of antibiotic for our continuous effort to comply with required compliance.
- y) **Injunction or restraining order, if any, with possible implications;**  
There was High Court order to stop manufacturing and marketing of antibiotic on 7<sup>th</sup> June 2016. Now we are complying as per guideline of Directorate General of Drug Administration (DGDA). Soon we will get permission to manufacture antibiotic.
- z) **Technology, market, managerial competence and capacity built-up;**  
IBPL has introduced the latest state-of-the-art technology in manufacturing pharmaceuticals products. By introducing state-of-the-art technology in manufacturing pharmaceuticals products, IBPL is able to produce competitive products.
- aa) **Changes in accounting policies in the last three years;**  
The management of the Company has not change any accounting policies in the last three years.

- bb) **Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months;**

**A statement by the directors:**

In our opinion, there have no circumstances arisen since the date of the last financial statements as disclosed in the prospectus which materially and adversely affect or is likely to affect the trading or profitability of the Indo-Bangla Pharmaceuticals Limited or the value of its assets, or its ability to pay its liabilities within the next twelve months except the followings:

1. The Company has purchased 37.40 decimals of land on 24.08.2016;
2. The Company has purchased 159.50 decimals of land on 04.01.2017.

Sd/-

**Aziza Yeasmin**  
Chairman

Sd/-

**A F M Anowarul Huq**  
Managing Director & Director

Sd/-

**Hafiza Yeasmin**  
Director

Sd/-

**Md. Amin-Ur-Rashid**  
Director

Sd/-

**Sayeda Huq**  
Director

Sd/-

**Fatima Parvin**  
Director

Sd/-

**Mst. Shahanaz Akter**  
Director

Sd/-

**Md. Mizanur Rahman**  
Director

Sd/-

**Investment Corporation of Bangladesh**  
**Represented by Md. Golam Rabbani**  
Director

Sd/-

**S.M. Harun Or Rashid**  
Independent Director

Sd/-

**Md. Monirujjaman**  
Independent Director

Sd/-

**Md. Firoz Khan**  
Independent Director

cc) If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer;

Unaudited half year financial statements for the period ended July 01, 2017 to December 31, 2017 are as follows:

### Financial Statements (Unaudited)

**INDO-BANGLA PHARMACEUTICALS LTD**  
**STATEMENT OF FINANCIAL POSITION**  
As at 31st December, 2017

| Particulars                                 | Amounts in Taka      |                      |
|---|----------------------|----------------------|
|   | 31st Dec, 2017       | 30th June, 2017      |
| <b>ASSETS:</b>                              |                      |                      |
| <b>Non-current Assets:</b>                  | <b>594,480,671</b>   | <b>536,553,973</b>   |
| Property, Plant and Equipment               | 588,934,751          | 536,553,973          |
| Capital Work In Progress                    | 5,545,920            | -                    |
| <b>Current Assets:</b>                      | <b>548,622,816</b>   | <b>541,115,957</b>   |
| Inventories                                 | 158,790,095          | 151,056,806          |
| Trade & Other Receivables                   | 182,581,765          | 163,857,128          |
| Advance, Deposits and Prepayments           | 115,549,486          | 109,389,792          |
| Cash and Cash equivalents                   | 91,701,470           | 116,812,231          |
| <b>TOTAL ASSETS</b>                         | <b>1,143,103,487</b> | <b>1,077,669,930</b> |
| <b>OWNER'S EQUITY AND LIABILITIES</b>       |                      |                      |
| <b>Owner's Equity:</b>                      | <b>986,320,344</b>   | <b>937,606,643</b>   |
| Share Capital                               | 730,000,000          | 730,000,000          |
| Retained Earnings                           | 256,320,344          | 207,606,643          |
| <b>NON-CURRENT LIABILITIES</b>              | <b>50,649,051</b>    | <b>38,180,191</b>    |
| Deferred Tax Liability                      | 50,649,051           | 38,180,191           |
| <b>Current Liabilities:</b>                 | <b>106,134,093</b>   | <b>101,883,096</b>   |
| Provision for WPPF                          | 3,747,208            | 6,797,898            |
| Trade Payables                              | 10,253,848           | 16,677,674           |
| Provision for Taxes                         | 87,369,596           | 73,608,002           |
| Liabilities for Expenses                    | 4,763,441            | 4,799,522            |
| <b>TOTAL OWNER'S EQUITY AND LIABILITIES</b> | <b>1,143,103,487</b> | <b>1,077,669,930</b> |
| <b>Net Asset Value (NAV) Per Share</b>      | <b>13.51</b>         | <b>12.84</b>         |

Sd/-  
**Chief Financial Officer**

Sd/-  
**Managing Director**

**INDO-BANGLA PHARMACEUTICALS LTD**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the Period from 1st July,2017 to 31st December, 2017.

| Particulars  | Amounts in Taka    |                    |                     |                     |
|--|--------------------|--------------------|---------------------|---------------------|
|  | July to Dec,2017   | July to Dec,2016   | October to Dec,2017 | October to Dec,2016 |
| <b>Net Sales Revenue</b>                                     | 320,331,242        | 304,577,885        | 161,100,391         | 152,552,450         |
| Less: Cost of Sales  | 191,917,403        | 182,080,185        | 96,983,568          | 91,390,359          |
| <b>Gross Profit</b>  | <b>128,413,839</b> | <b>122,497,700</b> | <b>64,116,823</b>   | <b>61,162,091</b>   |
| <b>Less: Operating Expenses:</b>                             | <b>52,998,914</b>  | <b>46,788,153</b>  | <b>28,790,074</b>   | <b>23,401,397</b>   |
| Administrative Expenses                                      | 16,881,440         | 11,649,754         | 10,737,799          | 5,873,064           |
| Selling & Distributing Expenses                              | 36,117,474         | 35,138,399         | 18,052,275          | 17,528,333          |
| <b>Profit from Operations</b>                                | <b>75,414,925</b>  | <b>75,709,547</b>  | <b>35,326,749</b>   | <b>37,760,694</b>   |
| Add: Non Operating Income:                                   | 3,276,437          | 6,745,358          | 1,300,635           | 2,895,162           |
| <b>Profit before Contribution to WPPF &amp; Welfare Fund</b> | <b>78,691,362</b>  | <b>82,454,905</b>  | <b>36,627,384</b>   | <b>40,655,855</b>   |
| Less: Contribution to WPPF & Welfare Fund                    | 3,747,208          | 3,926,424          | 1,744,161           | 1,935,993           |
| <b>Profit before Tax</b>                                     | <b>74,944,154</b>  | <b>78,528,481</b>  | <b>34,883,223</b>   | <b>38,719,862</b>   |
| <b>Less: Income Tax Expenses:</b>                            | <b>26,230,453</b>  | <b>27,484,968</b>  | <b>12,209,128</b>   | <b>13,551,951</b>   |
| Current Tax  | 13,761,594         | 22,828,840         | 6,024,393           | 11,018,402          |
| Deferred Tax   | 12,468,859         | 4,656,128          | 6,184,735           | 2,533,549           |
| <b>Net Profit for the year</b>                               | <b>48,713,701</b>  | <b>51,043,513</b>  | <b>22,674,095</b>   | <b>25,167,911</b>   |
| <b>Earnings per share (Basic)</b>                            | <b>0.67</b>        | <b>0.70</b>        | <b>0.31</b>         | <b>0.34</b>         |

Sd/-  
Chief Financial Officer

Sd/-  
Managing Director

**INDO BANGLA PHARMACEUTICALS LTD**  
**Statement of Changes in Equity**  
**For the Period ended 31st December, 2017**

| <b>Particulars</b>        | <b>Share Capital</b> | <b>Retained Earnings</b> | <b>Total Equity</b> |
|---------------------------|----------------------|--------------------------|---------------------|
| Balance as at 01-07-2017  | 730,000,000          | 207,606,643              | 937,606,643         |
| Net Profit for the Period | -                    | 48,713,701               | 48,713,701          |
| Balance as at 31-12-2017  | <b>730,000,000</b>   | <b>256,320,344</b>       | <b>986,320,344</b>  |

**INDO BANGLA PHARMACEUTICALS LTD**  
**Statement of Changes in Equity**  
**For the period ended 31st December, 2016**

| <b>Particulars</b>        | <b>Share Capital</b> | <b>Retained Earnings</b> | <b>Total Equity</b> |
|---------------------------|----------------------|--------------------------|---------------------|
| Balance as at 01-07-2016  | 730,000,000          | 119,233,972              | 849,233,972         |
| Net Profit for the Period | -                    | 51,043,512               | 51,043,512          |
| Balance as at 31-12-2016  | <b>730,000,000</b>   | <b>170,277,484</b>       | <b>900,277,484</b>  |

Sd/-  
**Chief Financial Officer**

Sd/-  
**Managing Director**

**INDOBANGLA PHARMACEUTICALS LIMITED**  
**Statement of Cash Flows**  
**For the Period ended 31st December, 2017**

| Particulars  | Amounts in Taka     |                     |
|--|---------------------|---------------------|
|  | July to Dec, 2017   | July to Dec, 2016   |
| <b>Cash Flow from Operating Activities</b>           |                     |                     |
| Cash receipts from customers                         | 301,562,495         | 264,869,741         |
| Cash receipts from others income                     | 3,320,547           | 7,032,550           |
| Cash payment to Suppliers                            | (210,314,337)       | (170,185,931)       |
| Cash payment to Employees                            | (35,255,741)        | (27,026,525)        |
| Cash payment to Others                               | (32,936,403)        | (32,208,078)        |
| <b>Cash Generate from operation</b>                  | <b>26,376,561</b>   | <b>42,481,757</b>   |
| Cash payment against income Tax                      | (7,941,651)         | (6,658,950)         |
| <b>Net Cash from Operating Activities</b>            | <b>18,434,910</b>   | <b>35,822,807</b>   |
| <b>Cash Flow from Investing Activities</b>           |                     |                     |
| Acquisition of property, plant and equipment         | (1,970,070)         | (23,041,060)        |
| Paid for Work In Progress                            | (5,545,920)         | -                   |
| Advance paid for L/C Margin Machinery                | (36,029,682)        | (75,083,450)        |
| Advance paid for Land                                | -                   | -                   |
| <b>Net Cash used in Investing Activities</b>         | <b>(43,545,672)</b> | <b>(98,124,510)</b> |
| <b>Cash Flow from Financing Activities</b>           |                     |                     |
| Proceeds from issue of share capital                 | -                   | -                   |
| <b>Net Cash from Financing Activities</b>            | <b>-</b>            | <b>-</b>            |
| <b>Net increase in Cash and Cash equivalents</b>     | <b>(25,110,762)</b> | <b>(62,301,703)</b> |
| Cash and Cash Equivalents at beginning of the period | 116,812,231         | 240,795,305         |
| <b>Cash and Cash Equivalent at end of the Period</b> | <b>91,701,469</b>   | <b>178,493,602</b>  |
| <b>Net Operating Cash flows per Share</b>            | <b>0.25</b>         | <b>0.49</b>         |

Sd/-  
**Chief Financial Officer**

Sd/-  
**Managing Director**

dd) **Factors that may affect the results of operations.**

There are no factors that may affect the results of operations.

## CHAPTER (VII): MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

### (a) Overview of business and strategies:

#### Overview of business:

IBPL started its journey in the 2014, it has transform itself from good to better and it has been moving towards the great from better through converting to a public limited Company. Now it is peeping into the Stock Exchanges. Since very inception of its journey IBPL has been enjoying continuous growth and strengthening its position in the Bangladesh. IBPL's mission statement says "Our holistic approach is to ensure Health, Vigour and Happiness for all by manufacturing ethical drugs and medicines of the highest quality at affordable price and expanding in the local market.

#### Strategies:

A business strategy sets out to achieve the desired goals. Business strategy is defined as long-term business planning which is concerned with the scope of a business' activities.

Two main categories of can be defined as

- a) Generic Strategy
- b) Competitive Strategy

1. **Generic Strategy:** It is concerned with growth. Now company is in planning to invest in fixed assets in order to expand its existing business.
2. **Competitive Strategy:** It is concerned with doing things better than rivals. The following competitive strategies are in place.
  - Lower price: In order to be market Leader Company is trying to be competitive price to deal with its rivals.
  - Economic Scale: With a view to spreading the fixed cost over more units company is trying to increase economic of scale.
  - Strengthening our existing market share
  - Comprehensive marketing and distribution network.
  - Ensure stable and long-term return to our investors.

**(b) SWOT ANALYSIS:**

**Strengths:**

1. **Product line variety:** The Company's product line has variety. The company sells different line of product except anti biotic.
2. **Modern Machineries:** We have been using modern machineries that that smooth our operation.
3. **Technology:** The Company has latest tools and technologies to support production.
4. **Dedicated Workforce:** Company has dedicated human resources.

**Weaknesses:**

1. **Low Financial Position:** Company needs more finance to be competitive over its rivals.
2. **Innovation:** Innovative effectiveness is low due to the lack of the sophisticated equipment, lack of the capital, lack of the skilled manpower, and the lack of the professional in our country.

**Opportunity:**

1. **Demand:** The product demand is high and vibrant.
2. **Bargain power of Supplier:** Pharmaceutical industry depends up organic chemical. Chemical industry is very competitive and fragmented. So, supplier switching is easier.
3. **Labor's wage:** Labor wages is favorable comparing to that of other countries.
4. **Product Price:** Consumers don't bother about the pricing as the medicine is lifesaving product.
5. **Market:** Pharmaceuticals market is expanding that is an opportunity to capitalize on.

**Threat:**

1. **Intense Competition:** There is high rivalry among the competitors to get the market share as maximum as possible.
2. **Threat of entrant:** Capital requirement is low. Creating regional distribution network is very easy. Hence, threat of new entrant is high.
3. **Shortage of Power:** lack of opportunity to supply emergency power.

**(c) Analysis of the financial statements of last five years with reason(s) of fluctuating revenue and sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before and after tax, EPS etc.**

| Particulars                     | 30-Jun-16          | 30-Jun-15          |
|---------------------------------|--------------------|--------------------|
| Net Sales Revenue               | 444,777,724        | 435,024,108        |
| Non-Operating Income            | 850,491            | 209,658            |
| <b>Total Income</b>             | <b>445,628,215</b> | <b>435,233,766</b> |
| Cost of Materials               | 179,027,986        | 168,618,598        |
| Selling & Distributing Expenses | 64,370,377         | 62,713,451         |
| Depreciation Expense            | 5,511,791          | 3,659,617          |
| Amortization Expense            | -                  | -                  |
| Others Expense                  | -                  | -                  |
| Changes of Inventories          | 14,357,261         | 43,998,114         |
| Net Profit Before Tax           | 90,807,238         | 92,629,642         |
| Net Profit After Tax            | 59,024,705         | 60,209,267         |
| EPS                             | 2.62               | 6.40               |

**Reason of Fluctuation:**

**Revenue:**

The company installed modern machineries in last two years in order to increase production capacity. As a result, production increased as well as turnover increased. Through installation of new different types of modern machineries, the company has been able to produce different types of products as well as to create the market of new products. So, increase of turnover of the company is relevant.

**Non-Operating Income:**

Since Fixed deposit reserve (FDR) short term is increased, so naturally non-operating income is increased.

**Total Income:**

Since Revenue is increased, so naturally total income is increased.

**Cost of Materials:**

The costs of materials to revenue are consistent over the years.

**Finance Cost and Bank Charge:**

There is no financial cost during last two years.

**Depreciation and Amortization:**

The increase of depreciation is relevant with the procurement and installation of machineries. No significant changes have been occurred.

The company did not amortize any of its capital expenditure during the last two years.

**Other Expenses:**

The company did not incur any other expenses other than regular expenses during the last two years

**Changes of inventory:**

There has been increasing of installed capacity and sales volume over the year. The demand for products is also increasing. So, the Company has to maintain sufficient amount of inventory in order to meet the sales order. Thus inventory is increasing year to year.

**Net profit before and after Tax and Earnings per Share**

Though net profit before and after tax has been decreased, it is consistent with the growth. The net profit before and after tax has been decreased due to provision for WPPF. No unusual changes have been occurred during the last two years on the above matters.

Earnings per Share are properly calculated through using weighted average number of ordinary shares for each year.

**(d) Known trends, demands, commitments, events or uncertainties that are likely to have an effect on the company's business:**

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the Company's future business except for those which are natural and beyond control of human being.

**(e) Trends or expected fluctuations in liquidity:**

There are no trends or expected fluctuations in liquidity.

**(f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition:**

There are no off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.

## CHAPTER (VIII): DIRECTORS AND OFFICERS

(a) Name, Father's Name, age, Residential address, Educational qualification, experience and position of each director and nominated director with nomination period, organization name:

| SL | Name of Director, Father's Name, Age & Experience  |   | Residential Address                            | Educational Qualification |
|----|--|---|--|---------------------------|
| 1  | <b>Name:</b><br><b>Position:</b><br><b>Father's Name:</b><br><b>Age:</b><br><b>Experience:</b> | <b>Aziza Yeasmin</b><br>Chairman<br>Late Azizul Huq<br>43 Years<br>8 Years                | Police Line Sharak, Maitha, Barguna-8700.      | B.A                       |
| 2  | <b>Name:</b><br><b>Position:</b><br><b>Father's Name:</b><br><b>Age:</b><br><b>Experience:</b> | <b>A F M Anowarul Huq</b><br>Managing Director<br>Late Azizul Huq<br>42 Years<br>19 Years | 729, College Road, Barisal Sadar, Barisal-8200 | M. Sc, LLB                |
| 3  | <b>Name:</b><br><b>Position:</b><br><b>Father's Name:</b><br><b>Age:</b><br><b>Experience:</b> | <b>Hafiza Yeasmin</b><br>Director<br>Late Azizul Huq<br>41 Years<br>9 Years               | Kazi Para, Begumgonj, Noakhali.                | MBA, PHD (Denmark)        |

|   |  |  |  |            |
|---|--|--|--|------------|
| 4 | <b>Name:</b><br><b>Position:</b><br><b>Father's Name:</b><br><b>Age:</b><br><b>Experience:</b> | <b>Md. Amin-Ur-Rashid</b><br>Director<br>Late Harun-Ur- Rashid<br>40 Years<br>17 Years | Akon Bari, 453, West Chandkathi, Jhalokathi            | M. Sc, MBA |
| 5 | <b>Name:</b><br><b>Position:</b><br><b>Father's Name:</b><br><b>Age:</b><br><b>Experience:</b> | <b>Sayeda Huq</b><br>Director<br>Late Wazed Mia<br>68 Years<br>14 Years                | 729, College Road, Barisal Sadar, Barisal-8200         | H.S.C      |
| 6 | <b>Name:</b><br><b>Position:</b><br><b>Father's Name:</b><br><b>Age:</b><br><b>Experience:</b> | <b>Fatima Parvin</b><br>Director<br>Dr. Ali Akbar Mia<br>43 Years<br>9 Years           | House-Chaprashi Bari, Road-Gohorpur, Haritana, Barguna | M.A        |
| 7 | <b>Name:</b><br><b>Position:</b><br><b>Father's Name:</b><br><b>Age:</b><br><b>Experience:</b> | <b>Mst. Shahanaz Akter</b><br>Director<br>Md. Abdus Sobhan Khan<br>38 Years<br>8 Years | Vill-Vodrashon, Po-Minar Bari, Bandar, Narayangonj     | H.S.C      |

|    |   |   |  |                                   |
|----|---|---|--|-----------------------------------|
| 8  | <b>Name:</b><br><b>Position:</b><br><b>Father's Name:</b><br><b>Age:</b><br><b>Experience:</b>                              | <b>Md. Mizanur Rahman</b><br>Director<br>Md. Jalal Hawladar<br>37 Years<br>8 Years  | Vill: Shibpasha, Post: Raipasha, Thana: Korapur,<br>Dist.: Barisal                         | H.S.C                             |
| 9  | <b>Name:</b><br><b>Position:</b><br><b>Father's Name:</b><br><b>Age:</b><br><b>Experience:</b><br><b>Nomination Period:</b> | <b>Investment Corporation of<br/> Bangladesh<br/> Represented by Md. Golam<br/> Rabbani</b><br>Director<br>Md. Abdul Hannan Miah<br>54 Years<br>28 Years<br>5 Years | 8, Rajuk Avenue, BDBL Bhaban (Level 14-17)<br>Dhaka-1000                                   | B.Sc (Hons.), M.Sc<br>(Economics) |
| 10 | <b>Name:</b><br><b>Position:</b><br><b>Father's Name:</b><br><b>Age:</b><br><b>Experience:</b>                              | <b>S.M. Harun Or Rashid</b><br>Independent Director<br>Abdul Karim Sikder<br>64 Years<br>21 Years   | House No. # 15 (Ground Floor), Road No. # 14,<br>Block # D, Pallabi, Mirpur-12, Dhaka-1216 | B.Com.                            |

|    |                       |                         |   |  |
|----|-----------------------|-------------------------|---|--|
| 11 | <b>Name:</b>          | <b>Md. Monirujjaman</b> | South Patharghata, Patharghata-8720, Barguna          | Master of law                          |
|    | <b>Position:</b>      | Independent Director    |   |  |
|    | <b>Father's Name:</b> | Abdur Rab Khan          |   |  |
|    | <b>Age:</b>           | 38 Years                |   |  |
|    | <b>Experience:</b>    | 13 Years                |   |  |
| 12 | <b>Name:</b>          | <b>Md. Firoz Khan</b>   | Post: Anail Bania, Thana: Kathalia, Dist.: Jhalokati. | B. Sc (Honors),<br>M.Sc. (Mathematics) |
|    | <b>Position:</b>      | Independent Director    |   |  |
|    | <b>Father's Name:</b> | Md. Abdus Sobhan Khan   |   |  |
|    | <b>Age:</b>           | 42 Years                |   |  |
|    | <b>Experience:</b>    | 15 Years                |   |  |

**(b) Date of first Directorship and Expiry of Current Tenure of the directors:**

| SL. | Name of the Director   | Position             | Date of first Directorship | Date of Expiration of Current term |
|-----|--|----------------------|----------------------------|------------------------------------|
| 1   | Aziza Yeasmin  | Chairman             | 18-Jun-14                  | 4th AGM in 2018                    |
| 2   | A F M Anowarul Huq   | Managing Director    | 18-Jun-14                  | 4th AGM in 2018                    |
| 3   | Hafiza Yeasmin   | Director             | 18-Jun-14                  | 4th AGM in 2018                    |
| 4   | Md. Amin-Ur-Rashid   | Director             | 18-Jun-14                  | 5th AGM in 2019                    |
| 5   | Sayeda Huq   | Director             | 10-Oct-14                  | 3rd AGM in 2017                    |
| 6   | Fatima Parvin  | Director             | 28-Jul-16                  | 3rd AGM in 2017                    |
| 7   | Mst. Shahanaz Akter  | Director             | 28-Jul-16                  | 3rd AGM in 2017                    |
| 8   | Md. Mizanur Rahman   | Director             | 28-Jul-16                  | 3rd AGM in 2017                    |
| 9   | Investment Corporation of Bangladesh<br>Represented by Md. Golam Rabbani | Director             | 12-Jun-16                  | 4th AGM in 2018                    |
| 10  | S.M. Harun Or Rashid   | Independent Director | 28-Jul-16                  | 5th AGM in 2019                    |
| 11  | Md. Monirujjaman   | Independent Director | 28-Jul-16                  | 5th AGM in 2019                    |
| 12  | Md. Firoz Khan   | Independent Director | 27-Nov-16                  | 5th AGM in 2019                    |

**(c) Name of Interest and Involvement in other business or organization of directors:**

| SL | Name  | Designation in IBPL  | Directorship/Ownership with Other Companies |          |
|----|---|----------------------|---|----------|
|    |   |                      | Companies                                   | Position |
| 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             | -   | -        |
| 6  | Fatima Parvin   | Director             | -   | -        |
| 7  | Mst. Shahanaz Akter   | 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. Monirujjaman  | Independent Director | -   | -        |
| 12 | Md. Firoz Khan  | Independent Director | Sabila Sea Foods Ltd.                       | Director |

**(d) Statement of if any Directors of the issuer are associated with the securities market in any manner and any director of the issuer company is also director of any issuer of other listed securities during last three years with dividend payment history and market performance:**

None of the Directors are involved in securities market and not involved with other listed securities during last three years.

**(e) Family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers:**

**i. Family relationship among directors**

| SL | Name  | Designation          | Relationships  |
|----|---|----------------------|--|
| 1  | Aziza Yeasmin   | Chairman             | Daughter of Sayeda Huq & sister of A F M Anowarul Huq and Hafiza Yeasmin |
| 2  | A F M Anowarul Huq  | Managing Director    | Son of Sayeda Huq & brother of Aziza Yeasmin and Hafiza Yeasmin          |
| 3  | Hafiza Yeasmin  | Director             | Daughter of Sayeda Huq & sister of A F M Anowarul Huq and Aziza Yeasmin  |
| 4  | Md. Amin-Ur-Rashid  | Director             | No family relation   |
| 5  | Sayed a Huq   | Director             | Mother of Aziza Yeasmin, A F M Anowarul Huq and Hafiza Yeasmin           |
| 6  | Fatima Parvin   | Director             | No family relation   |
| 7  | Mst. Shahanaz Akter   | 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. Monirujjaman  | Independent Director |  |
| 12 | Md. Firoz Khan  | Director             |  |

**ii. Family relationship among directors and top five officers of the company:**

There is no family relationship exist between directors and top management officers except mentioned in the prospectus page number 100.

**(f) Brief description of other businesses of the directors:**

None of the directors are involved in other businesses except Md. Firoz Khan. His involvement in other organization is given below:

**Md. Firoz Khan, Independent Director**

| Sl. | Name of Companies     | Date of Incorporation | Nature of Business | Legal Status            | Equity Capital (Total) in Taka |
|-----|-----------------------|-----------------------|--------------------|-------------------------|--------------------------------|
| 1   | Sabila Sea Foods Ltd. | 2017                  | Sea food export    | Private Limited Company | 1,000,000.00                   |

**(g) Short bio-data of each director:**

**Aziza Yeasmin**

Aziza Yeasmin, W/O- Khandakar Mustafizur Rahman, Address: Police Line Sharak, Maitha, Barguna-8700. She is the Chairman of Indo-Bangla Pharmaceuticals Ltd. She completed Bachelor of Arts degree from National University.

**A F M Anowarul Huq**

AFM Anowarul Huq, S/O- Late Azizul Huq, Address: 729, College Road, Barisal Sadar, Barisal-8200. He completed B. Sc, M.Sc. (Chemistry) and LLB degree from National University. Mr. A F M Anowarul Huq is the Managing Director of Indo-Bangla Pharmaceuticals Ltd. and he has 19 years of Professional experience on Pharmaceuticals. He is also member of Barisal Chamber of Commerce.

**Hafiza Yeasmin**

Hafiza Yeasmin, W/O- Md. Moniruzzaman, Address: Kazi Para, Begumgonj, Noakhali. She completed PHD on Rural People Development from University of Copenhagen (Denmark) dated August 06, 2011. After coming back from Denmark, she involved in Indo-Bangla Pharmaceuticals Ltd. as Director.

**Md. Amin-Ur-Rashid**

Md. Amin-Ur-Rashid, S/O- Late Harun-Ur- Rashid, Address: Akon Bari, 453, West Chandkathi, Jhalokathi. He completed his B. Sc (Botani), M.Sc., MBA, L.L.B from National University. In 2001, he started his business carrier and involved with Indo-Bangla Pharmaceuticals Limited. He has 17 years of professional experience of Pharmaceutical manufacturing industry.

**Sayedra Huq**

Mrs. Sayeda Huq was born in 5 October, 1949 in Barisal. Her father is Late Wazed Mia, mother is Late Khandakar Azimunnesa and spouse is Late Azizul Huq. Her residence address: 729, College Road, Barisal Sadar, Barisal-8200. She has 14 years of professional experience of Pharmaceuticals manufacturing industry.

**Mrs. Fatima Parvin**

Mrs. Fatima Parvin was born in 1 November, 1974 in Barguna. Her father is Dr. Ali Akbar Mia, mother is Most. Setara Begum and spouse is Md. Rejaul Kabir Miraz. Her residence address: House-Chaprashi Bari, Road-Gohorpur, Haritana, Barguna. She has 9 years of professional experience of Pharmaceuticals manufacturing industry.

**Mst. Shahanaz Akter**

Mst. Shahanaz Akter, was born in 18 January, 1980 in Barisal. Her father is Md. Abdus Sobhan Khan, mother is Most. Laily Begum and spouse is Md. Azmol Hossain. Her residence address: Vill-Vodrashon, Po-Minar Bari, Bandar, Narayangonj. She has 8 years of professional experience of Pharmaceuticals manufacturing industry.

**Md. Mizanur Rahman**

Md. Mizanur Rahman, was born in 5 October, 1980 in Barisal. His father is Md. Jalal Hawladar, mother is Mrs. Minara Begum. His residence address: Vill: Shibpasha, Post: Raipasha, Thana: Korapur, Dist.: Barisal. He has 8 years of professional experience of Pharmaceuticals manufacturing industry.

**S.M. Harun Or Rashid**

Mr. S.M. Harun Or Rashid was born in April 1, 1953. His father name is Abdul Karim Sikder and mother name is Mst. Rahima Khanom. His address is House No # 15 (Ground Floor), Road No # 14, Block # D, Pallabi, Mirpur-12, Dhaka-1216. Mr. Harun Or Rashid obtained B.Com. from Dhaka University & has 21 years of Business experience. He also involved with pharmaceuticals industry last 13 years.

**Md. Monirujjaman**

Mr. Md. Monirujjaman was born in April 22, 1979 in Barguna. His father name is Abdur Rab Khan and mother is Nurjahan Begum. His address is South Patharghata, Patharghata-8720, Barguna. He finished Master of law from Dhaka International University. After finishing his educational career, he involved in business. He has 13 years of business experience. He is an Independent Director of Indo-Bangla Pharmaceuticals Ltd.

**Md. Firoz Khan**

Mr. Firoz Khan, has completed B.Sc (Math) and MSc. His address: P.O. Anail Bunia, Thana-Kathalia, Dist-Jhalokati. He is an Independent Director of Indo-Bangla Pharmaceuticals Ltd. Mr. Firoz Khan is the reputed businessman being the Director of Sabila Sea Foods Ltd. He is also the proprietor of Khan Trading Company.

**(h) Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:**

Neither the Company nor any of its Directors or shareholders who hold 10% or more shares in the paid up capital of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

(i) Name, position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the CEO, MD, CFO, CS, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included:

| Sl. | Name                    | Position                                    | Educational Qualification  | Age (Year) | Date of Joining | Overall Experience (Year) | Previous Employment                          | Salary paid for the Financial Year 30.06.16 |
|-----|-------------------------|---|----------------------------|------------|-----------------|---------------------------|--|---|
| 1   | A F M Anowarul Huq      | Managing Director                           | M. Sc, LLB                 | 42         | 18.06.2014      | 19                        | Self-employment                              | 1,050,000                                   |
| 2   | Md. Faruque Hossain     | Chief Financial Officer                     | M.BS (Accounting)          | 31         | 01.07.2016      | 5                         | Shafiq Basak & Co.                           | -   |
| 3   | Md. Shamem Gazi         | Company Secretary                           | MSS                        | 36         | 03.05.2016      | 8                         | BRAC Health, Population, & Nutrition Program | 60,000                                      |
| 4   | Shah-E-Azam             | Plant Manager & head of Product Development | M. Pharma, Reg. no. A-1074 | 56         | 18.06.2014      | 21                        | Indo Bangla Works                            | 240,000                                     |
| 5   | Mizanur Rahaman         | Manager Operation                           | M.Sc.                      | 47         | 18.06.2014      | 19                        | Indo Bangla Works                            | 228,000                                     |
| 6   | Binay Bhuson Mondal     | Production Manager                          | M.Sc.                      | 53         | 18.06.2014      | 6                         | Indo Bangla Works                            | 228,000                                     |
| 7   | Md. Mustafizur Rahman   | Manager (Admin)                             | M.Com. LLB                 | 42         | 18.06.2014      | 18                        | Indo Bangla Works                            | 216,000                                     |
| 8   | Orun Kumar Duary        | Co-ordination Manager                       | B.A                        | 58         | 18.06.2014      | 23                        | Indo Bangla Works                            | 192,000                                     |
| 9   | Reazul Haque            | Pharmacist                                  | M. Pharma                  | 37         | 18.06.2014      | 7                         | Indo Bangla Works                            | 120,000                                     |
| 10  | Sudhir Kumar            | Pharmacist                                  | M.Sc. in Chemistry         | 34         | 18.06.2014      | 7                         | Indo Bangla Works                            | 180,000                                     |
| 11  | Mrs. Dilruba Begum      | Manager, Quality Assurance                  | M. Pharma Reg. no. A-2487  | 42         | 2.10.2016       | 17                        | Refco Laboratories                           | 300,000                                     |
| 12  | Mr. Binoy Bhuson Mondol | Manager, Production                         | M.Sc. (Chemistry)          | 56         | 18.06.2014      | 28                        | Chemist Laboratories Ltd., Indo Bangla Works | 300,000                                     |

**(j) Changes in the key management persons during the last three years:**

The following changes have been made in the senior key management personnel during the last three years:

| <b>Name of the employee</b> | <b>Position/Designation</b> | <b>Date of Joining</b> | <b>Remarks</b>  |
|-----------------------------|-----------------------------|------------------------|-----------------|
| A F M Anowarul Huq          | Managing Director           | 18.06.2014             | Newly appointed |
| Md. Faruque Hossain         | Chief Financial Officer     | 01.07.2016             | Newly appointed |
| Md. Shamem Gazi             | Company Secretary           | 03.05.2016             | Newly appointed |
| Shah-E- Azam                | Plant Manager               | 18.06.2014             | Newly appointed |
| Mizanur Rahaman             | Manager Operation           | 18.06.2014             | Newly appointed |
| Binay Bhuson Mondal         | Production Manager          | 18.06.2014             | Newly appointed |
| Md. Mustafizur Rahman       | Manager (Admin)             | 18.06.2014             | Newly appointed |
| Orun Kumar Duary            | Co-ordination Manager       | 18.06.2014             | Newly appointed |
| Mrs. Dilruba Begum          | Manager, Quality Assurance  | 2.10.2016              | Newly appointed |
| Mr. Binoy Bhuson Mondol     | Manager, Production         | 18.06.2014             | Newly appointed |

**(k) A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions or posts held in the past, directorship held, other ventures of each sponsor and present position:**

| <b>Name, Father's Name, Age &amp; Personal Address</b> |  | <b>Educational Qualification</b> | <b>Experience (Years)</b> | <b>Position/Post</b> |                | <b>Holding in other Venture</b> |
|--|--|----------------------------------|---------------------------|----------------------|----------------|---------------------------------|
|  |  |                                  |                           | <b>Past</b>          | <b>Present</b> |                                 |
| <b>Name:</b>   | <b>A F M Anowarul Huq</b>                      | M. Sc, LLB                       | 19 Years                  | Sponsor & MD         | Sponsor & MD   | Not involved in other venture   |
| <b>Father's Name:</b>                                  | Late Azizul Huq                                |                                  |                           |                      |                |                                 |
| <b>Age:</b>  | 42 Years                                       |                                  |                           |                      |                |                                 |
| <b>Personal Address:</b>                               | 729, College Road, Barisal Sadar, Barisal-8200 |                                  |                           |                      |                |                                 |
| <b>Name:</b>   | <b>Aysha Siddika</b>                           | M.A                              | 8 Years                   | Chairman             | Sponsor        | Not involved in other venture   |
| <b>Father's Name:</b>                                  | Dr. Ali Akbar Miah                             |                                  |                           |                      |                |                                 |
| <b>Age:</b>  | 41 Years                                       |                                  |                           |                      |                |                                 |
| <b>Personal Address:</b>                               | 729, College Road, Barisal Sadar, Barisal-8200 |                                  |                           |                      |                |                                 |

|                          |   |                                 |          |                    |                    |                               |
|--------------------------|---|---------------------------------|----------|--------------------|--------------------|-------------------------------|
| <b>Name:</b>             | <b>Aziza Yeasmin</b>  |                                 |          |                    |                    |                               |
| <b>Father's Name:</b>    | Late Azizul Huq   |                                 |          |                    |                    |                               |
| <b>Age:</b>              | 43 Years  | B.A                             | 8 Years  | Sponsor & Director | Sponsor & Chairman | Not involved in other venture |
| <b>Personal Address:</b> | Police Line Sharak, Maitha, Barguna-8700.   |                                 |          |                    |                    |                               |
| <b>Name:</b>             | <b>Hafiza Yeasmin</b>   |                                 |          |                    |                    |                               |
| <b>Father's Name:</b>    | Late Azizul Huq   |                                 |          |                    |                    |                               |
| <b>Age:</b>              | 41 Years  | MBA, PHD (Denmark)              | 9 Years  | Sponsor & Director | Sponsor & Director | Not involved in other venture |
| <b>Personal Address:</b> | Kazi Para, Begumgonj, Noakhali.   |                                 |          |                    |                    |                               |
| <b>Name:</b>             | <b>Md. Bellal Khan</b>  |                                 |          |                    |                    |                               |
| <b>Father's Name:</b>    | Abdus Sobhan Khan   |                                 |          |                    |                    |                               |
| <b>Age:</b>              | 32 Years  | BA (Honors), M.Sc. (Statistics) | 9 Years  | Sponsor & Director | Sponsor            | Not involved in other venture |
| <b>Personal Address:</b> | House No #271, Blessed Hill Residence (6B), Road No-07, Block-I, Bashundhara R/A, Dhaka-1229. |                                 |          |                    |                    |                               |
| <b>Name:</b>             | <b>Md. Amin-Ur-Rashid</b>   |                                 |          |                    |                    |                               |
| <b>Father's Name:</b>    | Late Harun-Ur- Rashid   |                                 |          |                    |                    |                               |
| <b>Age:</b>              | 40 Years  | M. Sc, MBA                      | 17 Years | Sponsor & Director | Sponsor & Director | Not involved in other venture |
| <b>Personal Address:</b> | Akon Bari, 453, West Chandkathi, Jhalokathi   |                                 |          |                    |                    |                               |

- (l) If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.

| Name  | Acquisition of Control | Date of Acquisition | Terms of Acquisition | Consideration paid for such Acquisition |
|---|------------------------|---------------------|----------------------|---|
| Sayed a Huq   | 10-Oct-14              | 7-Jul-14            | N/A                  | Cash                                    |
| Fatima Parvin   | 28-Jul-16              | 7-Jul-14            | N/A                  | Cash                                    |
| Mst. Shahanaz Akter   | 28-Jul-16              | 7-Jul-14            | N/A                  | Cash                                    |
| Md. Mizanur Rahman  | 28-Jul-16              | 7-Jul-14            | N/A                  | Cash                                    |
| Investment Corporation of Bangladesh Represented by Md. Golam Rabbani | 12-Jun-16              | 6-Aug-15            | N/A                  | Cash                                    |
| S.M. Harun Or Rashid  | 28-Jul-16              | N/A                 | N/A                  | Appointed as Independent Director       |
| Md. Monirujjaman  | 28-Jul-16              | N/A                 | N/A                  |   |
| Md. Firoz Khan  | 27-Nov-16              | N/A                 | N/A                  |   |

- (m) If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out or managed:  
All the directors have adequate knowledge to carry out this line of business.

(n) Interest of the key management persons:

Interest of the key management persons is given below:

**Director Remuneration**

| Name                   | Position          | Amount in (BDT) |           |
|------------------------|-------------------|-----------------|-----------|
|                        |                   | 2015-2016       | 2014-2015 |
| Mr. A.F.M Anowarul Huq | Managing Director | 1,050,000       | -         |

**Board Meeting Fees**

| Name                   | Position          | Amount in (BDT) |           |
|------------------------|-------------------|-----------------|-----------|
|                        |                   | 2015-2016       | 2014-2015 |
| Mrs. Aziza Yeasmin     | Chairman          | 35,000          | -         |
| Mr. A.F.M Anowarul Huq | Managing Director | 35,000          | -         |
| Mrs. Hafiza Yeasmin    | Director          | 35,000          | -         |
| Md. Amin-Ur-Rashid     | Director          | 35,000          | -         |
| Sayed a Huq            | Director          | 35,000          | -         |
| Md. Bellal Khan        | Ex Director       | 35,000          | -         |
| Aysha Siddika          | Ex-Chairman       | 35,000          | -         |
| <b>Subtotal</b>        |                   | <b>245,000</b>  |           |

**Factory Rent**

| Name                   | Position          | Nature of Transaction | Amount in (BDT) |           |
|------------------------|-------------------|-----------------------|-----------------|-----------|
|                        |                   |                       | 2015-2016       | 2014-2015 |
| Mrs. Aziza Yeasmin     | Chairman          | Factory Rent          | 1,308,000       | 425,100   |
| Mr. A.F.M Anowarul Huq | Managing Director |                       |                 |           |
| Mrs. Hafiza Yeasmin    | Director          |                       |                 |           |
| Mrs. Sayeda Huq        | Director          |                       |                 |           |

**(o) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary:**

Facilities whether pecuniary or non-pecuniary enjoyed by the Directors will remain unchanged during the publication period of the Prospectus. Interest and facility is already disclosed in Executive Compensation of the Prospectus.

| Sl. | Name of Directors   | Position             | Executive Post    | Pecuniary |           | non-pecuniary  |               |
|-----|---|----------------------|-------------------|-----------|-----------|----------------|---------------|
|     |   |                      |                   | Salary    | Board Fee | Car Facilities | House Keeping |
| 1   | Aziza Yeasmin   | Chairman             | -                 | x         | √         | x              |               |
| 2   | A F M Anowarul Huq  | Managing Director    | Managing Director | √         | √         | x              |               |
| 3   | Hafiza Yeasmin  | Director             | -                 | x         | √         | x              |               |
| 4   | Md. Amin-Ur-Rashid  | Director             | -                 | x         | √         | x              |               |
| 5   | Sayed a Huq   | Director             | -                 | x         | √         | x              |               |
| 6   | Fatima Parvin   | Director             | -                 | x         | √         | x              |               |
| 7   | Mst. Shahanaz Akter   | Director             | -                 | x         | √         | x              |               |
| 8   | Md. Mizanur Rahman  | Director             | -                 | x         | √         | x              |               |
| 9   | Investment Corporation of Bangladesh Represented by Md. Golam Rabbani | Director             | -                 | x         | √         | x              |               |
| 10  | S.M. Harun Or Rashid  | Independent Director | -                 | x         | √         | x              |               |
| 11  | Md. Monirujjaman  |                      | -                 | x         | √         | x              |               |
| 12  | Md. Firoz Khan  |                      | -                 | x         | √         | x              |               |

**(p) Number of shares held and percentage of shareholding (pre issue):**

| Sl. | Name of Director  | Position             | Number of Shares Held | %       |
|-----|---|----------------------|-----------------------|---------|
|     |   |                      |                       | Pre-IPO |
| 1   | Aziza Yeasmin   | Chairman             | 2,005,000             | 2.75%   |
| 2   | A F M Anowarul Huq  | Managing Director    | 12,435,000            | 17.03%  |
| 3   | Hafiza Yeasmin  | Director             | 2,005,000             | 2.75%   |
| 4   | Md. Amin-Ur-Rashid  | Director             | 2,515,000             | 3.45%   |
| 5   | Sayed a Huq   | Director             | 2,001,000             | 2.74%   |
| 6   | Fatima Parvin   | Director             | 2,461,000             | 3.37%   |
| 7   | Mst. Shahanaz Akter   | Director             | 2,051,000             | 2.81%   |
| 8   | Md. Mizanur Rahman  | Director             | 2,051,000             | 2.81%   |
| 9   | Investment Corporation of Bangladesh Represented by Md. Golam Rabbani | Director             | 15,000,000            | 20.55%  |
| 10  | S.M. Harun Or Rashid  | Independent Director | -                     | 0.00%   |
| 11  | Md. Monirujjaman  | Independent Director | -                     | 0.00%   |
| 12  | Md. Firoz Khan  | Independent Director | -                     | 0.00%   |

**(q) Change in board of directors during last three years:**

| Sl. | Name of the Directors  | Date of Joining | Date of retirement | Present Status as on 31.08.2016 |
|-----|--|-----------------|--------------------|---------------------------------|
| 1   | Aziza Yeasmin  | 18-Jun-14       | 4th AGM in 2018    | Chairman                        |
| 2   | A F M Anowarul Huq   | 18-Jun-14       | 4th AGM in 2018    | Managing Director               |
| 3   | Hafiza Yeasmin   | 18-Jun-14       | 4th AGM in 2018    | Director                        |
| 4   | Md. Amin-Ur-Rashid   | 18-Jun-14       | 5th AGM in 2019    | Director                        |
| 5   | Sayedda Huq  | 10-Oct-14       | 3rd AGM in 2017    | Director                        |
| 6   | Fatima Parvin  | 28-Jul-16       | 3rd AGM in 2017    | Director                        |
| 7   | Mst. Shahanaz Akter  | 28-Jul-16       | 3rd AGM in 2017    | Director                        |
| 8   | Md. Mizanur Rahman   | 28-Jul-16       | 3rd AGM in 2017    | Director                        |
| 9   | Investment Corporation of Bangladesh<br>Represented by Md. Golam Rabbani | 12-Jun-16       | 4th AGM in 2018    | Director                        |
| 10  | S.M. Harun Or Rashid   | 28-Jul-16       | 5th AGM in 2019    | Independent Director            |
| 11  | Md. Monirujjaman   | 28-Jul-16       | 5th AGM in 2019    | Independent Director            |
| 12  | Md. Firoz Khan   | 27-Nov-16       | 5th AGM in 2019    | Independent Director            |
| 13  | Aysha Siddika  | 18-Jun-14       | 28-Jul-16          | Sponsor Shareholder             |
| 14  | Md. Bellal Khan  | 18-Jun-14       | 28-Jul-16          | Sponsor Shareholder             |

**(r) Director's engagement with similar business:**

None of the Directors are involve with similar business.

## CHAPTER (IX): CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

### (a) TO WHOM IT MAY CONCERN

This is to certify that the Financial Statements of Indo-Bangla Pharmaceuticals Limited furnished for our audit does not have any transaction during the last five years, or any proposed transaction, between the issuer and any of the following persons:

- (i) Any director or sponsor or executive officer of the issuer;
- (ii) Any person holding 5% or more of the outstanding shares of the issuer;
- (iii) Any related party or connected person of any of the above persons;

Except the transactions described in the following table:

#### i: Director Remuneration

| Name                   | Position          | Amount in (BDT) |           |
|------------------------|-------------------|-----------------|-----------|
|                        |                   | 2015-2016       | 2014-2015 |
| Mr. A.F.M Anowarul Huq | Managing Director | 1,050,000       | -         |

#### ii: Board Meeting Fees

| Name                   | Position          | Amount in (BDT) |           |
|------------------------|-------------------|-----------------|-----------|
|                        |                   | 2015-2016       | 2014-2015 |
| Mrs. Aziza Yeasmin     | Chairman          | 35,000          | -         |
| Mr. A.F.M Anowarul Huq | Managing Director | 35,000          | -         |
| Mrs. Hafiza Yeasmin    | Director          | 35,000          | -         |
| Md. Amin-Ur-Rashid     | Director          | 35,000          | -         |
| Sayed a Huq            | Director          | 35,000          | -         |
| Md. Bellal Khan        | Ex Director       | 35,000          | -         |
| Aysha Siddika          | Ex-Chairman       | 35,000          | -         |
| Subtotal               |                   | <b>245,000</b>  |           |

#### iii: Factory Rent

| Name                   | Position          | Nature of Transaction | Amount in (BDT) |           |
|------------------------|-------------------|-----------------------|-----------------|-----------|
|                        |                   |                       | 2015-2016       | 2014-2015 |
| Mrs. Aziza Yeasmin     | Chairman          | Factory Rent          | 1,308,000       | 425,100   |
| Mr. A.F.M Anowarul Huq | Managing Director |                       |                 |           |
| Mrs. Hafiza Yeasmin    | Director          |                       |                 |           |
| Mrs. Sayeda Huq        | Director          |                       |                 |           |

#### iv: Other Transactions

|                        |                   |                                      |            |            |
|------------------------|-------------------|--------------------------------------|------------|------------|
| Mr. A.F.M Anowarul Huq | Managing Director | Allotment of share (Other than cash) | -          | 98,000,000 |
|                        |                   | Advance against land                 | 20,000,000 | -          |

Place: Dhaka  
Date: June 20, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

\* The Company was incorporated on June 18, 2014 under the Company Act, 1994 vide registration no. C-116665/14 as private limited company.

- (b) There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned in CHAPTER (IX) (a) page number 109.
- (c) No loan was taken or given from or to Directors or any person connected with the Directors of Indo-Bangla Pharmaceuticals Limited.

## CHAPTER (X): EXECUTIVE COMPENSATION

- (a) The total amount of remuneration or salary or perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer:

| SL | Name                | Designation        | Remuneration/salaries (Tk.) for year ended 30 June, 2016 (Taka) |
|----|---------------------|--------------------|---|
| 1  | A F M Anowarul Huq  | Managing Director  | 1,050,000   |
| 2  | Md. Shamem Gazi     | Company Secretary  | 360,000   |
| 3  | Shah-E- Azam        | Plant Manager      | 240,000   |
| 4  | Mizanur Rahaman     | Manager Operation  | 228,000   |
| 5  | Binay Bhuson Mondal | Production Manager | 228,000   |

*The joining date of Md. Shamem Gazi, Company Secretary is 03/05/2016 and A F M Anowarul Huq, Managing Director took remuneration from 1<sup>st</sup> December, 2015.*

- (b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year:

| Sl. | Particular                    | Nature of Payments    | Amount (in Taka) for the year ended 30.06.2016 |
|-----|-------------------------------|-----------------------|--|
| 1.  | Directors                     | Remuneration          | -  |
| 2.  | Managing Director             | Remuneration          | 1,050,000                                      |
| 3.  | Directors & Managing Director | Board Meeting fee     | 245,000  |
| 4.  | Officers                      | Salary and Allowances | 45,599,567                                     |

- (c) If any shareholder director received any monthly salary or perquisite or benefit it must be mentioned along with date of approval in AGM or EGM, terms thereof and payments made during the last accounting year:

The following shareholder director received monthly salary or perquisite or benefit:

| Name               | Designation       | Nature of Transaction | Date of Approval   | Terms | payments made during the last accounting year |
|--------------------|-------------------|-----------------------|--------------------|-------|---|
| A.F.M Anowarul Huq | Managing Director | Remuneration          | 30-Nov-15 (In AGM) | N/A   | 1,050,000                                     |

*\*There are no terms thereof.*

**(d) The board meeting attendance fees received by the director including the managing director along with date of approval in AGM or EGM:**

The following directors including the managing director received board meeting attendance fees:

| Name & Designation                                    | Attendance | Board Meeting Fee | Date of Approval      |
|---|------------|-------------------|-----------------------|
|   |            | (Amount in Tk.)   |                       |
| <b>Aziza Yeasmin</b><br><i>Chairman</i>               | 7          | 35,000            | 30-Nov-15<br>(In AGM) |
| <b>A F M Anowarul Huq</b><br><i>Managing Director</i> | 7          | 35,000            |                       |
| <b>Hafiza Yeasmin</b><br><i>Director</i>              | 7          | 35,000            |                       |
| <b>Md. Amin-Ur-Rashid</b><br><i>Director</i>          | 7          | 35,000            |                       |
| <b>Sayedra Huq</b><br><i>Independent Director</i>     | 7          | 35,000            |                       |
| <b>Md. Bellal Khan</b><br><i>Ex-Director</i>          | 7          | 35,000            |                       |
| <b>Aysha Siddika</b><br><i>Ex-Chairman</i>            | 7          | 35,000            |                       |

**(e) Any contract with any director or officer providing for the payment of future compensation:**

There is no contract between the Company and any of directors or officers regarding any future compensation to be made to them.

**(f) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto:**

The directors did not receive any remuneration except Managing Director. The Company has no plan for substantially increasing salaries to its officers except for those that are paid as annual increment to their salaries.

**(g) Any other benefit or facility provided to the above persons during the last accounting year:**

No other benefit or facility (Car Facility, Housekeeping etc.) provided to the above persons during the last accounting year.

## **CHAPTER (XI): OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES**

The Company has no options granted to Directors, Officers or any other employees of the Company or to any other person who was not involved in the Company.

## CHAPTER (XII): TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

- (a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received;

### Benefits from the Company during last five years:

The Directors and Subscribers to the memorandum have not received any benefits directly or indirectly other than remuneration, board attendant fee and factory rent during the last five years.

#### i: Director Remuneration

| Name                   | Position          | Amount in (BDT) |           |
|------------------------|-------------------|-----------------|-----------|
|                        |                   | 2015-2016       | 2014-2015 |
| Mr. A.F.M Anowarul Huq | Managing Director | 1,050,000       | -         |

#### ii: Board Meeting Fees

| Name                   | Position          | Amount in (BDT) |           |
|------------------------|-------------------|-----------------|-----------|
|                        |                   | 2015-2016       | 2014-2015 |
| Mrs. Aziza Yeasmin     | Chairman          | 35,000          | -         |
| Mr. A.F.M Anowarul Huq | Managing Director | 35,000          | -         |
| Mrs. Hafiza Yeasmin    | Director          | 35,000          | -         |
| Md. Amin-Ur-Rashid     | Director          | 35,000          | -         |
| Sayed a Huq            | Director          | 35,000          | -         |
| Md. Bellal Khan        | Ex Director       | 35,000          | -         |
| Aysha Siddika          | Ex-Chairman       | 35,000          | -         |
| Subtotal               |                   | 245,000         |           |

#### iii: Factory Rent

| Name                   | Position          | Nature of Transaction | Amount in (BDT) |           |
|------------------------|-------------------|-----------------------|-----------------|-----------|
|                        |                   |                       | 2015-2016       | 2014-2015 |
| Mrs. Aziza Yeasmin     | Chairman          | Factory Rent          | 1,308,000       | 425,100   |
| Mr. A.F.M Anowarul Huq | Managing Director |                       |                 |           |
| Mrs. Hafiza Yeasmin    | Director          |                       |                 |           |
| Mrs. Sayeda Huq        | Director          |                       |                 |           |

#### iv: Other Transactions

|                        |                   |                                      |            |            |
|------------------------|-------------------|--------------------------------------|------------|------------|
| Mr. A.F.M Anowarul Huq | Managing Director | Allotment of share (Other than cash) | -          | 98,000,000 |
|                        |                   | Advance against land                 | 20,000,000 | -          |

- (b) If any assets were acquired or to be acquired within next two financial years from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them.

**Directors and Subscribers' Assets to the Company:**

Directors and subscribers to the memorandum have not transferred any asset to the Company except fund against allotment of shares and factory land.

1. The following land was acquired by the Company from:

- a) A.F.M Anowarul Huq, Mrs. Hafiza Yeasmin, Sayeda Haq and Mrs. Aziza Yeasmin:

| Name of Assets                        | Cost of acquisition | Amount Paid | Method used to determine the price | Remarks |
|---------------------------------------|---------------------|-------------|------------------------------------|---------|
| Land 5.00 decimal along with building | 17,298,000          | Full        | Market Price                       | -       |
| Land 32.40 decimal                    | 16,733,000          | Full        | Market Price                       | -       |

- b) A.F.M Anowarul Huq:

| Name of Assets      | Cost of acquisition | Amount Paid | Method used to determine the price | Remarks |
|---------------------|---------------------|-------------|------------------------------------|---------|
| Land 159.50 decimal | 2,000,000           | Full        | Market Price                       | -       |

2. The following asset and liabilities was acquired by the Company from Mr. A.F.M Anowarul Huq:

| Particulars                    |                                  | Amount in Taka     |
|--------------------------------|----------------------------------|--------------------|
| <b>Assets Taken Over</b>       |                                  |                    |
|                                | Machineries                      | 98,000,000         |
|                                | Generator                        | 2,882,879          |
|                                | Furniture & Fixture              | 390,074            |
|                                | Office Equipment                 | 55,901             |
|                                | Transport                        | 1,861,826          |
|                                | Inventory                        | 103,277,537        |
|                                | Trade & Other Receivables        | 44,517,949         |
|                                | Advance, Deposit and Prepayments | 30,889,668         |
|                                | Cash & Cash Equivalents          | 1,224,665          |
| <b>Total Assets:</b>           |                                  | <b>283,100,499</b> |
| <b>Liabilities Taken Over:</b> |                                  |                    |
|                                | Trade & Other Payables           | 9,536,835          |
|                                | Liabilities for Expenses         | 3,726,451          |
| <b>Total Liabilities:</b>      |                                  | <b>13,263,286</b>  |
| <b>Purchase Consideration</b>  |                                  | <b>269,837,213</b> |

\* The Company was incorporated on June 18, 2014 under the Company Act, 1994 vide registration no. C-116665/14 as private limited company.

## CHAPTER (XIII): OWNERSHIP OF THE COMPANY'S SECURITIES

a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership:

| Sl. | Name of Shareholders  | Position          | Address   | No. of Share | % (Pre)  | BO ID            |
|-----|---|-------------------|---|--------------|----------|------------------|
| 1   | Aziza Yeasmin   | Chairman          | Police Line Sharak, Maitha, Barguna-8700.   | 2,005,000    | 2.7466%  | 1201530062008346 |
| 2   | A F M Anowarul Huq  | Managing Director | 729, College Road, Barisal Sadar, Barisal-8200  | 12,435,000   | 17.0342% | 1201530062008298 |
| 3   | Hafiza Yeasmin  | Director          | Kazi Para, Begumgonj, Noakhali  | 2,005,000    | 2.7466%  | 1201530062008311 |
| 4   | Md. Amin-Ur-Rashid  | Director          | North Chandkhathi, Jhalokati-8400   | 2,515,000    | 3.4452%  | 1201950062016965 |
| 5   | Fatima Parvin   | Director          | Vill-Patorghata, Dist- Borguna  | 2,461,000    | 3.3712%  | 1201950062017274 |
| 6   | Sayedra Huq   | Director          | 729, College Road, Barisal Sadar, Barisal-8200  | 2,001,000    | 2.7411%  | 1201950062017258 |
| 7   | Mst. Shahanaz Akter   | Director          | House- Khan Bari, Road- Bondor, Narayangonj   | 2,051,000    | 2.8096%  | 1201530062017017 |
| 8   | Md. Mizanur Rahman  | Director          | Vill: Shibpasha, Post: Raipasha, Thana: Korapur, Dist.: Barisal                               | 2,051,000    | 2.8096%  | 1201530062017282 |
| 9   | Aysha Siddika   | Shareholder       | 200, Shantibagh, Malibagh, Dhaka-1217   | 2,005,000    | 2.7466%  | 1201530062017266 |
| 10  | Md. Bellal Khan   | Shareholder       | House No #271, Blessed Hill Residence (6B), Road No-07, Block-I, Bashundhara R/A, Dhaka-1229. | 3,140,000    | 4.3014%  | 1201530062008303 |
| 11  | Investment Corporation of Bangladesh Represented by Md. Golam Rabbani | Shareholder       | 8, Rajuk Avenue, BDBL Bhaban, (Level 14 -17) Dhaka-1000                                       | 15,000,000   | 20.5479% | 1201530000003501 |
| 12  | ICB Capital Management Limited  | Shareholder       | 8, DIT Avenue (14 <sup>th</sup> Floor), Dhaka-1000  | 1,000,000    | 1.3699%  | 1201530000001725 |
| 13  | Bangladesh Fund   | Shareholder       | Green City Edge (4 <sup>th</sup> Floor), 89, Kakrail  | 6,000,000    | 8.2192%  | 1605420043478871 |
| 14  | FAS Capital Management Limited  | Shareholder       | Suvastu Imam Square (4 <sup>th</sup> floor), 65 Gulshan Avenue, Gulshan, Dhaka                | 450,000      | 0.6164%  | 1604630040382971 |
| 15  | Continental Insurance Limited   | Shareholder       | Ideal Trade Centre (7th Floor) 102, Shahid Tajuddin Ahmed Sarani Tejgaon, Dhaka-1208          | 250,000      | 0.3425%  | 1203510009734492 |

|    |                           |             |  |           |         |                  |
|----|---------------------------|-------------|--|-----------|---------|------------------|
| 16 | Saiful Islam Kamruz       | Shareholder | Bash Bari, Flat No: A-4, Mohammadpur, Dhaka 1204                       | 100,000   | 0.1370% | 1204170000858864 |
| 17 | Md. Siddiqur Rahman       | Shareholder | C-2, House-5, Road-4, Sector-6, Uttara                                 | 150,000   | 0.2055% | 1203850050304882 |
| 18 | Sayed Sakib Naimuddin     | Shareholder | 27, Panchlaish R/A, Chittagong   | 100,000   | 0.1370% | 1203680043529568 |
| 19 | Mr. Hazi Abdul Kader Mia  | Shareholder | Rabiya Vila, Kagirgaon, Hazi Samad Road, Matuail, Dhaka                | 1,000     | 0.0014% | 1202800018215401 |
| 20 | Mr. Ayub Hossain Khan     | Shareholder | Ka-67/4, Khanpara, Khilkhet, Dhaka                                     | 1,000     | 0.0014% | 1202800000042215 |
| 21 | Mr. S.M. Ashfaqur Rahman  | Shareholder | 14/2-A, Tikatuli, Dhaka  | 101,000   | 0.1384% | 1202240049275011 |
| 22 | Mr. Md. Mustafizur Rahman | Shareholder | 5, Shiddeshwary Road, Dhaka  | 105,000   | 0.1438% | 1202800005735176 |
| 23 | Md. Mostafijur Rahman     | Shareholder | Sena Kallan Bhaban (13th Floor), Room no. 1308, Motijheel, Dhaka.      | 50,000    | 0.0685% | 1204040000208271 |
| 24 | Shamima Akhter            | Shareholder | Tazul Islamer Bari, Hazinagar, Sharulia, Deamra, Dhaka-1361            | 30,000    | 0.0411% | 1202830048268769 |
| 25 | Md. Abul Kalam Azad       | Shareholder | Kabi Jashim Uddin Road, Dhaka  | 51,000    | 0.0699% | 1202800003934084 |
| 26 | Akram Hossain Md. Feroz   | Shareholder | House-30, Flat-304, Bashiruddin Road, Katalbagan, Dhanmondi, Dhaka     | 2,800,000 | 3.8356% | 1205150000008272 |
| 27 | A.T.M. Shafiqul Hasan     | Shareholder | Shantibag, Talukdarpara, Eidgha land, Bogra                            | 120,000   | 0.1644% | 1201590029913417 |
| 28 | Rajib Kumar Saha          | Shareholder | Silikon Cottage, House-300/1, Road-14, Block-A, Bashundhara R/A, Dhaka | 20,000    | 0.0274% | 1202020017193489 |
| 29 | Zillur Rahman Zilu        | Shareholder | 30/2 Nirgar lovely Road, West Subid Bazar, Sylhet                      | 20,000    | 0.0274% | 1203550038380920 |
| 30 | Md. Abdullah Al Mamun     | Shareholder | House no.39, Flat No.201, Road no.6, Sector-4, Uttara, Dhaka           | 20,000    | 0.0274% | 1202240060691166 |
| 31 | Shamima Nasrin            | Shareholder | 56/Ka, South Mugda, Dhaka  | 50,000    | 0.0685% | 1204560043510669 |
| 32 | Kazi Mahbulul Haque       | Shareholder | 56/Ka, South Mugda, Dhaka  | 50,000    | 0.0685% | 1204560055357102 |
| 33 | Eng. Mahmudul Hasan       | Shareholder | 3/3 Block-C, Lalmatia, Dhaka-1207                                      | 110,000   | 0.1507% | 1203520064660290 |
| 34 | BMSL Invesment Ltd.       | Shareholder | 37/A, SBC Tower (7th Floor), Dilkusha C/A, Dhaka                       | 10,000    | 0.0137% | 1604940020020801 |
| 35 | Abaci Invesment Ltd (MDA) | Shareholder | Rupayun Prime (7th Floor), Plot No. 02, Road: 7Dhanmondi, Dhaka        | 10,000    | 0.0137% | 1602770045524684 |
| 36 | Khairul Hossain           | Shareholder | 338/D/3, North Goran, Khilgaon, Dhaka- 1219                            | 20,000    | 0.0274% | 1201700058531344 |
| 37 | Partho Kumar Bagchi       | Shareholder | House No. 14. Road No. 6A, Nobodoy Housing, Mhammadpur, Dhaka-1207     | 50,000    | 0.0685% | 1203570011404113 |

|    |                                  |             |  |           |         |                  |
|----|----------------------------------|-------------|--|-----------|---------|------------------|
| 38 | H. A. Mamun                      | Shareholder | House No 27 Flat No -16, Mollabari, Kawlar, Kurmitola, Dhaka   | 101,000   | 0.1384% | 1202010055060934 |
| 39 | Satyendra Nath Roy               | Shareholder | Masud Garden, Flat-5A H#22/16, Khiljee road, Mohammadpur, Dhaka-1207                                 | 48,000    | 0.0658% | 1202060015277340 |
| 40 | Eurodesch Consumer Products Ltd. | Shareholder | 3/3, Block-C, Lalmatia, Dhaka  | 1,000     | 0.0014% | 1205150055070966 |
| 41 | Sonamoni Saha                    | Shareholder | Jets Clitoria (7th Floor) 195/2, Tejkunipara, Dhaka  | 1,000     | 0.0014% | 1201910061487831 |
| 42 | Most. Afroza Akter               | Shareholder | Roseberry, Flat no- A-6, 159 Baro Mogbazar, Dr. Goli, Dhaka  | 1,000     | 0.0014% | 1201910061487831 |
| 43 | Lubna Nishat Mim                 | Shareholder | House-Karovi House, C & B Road, Barisal.   | 42,000    | 0.0575% | 1201950062052254 |
| 44 | Jannatul Marzan                  | Shareholder | House No #271, Blessed Hill Residence (7th Floor), Road No-07, Block-I, Bashundhara R/A, Dhaka-1229. | 2,251,000 | 3.0836% | 1201530062052262 |
| 45 | Nazmun Nahar                     | Shareholder | Post: Shapa, Thana-Modbaria, Dist-Pirojpur   | 1,301,000 | 1.7822% | 1201530062017241 |
| 46 | Md. Abdus Sabur Khan             | Shareholder | Vill- Kulpuddi, Dist- Madaripur  | 1,651,000 | 2.2616% | 1201950062017033 |
| 47 | Md. Abdur Rashid                 | Shareholder | House-13/a-2, K, M, Das Lane, Tikatuli, Dhaka-1203   | 201,000   | 0.2753% | 1202240061364251 |
| 48 | Masuda Islam Sharnali            | Shareholder | House-28(2nd floor), Road-8/2, Block-E, South Bonosree, Dhaka  | 501,000   | 0.6863% | 1605860064702075 |
| 49 | Shakil Mahmud                    | Shareholder | House-Rupayan Center (8th floor), Road-72, Mohakhali, Dhaka  | 751,000   | 1.0288% | 1605550062101886 |
| 50 | Mohammad Towhidul Islam          | Shareholder | House-112/Ka, Central Road, Dhanmondi, Dhaka-1205  | 801,000   | 1.0973% | 1202830055707558 |
| 51 | Md. Foysal Ahamed                | Shareholder | House-22/7, Bijli Moholla, Mohammadpur, Dhaka-1207   | 501,000   | 0.6863% | 1203040058175818 |
| 52 | Md. Abdul Kaiwm Sikder           | Shareholder | House-40, Road-Hajinagar, Ideal road, Sharulia, Dhaka-1361   | 751,000   | 1.0288% | 1202830048268991 |
| 53 | Safia Begum                      | Shareholder | Road-2205, Lutfor Rahman Sarak, Nathullabad, Barisal   | 901,000   | 1.2342% | 1201950062016973 |
| 54 | Soneya Akter                     | Shareholder | Hazrat Shahajalal Sarok, House No-221, Barisal.  | 701,000   | 0.9603% | 1201950062016957 |
| 55 | Tania Rashid                     | Shareholder | Hazi Jalal Ahmed Lane, House No-530, Thana- Kotoali, Barisal.  | 751,000   | 1.0288% | 1201950062016991 |

|              |                         |             |   |                   |                |                  |
|--------------|-------------------------|-------------|---|-------------------|----------------|------------------|
| 56           | Md. Alauddin            | Shareholder | Road-453, East Chandkatti, Jhalkati                                 | 651,000           | 0.8918%        | 1201950062016981 |
| 57           | Tahmina Nupur           | Shareholder | Flat no-F-8/7, CAAB R/A, Kawlar, Kurmitola, Dhaka                   | 151,000           | 0.2068%        | 1201730063759395 |
| 58           | Md. Masum Billah        | Shareholder | Houseno-17, Road-10, Middle Basabo, Dhaka                           | 1,000             | 0.0014%        | 1203130025666759 |
| 59           | Md. Khalid Hossain      | Shareholder | House-50, Road-3, Block-B, Niketon, Gulshan-1, Dhaka                | 1,000             | 0.0014%        | 1203130025666759 |
| 60           | Mushfiq Ul Quayoom      | Shareholder | Rupayan Prime (7th floor), Plot-2, Road-7, Dhanmondi, Dhaka-1205    | 1,000             | 0.0014%        | 1203130025666759 |
| 61           | Neaz Rahman Shaqib      | Shareholder | House no-37(a-3), Road no-1, Banani DOHS, Banani, Dhaka-1213        | 1,000             | 0.0014%        | 1604630054980351 |
| 62           | Md. Ziaul Hossain       | Shareholder | H-80, Flat-FG-3, Road-9/A, West Dhanmondi, Dhaka                    | 300,000           | 0.4110%        | 1201530062955713 |
| 63           | Md. Emdadul Hoque       | Shareholder | 343 South Katner Para, Borogola, Bogra                              | 300,000           | 0.4110%        | 1202830063196835 |
| 64           | Md. Obaidul Islam Khan  | Shareholder | 81/B Malibagh Chowdhuripara, Malibagh, Dhaka                        | 50,000            | 0.0685%        | 1204220040609968 |
| 65           | Md. Farid Ahmed         | Shareholder | B-7, Firoza Rose, 12 Eskaton, Dhaka-1000                            | 700,000           | 0.9589%        | 1604940059674010 |
| 66           | Jubaida Nasrin          | Shareholder | H-6 (2nd floor), Nasrin Vila, Dhaka Housing, Adabor, Shamoli, Dhaka | 50,000            | 0.0685%        | 120430020835718  |
| 67           | Md. Humayan Kabir       | Shareholder | Flat-5A, Musa-Al- Bait, H-1/A, Sipahibugh, Khilgaon, Dhaka-1219     | 100,000           | 0.1370%        | 1203680020762241 |
| 68           | Iqbal Ahmed             | Shareholder | H-4, Road-18, Block-B, Shajalal Uposhahor, Sylhet.                  | 50,000            | 0.0685%        | 1201820062950662 |
| 69           | Mst. Nurun Nahar Parvin | Shareholder | 257/C, Free School Street, Kathal bagan, Kalabagan, Dhaka-1205      | 50,000            | 0.0685%        | 1602770062695315 |
| <b>Total</b> |                         |             |   | <b>73,000,000</b> | <b>100.00%</b> |                  |

b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue:

| SL | Director's Name, Address, Age, Experience & BO ID  | TIN                  | No. of Share | (%<br>Pre-IPO | Position held in Other Organization |          |
|----|--|----------------------|--------------|---------------|-------------------------------------|----------|
|    |  |                      |              |               | Other Organization                  | Position |
| 1  | <b>Name</b> Aziza Yeasmin, <i>Chairman</i><br><b>Address:</b> Police Line Sharak, Maitha, Barguna-8700.<br><b>Age:</b> 43 Yrs.<br><b>Experience:</b> 8 Years<br><b>BO ID:</b> 1201530062008346       | E-TIN- 359560663357  | 2,005,000    | 2.75%         | -                                   | -        |
| 2  | <b>Name:</b> A F M Anowarul Huq, <i>MD</i><br><b>Address:</b> 729, College Road, Barisal Sadar, Barisal-8200<br><b>Age:</b> 42 Yrs.<br><b>Experience:</b> 19 Years<br><b>BO ID:</b> 1201530062008298 | E-TIN- 269792632234. | 12,435,000   | 17.03%        | -                                   | -        |
| 3  | <b>Name:</b> Hafiza Yeasmin, <i>Director</i><br><b>Address:</b> Kazi Para, Begumgonj, Noakhali<br><b>Age:</b> 41 Yrs.<br><b>Experience:</b> 9 Years<br><b>BO ID:</b> 1201530062008311                | E-TIN-1 898398833660 | 2,005,000    | 2.75%         | -                                   | -        |
| 4  | <b>Name:</b> Md. Amin- Ur- Rashid, <i>Director</i><br><b>Address:</b> North Chandkhaty, Jhalokati-8400<br><b>Age:</b> 40 Yrs.<br><b>Experience:</b> 17 Years<br><b>BO ID:</b> 1201950062016965       | E-TIN- 895320146249  | 2,515,000    | 3.45%         | -                                   | -        |

|   |  |                     |            |        |   |   |
|---|--|---------------------|------------|--------|---|---|
| 5 | <b>Name:</b> Sayeda Huq, <i>Director</i><br><b>Address:</b> 729, College Road, Barisal Sadar, Barisal-8200<br><b>Age:</b> 68 Yrs.<br><b>Experience:</b> 14 Yrs.<br><b>BO ID:</b> - 1201950062017258  | E-TIN- 142318998550 | 2,001,000  | 2.74%  | - | - |
| 6 | <b>Name:</b> Investment Corporation of Bangladesh, <i>Director</i><br>Represented by: Md. Golam Rabbani<br><b>Address:</b> 8, Rajuk Avenue, BDBL Bhaban (Level 14 -17) Dhaka-1000<br><b>Age:</b> 54 Yrs.<br><b>Experience:</b> 28 Yrs.<br><b>BO ID:</b> - 1201530000003501 | E-TIN- 633444860010 | 15,000,000 | 20.55% | - | - |
| 7 | <b>Name:</b> Fatima Parvin, <i>Director</i><br><b>Address:</b> Chaprashi Bari, Road-Gohorpur, Haritana, Patharghata<br><b>Age:</b> 43 Yrs.<br><b>Experience:</b> 9 Years<br><b>BO ID:</b> - 1201950062017274   | E-TIN- 856211329111 | 2,461,000  | 3.37%  | - | - |
| 8 | <b>Name:</b> Mst. Shahanaz Akter, <i>Director</i><br><b>Address:</b> Vill-Vodrashon, PO- Minar Bari, Bandar, Narayangonj<br><b>Age:</b> 38 Yrs.<br><b>Experience:</b> 8 Years<br><b>BO ID:</b> - 1201530062017017  | E-TIN- 474170607549 | 2,051,000  | 2.81%  | - | - |

|    |   |                       |           |       |                       |          |
|----|---|-----------------------|-----------|-------|-----------------------|----------|
| 9  | <b>Name:</b> Md. Mizanur Rahman, <i>Director</i><br><b>Address:</b> Vill: Shibpasha, Post: Raipasha, Thana: Korapur, Dist.: Barisal<br><b>Age:</b> 37 Yrs.<br><b>Experience:</b> 8 Years<br><b>BO ID:</b> - 1201530062017282  | E-TIN- 785984591910   | 2,051,000 | 2.81% | -                     | -        |
| 10 | <b>Name:</b> S.M. Harun Or Rashid, <i>Independent Director</i><br><b>Address:</b> House No # 15 (Ground Floor), Road No # 14, Block # D, Pallabi, Mirpur – 12, Dhaka – 1216<br><b>Age:</b> 64 Yrs.<br><b>Experience:</b> 21 Years<br><b>BO ID:</b> - 1202800018215401 | E-TIN- 8 539075254273 | -         | -     | -                     | -        |
| 11 | <b>Name:</b> Md. Monirujjaman, <i>Independent Director</i><br><b>Address:</b> Vill-South Patharghata, PS-Patharghata -8720, Barguna<br><b>Age:</b> 38 Yrs.<br><b>Experience:</b> 13 Yrs.<br><b>BO ID:</b> -   | E-TIN- 363697664509   | -         | -     | -                     | -        |
| 12 | <b>Name:</b> Md. Firoz Khan, <i>Independent Director</i><br><b>Address:</b> Post: Anail Bania, Thana: Kathalia, Dist.: Jhalokati<br><b>Age:</b> 42 Yrs.<br><b>Experience:</b> 15 Yrs.<br><b>BO ID:</b> -  | E-TIN- 413952431680   | -         | -     | Sabila Sea Foods Ltd. | Director |

c) The average cost of acquisition of equity shares by the directors certified by the auditors:

To Whom It May Concern

**Indo-Bangla Pharmaceuticals Limited** allotted shares in face value and the average cost of acquisition of equity by the directors is Tk. 10.00 each. Necessary particulars of shareholdings, allotment date and consideration are given below:

| Date of Allotment/ Transfer | Aziza Yeasmin    | A F M Anowarul Huq | Hafiza Yeasmin   | Md. Amin-Ur-Rashid | Sayed a Huq      | Fatima Parvin    | Mst. Shahanaz Akter | Md. Mizanur Rahman | Investment Corporation of Bangladesh Represented by Md. Golam Rabbani | S.M. Harun Or Rashid | Md. Monirujjaman     | Md. Firoz Khan       | Consideration      | Face value of Share (Tk.) |
|-----------------------------|------------------|--------------------|------------------|--------------------|------------------|------------------|---------------------|--------------------|---|----------------------|----------------------|----------------------|--------------------|---------------------------|
|                             | Chairman         | Managing Director  | Director         | Director           | Director         | Director         | Director            | Director           | Director  | Independent Director | Independent Director | Independent Director |                    |                           |
| 18-Jun-14                   | 5,000            | 55,000             | 5,000            | 15,000             | -                | -                | -                   | -                  | -   | -                    | -                    | -                    | Cash               | 10.00                     |
| 7-Jul-14                    | -                | 9,800,000          | -                | -                  | -                | -                | -                   | -                  | -   | -                    | -                    | -                    | Other than in cash | 10.00                     |
| 10-Oct-14                   | -                | (1,000)            | -                | -                  | 1,000            | -                | -                   | -                  | -   | -                    | -                    | -                    | Cash               | 10.00                     |
| 6-Aug-15                    | -                | -                  | -                | 1,000,000          | -                | -                | -                   | -                  | 5,000,000   | -                    | -                    | -                    | Cash               | 10.00                     |
| 10-Dec-15                   | -                | (293,000)          | -                | -                  | -                | 1,000            | 1,000               | 1,000              | -   | -                    | -                    | -                    | Cash               | 10.00                     |
| 6-Jun-16                    | 2,000,000        | 2,849,000          | 2,000,000        | 1,500,000          | 2,000,000        | 2,460,000        | 1,700,000           | 2,050,000          | 10,000,000  | -                    | -                    | -                    | Cash               | 10.00                     |
| 28-Jul-16                   | -                | 25,000             | -                | -                  | -                | -                | 350,000             | -                  | -   | -                    | -                    | -                    | Cash               | 10.00                     |
| <b>Total</b>                | <b>2,005,000</b> | <b>12,435,000</b>  | <b>2,005,000</b> | <b>2,515,000</b>   | <b>2,001,000</b> | <b>2,461,000</b> | <b>2,051,000</b>    | <b>2,051,000</b>   | <b>15,000,000</b>   | -                    | -                    | -                    |                    |                           |

Place: Dhaka

Dated: October 17, 2017

Sd/-

**Mahfel Huq & Co.**  
Chartered Accountants

d) A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors or directors. In this connection, a statement to be included: -

**Aziza Yeasmin**  
*Chairman*

| Date of Allotment/<br>Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|---|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 18-Jun-14   | Cash          | Ordinary Share  | 5,000                | 10.00      | 10.00   | 5,000                           | 2.75%                       | 2.16%                        | Own Source      |
| 6-Jun-16  | Cash          |                 | 2,000,000            | 10.00      | 10.00   | 2,005,000                       |                             |                              |                 |

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

| Date of Allotment/<br>Transfer of fully paid- up shares | Consideration      | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|---|--------------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 18-Jun-14   | Cash               | Ordinary Share  | 55,000               | 10.00      | 10.00   | 55,000                          | 17.03%                      | 13.37%                       | Own Source      |
| 7-Jul-14  | Other than in Cash |                 | 9,800,000            | 10.00      | 10.00   | 9,855,000                       |                             |                              |                 |
| 10-Oct-14   | Cash               |                 | (1,000)              | 10.00      | 10.00   | 9,854,000                       |                             |                              |                 |
| 10-Dec-15   | Cash               |                 | (293,000)            | 10.00      | 10.00   | 9,561,000                       |                             |                              |                 |
| 6-Jun-16  | Cash               |                 | 2,849,000            | 10.00      | 10.00   | 12,410,000                      |                             |                              |                 |
| 28-Jul-16   | Cash               |                 | 25,000               | 10.00      | 10.00   | 12,435,000                      |                             |                              |                 |

**Hafiza Yeasmin**  
*Director*

| Date of Allotment/<br>Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|---|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 18-Jun-14   | Cash          | Ordinary Share  | 5,000                | 10.00      | 10.00   | 5,000                           | 2.75%                       | 2.16%                        | Own Source      |
| 6-Jun-16  | Cash          |                 | 2,000,000            | 10.00      | 10.00   | 2,005,000                       |                             |                              |                 |

**Md. Amin-Ur-Rashid***Director*

| Date of Allotment/<br>Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|---|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 18-Jun-14   | Cash          | Ordinary Share  | 15,000               | 10.00      | 10.00   | 15,000                          | 3.45%                       | 2.70%                        | Own Source      |
| 6-Aug-15  | Cash          |                 | 1,000,000            | 10.00      | 10.00   | 1,015,000                       |                             |                              |                 |
| 6-Jun-16  | Cash          |                 | 1,500,000            | 10.00      | 10.00   | 2,515,000                       |                             |                              |                 |

**Sayedra Huq***Director*

| Date of Allotment/<br>Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|---|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 10-Oct-14   | Cash          | Ordinary Share  | 1,000                | 10.00      | 10.00   | 1,000                           | 2.74%                       | 2.15%                        | Own Source      |
| 6-Jun-16  | Cash          |                 | 2,000,000            | 10.00      | 10.00   | 2,001,000                       |                             |                              |                 |

**Fatima Parvin***Director*

| Date of Allotment/<br>Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|---|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 10-Dec-15   | Cash          | Ordinary Share  | 1,000                | 10.00      | 10.00   | 1,000                           | 3.37%                       | 2.65%                        | Own Source      |
| 6-Jun-16  | Cash          |                 | 2,460,000            | 10.00      | 10.00   | 2,461,000                       |                             |                              |                 |

**Mst. Shahanaz Akter***Director*

| Date of Allotment/<br>Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|---|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 10-Dec-15   | Cash          | Ordinary Share  | 1,000                | 10.00      | 10.00   | 1,000                           | 2.81%                       | 2.21%                        | Own Source      |
| 6-Jun-16  | Cash          |                 | 1,700,000            | 10.00      | 10.00   | 1,701,000                       |                             |                              |                 |
| 28-Jul-16   | Cash          |                 | 350,000              | 10.00      | 10.00   | 2,051,000                       |                             |                              |                 |

**Md. Mizanur Rahman***Director*

| Date of Allotment/<br>Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|---|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 10-Dec-15   | Cash          | Ordinary Share  | 1,000                | 10.00      | 10.00   | 1,000                           | 2.81%                       | 2.21%                        | Own Source      |
| 6-Jun-16  | Cash          |                 | 2,050,000            | 10.00      | 10.00   | 2,051,000                       |                             |                              |                 |

**Investment Corporation of Bangladesh Represented by Md. Golam Rabbani***Director*

| Date of Allotment/<br>Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|---|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 6-Aug-15  | Cash          | Ordinary Share  | 5,000,000            | 10.00      | 10.00   | 5,000,000                       | 20.55%                      | 16.13%                       | Own Source      |
| 6-Jun-16  | Cash          |                 | 10,000,000           | 10.00      | 10.00   | 15,000,000                      |                             |                              |                 |

**S.M. Harun Or Rashid***Independent Director*

| Date of Allotment/<br>Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|---|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| N/A   | N/A           | N/A             | N/A                  | N/A        | N/A   | N/A                             | N/A                         | N/A                          | N/A             |

**Md. Monirujjaman***Independent Director*

| Date of Allotment/<br>Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|---|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| N/A   | N/A           | N/A             | N/A                  | N/A        | N/A   | N/A                             | N/A                         | N/A                          | N/A             |

**Md. Firoz Khan**  
Independent Director

| Date of Allotment/<br>Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|---|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| N/A   | N/A           | N/A             | N/A                  | N/A        | N/A   | N/A                             | N/A                         | N/A                          | N/A             |

**Aysha Siddika**  
Sponsor

| Date of Allotment/<br>Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|---|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 18-Jun-14   | Cash          | Ordinary Share  | 5,000                | 10.00      | 10.00   | 5,000                           | 2.75%                       | 2.16%                        | Own Source      |
| 6-Jun-16  | Cash          |                 | 2,000,000            | 10.00      | 10.00   | 2,005,000                       |                             |                              |                 |

**Md. Bellal Khan**  
Sponsor

| Date of Allotment/<br>Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|---|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 18-Jun-14   | Cash          | Ordinary Share  | 15,000               | 10.00      | 10.00   | 15,000                          | 4.30%                       | 3.38%                        | Own Source      |
| 6-Aug-15  | Cash          |                 | 1,000,000            | 10.00      | 10.00   | 1,015,000                       |                             |                              |                 |
| 6-Jun-16  | Cash          |                 | 2,500,000            | 10.00      | 10.00   | 3,515,000                       |                             |                              |                 |
| 28-Jul-16   | Cash          |                 | (25,000)             | 10.00      | 10.00   | 3,490,000                       |                             |                              |                 |
| 28-Jul-16   | Cash          |                 | (350,000)            | 10.00      | 10.00   | 3,140,000                       |                             |                              |                 |

**e) Detail of shares issued by the company at a price lower than the issue price:**

All the shares are issued by the Company at face value of Tk. 10.00 before this issue.

f) History of significant (5% or more) changes in ownership of securities from inception:

| Date of Allotment/Transfer | A F M Anowarul Huq | Investment Corporation of Bangladesh<br>Represented by Md. Golam Rabbani | Bangladesh Fund  |
|----------------------------|--------------------|--|------------------|
|                            | No. of Share       |  |                  |
| 18-Jun-14                  | 55,000             | -  | -                |
| 7-Jul-14                   | 9,800,000          | -  | -                |
| 10-Oct-14                  | (1,000)            | -  | -                |
| 6-Aug-15                   | -                  | 5,000,000  | 1,000,000        |
| 10-Dec-15                  | (293,000)          | 10,000,000   | -                |
| 6-Jun-16                   | 2,849,000          | -  | 5,000,000        |
| 28-Jul-16                  | 25,000             | -  | -                |
| <b>Total</b>               | <b>12,435,000</b>  | <b>15,000,000</b>  | <b>6,000,000</b> |

## CHAPTER (XIV): CORPORATE GOVERNANCE

### a) Management disclosure regarding compliance with the requirements of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC);

The Company declares that it has been complied with the requirements of the applicable regulations of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC) with the exception of clause 1.2(i) at least one fifth (1/5) of the total number of directors in the company's board shall be independent directors. The board of directors of the company has constitutes several committees under the board for good governance. A certificate of compliance from competent authority has been incorporated accordingly.

Sd/-

**A F M Anowarul Huq**  
Managing Director  
**Indo-Bangla Pharmaceuticals Limited**

### b) A compliance report of Corporate Governance requirements certified by competent authority;

#### **CERTIFICATE OF COMPLIANCE ON CORPORATE GOVERNANCE OF Indo-Bangla Pharmaceuticals Limited**

*[As required under the Bangladesh Securities and Exchange Commission (BSEC) Guideline]*

We have examined the compliance to the BSEC guidelines on Corporate Governance by **Indo-Bangla pharmaceuticals Limited** for the year ended June 30, 2016. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the company. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance on the attached statement on the basis of evidence gathered and representation received.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned guidelines is issued by BSEC.

Place: Dhaka.  
Date: June 12, 2017

Sd/-  
**Jayanta Kumer Podder**  
ACS, FCMA  
Podder & Associates  
**Cost and Management Accountants**

## Compliance Report on BSEC's Notification

### Indo-Bangla Pharmaceuticals Limited

Status of Compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report Under Condition No. 7.00)

| Condition No. | Title  | Compliance Status<br>(Put $\checkmark$ in the appropriate column) |              | Remarks<br>(if any)                    |
|---------------|--|---|--------------|--|
|               |  | Complied  | Non-complied |  |
| 1.0           | <b>Board of Directors</b>  |   |              |  |
| 1.1           | <b>Board's Size</b>  |   |              |  |
|               | The number of the Board members of the company shall not be less than 5 (five) and more than 20 (twenty)   | $\checkmark$  |              |  |
| 1.2           | <b>Independent Directors</b>   |   |              |  |
| 1.2(i)        | At least on fifth (1/5) of the total number of directors in the company's board shall be independent directors.  | $\checkmark$  |              | Appointed three Independent Directors. |
| 1.2 (ii) a)   | Independent Director does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company.   | $\checkmark$  |              |  |
| 1.2 (ii) b)   | Independent Director is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company. | $\checkmark$  |              |  |
| 1.2 (ii) c)   | Independent Director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.  | $\checkmark$  |              |  |
| 1.2 (ii) d)   | Independent Director who is not a member, director or officer of any stock exchange;   | $\checkmark$  |              |  |
| 1.2 (ii) e)   | Independent Director who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;   | $\checkmark$  |              |  |
| 1.2 (ii) f)   | Independent Director who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;   | $\checkmark$  |              |  |

|             |   |   |   |   |
|-------------|---|---|---|---|
| 1.2 (ii) g) | Independent Director shall not be an independent director in more than 3 (three) listed companies;  | √ |   |   |
| 1.2 (ii) h) | Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);  | √ |   |   |
| 1.2 (ii) i) | Independent Director has not been convicted for a criminal offence involving moral turpitude;   | √ |   |   |
| 1.2 (iii)   | Independent director shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM);   | √ |   | Appointment of Independent directors have been approved by the shareholders in the AGM dated 20.12.2016 |
| 1.2 (iv)    | The post of independent director cannot remain vacant for more than 90 (ninety) days;   | √ |   |   |
| 1.2 (v)     | The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded;   | √ |   |   |
| 1.2 (vi)    | The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only;  | √ |   |   |
| 1.3         | <b>Qualification of Independent Director(ID)</b>  |   |   |   |
| 1.3 (i)     | Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business;  | √ |   |   |
| 1.3 (ii)    | The independent director should be a Business Leader/Corporate Leader /Bureaucrat /University Teacher with Economics or Business Studies or Law background /Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of Corporate engagement/professional experiences. | √ |   |   |
| 1.3 (iii)   | In special cases the above qualifications may be relaxed subject to prior approval of the Commission;   | - | - | N/A   |

|            |  |   |   |     |
|------------|--|---|---|-----|
| <b>1.4</b> | <b>Chairman of the Board and Chief Executive Officer</b>   |   |   |     |
|            | The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer. | √ |   |     |
| <b>1.5</b> | <b>The Directors' Report to Shareholders</b>   |   |   |     |
|            | The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994)  |   |   |     |
| 1.5 (i)    | Industry outlook and possible future developments in the industry  | √ |   |     |
| 1.5 (ii)   | Segment-wise or product-wise performance   | - | - | N/A |
| 1.5 (iii)  | Risks and concerns   | √ |   |     |
| 1.5 (iv)   | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin  | √ |   |     |
| 1.5 (v)    | Discussion on continuity of any Extra-Ordinary gain or loss  | - | - | N/A |
| 1.5 (vi)   | Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report   | √ |   |     |
| 1.5 (vii)  | Utilization of proceeds from public issues, rights issues and/or through any others instruments  | - | - | N/A |
| 1.5 (viii) | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.   | - | - | N/A |
| 1.5 (ix)   | If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report.  | - | - | N/A |
| 1.5 (x)    | Remuneration to directors including independent directors  | √ |   |     |
| 1.5 (xi)   | The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.   | √ |   |     |

|              |  |   |   |  |
|--------------|--|---|---|--|
| 1.5 (xii)    | Proper books of account of the issuer company have been maintained.  | √ |   |  |
| 1.5 (xiii)   | Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.  | √ |   |  |
| 1.5 (xiv)    | International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed. | √ |   |  |
| 1.5 (xv)     | The system of internal control is sound in design and has been effectively implemented and monitored.  | √ |   |  |
| 1.5 (xvi)    | There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.  | √ |   |  |
| 1.5 (xvii)   | Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.  | - | - | N/A  |
| 1.5 (xviii)  | Key operating and financial data of at least preceding 5 (five) years shall be summarized.   | √ |   |  |
| 1.5 (xix)    | If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.  | √ |   | Due to business expansion dividend, has not declared |
| 1.5 (xx)     | The number of Board meetings held during the year and attendance by each director shall be disclosed.  | √ |   |  |
| 1.5 (xxi)    | <b>The pattern of shareholding shall be reported to disclose the aggregate number of shares held by:</b>   |   |   |  |
| 1.5 (xxi) a) | Parent/Subsidiary/Associated Companies and other related parties (name wise details)   | √ |   |  |
| 1.5 (xxi) b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)  | √ |   |  |
| 1.5 (xxi) c) | Executives   | √ |   |  |

|                   |   |   |  |  |
|-------------------|---|---|--|--|
| 1.5 (xxi) d)      | Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)   | √ |  |  |
| <b>1.5 (xxii)</b> | <b>In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:</b>  |   |  |  |
| 1.5 (xxii) a)     | A brief resume of the director  | √ |  |  |
| 1.5 (xxii) b)     | Nature of his/her expertise in specific functional areas.   | √ |  |  |
| 1.5 (xxii) c)     | Names of companies in which the person also holds the directorship and the membership of committees of the board.   | √ |  |  |
| <b>2.0</b>        | <b>Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)</b>   |   |  |  |
| <b>2.1</b>        | <b>Appointment</b>  |   |  |  |
|                   | The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of internal Audit and the CS.               | √ |  |  |
| <b>2.2</b>        | <b>Requirement to attend the Board Meetings</b>   |   |  |  |
|                   | The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors provided that the CFO and /or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating of their personal matters. | √ |  |  |
| <b>3.0</b>        | <b>Audit Committee</b>  |   |  |  |
| 3 (i)             | The company shall have an Audit Committee as a sub-committee of the Board of Directors  | √ |  |  |
| 3 (ii)            | The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.   | √ |  |  |
| 3 (iii)           | The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.  | √ |  |  |
| <b>3.1</b>        | <b>Constitution of Audit Committee</b>  |   |  |  |
| 3.1 (i)           | The Audit Committee shall be composed of at least 3 (three) members   | √ |  |  |

|            |   |   |   |     |
|------------|---|---|---|-----|
| 3.1 (ii)   | The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.  | √ |   |     |
| 3.1 (iii)  | All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management experience.   | √ |   |     |
| 3.1 (iv)   | When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee. | - | - | N/A |
| 3.1 (v)    | The company secretary shall act as the secretary of the Committee.  | √ |   |     |
| 3.1 (vi)   | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.   | √ |   |     |
| <b>3.2</b> | <b>Chairman of the Audit Committee</b>  |   |   |     |
| 3.2 (i)    | The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.  | √ |   |     |
| 3.2 (ii)   | Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).   | √ |   |     |
| <b>3.3</b> | <b>Role of Audit Committee shall include the following:</b>   |   |   |     |
| 3.3 (i)    | Oversee the financial reporting process.  | √ |   |     |
| 3.3 (ii)   | Monitor choice of accounting policies and principles.   | √ |   |     |
| 3.3 (iii)  | Monitor Internal Control Risk management process.   | √ |   |     |
| 3.3 (iv)   | Oversee hiring and performance of external auditors.  | √ |   |     |
| 3.3 (v)    | Review along with the management, the annual financial statements before submission to the board for approval.  | √ |   |     |

|               |  |   |   |                         |
|---------------|--|---|---|-------------------------|
| 3.3 (vi)      | Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.  | √ |   |                         |
| 3.3 (vii)     | Review the adequacy of internal audit function.  | √ |   |                         |
| 3.3 (viii)    | Review statement of significant related party transactions submitted by the management.  | √ |   |                         |
| 3.3 (ix)      | Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.   | √ |   |                         |
| 3.3 (x)       | When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus. | - | - | N/A                     |
| <b>3.4</b>    | <b>Reporting to the Audit Committee</b>  |   |   |                         |
| <b>3.4.1</b>  | <b>Reporting to the Board of Directors</b>   |   |   |                         |
| 3.4.1 (i)     | The Audit Committee shall report on its activities to the Board of Directors.  | √ |   |                         |
| 3.4.1(ii)     | <b>The Audit committee shall immediately report to the Board of Directors on the following findings, if any;</b>   |   |   |                         |
| 3.4.1 (ii) a) | Report on conflicts of interests;  | - | - | There was no such issue |
| 3.4.1 (ii) b) | Suspected or presumed fraud or irregularity or material defect in the internal control system;   | - | - | There was no such issue |
| 3.4.1 (ii) c) | Suspected infringement of laws, including securities related laws, rules and regulations; and  | - | - | There was no such issue |
| 3.4.1 (ii) d) | Any other matter which shall be disclosed to the Board of Directors immediately  | - | - | There was no such issue |
| <b>3.4.2</b>  | <b>Reporting to the Authorities</b>  |   |   |                         |
|               | If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is  | - | - | There was no such issue |

|            |   |                               |  |     |
|------------|---|-------------------------------|--|-----|
|            | necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier. |                               |  |     |
| 3.5        | <b>Reporting to the Shareholders and General Investors</b>  |                               |  |     |
|            | Report on activities carried out by Audit Committee, including any report made to the Board of Directors under condition 3.4.1(ii) above during the year shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.   | √                             |  |     |
| <b>4.0</b> | <b>External/Statutory Auditors.</b>   |                               |  |     |
| 4 (i)      | Non-engagement in Appraisal or valuation services or fairness opinions  | √                             |  |     |
| 4 (ii)     | Non-engagement in designing and implementation of Financial Information System  | √                             |  |     |
| 4 (iii)    | Non-engagement Book-keeping or accounting   | √                             |  |     |
| 4 (iv)     | Non-engagement Broker-dealer services   | √                             |  |     |
| 4 (v)      | Non-engagement in Actuarial services  | √                             |  |     |
| 4 (vi)     | Non-engagement in Internal audit services   | √                             |  |     |
| 4 (vii)    | Non-engagement in any other service determined by the Audit Committee   | √                             |  |     |
| 4 (viii)   | No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.   | √                             |  |     |
| 4 (ix)     | Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7.   | √                             |  |     |
| <b>5.0</b> | <b>Subsidiary Company</b>   | The Company has no subsidiary |  |     |
| 5 (i)      | Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.  |                               |  | N/A |
| 5 (ii)     | At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on   |                               |  | N/A |

|          |  |   |  |   |
|----------|--|---|--|---|
|          | the Board of Directors of the subsidiary company.  |   |  |   |
| 5 (iii)  | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.   |   |  | N/A   |
| 5 (iv)   | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.   |   |  | N/A   |
| 5 (v)    | The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.   |   |  | N/A   |
| 6.0      | <b>Duties of Chief Executive Officer (CEO) &amp; Chief Financial Officer (CFO)</b>   |   |  |   |
| 6 (i)    | The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief;   | √ |  |   |
| 6 (i) a) | These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.  | √ |  |   |
| 6 (i) b) | These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.  | √ |  |   |
| 6 (ii)   | There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.   | √ |  |   |
| 7.0      | <b>Reporting and Compliance of Corporate Governance</b>  |   |  |   |
| 7 (i)    | The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis. | √ |  | Required certification has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants |
| 7 (ii)   | The directors of the company shall state, in accordance with the <b>Annexure</b> attached, in the directors' report whether the company has complied with these conditions   | √ |  |   |

c) **Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate.**

The name of audit committee members and remuneration committee members are as follows:

| <b>Audit Committee Members Name</b> |  | <b>Remuneration Committee Members Name</b> |  |
|-------------------------------------|--|--|--|
| 1                                   | <b>S.M. Harun Or Rashid</b><br><i>(Independent Director) Chairman of the Committee</i> | 1  | <b>Aziza Yeasmin</b><br><i>Chairman of the Committee</i>     |
| 2                                   | <b>A F M Anowarul Huq</b><br><i>Managing Director</i>                                  | 2  | <b>Hafiza Yeasmin</b><br><i>Director</i>                     |
| 3                                   | <b>Md. Mizanur Rahman</b><br><i>Director</i>   | 3  | <b>Md. Monirujjaman</b><br><i>Independent Director</i>       |
| 4                                   | <b>Md. Shamem Gazi</b><br><i>Company Secretary</i>                                     | 4  | <b>Md. Faruque Hossain</b><br><i>Chief Financial Officer</i> |
| 5                                   | <b>Md. Mustafizur Rahman</b><br><i>Manager (Admin)</i>                                 | 5  | <b>Md. Shamem Gazi</b><br><i>Company Secretary</i>           |

**The terms of reference of the audit committee has been agreed upon as follows:**

- To review all internal and external audit report.
- To recommend the statutory annual audited financial statements to the Board of Directors for approval.
- To review the finding of the internal and external auditors.
- To review and approve the Annual “Audit Plan” of the Internal Audit Department.
- To monitor the implementation of the recommendations of the Internal and External auditors.
- To review the performance of the external auditors and make recommendations to the Board regarding their appointment and fees.
- To review the quarterly, half yearly and annual financial statements before submission to the Board, focusing particularly on.
- To review the company’s statement on internal control systems prior to endorsement by the Board.
- The company secretary shall be the secretary of the audit committee.

**The terms of reference of the remuneration committee has been agreed upon as follows:**

- To assist the Board in developing and administering a fair and transparent procedure for setting policy on the remuneration of directors and senior management of the Company
- Determining the remuneration packages
- Review the Annual Confidential Report (ACR) of senior management of the company
- Review and oversee the Company's overall human resources strategy.

## CHAPTER (XV): VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGERS

The valuation report of securities offered is prepared and justified by the issue managers (AFC Capital Limited; EBL Investments Limited and CAMP Advisory Limited) on the basis of the financial and all other information pertinent to the Issue.

### Qualitative and Quantitative factors for Valuation:

#### Qualitative Justification:

1. **Product line variety:** The Company's product line has variety. The company sells different line of product except anti biotic.
2. **Modern Machineries:** We have been using modern machineries that smooth our operation.
3. **Technology:** The Company has latest tools and technologies to support production.
4. **Dedicated Workforce:** Company has dedicated human resources.

#### Quantitative Justification:

The issue price at Tk. 10.00 each is justified as details below:

| Particulars   | Amount (in Tk.) |
|---|-----------------|
| <b>Method 1: Net Asset Value (NAV) per share/Equity based value per share</b> |                 |
| Price based on Net Asset Value per share (without revaluation reserve)        | 11.63           |
| <b>Method 2: Historical Earnings based value per share</b>                    |                 |
| Earnings based Value per share based on Overall Market P/E                    | 13.04           |
| <b>Method 3: Average market price per share of similar stocks:</b>            | 279.49          |

#### Calculation of Methodologies

##### Method 1: Share price on Net Asset Value (NAV)/Equity based value per share

| Sl. No.  | Particulars       | Amount (in Tk.)    |
|--|-------------------|--------------------|
| a)   | Share Capital     | 730,000,000        |
| b)   | Retained Earnings | 119,233,972        |
| <b>Total Shareholders' Equity (without revaluation reserve)</b>  |                   | <b>849,233,972</b> |
| Number of Shares   |                   | 73,000,000         |
| <b>Net Asset Value per share (without revaluation reserve) as per Audit Report as on 30 June, 2016</b> |                   | <b>11.63</b>       |

##### Method 2: Historical Earnings based value per share

| Average Price Earnings of Market & Pharmaceuticals Sector |                              |              |
|---|------------------------------|--------------|
| Month   | Pharmaceuticals Sector (P/E) | Market (P/E) |
| Jun-17  | 17.26                        | 15.74        |
| Jul-17  | 17.08                        | 16.19        |
| Aug-17  | 17.14                        | 16.33        |
| <b>Average</b>  | <b>17.16</b>                 | <b>16.09</b> |
| Considering Lesser P/E of 17.16 & 16.09 is 16.09          |                              |              |

Source: DSE Monthly Review.

| Period  | No. of Share      | Net Profit after tax | Weight of No. of Shares | Weighted Average of Net Profit after tax |
|---|-------------------|----------------------|-------------------------|--|
| 30-Jun-15   | 9,900,000         | 60,209,267           | 0.119                   | 7,190,250                                |
| 30-Jun-16   | 73,000,000        | 59,024,705           | 0.881                   | 51,975,916                               |
| <b>Total</b>  | <b>82,900,000</b> | <b>119,233,972</b>   | <b>1.00</b>             | <b>59,166,166</b>                        |
| No. of shares outstanding before IPO                              |                   |                      |                         | 73,000,000                               |
| Diluted EPS based on weighted Average of Net Profit after Tax     |                   |                      |                         | 0.81                                     |
| Market PE (Considering Lesser P/E of 17.16 & 16.09 is 16.09)      |                   |                      |                         | 16.09                                    |
| <b>Earnings based Value per share based on overall Market P/E</b> |                   |                      |                         | <b>13.04</b>                             |

**Method 3: Average market price per share of similar stocks:**

| <b>Last One Year (Month ended) Closing Share Price of Similar Stock</b> |             |                                      |                                       |  |  |                             |                            |                       |                                       |
|---|-------------|--------------------------------------|---------------------------------------|--|--|-----------------------------|----------------------------|-----------------------|---------------------------------------|
| <b>Sl. No.</b>  | <b>Date</b> | <b>Ambee Pharmaceuticals Limited</b> | <b>Beacon Pharmaceuticals Limited</b> | <b>Beximco Pharmaceuticals Limited</b> | <b>Central Pharmaceuticals Limited</b> | <b>Orion Pharma Limited</b> | <b>Pharma Aids Limited</b> | <b>Renata Limited</b> | <b>Square Pharmaceuticals Limited</b> |
| 1   | 29-Sep-16   | 480.80                               | 18.60                                 | 83.10                                  | 16.60                                  | 38.00                       | 258.10                     | 1,104.20              | 268.60                                |
| 2   | 31-Oct-16   | 415.20                               | 20.70                                 | 77.20                                  | 14.70                                  | 35.30                       | 240.60                     | 1,088.10              | 267.80                                |
| 3   | 30-Nov-16   | 378.80                               | 19.90                                 | 82.40                                  | 14.70                                  | 41.50                       | 249.20                     | 1,091.20              | 244.90                                |
| 4   | 29-Dec-16   | 387.70                               | 22.00                                 | 80.80                                  | 22.30                                  | 42.10                       | 243.20                     | 1,085.50              | 249.10                                |
| 5   | 31-Jan-17   | 385.60                               | 22.60                                 | 87.20                                  | 26.00                                  | 47.80                       | 257.80                     | 1,100.90              | 259.90                                |
| 6   | 28-Feb-17   | 385.20                               | 23.40                                 | 92.30                                  | 30.80                                  | 53.20                       | 268.30                     | 1,108.70              | 268.20                                |
| 7   | 30-Mar-17   | 370.20                               | 21.80                                 | 110.40                                 | 32.20                                  | 49.10                       | 255.60                     | 1,088.40              | 277.90                                |
| 8   | 30-Apr-17   | 373.50                               | 22.20                                 | 111.00                                 | 29.80                                  | 46.30                       | 263.10                     | 1,104.50              | 283.70                                |
| 9   | 31-May-17   | 397.80                               | 21.30                                 | 108.20                                 | 27.20                                  | 48.10                       | 267.30                     | 1,098.70              | 282.00                                |
| 10  | 29-Jun-17   | 406.10                               | 23.10                                 | 113.00                                 | 30.30                                  | 50.80                       | 273.50                     | 1,157.10              | 290.10                                |
| 11  | 31-Jul-17   | 420.40                               | 23.70                                 | 111.70                                 | 29.00                                  | 49.60                       | 275.90                     | 1,135.60              | 282.80                                |
| 12  | 31-Aug-17   | 449.70                               | 22.50                                 | 108.40                                 | 27.70                                  | 48.80                       | 283.30                     | 1,140.30              | 286.10                                |
| <b>Average Price</b>  |             | <b>404.25</b>                        | <b>21.82</b>                          | <b>97.14</b>                           | <b>25.11</b>                           | <b>45.88</b>                | <b>261.33</b>              | <b>1,108.60</b>       | <b>271.76</b>                         |
| <b>Average Price of these 8 Companies</b>                               |             |                                      |                                       |  |  |                             |                            |                       | <b>279.49</b>                         |
| <i>Source: DSE Monthly Review.</i>                                      |             |                                      |                                       |  |  |                             |                            |                       |                                       |

**Rationale for choosing these 8 Companies:**

There are twenty-eight pharmaceutical companies listed in the capital market. Among the twenty-eight companies IBPL has taken eight companies because IBPL's product mix matches to these eight companies.

The management of the Company in consultation with the Issue Managers has set the issue price at Tk. 10.00 each at par value.

Sd/-  
**Mahbub H. Mazumdar FCMA**  
 Chief Executive  
**AFC Capital Limited**

Sd/-  
**Moinul Hossain Asif**  
 Managing Director  
**EBL Investments Limited**

Sd/-  
**Tania Sharmin**  
 Managing Director & CEO  
**CAPM Advisory Limited**

## CHAPTER (XVI): DEBT SECURITIES

The Company has not issued or is planning to issue any debt security within six months.

## CHAPTER (XVII): PARTIES INVOLVED AND THEIR RESPONSIBILITIES

| Parties involve with IBPL |  | Responsibilities   |
|---------------------------|--|--|
| (a) Issue Manager(s)      | (1) AFC Capital Limited;<br>(2) EBL Investments Limited;<br>(3) CAPM Advisory Limited.   | The Issue Managers will act as the managers to the issue for the public issue as described in the amendments to the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 (Public Issue) Rules, 2015. |
| (b) Underwriters          | (1) AFC Capital Limited;<br>(2) EBL Investments Limited;<br>(3) NBL Capital and Equity Management Limited;<br>(4) Janata Capital and Investment Limited. | The Underwriters will act as the underwriters to the public issue as described in the amendments to the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 (Public Issue) Rules, 2015.             |
| (c) Statutory Auditor     | <b>Mahfel Huq &amp; Co.</b><br>Chartered Accountants   | To express an opinion on these financial statements based on their audit. Auditor will conduct the audit in accordance with Bangladesh Standards on Auditing (BSA).  |
| (d) Cost Auditor          | Not applicable for the Company   | N/A  |
| (e) Valuer                |  |  |
| (f) Credit Rating Company |  |  |

## CHAPTER (XVIII): MATERIAL CONTRACTS

|                | (a) Major agreements entered into by the Issuer   | (b) Material parts of the agreements  | (c) Fees payable to different parties  |
|----------------|---|---|--|
| Issue Managers | Issue Management Agreement between the Company, Indo-Bangla Pharmaceuticals Limited and the Managers to the issue, AFC Capital Limited, EBL Investments Limited & CAPM Advisory Limited.  | To do the entire task as mentioned in the amendments to the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.   | To AFC Capital Limited Tk. 6.50 Lac; To EBL Investments Limited Tk. 7.00 Lac & CAMP Advisory Limited Tk. 6.50 Lac. |
| Underwriters   | Underwriting Agreement between the Company and AFC Capital Limited, EBL Investments Limited, NBL Capital and Equity Management Limited & Janata Capital and Investment Limited.<br><br>Total Underwritten amount Tk. 70,000,000 | The issuer, in the event of under subscription, shall notice to the underwriters within ten days of closer of subscription calling upon them to subscribe the securities and pay for this in cash in full within 15 days of the date of said notice and said amount shall be credited in to securities subscription account within the said period.<br><br>The issuer shall within 7 days of the expiry of the period mentioned above, sent to the commission proof of subscription and deposit of the money by the underwriters. | Underwriting commission at the rate of 0.50% on 35% of the Total IPO amount (i.e. Tk. 350,000.00)                  |

Copies of the above-mentioned contracts and documents and the Consent Order from the Bangladesh Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Corporate Office.

## CHAPTER (XIX): LITIGATIONS, FINE OR PENALTY

(a) **The following litigations including outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority:**

The issuer or any of its directors was not involved in any of the following type of legal proceedings except mentioned below;

(i) **Litigation involving Civil Laws:** No case filed by any authority;

(ii) **Litigation involving Criminal Laws:**

**1. Case against Indo-Bangla Pharmaceuticals Ltd.:**

- On 21 August 2016, **Mr. Mahmudul Hasan** (shareholder) has filed a case against **Indo-Bangla Pharmaceuticals Ltd.**
- He filed the case in charge of dishonor of a Cheque amounting Tk. 50 lacs, Cheque No. 9202103, One Bank Limited dated on 10 July 2016.
- On 21 July 2016, Legal notice was served.
- On 7 September 2016, Arrest Warrant was issued against Aysha Siddika (sponsor shareholder), Aziza Yeasmin (Chairman), Hafiza Yeasmin (Director), Amin-Ur-Rashid (Director), Md. Bellal Khan (sponsor shareholder), A F M Anowarul Huq Managing Director.
- On 2 January 2017, they placed bail petition.
- On 22 March 2017, Honorable Court granted their bail.
- The case was under trial on CMM Court, Dhaka.
- On 25 October 2017, plaintiff and defendant amicably resolved this matter. Regarding this, plaintiff applied to Honorable 4<sup>th</sup> Joint City Metropolitan Sessions Judge Court, Dhaka to withdraw the case.
- However, on 21 November 2017, the Honourable Court settled all the proceedings of the case.

**2. Case against A F M Anowarul Huq (shareholder & Managing Director):**

- On 21 August 2016, **Mr. Mahmudul Hasan** (shareholder) has filed a case against **A F M Anowarul Huq** (shareholder & Managing Director).
- He filed the case in charge of dishonor of a Cheque amounting Tk. 1 crore, Cheque No. 8396299, One Bank Limited dated on 10 July 2016.
- On 21 July 2016, Legal notice was served.
- On 7 September 2016, Arrest Warrant was issued against A F M Anowarul Huq Managing Director.
- On 2 January 2017, A F M Anowarul Huq place bail petition.
- On 22 March 2017, Honorable court granted them bail.
- The case was under trial on CMM Court, Dhaka.
- On 25 October 2017, plaintiff and defendant amicably resolved this matter. Regarding this, plaintiff applied to court of Honorable Chief Metropolitan Magistrate (23), Dhaka to withdraw the case.
- However, on 16 November 2017, the Honourable Court settled all the proceedings of the case.

(iii) **Litigation involving Securities, Finance and Economic Laws; no case filed any authority:** No case filed by any authority;

(iv) **Litigation involving Labor Laws:** No case filed by any authority;

- (v) **Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties):** No case filed by any authority;
- (vi) **Litigation involving any other Laws:**  
On 5 December, 2017, Rapid Action Battalion (RAB) along with some government officials came to visit IBPL's factory and found some medicine in warehouse which was not renewed yet. The government officials imposed penalty of Tk. 3.00 lac according to Drug Act, 1940 under section 18 a (ii), c and 27.
- (b) **Cases including outstanding litigations filed by the Company or any of its directors:**  
There is no case including outstanding litigations filed by the issuer or any of its directors to any of the following types of legal proceedings except mentioned below;
- (i) **Litigation involving Civil Laws:**  
There is a "Stay Order" by the Honorable High Court on the credit information of Indo-Bangla Pharmaceuticals Limited and its Managing Director out of twelve Directors.
- (ii) **Litigation involving Criminal Laws:**
- On 3 May 2016, Mr. A F M Anowarul Huq (shareholder & Managing Director) lost a cheque.
  - He filed the general dairy regarding a Cheque amounting Tk. 1 crore, Cheque No. 8396299, One Bank Limited dated on 10 July 2016.
  - On 4 May 2016, Mr. A F M Anowarul Huq requested One Bank Limited to stop payment against the cheque.
  - On 16 August 2016, a criminal case was filed against Mr. Mahmudul Hasan (shareholder).
  - The case is under trial on Executive Magistrate Court, Barisal.
  - On 25 October 2017, plaintiff and defendant amicably resolved this matter. Regarding this plaintiff applied to Mokam Barisal Honorable District & Sessions Judge Court, Barisal to withdraw the case. In this regard hearing was held on 31 October 2017. The advocated Mr. Md. Atiqur Rahman Riaz informed that the Honourable Court has decided to give the verdict on 12 November 2017. As the court proceeding is not held on 12<sup>th</sup> November, the verdict date is again scheduled on 27 Novemeber 2017.
  - However, on 27 Novemeber 2017, after hearing the plaintiff's statements, the Honourable Court settled the case.
- (iii) **Litigation involving Securities, Finance and Economic Laws:** No cases filed by the Company or any of its directors;
- (iv) **Litigation involving Labor Laws:** No cases filed by the Company or any of its directors;

**(v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties);**

| <b>Income Year</b> | <b>Assessment Year</b> | <b>Status</b>   |
|--------------------|------------------------|---|
| 2015-2016          | 2016-2017              | Return was submitted. Subsequently, the Deputy Commissioner of Taxes completed the assessment by demanding tax liability of Tk. 10,450,292 as per notice of demand dated on 30 May, 2017. We received notice of demand dated on 14 September, 2017. Against the assessment, the Company appeal the same to the Taxes Appellate Tribunal Khulna Bench dated on 19 September, 2017. Hearing yet to be done. |
| 2014-2015          | 2015-2016              | Return was submitted. Subsequently, the Deputy Commissioner of Taxes completed the assessment by demanding tax liability of Tk. 25,565,930 as per notice of demand dated on 24 August, 2016. We received notice of demand dated 14 September, 2017. Against the assessment, the Company appeal the same to the Taxes Appellate Tribunal Khulna Bench on dated 19 September, 2017. Hearing yet to be done. |

**(vi) Litigation involving any other Laws.**

There was a writ petition no. 6969/2016 in the high court division of Supreme Court regarding stopping the production of antibiotic (Penicillin, non- Penicillin, and Cephalosporin). In this regard, Directorate General of Drug Administration informed us with a letter dated 31<sup>st</sup> August, 2016 to stop production of above antibiotic. Subsequently, we made all compliance regarding Penicillin, non-Penicillin as per guideline of Directorate General of Drug Administration (DGDA). Then, on 24<sup>th</sup> September 2017 we applied to Directorate General of Drug Administration for withdrawing the restriction. Now, it is under process.

## CHAPTER (XX): RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

### (i) Internal risk factors may include, among others:

- a) **Credit Risk:** This is the risk of default on a debt that may arise because of default by the borrower to pay the loan. In operating any business there is always credit risk lies in the business. As there is always lending and borrowing between parties in the form of money and goods.

*Management Perception:* Credit Risk mainly lies with Financial Institutions. Since Indo-Bangla Pharmaceuticals Limited is involved in manufacturing medicine, there is no as such credit risk. Receivable from Credit sales is collected on monthly basis. Management has a credit policy in place and exposure to credit risk is monitored on an on-going basis. To mitigate the credit risk the management of the company follows robust credit control and collections policies.

- b) **Liquidity Risk:** The risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income. Liquidity is a common phenomenon of the business.

*Management Perception:* Indo-Bangla Pharmaceuticals Limited has been dealing with its working capital in efficient way. Effective liquidity risk management requires both a top-down and a bottom-up approach. Strategy, principles and objectives are set at board and management levels. Our liquidity risk management starts by managing daily payment of cheques, daily cash inflow and outflow, and our access to other funding sources when required.

- c) **Risk associated with the issuer's interest in subsidiaries, joint ventures and associates:** If the subsidiaries make loss, it affects parent company's balance sheet. In case of associate, there is chance of decline value of investment in associate company. As for joint venture, A joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity. In a joint venture (JV), each of the participants is responsible for profits, losses and costs associated with it.

*Management Perception:* Indo-Bangla Pharmaceuticals Limited has no subsidiaries. There are no Joint ventures or associates.

- d) **Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer:** There is risk involved in having limited number of customer and losing of that particular customer has negative impact on company's sales and cash flow as well.

*Management Perception:* We are not depending on limited number of customers while generating revenue. We have huge demand for medicine. Since market is diverse from urban to the very remote rural of the country and it has not limited customers from whom it generates significant amount of revenue.

- e) **Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely:** There is also risk involved in having limited number of suppliers as well. Single or few suppliers may exploit the company by price hike, untimely delivery and low quality of product.

*Management Perception:* We are not dependent on any suppliers. We imported our raw materials suppliers from Germany, Australia, China and India.

- f) **More than 20% revenue of the issuer comes from sister concern or associate or subsidiary:** Having 20% revenue generation from sister concern or associate or subsidiary makes issuer dependent on others companies. Hence, there is dependency risk.

*Management Perception: Indo-Bangla Pharmaceuticals Limited earns its revenue from its operation and there is no as such revenue generation that comes from sister concern or associates.*

- g) **Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any:** Negative earning and negative operating cash flow is risk the going concern risk for the entity.

*Management Perception: We are profitable entity and we have not experienced with negative earning and negative cash flow from operation.*

- h) **Loss making associate or subsidiary or group companies of the issuer:** When associate or subsidiary or group companies of the issuer are loss making, it affects the issuer and there is negative impact on cash flow of issuer and Balance Sheet as well.

*Management Perception: We do not have Loss making associate or subsidiary or group companies.*

- i) **Financial weakness and poor performance of the issuer or any of its subsidiary or associates:** Financial weakness and poor performance of the issuer have negative impact on the company. As a result it will be tough to pay loan interest, debt service and dividend. Future growth will be hampered.

*Management Perception: Indo-Bangla Pharmaceuticals Limited is a profitable entity and financial position of the company is sound.*

- j) **Decline in value of any investment:** If investment value decline, it will reduce the profit and assets as well.

*Management Perception: We do not have any investment.*

- k) **Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned:** There is obsolescence risk relating to plant and machinery. If the machinery is purchased in second hand or reconditioned, there high risk of repair and maintenance which has impact on profitability of the company.

*Management Perception: The Company has been using brand new machineries. It has been acquired machineries through vendor agreement of amounting Tk. 9.80 Crore from A F M Anowarul Huq. The machineries were bought by A F M Anowarul Huq in brand new condition.*

- l) **Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recall:** It is loan given and taken from related party and directors as well. When company gives such loan without interest to related party, there is interest burden for the company if the money was taken as loan. On the other hand, if such loan is taken from directors, it will have an impact on the cash flow to pay off the loan to the Directors.

*Management Perception: There are no as such loan given to related party and loan taken from directors.*

- m) **Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors:** In these cases, there is high chance of compromise among the related companies because of conflict of Interest.

*Management Perception: Sponsors or Directors are not involved in the same line of activity, nor any suppliers of raw materials or major customer is related to same sponsors or director. It is mentionable here that Investment Corporation of Bangladesh (ICB) is the director of Indo-Bangla Pharmaceuticals Limited and ICB holds share of ACME Laboratories Limited as well.*

- n) **Related party transactions entered into by the company those may adversely affect competitive edge:** Related party transaction of the issuer creates conflict of interest which reduces the competitive advantage of the issuer.

*Management Perception: There is no as such transaction which may adversely affect competitive edge.*

- o) **Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan or credit limit and other banking facilities:** All information must be known to the potential investor so that investor's interest may not be hampered in future. So, any restrictive covenants, if it goes against potential investors, will make investors in jeopardy.

*Management Perception: There are no restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement relating to debt or preference shares or any restrictive covenants of Banks in respect of loan or credit limit and other banking facilities.*

- p) **Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees:** In such case, company's business operation will be hampered.

*Management Perception: Bangladesh is densely populated country. As a result, medicine is of high demand in our country. Strike, work stoppage can hardly affect this sector. Increase in wage is maintained as per Government policy and it is always negotiable to mitigate such crisis if it arises in future.*

- q) **Seasonality of the business of the issuer:** It is the risk involving that company is not doing business round the year.

*Management Perception: It is not seasonal business.*

- r) **Expiry of any revenue generating contract that may adversely affect the business:** This is the risk of losing customers affecting future sales.

*Management Perception: We do not have any revenue generating contract that may adversely affect the business.*

- s) **Excessive dependence on debt financing which may adversely affect the cash flow:** Excessive dependence on debt causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy.

*Management Perception: Apart from deferred tax, there is no debt in the Company.*

- t) **Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance:** Excessive dependence on key management affects the business if the management is changed in future, which will create

vacuum. Besides, if the key management personnel are of bad intention, excessive dependence will also affect the business.

***Management Perception:** Corporate Governance is well practiced in our company. We have also well placed organogram in our company. So, any change in the key management will be followed by others.*

- u) **Enforcement of contingent liabilities which may adversely affect financial condition:** It is the future burden of liabilities that the investors will take on their shoulders. Contingent liabilities reduced the assets or create obligation to pay the liabilities.

***Management Perception:** We do not have any contingent liabilities which may adversely affect financial condition.*

- v) **Insurance coverage not adequately protect against certain risks of damages:** Insurance ensures and protects to deal with uncertainty of future material loss or damage. So, insurance coverage is important for the business.

***Management Perception:** We have fire insurance policy is in place to cover our two factory godowns. In the factory godowns, we maintain raw materials and finished goods of pharmaceuticals.*

- w) **Absence of assurance that directors will continue its engagement with Company after expiry of lock in period:** Directors run the company with the accumulated finance from public and other financing source. If directors discontinue to run the business, there will be negative impact on business and share price as well.

***Management Perception:** Management will continue its engagement with the company after expiry of lock in period.*

- x) **Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure:** Dividend payment is highly dependent on company's ability to generate profit. If company cannot earn good amount of profit from operation, it is unlikely to pay dividend.

***Management Perception:** We have been earning profit and a profitable entity. We are in belief that we will be able to pay dividend from our earning profit.*

- y) **History of non operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors:** If there is any non operation of the company, it creates negative impression. Apart from this, short operation history indicates company is gathering knowledge and expertise to be competitive in the market.

***Management Perception:** The Company is in operation for last two years and the company is a profitable entity. There is no as such history of non-operation.*

- z) **Risks related to engagement in new type of business, if any:** If it is new business, there is risk of viability of the new business.

***Management Perception:** We are concentrating in our business for the time being. So, there is no as such risk.*

- aa) **Risk in investing the securities being offered with comparison to other available investment options:** If the issue price goes down after floating, there is investment risk for the potential investors.

**Management Perception:** We are profitable entity and our business growth will continue in longer period. It is not risky in investing securities in comparison with other available investment option.

**bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law:**

**Management Perception:**

i) There was restriction on antibiotic. Drug authority has renewed the license. Management believes that restriction on antibiotic will be withdrawn very soon by the respective authority.

ii) On 5 December, 2017, Rapid Action Battalion (RAB) along with some government officials came to visit IBPL's factory and found some medicine in warehouse which was not renewed yet. The government officials imposed penalty of Tk. 3.00 lac according to Drug Act, 1940 under section 18 a (ii), c and 27.

Our products have to be renewed every five years' interval. The products, which was found non-renewed by the government officials, is on processing to be renewed and there were two products produced for sampling against the recipe for approval by the Directorate General of Drug Administration (DGDA). The recipe was submitted to DGDA office on 13.08.2017. We stored the said medicine in our central warehouse without having any intention to sell or distribute.

For this reason, they imposed a nominal amount of penalty. It is mentionable here that we have already applied for renewal and deposited the renewal fee.

**cc) Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case:** It creates a negative impression on the issuer.

**Management Perception:** The assessment order of the Deputy Commissioner of Taxes (DCT) for both the assessment years 2015-2016 and 2016-2017 were received on 14th September 2017. Deputy Commissioner of Taxes (DCT) demanded Tk. 25,565,930 and Tk. 10,450,292 respectively as demand notice. Being aggrieved by the order of the DCT the Company submitted appeal dated on 19th September 2017. The Company is confident to get substantial relief out of the appeal.

**dd) Registered office or factory building or place of operation is not owned by the issuer:** Factory building should be owned by the Company. Otherwise, there is risk of hike in factory rent in the years to come and threat of shifting the factory as well.

**Management Perception:** Our factory building is owned by us and our corporate office is rented.

**ee) Lack of renewal of existing regulatory permissions or licenses:** In this case company is not following the law to renew its all licenses.

**Management Perception:** There is no such issue relating to lack of existing regulatory permissions/licenses.

**ff) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates:** Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation to the company to pay interest and debt service. The overall impression will be negative for the company.

**Management Perception:** We do not have any listed securities.

gg) **Issuances of securities at lower than the IPO offer price within one year:** The management ultimate goal is to maximize the wealth of the company. If share price goes up, it maximizes wealth of the company. On the other hand, if share price goes down, it minimizes the wealth of the company.

*Management Perception: Indo-Bangla Pharmaceuticals Limited has been profitable entity. It has potentiality to grow in future. We believe that our IPO offer price will not be lower within one year.*

hh) **Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission:** If any refusal happened in the above cases, it will create negative impression to the issuer.

*Management Perception: Such cases did not happen for our company.*

**(ii) External risk factors may include among others:**

a) **Interest Rate Risks:** Indo-Bangla Pharmaceuticals Limited is exposed to the volatility of interest rate as it has Long Term Bank Loan. Any higher trend in interest rate in future will definitely aggravate the adversity.

*Management Perception: We do not have debt financing. Moreover, In our country, right now, interest is in downtrend which is beneficial for debt-financing because cost of capital has been less expensive than that of earlier. Hence, interest rate risk is manageable.*

b) **Exchange Rate Risks:** Foreign exchange risk, also known as FX risk or currency risk, is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company. This risk arises when investment's value changed due to the changes in currency exchange rates.

*Management Perception: Indo-Bangla Pharmaceuticals Limited is procuring raw materials from Australia, Germany, China and India and its customers are local customers. Because of importing raw materials, the company is exposed to Exchange Rate Risk. Management is concerned about this. Management believes that any dollar appreciation will be adjusted in product price.*

c) **Industry Risks:** Industry risk is related with the factors affecting the company such as Raw Material, labor, demand of the product, government policy to the sector, competitor's rivalry.

*Management Perception: Indo-Bangla Pharmaceuticals Limited is aware of the above facts. Industry risk is inherent in any kind of business. At the moment industry is favoring for operating business. Bangladesh is the 8<sup>th</sup> populous country of the world with having around 170 million people. Hence, there is ample demand for pharmaceutical products.*

**d) Economic and Political risks:**

**Economic risks:** This risk can be described as the likelihood that an investment will be affected by macroeconomic conditions such as government regulation, exchange rates, or political stability. In other words, while financing a project, the risk that the output of the project will not produce adequate revenues for covering operating costs and repaying the debt obligations. In a nutshell, economic risk refers to the risk that a venture will be economically unsustainable due to various reasons.

*Management Perception: Bangladesh economy is flourishing quickly. Expected economic growth is 7%. As a result, macroeconomic condition is favorable and per capita income is going up as well. Nowadays*

*people are more conscious about health than recent past decade. As per capita income goes up, people have been able to expend on health care product.*

**Political risks:** Bangladesh experienced with political unrest for over the years. Political instability hampers the smooth operation of business.

**Management Perception:** *Nowadays calm and serene atmosphere is prevailing in our country. There is no political chaos as was at the beginning of 2014. Government is industry friendly and trying to its level best to boost up economic activity in the country.*

e) **Market and Technology-related Risks;**

**Market risks:** Indo-Bangla Pharmaceuticals Limited is operating in a free market economy regime. The company might have to face stiff competition from its competitors.

**Management perception:** *Market risk is dealt with efficiently by the experienced management.*

**Technology-related risks:** Technology always plays a vital role for each and every type of business. Innovation of new and cost effective technology can increase productivity and reduce costs of production. On the other hand, obsolete technology may have a negative impact on the business.

**Management perception:** *Indo-Bangla Pharmaceuticals Limited uses the latest technology to produce its product.*

f) **Potential or existing government regulations:** Potential or existing Govt. regulations may hamper the smooth operation of the industry.

**Management perception:** *We are enjoying good atmosphere in operating our business. Government regulations are favorable for the company.*

g) **Potential or existing changes in global or national policies:** Policies from govt has a positive or negative impact on any company along with existing changes in globally.

**Management perception:** *Nowadays global and national policies do not change without prior notice. For potential changes in policies, local and global leaders consider different issues including industries opinion. We are optimistic that if any policies change unpredictably, we can improvise with new policies without hampering our smooth operation.*

h) **Statutory clearances and approvals those are yet to be received by the issuer:** Getting all the approval is highly necessary to run the business.

**Management Perception:** *Indo-Bangla Pharmaceuticals Ltd. have collected all the statutory clearance to operate its business. Hence, there are no as such risk for Our Company.*

i) **Competitive condition of the business;** Indo-Bangla Pharmaceuticals Limited is operating in a free market economy. The company has to face stiff competition from its competitors.

**Management Perception:** *Indo-Bangla Pharmaceuticals Limited have good market share against its rivalry companies. Hence, there is always check and balance existed among the rivalry companies.*

- j) **Complementary and supplementary products or services which may have an impact on business of the issuer.**

*Management Perception: The Company have to face challenges relating to supplementary and complementary products. Management is concerned with the issue. There is continuous research is going on in Pharmaceuticals industry. Hence, any changes are adapted quickly to survive in the industry.*

**(iii) Other risks:**

- a) **Risk arising from ban on production of Anti-Biotic by Honorable High Court;**

*Management Perception: The manufacturing process is in line with the guideline of Directorate General of Drug Administration (DGDA) compliance regarding antibiotic. Drug authority has renewed the license. Management believes that restriction on antibiotic will be withdrawn very soon by the respective authority. At present the, Company is manufacturing the products as per annexure-I and annexure-II approved by DGDA.*

- b) **Non-existence of R&D, an important department in the fields of pharmaceuticals;**

*Management Perception: We have four departments such as Quality Control, Quality Assurance, Product Development and Production Department. Product Development is our R&D department.*

- c) **Risk Related to the company having poor market share compare to its competitors;**

*Management Perception: Our market share is rising because of our substantial effort. We believe that we will be able to cope with our competitors.*

- d) **Risk Related to expansion of business through IPO proceeds;**

*Management Perception: We have procured land and building for expansion our business. IPO proceeds will enable us to enhance the expansion of the business. In pharmaceuticals business, there is more investment needs to compete with competitors.*

- e) **Risk related to factory located in residential area in violation of (পরিবেশ সংরক্ষণ বিধিমালা, ১৯৯৭);**

*Management Perception: We have already procured land to shift our business from residential area. As soon as possible we will shift our business.*

- f) **The Company has not made adequate provision against income tax for which appeal is made to the income tax authority;**

*Management Perception: We have made adequate tax provision as per Income Tax Ordinance 1984. The calculation is given below:*

**Current Tax Calculation:**

| Particulars                  | 30-Jun-2016        | 30-Jun-2015        |
|------------------------------|--------------------|--------------------|
|                              | Amount in Taka     | Amount in Taka     |
| Profit before Tax            | 90,807,238         | 92,629,642         |
| Add: Accounting Depreciation | 55,11,791          | 36,59,617          |
| Less: Tax Depreciation       | (2,05,41,858)      | (1,51,53,313)      |
| <b>Taxable Profit</b>        | <b>7,57,77,171</b> | <b>8,11,35,946</b> |
| Applicable Tax Rate          | 35%                | 35%                |
| Current Tax Expense          | 2,65,22,010        | 2,83,97,581        |

***Tax Provision***

| <b><i>Particulars</i></b>       | <b><i>Amount in Taka</i></b> | <b><i>Amount in Taka</i></b> |
|---------------------------------|------------------------------|------------------------------|
| <i>Provision for the period</i> | 2,65,22,010                  | 28,397,581                   |

*At the time of assessment Deputy Commissioner of Taxes (DCT) had disallowed many of our expenditures without specifying any defect. Our management became aggrieved on the assessment orders of DCT and tax demand on the basis of assessments. Consequently, our management appealed in the office of the commissioner of taxes (Appeals) against assessment orders of the Deputy Commissioner of Taxes (DCT).*

## CHAPTER (XXI): DESCRIPTION OF THE ISSUE

(a) **Issue Size:** Tk. 200,000,000.00

(b) **Number of securities to be issued;**

The Company will offer 20,000,000 Ordinary Shares, of these 20,000,000 ordinary shares 40% (i.e. 8,000,000 Ordinary Shares) are reserved for EI excluding mutual funds and CIS and 10% (i.e. 2,000,000 Ordinary Shares) are reserved for Mutual Funds and CIS and 40% (i.e. 8,000,000 Ordinary Shares) to GP excluding NRB and ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী and remaining 10% (i.e. 2,000,000 Ordinary Shares) are reserved for NRB.

(c) **Authorized capital and paid-up capital;**

| Particular   | Amount in Tk.      |
|--|--------------------|
| <b>Authorized Capital</b><br>100,000,000 Ordinary Share of Tk.10.00 each                                   | 1,000,000,000      |
| <b>Issued, Subscribed and Paid up Capital Before IPO</b><br>73,000,000 Ordinary Shares of Taka 10.00 each  | 730,000,000        |
| <b>Initial Public Offering through Fixed Price Method</b><br>20,000,000 Ordinary Shares of Taka 10.00 each | 200,000,000        |
| <b>Post IPO Paid up Capital</b>  | <b>930,000,000</b> |

(d) **Face value, premium and offer price per unit of securities;**

|                       |                |
|-----------------------|----------------|
| Face value per Share  | Tk. 10.00 each |
| Premium               | -              |
| Offer Price per Share | Tk. 10.00 each |

(e) **Number of securities to be entitled for each category of applicants;**

| Category               | Particular  | Number of Shares  | Issue Price per Share | Amount in Tk.      |
|------------------------|---|-------------------|-----------------------|--------------------|
| Eligible investor (EI) | 40% of IPO i.e. 8,000,000 Ordinary Shares shall be reserved for EI excluding mutual funds and CIS                     | 8,000,000         | 10.00                 | 80,000,000         |
|                        | 10% of IPO i.e. 2,000,000 Ordinary Shares shall be reserved for Mutual Funds and CIS                                  | 2,000,000         |                       | 20,000,000         |
| General public (GP)    | 40% of IPO i.e. 8,000,000 Ordinary Shares shall be reserved for GP excluding NRB and ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী | 8,000,000         |                       | 80,000,000         |
|                        | 10% of IPO i.e. 2,000,000 Ordinary Shares shall be reserved for Non-Resident Bangladeshis (NRB)                       | 2,000,000         |                       | 20,000,000         |
| <b>Total</b>           |   | <b>20,000,000</b> |                       | <b>200,000,000</b> |

**(f) Holding structure of different classes of securities before and after the issue;**

| Sl. No.      | Category of Shareholders         | No. of Ordinary Shares Hold |                   | Percentage of Holding |                |
|--------------|----------------------------------|-----------------------------|-------------------|-----------------------|----------------|
|              |                                  | Pre-IPO                     | Post-IPO          | Pre-IPO               | Post-IPO       |
| 1            | Director & Sponsor               | 47,669,000                  | 47,669,000        | 65.30%                | 51.26%         |
| 2            | Institutional                    | 7,720,000                   | 15,720,000        | 10.58%                | 16.90%         |
| 3            | Mutual fund                      | -                           | 2,000,000         | 0.00%                 | 2.15%          |
| 4            | Individual                       | 17,611,000                  | 25,611,000        | 24.12%                | 27.54%         |
| 5            | Non-Resident Bangladeshis (NRBs) | -                           | 2,000,000         | 0.00%                 | 2.15%          |
| <b>Total</b> |                                  | <b>73,000,000</b>           | <b>93,000,000</b> | <b>100.00%</b>        | <b>100.00%</b> |

**(g) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.**

Net proceeds from Initial Public Offering (IPO) will be used for Construction and other civil works, for procuring Machineries.

| Sl.                | Particulars                        | Amount in Tk.      |
|--------------------|------------------------------------|--------------------|
| 1                  | Construction and other civil works | 58,580,000         |
| 2                  | Machineries                        | 124,720,000        |
| <b>Total</b>       |                                    | <b>183,300,000</b> |
| IPO Expense        |                                    | 16,700,000         |
| <b>Grand Total</b> |                                    | <b>200,000,000</b> |

The feasibility report in respect enhances paid up capital as prepared Jayanta Kumer Podder, ACS, FCMA, CEO & Principal, Podder & Associates, Professional Accountants & Business Advisor is enclosed below:

Feasibility in respect of enhanced paid-up capital:

Statement of Financial Position (Projected)

Amount in Tk.

| Particulars                                 | Amounts in Taka             |                             |                             |                             |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|   | 30 <sup>th</sup> June, 2016 | 30 <sup>th</sup> June, 2017 | 30 <sup>th</sup> June, 2018 | 30 <sup>th</sup> June, 2019 |
|   | Audited                     | Projected                   |                             |                             |
| <b>ASSETS:</b>                              |                             |                             |                             |                             |
| <b>Non-current Assets:</b>                  | <b>330,469,857</b>          | <b>551,654,615</b>          | <b>621,610,965</b>          | <b>768,723,795</b>          |
| Property, Plant and Equipment               | 211,400,486                 | 551,654,615                 | 602,279,565                 | 768,723,795                 |
| Capital Work In Progress                    | 119,069,371                 | -                           | 19,331,400                  | -                           |
| <b>Current Assets:</b>                      | <b>614,908,956</b>          | <b>500,265,633</b>          | <b>783,449,955</b>          | <b>819,284,310</b>          |
| Inventories                                 | 156,521,360                 | 180,486,081                 | 257,646,858                 | 343,376,424                 |
| Trade & Other Receivables                   | 112,266,319                 | 153,908,825                 | 229,903,277                 | 313,717,980                 |
| Advance, Deposits and Prepayments           | 105,325,972                 | 68,951,141                  | 34,853,277                  | 51,582,850                  |
| Cash and Cash equivalents                   | 240,795,305                 | 96,919,585                  | 261,046,543                 | 110,607,055                 |
| <b>TOTAL ASSETS</b>                         | <b>945,378,813</b>          | <b>1,051,920,248</b>        | <b>1,405,060,920</b>        | <b>1,588,008,105</b>        |
| <b>OWNER'S EQUITY AND LIABILITIES</b>       |                             |                             |                             |                             |
| <b>Owner's Equity:</b>                      | <b>849,233,972</b>          | <b>943,942,061</b>          | <b>1,282,391,791</b>        | <b>1,450,200,714</b>        |
| Share Capital                               | 730,000,000                 | 730,000,000                 | 930,000,000                 | 930,000,000                 |
| Retained Earnings                           | 119,233,972                 | 213,942,061                 | 352,391,791                 | 520,200,714                 |
| <b>NON-CURRENT LIABILITIES</b>              | <b>13,823,679</b>           | <b>29,653,046</b>           | <b>33,735,442</b>           | <b>46,885,496</b>           |
| Deferred Tax Liability                      | 9,283,317                   | 22,367,809                  | 24,488,511                  | 35,684,289                  |
| Provision for WPPF                          | 4,540,362                   | 7,285,238                   | 9,246,931                   | 11,201,207                  |
| <b>Current Liabilities:</b>                 | <b>82,321,162</b>           | <b>78,325,141</b>           | <b>88,933,688</b>           | <b>90,921,896</b>           |
| Trade Payables                              | 15,911,787                  | 23,867,681                  | 25,538,418                  | 26,304,571                  |
| Provision for Taxes                         | 54,919,591                  | 37,912,172                  | 44,368,188                  | 45,019,431                  |
| Liabilities for Expenses                    | 11,489,784                  | 16,545,288                  | 19,027,082                  | 19,597,894                  |
| <b>TOTAL OWNER'S EQUITY AND LIABILITIES</b> | <b>945,378,813</b>          | <b>1,051,920,248</b>        | <b>1,405,060,920</b>        | <b>1,588,008,105</b>        |

Statement of Comprehensive Income (Projected)

Amount in Tk. (Million)

| Particulars  | Amounts in Taka             |                             |                             |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | 30 <sup>th</sup> June, 2016 | 30 <sup>th</sup> June, 2017 | 30 <sup>th</sup> June, 2018 | 30 <sup>th</sup> June, 2019 |
|  | Audited                     | Projected                   |                             |                             |
| <b>Net Sales Revenue</b>                                     | 444,777,724                 | 609,345,482                 | 853,083,675                 | 981,046,226                 |
| Less: Cost of Sales  | 262,528,992                 | 359,209,162                 | 501,783,818                 | 576,364,658                 |
| <b>Gross Profit</b>  | <b>182,248,732</b>          | <b>250,136,320</b>          | <b>351,299,857</b>          | <b>404,681,568</b>          |
| <b>Less: Operating Expenses:</b>                             | 87,751,623                  | 107,700,684                 | 159,656,658                 | 171,547,990                 |
| Administrative Expenses                                      | 23,381,246                  | 28,525,120                  | 54,353,158                  | 45,183,790                  |
| Selling & Distributing Expenses                              | 64,370,377                  | 79,175,564                  | 105,303,500                 | 126,364,200                 |
| <b>Profit from Operations</b>                                | <b>94,497,109</b>           | <b>142,435,637</b>          | <b>191,643,199</b>          | <b>233,133,579</b>          |
| Add: Non-Operating Income                                    | 850,491                     | 10,554,353                  | 2,542,352                   | 2,091,761                   |
| <b>Profit before Contribution to WPPF &amp; Welfare Fund</b> | <b>95,347,600</b>           | <b>152,989,990</b>          | <b>194,185,551</b>          | <b>235,225,340</b>          |
| Less: Contribution to WPPF & Welfare Fund                    | 4,540,362                   | 7,285,238                   | 9,246,931                   | 11,201,207                  |
| <b>Profit before Tax</b>                                     | <b>90,807,238</b>           | <b>145,704,752</b>          | <b>184,938,620</b>          | <b>224,024,133</b>          |
| <b>Less: Income Tax Expenses:</b>                            | 31,782,533                  | 50,996,664                  | 46,488,890                  | 56,215,209                  |
| Current Tax  | 26,522,010                  | 37,912,172                  | 44,368,188                  | 45,019,431                  |
| Deferred Tax   | 5,260,523                   | 13,084,492                  | 2,120,702                   | 11,195,778                  |
| <b>Net Profit for the year</b>                               | <b>59,024,705</b>           | <b>94,708,088</b>           | <b>138,449,730</b>          | <b>167,808,923</b>          |

\*\*\* Dividend is not considered.

**The assumptions for these projections are as follows:**

(Each year calculation is made comparing with respective previous year)

| <b>The projected financial statement has been prepared on underlying assumption</b> |  |                          |                   |                   |
|---|--|--------------------------|-------------------|-------------------|
| <b>Assumption indicator</b>   | <b>Assumption's Basis</b>  | <b>Assumptions Years</b> |                   |                   |
|   |  | <b>30-June-17</b>        | <b>30-June-18</b> | <b>30-June-19</b> |
| Capacity Increase   | Capacity will be increased as new instruments will be introduced.  | 68.00%                   | 75.00%            | 43.00%            |
| Capacity utilization  | Capacity utilization will be almost same.  | 70-80%                   | 70-80%            | 70-80%            |
| Sales Revenue   | Sales revenue will be increased for increasing quality, quantity and unit price.   | 37.00%                   | 40.00%            | 15.00%            |
| Operating expenses  | Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of Operating expenses in the year 2018. | 22.73%                   | 48.24%            | 7.45%             |
| Fixed Asset Addition  | Fixed Asset will be increased in every year for the purpose of production increase and office administration.  | 352,036,000              | 67,583,235        | 186,179,976       |
| Paid up Capital   | Paid up Capital will be increased by Tk. 200,000,000 through IPO in the year 2018.   | -                        | 200,000,000       | -                 |
| Dividend  | Dividend is not considered here as the decision is not predetermined.  | -                        | -                 | -                 |

Sd/-

**Jayanta Kumer Podder, ACS, FCMA**

CEO & Principal

Podder & Associates

Professional Accountants & Business Advisor

## CHAPTER (XXII): USE OF PROCEEDS

### (a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;

| Issue size<br>(Number of share to be issued)         | Issue price | Amount in Taka     |
|--|-------------|--------------------|
| 20,000,000 Shares                                    | Tk. 10.00   | 200,000,000        |
| Less: IPO Expenses (Detail as at page number- 81-82) |             | 16,700,000         |
| <b>Net IPO Proceeds</b>                              |             | <b>183,300,000</b> |

Proceeds from Initial Public Offering (IPO) will be used for Construction and other civil works, for procuring machineries and for IPO Expenses.

Details of the estimated project cost for this expansion project and financing has been planned as under:

| Sl.          | Particulars                        | Amount in Tk.      |
|--------------|------------------------------------|--------------------|
| 1            | Construction and other civil works | 58,580,000         |
| 2            | Machineries                        | 124,720,000        |
| <b>Total</b> |                                    | <b>183,300,000</b> |

### Details of Construction and other civil works:

#### i) Details cost Estimate for proposed 1-storied 3,313 Sft (New Factory Building):

Amount in BDT.

| Name of Work  | Line Items           | Unit | Qty   | Materials Cost |         | Total   |
|---|----------------------|------|-------|----------------|---------|---------|
|   |                      |      |       | Rate           | Amount  | Amount  |
| <b>Civil works</b>  |                      |      |       |                |         |         |
| <b>Earth Cutting</b>  |                      | Cft. | 6,670 | 40             | 266,800 | 266,800 |
| Cast-in –situ Pile<br>Pile Length=75 rft.<br>Pile=18”<br>No. of Pile=113 nos. | M S Rod (Size 16 mm) | kg   | 6,283 | 65             | 408,395 | 408,395 |
|   | M S Rod (Size 8 mm)  | kg   | 2,537 | 65             | 164,905 | 164,905 |
|   | Cement               | bag  | 620   | 440            | 272,800 | 272,800 |
|   | Sylhet sand          | Cft. | 1,400 | 60             | 84,000  | 84,000  |
|   | Stone                | Cft. | 2,780 | 160            | 444,800 | 444,800 |
| Pile Cap  | M S Rod (Size 20 mm) | kg   | 3,620 | 65             | 235,300 | 235,300 |
|   | M S Rod (Size 12 mm) | kg   | 680   | 65             | 44,200  | 44,200  |

|                           |   |      |        |     |         |         |
|---------------------------|---|------|--------|-----|---------|---------|
|                           | M S Rod (Size 16 mm)                    | kg   | 1,940  | 65  | 126,100 | 126,100 |
|                           | Cement                                  | Bag  | 315    | 440 | 138,600 | 138,600 |
|                           | Sylhet sand                             | Cft. | 800    | 60  | 48,000  | 48,000  |
|                           | Stone chips                             | Cft. | 1,450  | 160 | 232,000 | 232,000 |
|                           | B.F.S Brick                             | nos  | 1,660  | 9   | 14,940  | 14,940  |
|                           | Cement                                  | bag  | 42     | 440 | 18,480  | 18,480  |
|                           | Stone chips                             | Cft. | 240    | 160 | 38,400  | 38,400  |
|                           | Sylhet sand                             | Cft. | 125    | 60  | 7,500   | 7,500   |
| Short Column & Grade Beam | M S Rod (Size 20 mm)                    | Kg   | 1,665  | 65  | 108,225 | 108,225 |
|                           | M S Rod (Size 16 mm)                    | Kg   | 1,120  | 65  | 72,800  | 72,800  |
|                           | M S Rod (Size 8 mm)                     | kg   | 420    | 65  | 27,300  | 27,300  |
|                           | Cement                                  | Bag  | 126    | 440 | 55,440  | 55,440  |
|                           | Sand                                    | Cft. | 335    | 60  | 20,100  | 20,100  |
|                           | Stone                                   | Cft. | 620    | 160 | 99,200  | 99,200  |
| Floor                     | M S Rod (Size 10 mm)                    | kg   | 2,690  | 65  | 174,850 | 174,850 |
|                           | Cement                                  | Bag  | 150    | 440 | 66,000  | 66,000  |
|                           | Sand                                    | Cft. | 400    | 60  | 24,000  | 24,000  |
|                           | Stone                                   | Cft. | 830    | 160 | 132,800 | 132,800 |
| Brick Work                | 1 <sup>st</sup> class Brick (Thick 10") | nos  | 65,950 | 9   | 593,550 | 593,550 |
|                           | Cement                                  | Bag  | 510    | 440 | 224,400 | 224,400 |
|                           | Sand (Tok)                              | Cft. | 1,600  | 35  | 56,000  | 56,000  |
| Long Column & Lintel      | M S Rod (Size 20 mm)                    | kg   | 1,400  | 65  | 91,000  | 91,000  |
|                           | M S Rod (Size 16 mm)                    | kg   | 900    | 65  | 58,500  | 58,500  |
|                           | M S Rod (Size 10 mm)                    | kg   | 380    | 65  | 24,700  | 24,700  |
|                           | M S Rod (Size 8 mm)                     | kg   | 470    | 65  | 30,550  | 30,550  |
|                           | Cement                                  | Bag  | 105    | 440 | 46,200  | 46,200  |
|                           | Sand                                    | Cft. | 265    | 60  | 19,900  | 19,900  |
|                           | Stone                                   | Cft. | 525    | 160 | 84,000  | 84,000  |
| Beam & Roof Slab          | M S Rod (Size 20 mm)                    | kg   | 1,650  | 65  | 107,250 | 107,250 |
|                           | M S Rod (Size 16 mm)                    | kg   | 1,100  | 65  | 71,500  | 71,500  |
|                           | M S Rod (Size 12 mm)                    | kg   | 750    | 65  | 48,750  | 48,750  |

|   |                      |      |       |         |         |                   |
|---|----------------------|------|-------|---------|---------|-------------------|
|   | M S Rod (Size 10 mm) | kg   | 3,788 | 65      | 246,220 | 246,220           |
|   | M S Rod (Size 8 mm)  | kg   | 370   | 65      | 24,050  | 24,050            |
|   | Cement               | Bag  | 361   | 440     | 158,800 | 158,800           |
|   | Sand                 | Cft. | 750   | 60      | 45,000  | 45,000            |
|   | Sand (Tok)           | Cft. | 200   | 35      | 7,000   | 7,000             |
|   | Stone                | Cft. | 1,855 | 160     | 296,800 | 296,800           |
| F. Beam, Stair &<br>Plaster Ceiling, Wall | M S Rod (Size 20 mm) | kg   | 1,650 | 65      | 107,250 | 107,250           |
|   | M S Rod (Size 16 mm) | kg   | 1,100 | 65      | 71,500  | 71,500            |
|   | M S Rod (Size 8 mm)  | kg   | 370   | 65      | 24,050  | 24,050            |
|   | Cement               | Bag  | 825   | 440     | 363,000 | 363,000           |
|   | Sand                 | Cft. | 250   | 60      | 15,000  | 15,000            |
|   | Sand (Tok)           | Cft. | 2,800 | 35      | 98,000  | 98,000            |
|   | Stone                | Cft. | 470   | 160     | 75,200  | 75,200            |
| Tiles with Materials                      | Floor Tiles          | Sft. | 3,233 | 170     | 564,400 | 564,400           |
| Grill                                     |                      | Cft. | 848   | 220     | 186,560 | 186,560           |
| Thai Glass                                |                      | Sft. | 848   | 350     | 296,800 | 296,800           |
| Iron Gate                                 | Chowkath & Palla     | nos  | 1     | 370,000 | 370,000 | 370,000           |
| Color                                     |                      |      |       |         |         | 105,000           |
| <b>Total</b>                              |                      |      |       |         |         | <b>7,832,865</b>  |
| Labour Cost 22% of Total Cost             |                      |      |       |         |         | 1,723,230         |
| <b>Total Civil Cost</b>                   |                      |      |       |         |         | <b>9,556,095</b>  |
| Miscellaneous                             |                      |      |       |         |         | 100,491           |
| Electrocution (15% of Civil Cost)         |                      |      |       |         |         | 1,433,414         |
| <b>Grand Total</b>                        |                      |      |       |         |         | <b>11,090,000</b> |

ii) Details cost Estimate for proposed 4-storied 2,463 Sft per floor (With foundation of Four storied) New Administrative Building:

Amount in BDT.

| Name of Work  | Line Items           | Unit        | Qty          | Materials Cost |                | Total          |
|---|----------------------|-------------|--------------|----------------|----------------|----------------|
|   |                      |             |              | Rate           | Amount         | Amount         |
| <b>Civil works</b>  |                      |             |              |                |                |                |
| <b>Earth Cutting</b>  |                      | <b>Cft.</b> | <b>5,380</b> | <b>40</b>      | <b>233,200</b> | <b>233,200</b> |
| Cast-in –situ Pile<br>Pile Length=75 rft.<br>Pile=18”<br>No. of Pile=113 nos. | M S Rod (Size 16 mm) | kg          | 9,870        | 65             | 641,550        | 641,550        |
|   | M S Rod (Size 8 mm)  | kg          | 4,637        | 65             | 301,405        | 301,405        |
|   | Cement               | bag         | 1,220        | 440            | 536,800        | 536,800        |
|   | Sylhet sand          | Cft.        | 3,000        | 60             | 180,000        | 180,000        |
|   | Stone                | Cft.        | 6,186        | 160            | 989,760        | 989,760        |
| Pile Cap  | M S Rod (Size 20 mm) | kg          | 5,120        | 65             | 332,800        | 332,800        |
|   | M S Rod (Size 12 mm) | kg          | 1,080        | 65             | 70,200         | 70,200         |
|   | M S Rod (Size 16 mm) | kg          | 3,140        | 65             | 240,100        | 240,100        |
|   | Cement               | Bag         | 300          | 440            | 132,000        | 132,000        |
|   | Sylhet sand          | Cft.        | 700          | 60             | 42,000         | 42,000         |
|   | Stone chips          | Cft.        | 1,380        | 160            | 220,000        | 220,000        |
|   | B.F.S Brick          | nos         | 1,800        | 9              | 16,200         | 16,200         |
|   | Cement               | bag         | 40           | 440            | 17,600         | 17,600         |
|   | Stone chips          | Cft.        | 190          | 160            | 30,400         | 30,400         |
| Sylhet sand   | Cft.                 | 100         | 60           | 6,000          | 6,000          |                |
| Short Column &<br>Grade Beam  | M S Rod (Size 20 mm) | Kg          | 2,350        | 65             | 152,750        | 152,750        |
|   | M S Rod (Size 16 mm) | Kg          | 1,190        | 65             | 77,350         | 77,350         |
|   | M S Rod (Size 8 mm)  | kg          | 410          | 65             | 26,650         | 26,650         |
|   | Cement               | Bag         | 157          | 440            | 69,080         | 69,080         |
|   | Sand                 | Cft.        | 370          | 60             | 22,200         | 22,200         |
|   | Stone                | Cft.        | 730          | 160            | 116,800        | 116,800        |
|   |                      |             |              |                |                |                |

|                               |   |      |         |     |           |           |
|-------------------------------|---|------|---------|-----|-----------|-----------|
| Floor                         | M S Rod (Size 10 mm)                    | kg   | 1,490   | 65  | 98,850    | 98,850    |
|                               | Cement                                  | Bag  | 124     | 440 | 54,560    | 54,560    |
|                               | Sand                                    | Cft. | 300     | 60  | 18,000    | 18,000    |
|                               | Stone                                   | Cft. | 580     | 160 | 37,700    | 37,700    |
| Brick Work                    | 1 <sup>st</sup> class Brick (Thick 10") | nos  | 223,000 | 9   | 2,007,000 | 2,007,000 |
|                               | Cement                                  | Bag  | 1,800   | 440 | 792,000   | 792,000   |
|                               | Sand (Tok)                              | Cft. | 5,200   | 35  | 182,000   | 182,000   |
| Long Column & Lintel          | M S Rod (Size 20 mm)                    | kg   | 4,040   | 65  | 262,000   | 262,000   |
|                               | M S Rod (Size 16 mm)                    | kg   | 3,000   | 65  | 195,000   | 195,000   |
|                               | M S Rod (Size 10 mm)                    | kg   | 1,920   | 65  | 124,800   | 124,800   |
|                               | M S Rod (Size 8 mm)                     | kg   | 1,600   | 65  | 104,000   | 104,000   |
|                               | Cement                                  | Bag  | 320     | 440 | 140,800   | 140,800   |
|                               | Sand                                    | Cft. | 800     | 60  | 48,000    | 48,000    |
|                               | Stone                                   | Cft. | 1,600   | 160 | 256,000   | 256,000   |
| Beam & Roof Slab              | M S Rod (Size 20 mm)                    | kg   | 5,160   | 65  | 335,400   | 335,400   |
|                               | M S Rod (Size 16 mm)                    | kg   | 3,600   | 65  | 234,000   | 234,000   |
|                               | M S Rod (Size 12 mm)                    | kg   | 2,600   | 65  | 169,000   | 169,000   |
|                               | M S Rod (Size 10 mm)                    | kg   | 11,200  | 65  | 728,000   | 728,000   |
|                               | M S Rod (Size 8 mm)                     | kg   | 1,240   | 65  | 80,600    | 80,600    |
|                               | Cement                                  | Bag  | 1,140   | 440 | 501,600   | 501,600   |
|                               | Sand                                    | Cft. | 2,520   | 60  | 151,200   | 151,200   |
|                               | Sand (Tok)                              | Cft. | 400     | 35  | 14,000    | 14,000    |
|                               | Stone                                   | Cft. | 6,012   | 160 | 961,920   | 961,920   |
| Stair & Plaster Ceiling, Wall | M S Rod (Size 12 mm)                    | kg   | 720     | 65  | 46,800    | 46,800    |
|                               | M S Rod (Size 10 mm)                    | kg   | 440     | 65  | 28,600    | 28,600    |
|                               | Cement                                  | Bag  | 2,680   | 440 | 1,179,200 | 1,179,200 |
|                               | Sand                                    | Cft. | 2,400   | 60  | 144,000   | 144,000   |
|                               | Sand (Tok)                              | Cft. | 5,680   | 35  | 198,800   | 198,800   |
|                               | Stone                                   | Cft. | 640     | 160 | 102,400   | 102,400   |

|  |             |      |       |        |           |                   |
|--|-------------|------|-------|--------|-----------|-------------------|
| Tiles with Materials                         | Floor Tiles | Sft. | 9,620 | 170    | 1,635,400 | 1,635,400         |
| Grill  |             | Cft. | 1,080 | 220    | 237,600   | 237,600           |
| Thai Glass                                   |             | Sft. | 1,080 | 350    | 378,000   | 378,000           |
| Door   |             | nos  | 36    | 13,000 | 468,000   | 468,000           |
| Color  |             |      |       |        |           | 366,640           |
| <b>Total</b>                                 |             |      |       |        |           | <b>16,702,115</b> |
| Labour Cost 22% of Total Cost                |             |      |       |        |           | 3,674,465         |
| <b>Total Civil Cost</b>                      |             |      |       |        |           | <b>20,376,580</b> |
| Passenger Lift                               |             | nos  | 1     |        |           | 1,948,230         |
| Electrocution & Sanitary (12% of Civil Cost) |             |      |       |        |           | 2,445,190         |
| <b>Grand Total</b>                           |             |      |       |        |           | <b>24,770,000</b> |

iii) Details cost Estimate for proposed 4-storied 1,078 Sft per floor (With foundation of Four storied) New Finish Goods Store Building:

Amount in BDT.

| Name of Work  | Line Items           | Unit        | Qty          | Materials Cost |                | Total          |
|---|----------------------|-------------|--------------|----------------|----------------|----------------|
|   |                      |             |              | Rate           | Amount         | Amount         |
| <b>Civil works</b>  |                      |             |              |                |                |                |
| <b>Earth Cutting</b>  |                      | <b>Cft.</b> | <b>2,670</b> | <b>40</b>      | <b>106,800</b> | <b>106,800</b> |
| Cast-in –situ Pile<br>Pile Length=75 rft.<br>Pile=18”<br>No. of Pile=113 nos. | M S Rod (Size 16 mm) | kg          | 4,683        | 65             | 304,395        | 304,395        |
|   | M S Rod (Size 8 mm)  | kg          | 2,037        | 65             | 132,405        | 132,405        |
|   | Cement               | bag         | 448          | 440            | 197,120        | 197,120        |
|   | Sylhet sand          | Cft.        | 1,400        | 60             | 84,000         | 84,000         |
|   | Stone                | Cft.        | 2,200        | 160            | 352,000        | 352,000        |
| Pile Cap  | M S Rod (Size 20 mm) | kg          | 2,620        | 65             | 170,300        | 170,300        |
|   | M S Rod (Size 12 mm) | kg          | 680          | 65             | 44,200         | 44,200         |
|   | M S Rod (Size 16 mm) | kg          | 1,540        | 65             | 100,100        | 100,100        |
|   | Cement               | Bag         | 144          | 440            | 63,360         | 63,360         |

|                              |   |      |         |     |           |           |
|------------------------------|---|------|---------|-----|-----------|-----------|
|                              | Sylhet sand                             | Cft. | 700     | 60  | 42,000    | 42,000    |
|                              | Stone chips                             | Cft. | 720     | 160 | 115,200   | 115,200   |
|                              | B.F.S Brick                             | nos  | 900     | 9   | 16,200    | 16,200    |
|                              | Cement                                  | bag  | 18      | 440 | 7,920     | 7,920     |
|                              | Stone chips                             | Cft. | 80      | 160 | 12,800    | 12,800    |
|                              | Sylhet sand                             | Cft. | 40      | 60  | 2,400     | 2,400     |
|                              |   |      |         |     |           |           |
| Short Column &<br>Grade Beam | M S Rod (Size 20 mm)                    | Kg   | 1,235   | 65  | 80,275    | 80,275    |
|                              | M S Rod (Size 16 mm)                    | Kg   | 570     | 65  | 37,050    | 37,050    |
|                              | M S Rod (Size 8 mm)                     | kg   | 250     | 65  | 16,250    | 16,250    |
|                              | Cement                                  | Bag  | 58      | 440 | 25,520    | 25,520    |
|                              | Sand                                    | Cft. | 185     | 60  | 11,100    | 11,100    |
|                              | Stone                                   | Cft. | 360     | 160 | 57,600    | 57,600    |
|                              |   |      |         |     |           |           |
| Floor                        | M S Rod (Size 10 mm)                    | kg   | 890     | 65  | 57,850    | 57,850    |
|                              | Cement                                  | Bag  | 60      | 440 | 26,400    | 26,400    |
|                              | Sand                                    | Cft. | 150     | 60  | 9,000     | 9,000     |
|                              | Stone                                   | Cft. | 280     | 160 | 44,800    | 44,800    |
|                              |   |      |         |     |           |           |
| Brick Work                   | 1 <sup>st</sup> class Brick (Thick 10") | nos  | 143,000 | 9   | 1,287,000 | 1,287,000 |
|                              | Cement                                  | Bag  | 1,240   | 440 | 545,600   | 545,600   |
|                              | Sand                                    | Cft. | 3,600   | 35  | 126,000   | 126,000   |
|                              |   |      |         |     |           |           |
| Long Column &<br>Lintel      | M S Rod (Size 20 mm)                    | kg   | 1,920   | 65  | 124,800   | 124,800   |
|                              | M S Rod (Size 16 mm)                    | kg   | 1,000   | 65  | 65,000    | 65,000    |
|                              | M S Rod (Size 10 mm)                    | kg   | 1,120   | 65  | 72,800    | 72,800    |
|                              | M S Rod (Size 8 mm)                     | kg   | 920     | 65  | 59,800    | 59,800    |
|                              | Cement                                  | Bag  | 160     | 440 | 70,400    | 70,400    |
|                              | Sand                                    | Cft. | 420     | 60  | 25,200    | 25,200    |
|                              | Stone                                   | Cft. | 800     | 160 | 128,000   | 128,000   |
|                              |   |      |         |     |           |           |
| Beam & Roof Slab             | M S Rod (Size 20 mm)                    | kg   | 2,760   | 65  | 179,400   | 179,400   |
|                              | M S Rod (Size 16 mm)                    | kg   | 2,000   | 65  | 130,000   | 130,000   |

|  |                      |      |       |        |         |                   |
|--|----------------------|------|-------|--------|---------|-------------------|
|  | M S Rod (Size 12 mm) | kg   | 1,800 | 65     | 117,000 | 117,000           |
|  | M S Rod (Size 10 mm) | kg   | 4,800 | 65     | 312,000 | 312,000           |
|  | M S Rod (Size 8 mm)  | kg   | 840   | 65     | 54,600  | 54,600            |
|  | Cement               | Bag  | 532   | 440    | 234,080 | 234,080           |
|  | Sand                 | Cft. | 1,216 | 60     | 72,960  | 72,960            |
|  | Sand (Tok)           | Cft. | 200   | 35     | 7,000   | 7,000             |
|  | Stone                | Cft. | 2,760 | 160    | 441,600 | 441,600           |
| Stair &<br>Plaster Ceiling, Wall             | M S Rod (Size 12 mm) | kg   | 720   | 65     | 46,800  | 46,800            |
|  | M S Rod (Size 10 mm) | kg   | 440   | 65     | 28,600  | 28,600            |
|  | Cement               | Bag  | 1,480 | 440    | 651,200 | 651,200           |
|  | Sand                 | Cft. | 2,400 | 60     | 144,000 | 144,000           |
|  | Sand (Tok)           | Cft. | 4,480 | 35     | 156,800 | 156,800           |
|  | Stone                | Cft. | 640   | 160    | 102,400 | 102,400           |
|  |                      |      |       |        |         |                   |
| Tiles with Materials                         | Floor Tiles          | Sft. | 4,000 | 170    | 680,000 | 680,000           |
| Tiles with Materials                         | Wall Tiles           | Sft. | 2,200 | 150    | 330,000 | 330,000           |
| Grill  |                      | Cft. | 808   | 220    | 177,760 | 177,760           |
| Thai Glass                                   |                      | Sft. | 808   | 350    | 282,800 | 282,800           |
| Door   |                      | nos  | 12    | 13,000 | 156,000 | 156,000           |
| Color  |                      |      |       |        |         | 556,000           |
| <b>Total</b>                                 |                      |      |       |        |         | <b>9,453,545</b>  |
| Labour Cost 22% of Total Cost                |                      |      |       |        |         | 2,079,780         |
| <b>Total Civil Cost</b>                      |                      |      |       |        |         | <b>11,533,325</b> |
| Miscellaneous                                |                      |      |       |        |         | 856,636           |
| Electrocution & Sanitary (12% of Civil Cost) |                      |      |       |        |         | 1,383,999         |
| <b>Grand Total</b>                           |                      |      |       |        |         | <b>13,773,960</b> |

iv) Details cost Estimate for proposed 1-storied 2,800 Sft (New Garage Building):

Amount in BDT.

| Name of Work  | Line Items           | Unit        | Qty          | Materials Cost |                | Total          |
|---|----------------------|-------------|--------------|----------------|----------------|----------------|
|   |                      |             |              | Rate           | Amount         | Amount         |
| <b>Civil works</b>  |                      |             |              |                |                |                |
| <b>Earth Cutting</b>  |                      | <b>Cft.</b> | <b>5,670</b> | <b>40</b>      | <b>226,800</b> | <b>226,800</b> |
| Cast-in –situ Pile<br>Pile Length=75 rft.<br>Pile=18”<br>No. of Pile=113 nos. | M S Rod (Size 16 mm) | kg          | 5,340        | 65             | 347,100        | 347,100        |
|   | M S Rod (Size 8 mm)  | kg          | 2,156        | 65             | 140,140        | 140,140        |
|   | Cement               | bag         | 527          | 440            | 231,880        | 231,880        |
|   | Sylhet sand          | Cft.        | 1,190        | 60             | 71,400         | 71,400         |
|   | Stone                | Cft.        | 2,363        | 160            | 378,080        | 378,080        |
| Pile Cap  | M S Rod (Size 20 mm) | kg          | 3,077        | 65             | 200,005        | 200,005        |
|   | M S Rod (Size 12 mm) | kg          | 578          | 65             | 37,570         | 37,570         |
|   | M S Rod (Size 16 mm) | kg          | 1,649        | 65             | 107,185        | 107,185        |
|   | Cement               | Bag         | 268          | 440            | 117,920        | 117,920        |
|   | Sylhet sand          | Cft.        | 680          | 60             | 40,800         | 40,800         |
|   | Stone chips          | Cft.        | 204          | 160            | 32,640         | 32,640         |
|   | B.F.S Brick          | nos         | 1,411        | 9              | 12,699         | 12,699         |
|   | Cement               | bag         | 36           | 440            | 15,840         | 15,840         |
|   | Stone chips          | Cft.        | 1,232        | 160            | 197,120        | 197,120        |
| Sylhet sand   | Cft.                 | 106         | 60           | 6,360          | 6,360          |                |
| Short Column &<br>Grade Beam  | M S Rod (Size 20 mm) | Kg          | 1,415        | 65             | 91,975         | 91,975         |
|   | M S Rod (Size 16 mm) | Kg          | 952          | 65             | 61,880         | 61,880         |
|   | M S Rod (Size 8 mm)  | kg          | 357          | 65             | 23,205         | 23,205         |
|   | Cement               | Bag         | 107          | 440            | 47,080         | 47,080         |
|   | Sand                 | Cft.        | 285          | 60             | 17,100         | 17,100         |
|   | Stone                | Cft.        | 527          | 160            | 84,320         | 84,320         |
| Floor   | M S Rod (Size 10 mm) | kg          | 2,286        | 65             | 148,590        | 148,590        |

|  |   |      |        |     |         |         |
|--|---|------|--------|-----|---------|---------|
|  | Cement                                  | Bag  | 127    | 440 | 55,880  | 55,880  |
|  | Sand                                    | Cft. | 340    | 60  | 20,400  | 20,400  |
|  | Stone                                   | Cft. | 705    | 160 | 112,800 | 112,800 |
| Brick Work                             | 1 <sup>st</sup> class Brick (Thick 10") | nos  | 56,060 | 9   | 504,540 | 504,540 |
|  | Cement                                  | Bag  | 434    | 440 | 190,960 | 190,960 |
|  | Sand (Tok)                              | Cft. | 1,360  | 35  | 47,600  | 47,600  |
| Long Column & Lintel                   | M S Rod (Size 20 mm)                    | kg   | 1,190  | 65  | 77,350  | 77,350  |
|  | M S Rod (Size 16 mm)                    | kg   | 765    | 65  | 49,725  | 49,725  |
|  | M S Rod (Size 10 mm)                    | kg   | 323    | 65  | 20,995  | 20,995  |
|  | M S Rod (Size 8 mm)                     | kg   | 400    | 65  | 26,000  | 26,000  |
|  | Cement                                  | Bag  | 90     | 440 | 39,600  | 39,600  |
|  | Sand                                    | Cft. | 225    | 60  | 13,500  | 13,500  |
|  | Stone                                   | Cft. | 446    | 160 | 71,360  | 71,360  |
| Beam & Roof Slab                       | M S Rod (Size 20 mm)                    | kg   | 1,402  | 65  | 91,130  | 91,130  |
|  | M S Rod (Size 16 mm)                    | kg   | 935    | 65  | 60,775  | 60,775  |
|  | M S Rod (Size 12 mm)                    | kg   | 638    | 65  | 41,470  | 41,470  |
|  | M S Rod (Size 10 mm)                    | kg   | 3,220  | 65  | 209,300 | 209,300 |
|  | M S Rod (Size 8 mm)                     | kg   | 314    | 65  | 20,410  | 20,410  |
|  | Cement                                  | Bag  | 307    | 440 | 135,080 | 135,080 |
|  | Sand                                    | Cft. | 637    | 60  | 38,220  | 38,220  |
|  | Sand (Tok)                              | Cft. | 170    | 35  | 5,950   | 5,950   |
|  | Stone                                   | Cft. | 1,577  | 160 | 252,320 | 252,320 |
| F. Beam, Stair & Plaster Ceiling, Wall | M S Rod (Size 20 mm)                    | kg   | 1,402  | 65  | 91,130  | 91,130  |
|  | M S Rod (Size 16 mm)                    | kg   | 935    | 65  | 60,775  | 60,775  |
|  | M S Rod (Size 8 mm)                     | kg   | 315    | 65  | 20,475  | 20,475  |
|  | Cement                                  | Bag  | 700    | 440 | 308,000 | 308,000 |
|  | Sand                                    | Cft. | 212    | 60  | 12,720  | 12,720  |
|  | Sand (Tok)                              | Cft. | 2,380  | 35  | 83,300  | 83,300  |
|  | Stone                                   | Cft. | 400    | 160 | 64,000  | 64,000  |

|                                   |                  |      |     |         |         |                   |
|-----------------------------------|------------------|------|-----|---------|---------|-------------------|
| Grill                             |                  | Cft. | 720 | 220     | 186,560 | 186,560           |
| Iron Gate                         | Chowkath & Palla | nos  | 1   | 370,000 | 370,000 | 370,000           |
| Color                             |                  |      |     |         |         | 305,000           |
| <b>Total</b>                      |                  |      |     |         |         | <b>6,225,014</b>  |
| Labour Cost 22% of Total Cost     |                  |      |     |         |         | 1,369,503         |
| <b>Total Civil Cost</b>           |                  |      |     |         |         | <b>7,594,517</b>  |
| Miscellaneous                     |                  |      |     |         |         | 592,071           |
| Electrocution (10% of Civil Cost) |                  |      |     |         |         | 759,452           |
| <b>Total Cost</b>                 |                  |      |     |         |         | <b>8,946,040</b>  |
| <b>Grand Total (a+b+c+d)</b>      |                  |      |     |         |         | <b>58,580,000</b> |

### Details of Machineries:

Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.

| Sl. | Name of Machineries   | Name of Supplier            | Model    | Brand             | Origin  | Qty (Nos.) | Unit Price (USD) | Total Price (USD) | Exchange Rate | Total Price (BDT)  |
|-----|---|-----------------------------|----------|-------------------|---------|------------|------------------|-------------------|---------------|--------------------|
| 1   | High Speed Mixer Granulator   | Prisma Corporation          | K-100    | Prisma            | India   | 4          | 26632.93         | 106531.72         | 78.36         | 8,347,826          |
| 2   | Multi Mill  | Thiyya Technology           | M-60     | Thiyya Technology | India   | 4          | 1664.56          | 6658.24           |               | 521,740            |
| 3   | Fluid bed Dryer   | Thiyya Technology           | F-80     | Thiyya Technology | India   | 4          | 9987.34          | 39949.36          |               | 3,130,432          |
| 4   | Tablet Compression  | Jaguar                      | JD-35    | Jaguar            | India   | 4          | 32608.73         | 130434.93         |               | 10,220,881         |
| 5   | Tablet Compression  | Jaguar                      | JD-35    | Jaguar            | India   | 2          | 26632.93         | 53265.86          |               | 4,173,913          |
| 6   | Tablet Coating  | NP Machinery                | T-30     | NP Machinery      | India   | 2          | 44388.22         | 88776.44          |               | 6,956,522          |
| 7   | Tablet Compression  | Chaminda Corporation        | CPMD4-29 | Chaminda          | India   | 4          | 26632.93         | 106531.72         |               | 8,347,825          |
| 8   | Blister Packing   | Technomake                  | TI-1     | Technomake        | India   | 4          | 49936.74         | 199746.96         |               | 15,652,172         |
| 9   | Blister Packing   | Huallan Phar. Machinery     | DPP-250  | Feiyun            | China   | 2          | 27742.63         | 55485.26          |               | 4,347,825          |
| 10  | Automatic Capsule Filling & Sealing machine   | Project Consultancy Service | SAF-D2   | Pacifab           | India   | 4          | 35510.57         | 142042.28         |               | 11,130,433         |
| 11  | Auto Liquid Filling & Sealing machine   | Project Consultancy Service | L-60     | United            | India   | 2          | 19974.69         | 39949.38          |               | 3,130,433          |
| 12  | Dry Powder Filling machine  | Project Consultancy Service | DPL-60   | United            | India   | 2          | 16645.58         | 33291.16          |               | 2,608,695          |
| 13  | Mass Mixer (PD)   | Prisma Corporation          | M-5      | Prisma            | India   | 2          | 665.82           | 1331.64           |               | 104,347            |
| 14  | Automatic Strip packing machine   | Prisma Corporation          | S-45     | United            | India   | 2          | 7213.09          | 14426.18          |               | 1,130,435          |
| 15  | Auto Sachet filling   | Wraptech                    | MB-100   | Wraptech          | India   | 2          | 2774.25          | 5548.5            |               | 434,780            |
| 17  | HPLC  | Knauer                      | SMB      | Osmometoy         | Germany | 2          | 38839.68         | 77679.36          |               | 6,086,955          |
| 18  | FTIR  | Bruker                      | Alpha    | Bruker            | Germany | 2          | 72130.85         | 144261.7          |               | 11,304,347         |
| 19  | Moisture Blance   | Boelo                       | BT-600   | Boelo             | Germany | 2          | 49936.74         | 99873.48          |               | 7,826,086          |
| 20  | Compression (PD)  | Jaguar                      | C-2      | Jaguar            | India   | 2          | 5548.53          | 11097.10          |               | 869,569            |
| 21  | Fluid bed Dryer (PD)  | Thiyya Technology           | F-5      | Thiyya Technology | India   | 2          | 1109.71          | 2219.42           |               | 173,914            |
| 22  | Coating (PD)  | NP Machinery                | C-5      | NP Machinery      | India   | 2          | 3329.12          | 6658.24           |               | 521,740            |
|     | <b>Total Price</b>  |                             |          |                   |         |            |                  |                   |               |                    |
|     | <b>Local Cost of Duty, port charges, C&amp;F, Insurance, Transportation, Installation, etc.</b> |                             |          |                   |         | 15%        |                  |                   |               | 16,053,130         |
|     | <b>Total cost for imported Machinery &amp; equipment- Local Machinery</b>                       |                             |          |                   |         |            |                  |                   |               | <b>123,074,000</b> |
| 23  | <b>Boiler</b>   |                             |          |                   |         | 1          | -                | -                 |               | <b>650,000</b>     |
| 24  | <b>Jacketed Vassel</b>  |                             |          |                   |         | 1          | -                | -                 |               | <b>196,000</b>     |
| 25  | <b>Air Compressor</b>   |                             |          |                   |         | 2          | -                | -                 |               | <b>800,000</b>     |
|     | <b>Grand Total:</b>   |                             |          |                   |         |            | -                | -                 |               | <b>124,720,000</b> |

- (b) **Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements;** Tk. 1,000,000.00 (Ten Lac), Tk. 98,000,000.00, (Nine Crore Eighty Lac has been raised through other than cash), Tk. 100,000,000.00 (Ten Crore) and Tk. 531,000,000.00 (Fifty-Three Crore Ten Lac) totaling Tk. 730,000,000.00 (Seventy-Three Crore) has been raised prior to the public issue on dated 18-Jun-14, 7-Jul-14, 6-Aug-15 and 6-Jun-16 respectively. This fund has already deployed by the issuer in the following manner:

| Accounting Year | Items                                      | Amount in BDT      | Reflected in Cash Flows  |
|-----------------|--|--------------------|--|
| 30-June-2015    | Acquisition of Office Equipment            | 1,000,000          | In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities.         |
| 30-June-2016    | Acquisition of Property, Plant & Equipment | 6,470,900          | In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities.         |
|                 | Advance Paid for Construction              | 22,448,801         | In the statement of Cash Flows, the figure is included in total amount of Advance for Construction under the head of Investing Activities.         |
|                 | Advance Paid for L/C Margin Machinery      | 30,568,200         | In the statement of Cash Flows, the figure is included in total amount of Advance for L/C Margin Machinery under the head of Investing Activities. |
|                 | Paid for Capital Work in Progress          | 158,787,097        | In the statement of Cash Flows, the figure is included in total amount of Capital Work in Progress under the head of Investing Activities.         |
|                 | Advance Paid for Land                      | 20,000,000         | In the statement of Cash Flows, the figure is included in total amount of Advance for Land under the head of Investing Activities.                 |
|                 | Paid for Vendor Payable                    | 171,837,213        | In the statement of Cash Flows, the figure is included in total amount of paid for Vendor Payable under the head of Investing Activities.          |
|                 | Paid for FDR                               | 220,887,789        | In the statement of Cash Flows, the figure is included in total amount of Paid for FDR under the head of Net Cash and Cash Equivalents.            |
| <b>Total</b>    |  | <b>632,000,000</b> |  |

- (c) **If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;**  
The Company has no objects to investment in such type of ventures by using Use of IPO proceeds.

- (d) **If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;**  
IPO proceeds is sufficient enough to complete the expansion.
- (e) **A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;**

Proceeds from IPO will be used for new factory building in industrial area and not in existing factory at Collage Road, Barisal.

| Sl. No. | Particulars                        | Progress made so Far  | Approximate date of Completion of the projects | Projected date of full commercial operation     |
|---------|------------------------------------|---|--|---|
| 1       | Land Acquisition                   | No land is required to acquired   | -  | -   |
| 2       | Construction and other civil works | Construction & other civil works will be started after receiving of IPO fund            | Within 15 months after receiving IPO fund      | Within 3 month of the completion of the project |
| 3       | Machineries                        | Acquisition and Installation of machineries will be started after receiving of IPO fund |  |   |

Sd/-  
**A F M Anowarul Huq**  
Managing Director

Sd/-  
**Md. Faruque Hossain**  
Chief Financial Officer

Sd/-  
**Aziza Yeasmin**  
Chairman,

On behalf of Board of Directors

- (f) **If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;**  
There is no such contract yet to be engaged by the Company.
- (g) **If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item-wise break-up of last three years working capital and next two years projection;**  
No objects of the issue are utilization of the issue proceeds for working capital.

- (h) **Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project-wise, as the case may be;**  
The Company has a plan to implement the expansion by using IPO proceeds, which have been mentioned in use of IPO Proceeds and project implementation schedule.
- (i) **Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;**  
The Company has a plan to implement the expansion by using IPO proceeds, which have been mentioned in use of IPO Proceeds and project implementation schedule.
- (j) **The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;**  
There is no existing or anticipated material transaction in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies in relation to utilization of the issue proceeds.
- (k) **Summary of the project appraisal or feasibility report by the relevant professionals not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report.**

## **Feasibility Report of Indo-Bangla Pharmaceuticals Limited**

### **Executive Summary**

Indo-Bangla Pharmaceuticals Limited (IBPL) is always devoted to ensure the high quality of medicine by implementing state of art technologies and modern machineries. Now Indo-Bangla Pharmaceuticals Limited becomes a reputed pharmaceuticals company in Bangladesh with a group of expert and experienced people.

Currently, IBPL has decided to go for Initial Public Offerings and this feasibility study is prepared for the utilization plan of the IPO proceedings. Some projections regarding profitability and other financial issues are analyzed. IBPL has made projections of Statement of Financial Position, Statement of Comprehensive Income and Statement of Cash Flows for the upcoming three reporting years. This Feasibility Report discusses and shows the various aspects of Expansion Program of Indo-Bangla Pharmaceuticals Limited (IBPL).

### **Introduction**

Indo-Bangla Pharmaceuticals Limited was incorporated and come into new look under Companies act 1994 on June 18, 2014 vide registration no. C-116665/14. Subsequently the Company was converted in public limited Company under the Companies Act 1994 on October 21, 2014.

### **Nature of Business**

The Company is engaged in 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.

### **Location of the project**

The factory of IBPL is located at 729, College Road, Barisal Sadar, Barisal-8200.

## **Plant, machinery, technology, process**

Indo-Bangla Pharmaceuticals Limited has been using sophisticated machineries and modern technology in order to produce high quality of medicine. Market has been growing up and the company has good opportunity to maximize market share.

## **Principal products of the Company**

Indo-Bangla Pharmaceuticals Ltd. produces a good number of products of Human products division. All the products of Indo-Bangla Pharmaceuticals Ltd. categorized under Non-Biological Products and Biological Products. List of the products are mentioned below:

### **List of Non-Biological Products:**

| SL | Brand Name           | Generic Name  | Dosages Form | Strength  | DAR No.   | Valid up to |
|----|----------------------|---|--------------|---|-----------|-------------|
| 01 | Indostin-R 150       | Ranitidine Hydrochloride USP  | Tablet       | 167.40 mg. (Equivalent to 150.00 mg. Ranitidine)                | 032-93-60 | 22.11.2019  |
| 02 | Indophyllin          | Aminophylline BP  | Tablet       | 100.00 mg.  | 032-20-18 | 22.11.2019  |
| 03 | Mebendox 30ml        | Mebendazole BP  | Suspension   | 2.0 gm / 100ml  | 032-24-55 | 22.11.2018  |
| 04 | Metrol 60ml          | Metronidazole Benzoate BP   | Suspension   | 6.40 gm. (Equivalent to 4.00 gm. Metronidazole) / 100ml         | 032-26-56 | 08.12.2020  |
| 05 | Albendox             | Albendazole USP   | Tablet       | 400.00 mg.  | 032-27-55 | 08.12.2020  |
| 06 | Metrol 400mg         | Metronidazole BP  | Tablet       | 400.00 mg.  | 032-25-56 | 25.10.2021  |
| 07 | Paracetamol          | Paracetamol BP  | Tablet       | 500.00 mg.  | 032-18-06 | 25.10.2021  |
| 08 | Indosin              | Chlorpheniramine Maleate BP   | Tablet       | 4.00 mg.  | 032-83-28 | 12.12.2019  |
| 09 | Indosin 100ml        | Chlorpheniramine Maleate BP   | Syrup        | 100.00 mg. / 100ml  | 032-84-28 | 12.12.2019  |
| 10 | Naldic               | Nalidixic Acid BP   | Tablet       | 500.00 mg.  | 032-85-60 | 22.11.2019  |
| 11 | I-B Oral Saline      | Sodium Chloride BP, Tri Sodium Citrate Dihydrate BP, Potassium Chloride BP & Glucose Anhydrous BP | Oral Saline  | 1.30 gm, 1.45 gm, 0.75 gm & 6.75 gm                             | 032-88-69 | 25.10.2021  |
| 12 | Inket                | Ketorolac Tromethamine USP  | Tablet       | 10.00 mg.   | 032-82-65 | 25.10.2021  |
| 13 | Indoflam 400mg       | Ibuprofen BP  | Tablet       | 400.00 mg.  | 032-58-65 | 20.11.2018  |
| 14 | Indoflam 60/100ml    | Ibuprofen BP  | Suspension   | 2.00 gm / 100ml   | 032-59-65 | 08.12.2021  |
| 15 | Clear Plus           | Sodium Thiosulphate USP   | Tablet       | 15.00 mg.   | 032-77-95 | 20.11.2018  |
| 16 | Clear                | Sodium Thiosulphate USP   | Tablet       | 7.50 mg.  | 032-78-95 | 22.11.2019  |
| 17 | Dextrin              | Dexamethasone BP  | Tablet       | 0.50 mg.  | 032-57-50 | 15.10.2021  |
| 18 | Frusidin             | Frusemide BP  | Tablet       | 40.00 mg.   | 032-55-42 | 22.12.2020  |
| 19 | Gyfusin              | Griseofulvin BP   | Tablet       | 500.00 mg.  | 032-56-62 | 22.12.2020  |
| 20 | I-Cin                | Indomethacin BP   | Capsule      | 25.00 mg.   | 032-52-65 | 29.10.2021  |
| 21 | Tensareal            | Diazepam BP   | Tablet       | 5.00 mg.  | 032-63-02 | 19.10.2021  |
| 22 | I-Pedom              | Domperidone Maleate BP  | Tablet       | 12.726 mg. (Equivalent to 10.00 mg. Domperidone)                | 032-53-32 | 23.07.2019  |
| 23 | I-Pedom 60/100ml     | Domperidone BP  | Suspension   | 100.00 mg. / 100ml  | 032-54-32 | 23.07.2019  |
| 24 | I-Solone             | Prednisolone BP   | Tablet       | 5.00 mg   | 032-79-50 | 19.12.2018  |
| 25 | I-Zam                | Clobazam BP   | Tablet       | 10.00 mg.   | 032-64-09 | 08.11.2020  |
| 26 | Puretab Plus         | Halazone USP  | Tablet       | 15.00 mg.   | 032-80-95 | 12.11.2019  |
| 27 | Puretab              | Halazone USP  | Tablet       | 7.50 mg.  | 032-81-95 | 12.11.2019  |
| 28 | Relise               | Aceclofenac BP  | Tablet       | 10.00 mg.   | 032-60-65 | 15.10.2021  |
| 29 | Sulbumol             | Salbutamol Sulphate BP  | Tablet       | 2.40 mg. (Equivalent to 2.00 mg. Salbutamol)                    | 032-67-18 | 20.11.2020  |
| 30 | Sulbumol Plus        | Salbutamol Sulphate BP  | Tablet       | 4.80 mg. (Equivalent to 4.00 mg. Salbutamol)                    | 032-68-18 | 20.11.2020  |
| 31 | Sulbumol 60/100ml    | Salbutamol Sulphate BP  | Syrup        | 48.00mg. (Equivalent to 2.00mg. Salbutamol) / 100ml             | 032-69-18 | 20.11.2020  |
| 32 | Metrol 200mg         | Metronidazole BP  | Tablet       | 200.00 mg.  | 032-09-56 | 19.10.2021  |
| 33 | Paramol 60ml         | Paracetamol BP  | Suspension   | 2.40 gm. / 100ml  | 032-22-06 | 19.10.2021  |
| 34 | Mebendox 100mg       | Mebendazole BP  | Tablet       | 100.00 mg   | 032-17-55 | 19.10.2021  |
| 35 | Arromin 60ml & 100ml | Promethazine Hydrochloride BP   | Elixir       | 100.00 mg. / 100ml  | 032-15-28 | 19.10.2021  |
| 36 | Trialugel            | Aluminium Hydroxide Dried Gel BP & Magnesium Hydroxide BP   | Tablet       | 250.00 mg. & 400.00 mg.   | 032-12-29 | 19.10.2021  |
| 37 | Indomol Plus         | Paracetamol BP & Caffeine BP  | Tablet       | 500.00 mg. & 65.00 mg.  | 032-45-06 | 15.10.2021  |
| 38 | Indofenac - SR       | Diclofenac Sodium BP (Time Release Pellets)   | Capsule      | 250.00 mg. Pellets (Equivalent to 100.00 mg. Diclofenac Sodium) | 032-49-06 | 19.10.2021  |
| 39 | Protobit             | Omeprazole BP (Enteric Coated Pellets)  | Capsule      | 240.00 mg. Pellets (Equivalent to 20.00 mg. Omeprazole)         | 032-44-29 | 15.10.2021  |
| 40 | Indoprox 250mg       | Naproxen Sodium USP   | Tablet       | 275.00 mg. (Equivalent to 250.00 mg. Naproxen)                  | 032-47-65 | 29.10.2021  |
| 41 | Indoprox 500mg       | Naproxen Sodium USP   | Tablet       | 550.00 mg. (Equivalent to 500.00 mg. Naproxen)                  | 032-46-65 | 19.10.2021  |
| 42 | Indo-Fila            | Diethyl Carbamazine Citrate BP  | Tablet       | 100.00 mg.  | 032-43-55 | 08.07.2018  |
| 43 | I-Cet                | Cetirizine Hydrochloride BP   | Syrup        | 100.00 mg. / 100ml  | 032-41-28 | 19.10.2021  |
| 44 | I-Cet                | Cetirizine Hydrochloride BP   | Tablet       | 10.00 mg.   | 032-40-28 | 15.10.2021  |

|    |         |                               |        |   |           |            |
|----|---------|-------------------------------|--------|---|-----------|------------|
| 45 | Zins    | Zinc Sulphate Monohydrate USP | Syrup  | 549.33mg. (Equivalent to 200.00 mg. Elemental Zinc)   | 032-39-67 | 19.10.2021 |
| 46 | Caltab  | Calcium Lactate BP            | Tablet | 300.00 mg.  | 032-29-67 | 19.10.2021 |
| 47 | Indocal | Calcium Carbonate BP          | Tablet | 1250.00mg (Equivalent to 500.00mg. Elemental Calcium) | 032-38-67 | 19.10.2021 |

### **List of Biological Products:**

| SL | Brand Name             | Generic Name  | Dosages Form               | Strength  | DAR No.   | Valid up to |
|----|------------------------|---|----------------------------|---|-----------|-------------|
| 01 | Indocef 500mg          | Cephadrine Monohydrate (Compacted) BP   | Capsule                    | 525.00 mg. (Equivalent to 500.00 mg. Cephadrine)                                | 032-89-60 | 23.11.2019  |
| 02 | Indocef DS 100ml       | Cephadrine Monohydrate (Micronised) BP  | Powder for Suspension      | 5.25 gm. (Equivalent to 5.00gm. Cephadrine)/100ml                               | 032-90-60 | 23.11.2019  |
| 03 | Indocef 100ml          | Cephadrine Monohydrate (Micronised) BP  | Powder for Suspension      | 2.625 gm. (Equivalent to 2.50gm. Cephadrine)/100ml                              | 032-91-60 | 23.11.2019  |
| 04 | Indocef 15ml           | Cephadrine Monohydrate (Micronised) BP  | Powder for Paediatric Drop | 1.575 gm. (Equivalent to 1.50gm. Cephadrine) / 15ml                             | 032-91-60 | 23.11.2019  |
| 05 | Cotrimox-DS            | Sulphamethoxazole BP & Trimethoprim BP  | Tablet                     | 800.00 mg. & 160.00 mg.   | 032-28-59 | 25.10.2021  |
| 06 | Insoplex 100ml & 200ml | Thiamine Hydrochloride(B <sub>1</sub> ) BP, Riboflavin -5- Phosphate Sodium(B <sub>2</sub> ) BP, Pyridoxine Hydrochloride(B <sub>6</sub> ) BP & Nicotinamide BP | Syrup                      | (100.00 mg, 54.80 mg, 40.00 mg, & 400.00 mg) / 100ml                            | 032-21-39 | 19.10.2021  |
| 07 | I Need Z               | Dried Ferrous Sulphate, Folic Acid & Zinc Sulphate (Time Release Pellets) BP/USP  | Capsule                    | 285.00 mg.  | 032-86-39 | 25.10.2021  |
| 08 | BCE                    | Vitamin-C BP, Vitamin-E 50% BP & Betacarotene USP   | Tablet                     | 200.00 mg, 50.00 mg, & 06.00 mg.  | 032-87-39 | 08.12.2018  |
| 09 | Indocal-D              | Calcium Carbonate BP & Vitamin-D <sub>3</sub> BP  | Tablet                     | 1250.00mg. (Equivalent to 500.00mg. Calcium) & 200.00i.u. ( as cholecalciferol) | 032-99-39 | 19.10.2021  |
| 10 | Indomoxin 15ml         | Amoxycillin Trihydrate (Micronised) BP  | Paediatric Drops           | 1.725 gm.   | 032-65-60 | 25.10.2021  |
| 11 | Indozith 15/30ml       | Azithromycin Dihydrate USP  | Powder for Suspension      | 00.84gm (Equivalent to 00.80gm. Azithromycin)                                   | 032-72-60 | 15.10.2021  |
| 12 | Indozith 250mg         | Azithromycin Dihydrate USP  | Capsule                    | 262.500mg (Equivalent to 250.00mg. Azithromycin)                                | 032-70-60 | 29.10.2021  |
| 13 | Indozith 500mg         | Azithromycin Dihydrate USP  | Tablet                     | 525.00mg (Equivalent to 500.00mg. Azithromycin)                                 | 032-71-60 | 15.10.2021  |
| 14 | Cipro-I 750mg          | Ciprofloxacin Hydrochloride USP   | Tablet                     | 873.30mg (Equivalent to 750.00mg Ciprofloxacin)                                 | 032-76-60 | 20.09.2018  |
| 15 | I-Cillin 250mg         | Ampicillin Trihydrate (Compacted) BP  | Capsule                    | 288.70mg (Equivalent to 250.00mg Ampicillin)                                    | 032-73-60 | 09.04.2019  |
| 16 | I-Cillin 500mg         | Ampicillin Trihydrate (Compacted) BP  | Capsule                    | 577.40mg (Equivalent to 500.00mg Ampicillin)                                    | 032-74-60 | 09.04.2019  |
| 17 | I-Cillin 100ml         | Ampicillin Trihydrate (Micronised) BP   | Powder for Suspension      | 2.88gm (Equivalent to 2.500gm Ampicillin)                                       | 032-75-60 | 09.04.2019  |
| 18 | I-Fol                  | Ferrous Fumarate BP & Folic Acid BP   | Tablet                     | 200.00 mg. & 200.00 mcg.  | 032-61-26 | 23.12.2018  |
| 19 | I-Fol Plus             | Ferrous Fumarate BP & Folic Acid BP   | Tablet                     | 200.00 mg. & 400.00 mcg.  | 032-62-27 | 23.12.2018  |
| 20 | Riboflavine            | Riboflavine BP  | Tablet                     | 5.00 mg.  | 032-08-39 | 19.10.2021  |
| 21 | Cotrimox 60ml          | Sulphamethoxazole BP & Trimethoprim BP  | Suspension                 | (4.00 gm & 0.80 gm)/100ml   | 032-16-59 | 12.08.2020  |
| 22 | Cotrimox 480mg         | Sulphamethoxazole BP & Trimethoprim BP  | Tablet                     | 400 mg. & 80.00 mg.   | 032-11-59 | 12.08.2020  |
| 23 | Auriotone              | Ferrous Sulphate BP   | Syrup                      | 4.00 gm   | 032-23-39 | 20.12.2019  |
| 24 | Indox                  | Doxycycline Hydrochloride BP  | Capsule                    | 115.00mg. (Equivalent to 100.00mg Doxycycline)                                  | 032-50-60 | 19.10.2021  |
| 25 | Indomoxin 100ml        | Amoxycillin Trihydrate (Micronised) BP  | Powder for Suspension      | 2.875gm (Equivalent to 2.500gm Amoxycillin)                                     | 032-48-60 | 15.10.2021  |
| 26 | Cipro-I 500mg          | Ciprofloxacin Hydrochloride USP   | Tablet                     | 582.20 mg. (Equivalent to 500.00 mg. Ciprofloxacin)                             | 032-32-60 | 19.10.2021  |
| 27 | Indomoxin 250mg        | Amoxycillin Trihydrate (Compacted) BP   | Capsule                    | 287.50mg. (Equivalent to 250.00mg Amoxycillin)                                  | 032-33-60 | 29.10.2021  |
| 28 | Indomoxin 500mg        | Amoxycillin Trihydrate (Compacted) BP   | Capsule                    | 575.00mg. (Equivalent to 500.00 mg Amoxycillin)                                 | 032-34-60 | 19.10.2021  |
| 29 | Indotetra 500mg        | Tetracycline Hydrochloride BP   | Capsule                    | 500.00 mg.  | 032-42-60 | 19.10.2021  |
| 30 | Indoflox 100ml         | Flucloxacillin Sodium BP  | Powder for Suspension      | 2.72gm. (Equivalent to 2.50gm Flucloxacillin)                                   | 032-37-60 | 15.10.2021  |
| 31 | Indoflox 250mg         | Flucloxacillin Sodium BP  | Capsule                    | 272.00mg. (Equivalent to 250.00mg. Flucloxacillin)                              | 032-35-60 | 29.10.2021  |
| 32 | Indoflox 500mg         | Flucloxacillin Sodium BP  | Capsule                    | 544.00mg. (Equivalent to 500.00mg. Flucloxacillin)                              | 032-36-60 | 29.10.2021  |

|    |               |  |        |   |           |            |
|----|---------------|--|--------|---|-----------|------------|
| 33 | Indoplex-B    | Thiamine Hydrochloride(B <sub>1</sub> ) BP, Riboflavine (B <sub>2</sub> ) BP, Pyridoxine Hydrochloride(B <sub>6</sub> ) BP & Nicotinamide BP | Tablet | 5.00 mg, 2.00 mg, 2.00 mg & 20.00 mg            | 032-30-39 | 19.10.2021 |
| 34 | Indomox 250mg | Amoxicillin Trihydrate (Compacted) BP  | Tablet | 287.50mg. (Equivalent to 250.00mg. Amoxicillin) | 032-31-60 | 29.10.2021 |

*\*Non-Biological Products and Biological Products list as per approved by Directorate General of Drug Administration & Licensing Authority (Drugs), Government of the People's Republic of Bangladesh.*

### **Utilities Considerations**

#### **Power:**

For electricity consumption, IBPL depends on West Zone Power Distribution Co Ltd. (An Enterprise of B.P.D.B) from transformer of 315 KV and company has two diesel generators of capacity 335KV. Also, Company has a substation with PFI and transformer.

#### **Gas:**

Indo-Bangla Pharmaceuticals Ltd. is a medicine manufacturing company. It doesn't require any gas for its production.

#### **Water:**

Water is the vital and most essential material for medicine production. This resource is collected from mineral and the companies own water treatment plant.

#### **Contingency Plan in case of any disruption:**

The Company has two diesel generators as standby with the total capacity of 335 KV in case of any power disruption.

### **Product Marketplace**

All of the products' markets are throughout the Bangladesh.

### **Methodology**

We have considered the historical data of last couple of year's revenue and expenses of the company. We have also talked with the staffs. The interviews provided us with the relevant information concerning all aspects sales and expenses. The responses to these open-ended questions have allowed us to have a greater depth of knowledge into their opinions and so we were able to address them to the best of our ability. A lot of time was spent working on the interviews; also, that each had a different idea that is important to the effects of the implementation of sales growth and enough background information was included.

Once we have compiled and analyzed all data and research we as a group, look at all the different options of implementing the living wall and then decide on the best option of the sales, current and future market and saleable capacity in near future.

### **Financial Projections**

The financial projections for Indo Bangla Pharmaceuticals Limited (IBPL) are highlighted in the table below. These figures account for projected productions, sales and additional requirements. There are many ways to present these projections.

**The assumptions for these projections are as follows:**

(Each year calculation is made comparing with respective previous year)

| <b>The projected financial statement has been prepared on underlying assumption</b> |  |                          |                   |                   |
|---|--|--------------------------|-------------------|-------------------|
| <b>Assumption indicator</b>   | <b>Assumption's Basis</b>  | <b>Assumptions Years</b> |                   |                   |
|   |  | <b>30-June-17</b>        | <b>30-June-18</b> | <b>30-June-19</b> |
| Capacity Increase   | Capacity will be increased as new instruments will be introduced.  | 68.00%                   | 75.00%            | 43.00%            |
| Capacity utilization  | Capacity utilization will be almost same.  | 70-80%                   | 70-80%            | 70-80%            |
| Sales Revenue   | Sales revenue will be increased for increasing quality, quantity and unit price.   | 37.00%                   | 40.00%            | 15.00%            |
| Operating expenses  | Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of Operating expenses in the year 2018. | 22.73%                   | 48.24%            | 7.45%             |
| Fixed Asset Addition  | Fixed Asset will be increased in every year for the purpose of production increase and office administration.  | 352,036,000              | 67,583,235        | 186,179,976       |
| Paid up Capital   | Paid up Capital will be increased by Tk. 200,000,000 through IPO in the year 2018.   | -                        | 200,000,000       | -                 |
| Dividend  | Dividend is not considered here as the decision is not predetermined.  | -                        | -                 | -                 |

**Statement of Financial Position (Projected)**

| Particulars                                 | Amounts in Taka             |                             |                             |                             |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|   | 30 <sup>th</sup> June, 2016 | 30 <sup>th</sup> June, 2017 | 30 <sup>th</sup> June, 2018 | 30 <sup>th</sup> June, 2019 |
|   | Audited                     | Projected                   |                             |                             |
| <b>ASSETS:</b>                              |                             |                             |                             |                             |
| <b>Non-current Assets:</b>                  | <b>330,469,857</b>          | <b>551,654,615</b>          | <b>621,610,965</b>          | <b>768,723,795</b>          |
| Property, Plant and Equipment               | 211,400,486                 | 551,654,615                 | 602,279,565                 | 768,723,795                 |
| Capital Work In Progress                    | 119,069,371                 | -                           | 19,331,400                  | -                           |
| <b>Current Assets:</b>                      | <b>614,908,956</b>          | <b>500,265,633</b>          | <b>783,449,955</b>          | <b>819,284,310</b>          |
| Inventories                                 | 156,521,360                 | 180,486,081                 | 257,646,858                 | 343,376,424                 |
| Trade & Other Receivables                   | 112,266,319                 | 153,908,825                 | 229,903,277                 | 313,717,980                 |
| Advance, Deposits and Prepayments           | 105,325,972                 | 68,951,141                  | 34,853,277                  | 51,582,850                  |
| Cash and Cash equivalents                   | 240,795,305                 | 96,919,585                  | 261,046,543                 | 110,607,055                 |
| <b>TOTAL ASSETS</b>                         | <b>945,378,813</b>          | <b>1,051,920,248</b>        | <b>1,405,060,920</b>        | <b>1,588,008,105</b>        |
| <b>OWNER'S EQUITY AND LIABILITIES</b>       |                             |                             |                             |                             |
| <b>Owner's Equity:</b>                      | <b>849,233,972</b>          | <b>943,942,061</b>          | <b>1,282,391,791</b>        | <b>1,450,200,714</b>        |
| Share Capital                               | 730,000,000                 | 730,000,000                 | 930,000,000                 | 930,000,000                 |
| Retained Earnings                           | 119,233,972                 | 213,942,061                 | 352,391,791                 | 520,200,714                 |
| <b>NON-CURRENT LIABILITIES</b>              | <b>13,823,679</b>           | <b>29,653,046</b>           | <b>33,735,442</b>           | <b>46,885,496</b>           |
| Deferred Tax Liability                      | 9,283,317                   | 22,367,809                  | 24,488,511                  | 35,684,289                  |
| Provision for WPPF                          | 4,540,362                   | 7,285,238                   | 9,246,931                   | 11,201,207                  |
| <b>Current Liabilities:</b>                 | <b>82,321,162</b>           | <b>78,325,141</b>           | <b>88,933,688</b>           | <b>90,921,896</b>           |
| Trade Payables                              | 15,911,787                  | 23,867,681                  | 25,538,418                  | 26,304,571                  |
| Provision for Taxes                         | 54,919,591                  | 37,912,172                  | 44,368,188                  | 45,019,431                  |
| Liabilities for Expenses                    | 11,489,784                  | 16,545,288                  | 19,027,082                  | 19,597,894                  |
| <b>TOTAL OWNER'S EQUITY AND LIABILITIES</b> | <b>945,378,813</b>          | <b>1,051,920,248</b>        | <b>1,405,060,920</b>        | <b>1,588,008,105</b>        |

**Statement of Comprehensive Income (Projected)**

| Particulars  | Amounts in Taka             |                             |                             |                             |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | 30 <sup>th</sup> June, 2016 | 30 <sup>th</sup> June, 2017 | 30 <sup>th</sup> June, 2018 | 30 <sup>th</sup> June, 2019 |
|  | Audited                     | Projected                   |                             |                             |
| <b>Net Sales Revenue</b>                                     | 444,777,724                 | 609,345,482                 | 853,083,675                 | 981,046,226                 |
| Less: Cost of Sales  | 262,528,992                 | 359,209,162                 | 501,783,818                 | 576,364,658                 |
| <b>Gross Profit</b>  | <b>182,248,732</b>          | <b>250,136,320</b>          | <b>351,299,857</b>          | <b>404,681,568</b>          |
| <b>Less: Operating Expenses:</b>                             | 87,751,623                  | 107,700,684                 | 159,656,658                 | 171,547,990                 |
| Administrative Expenses                                      | 23,381,246                  | 28,525,120                  | 54,353,158                  | 45,183,790                  |
| Selling & Distributing Expenses                              | 64,370,377                  | 79,175,564                  | 105,303,500                 | 126,364,200                 |
| <b>Profit from Operations</b>                                | <b>94,497,109</b>           | <b>142,435,637</b>          | <b>191,643,199</b>          | <b>233,133,579</b>          |
| Add: Non-Operating Income                                    | 850,491                     | 10,554,353                  | 2,542,352                   | 2,091,761                   |
| <b>Profit before Contribution to WPPF &amp; Welfare Fund</b> | <b>95,347,600</b>           | <b>152,989,990</b>          | <b>194,185,551</b>          | <b>235,225,340</b>          |
| Less: Contribution to WPPF & Welfare Fund                    | 4,540,362                   | 7,285,238                   | 9,246,931                   | 11,201,207                  |
| <b>Profit before Tax</b>                                     | <b>90,807,238</b>           | <b>145,704,752</b>          | <b>184,938,620</b>          | <b>224,024,133</b>          |
| <b>Less: Income Tax Expenses:</b>                            | 31,782,533                  | 50,996,664                  | 46,488,890                  | 56,215,209                  |
| Current Tax  | 26,522,010                  | 37,912,172                  | 44,368,188                  | 45,019,431                  |
| Deferred Tax   | 5,260,523                   | 13,084,492                  | 2,120,702                   | 11,195,778                  |
| <b>Net Profit for the year</b>                               | <b>59,024,705</b>           | <b>94,708,088</b>           | <b>138,449,730</b>          | <b>167,808,923</b>          |

- Dividend is not considered

## Statement of Cash Flows (Projected)

| Particulars  | Amounts in Taka             |                             |                             |
|--|-----------------------------|-----------------------------|-----------------------------|
|  | 30 <sup>th</sup> June, 2017 | 30 <sup>th</sup> June, 2018 | 30 <sup>th</sup> June, 2019 |
|  | <b>Projected</b>            |                             |                             |
| <b>Cash Flow from Operating Activities</b>           |                             |                             |                             |
| Cash receipts from customers & Others                | 578,257,329                 | 779,631,575                 | 899,323,284                 |
| Cash payment to Suppliers, Employees & Others        | (522,616,225)               | (690,677,810)               | (838,546,008)               |
| <b>Cash Generate from operation</b>                  | <b>55,641,103</b>           | <b>88,953,765</b>           | <b>60,777,276</b>           |
| Cash payment against income Tax                      | (39,567,194)                | (37,912,172)                | (44,368,188)                |
| <b>Net Cash from Operating Activities</b>            | <b>16,073,909</b>           | <b>51,041,593</b>           | <b>16,409,088</b>           |
| <b>Cash Flow from Investing Activities</b>           |                             |                             |                             |
| Acquisition of property, plant and equipment         | (159,949,628)               | (67,583,235)                | (166,848,576)               |
| Payment against Capital Work In Progress             | -                           | (19,331,400)                | -                           |
| <b>Net Cash used in Investing Activities</b>         | <b>(159,949,628)</b>        | <b>(86,914,635)</b>         | <b>(166,848,576)</b>        |
| <b>Cash Flow from Financing Activities</b>           |                             |                             |                             |
| Proceeds from issue of share capital                 | -                           | 200,000,000                 | -                           |
| <b>Net Cash from Financing Activities</b>            | <b>-</b>                    | <b>200,000,000</b>          | <b>-</b>                    |
| <b>Net increase in Cash and Cash equivalents</b>     | <b>(143,875,720)</b>        | <b>164,126,958</b>          | <b>(150,439,488)</b>        |
| Cash and Cash Equivalents at beginning of the period | 240,795,305                 | 96,919,585                  | 261,046,543                 |
| <b>Cash and Cash Equivalent at end of the Period</b> | <b>96,919,585</b>           | <b>261,046,543</b>          | <b>110,607,055</b>          |

### Cost of the Project

The cost of the expansion project is as follows:

| Sl.          | Particulars                        | Amount in Tk.      |
|--------------|------------------------------------|--------------------|
| 1            | Construction and other civil works | 58,580,000         |
| 2            | Machineries                        | 124,720,000        |
| 3            | IPO Expenses                       | 16,700,000         |
| <b>Total</b> |                                    | <b>200,000,000</b> |

### Means of Finance

The project will be financed through using IPO proceeds.

### Weaknesses

1. **Low Financial Position:** The Company needs more finance to be competitive over its rivals.
2. **Innovation:** Innovative effectiveness is low due to the lack of the sophisticated equipment, lack of the capital, lack of the skilled manpower, and the lack of the professional in our country.

### Threats

1. **Intense Competition:** There is high rivalry among the competitors to get the market share as maximum as possible.
2. **Threat of entrant:** Capital requirement is low. Creating regional distribution network is very easy. Hence, threat of new entrant is high.
3. **Shortage of Power:** Lack of opportunity to supply emergency power.

### Conclusion

The feasibility of the project has been conducted and analyzed from the viewpoint of marketing, financial, management & economic aspects and found to be worthwhile. The projected financial results and the profitability estimated based on historical data shows that the project is viable and lucrative. This projection will help the interested parties to have an idea over the Indo Bangla Pharmaceuticals Limited (IBPL).

Sd/-  
**Jayanta Kumer Podder**  
M.Com. MIAT, MCA, ACS, FCMA  
CEO & Principal  
Podder & Associates  
Professional Accountants & Business Advisor

Date: September 28, 2017

## CHAPTER (XXIII): LOCK-IN

(a) Ordinary shares of the issuer shall be subject to lock-in, from the date of issuance of prospectus or commercial operation, whichever comes later, in the following manner:

- (1) All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding ten percent (10%) or more shares, other than alternative investment funds, for 03(three) years.
- (2) In case any existing sponsor or director of the issuer transfers any share to any person, other than existing shareholders, all shares held by those transferee shareholders, at the time of according consent to the public offer, for 03 (three) years.
- (3) Twenty five percent (25%) of the shares allotted to eligible investors, for 06 (six) months and other twenty five percent (25%) of the shares allotted to them, for 09 (nine) months.
- (4) All shares held by alternative investment funds, at the time of according consent to the public offer, for 01 (one) year.
- (5) All shares held, at the time of according consent to the public offer, by any person other than the persons mentioned in sub rules (1), (2) and (3) above, for 01 (one) year.

(b) The following table indicates the Lock-In status of the shareholders of Indo-Bangla Pharmaceuticals Limited:

| Sl. | Name of Shareholders | Position            | No. of Shares | Holding % | BO ID            | Date of acquisition | *Lock-in Period |
|-----|----------------------|---------------------|---------------|-----------|------------------|---------------------|-----------------|
| 1   | Aziza Yeasmin        | Chairman            | 2,005,000     | 2.7466%   | 1201530062008346 | 18/06/2014          | 3 Years         |
| 2   | A F M Anowarul Huq   | Managing Director   | 12,435,000    | 17.0342%  | 1201530062008298 | 18/06/2014          | 3 Years         |
| 3   | Hafiza Yeasmin       | Director            | 2,005,000     | 2.7466%   | 1201530062008311 | 18/06/2014          | 3 Years         |
| 4   | Md. Amin-Ur-Rashid   | Director            | 2,515,000     | 3.4452%   | 1201950062016965 | 18/06/2014          | 3 Years         |
| 5   | Fatima Parvin        | Director            | 2,461,000     | 3.3712%   | 1201950062017274 | 06/06/2016          | 3 Years         |
| 6   | Sayedra Huq          | Director            | 2,001,000     | 2.7411%   | 1201950062017258 | 06/06/2016          | 3 Years         |
| 7   | Mst. Shahanaz Akter  | Director            | 2,051,000     | 2.8096%   | 1201530062017017 | 06/06/2016          | 3 Years         |
| 8   | Md. Mizanur Rahman   | Director            | 2,051,000     | 2.8096%   | 1201530062017282 | 06/06/2016          | 3 Years         |
| 9   | Aysha Siddika        | Sponsor Shareholder | 2,005,000     | 2.7466%   | 1201530062017266 | 18/06/2014          | 3 years         |
| 10  | Md. Bellal Khan      | Sponsor Shareholder | 3,140,000     | 4.3014%   | 1201530062008303 | 18/06/2014          | 3 years         |

|    |  |             |            |          |                  |            |         |
|----|--|-------------|------------|----------|------------------|------------|---------|
| 11 | Investment Corporation of Bangladesh<br>Represented by Md. Golam Rabbani | Director    | 15,000,000 | 20.5479% | 1201530000003501 | 06/08/2015 | 3 years |
| 12 | ICB Capital Management Limited   | Shareholder | 1,000,000  | 1.3699%  | 1201530000001725 | 06/08/2015 | 1 year  |
| 13 | Bangladesh Fund  | Shareholder | 6,000,000  | 8.2192%  | 1605420043478871 | 06/08/2015 | 1 year  |
| 14 | FAS Capital Management Limited   | Shareholder | 450,000    | 0.6164%  | 1604630040382971 | 06/08/2015 | 1 year  |
| 15 | Continental Insurance Limited  | Shareholder | 250,000    | 0.3425%  | 1203510009734492 | 06/08/2015 | 1 year  |
| 16 | Saiful Islam Kamruz  | Shareholder | 100,000    | 0.1370%  | 1204170000858864 | 06/08/2015 | 1 year  |
| 17 | Md. Siddiqur Rahman  | Shareholder | 150,000    | 0.2055%  | 1203850050304882 | 06/08/2015 | 1 year  |
| 18 | Sayed Sakib Naimuddin  | Shareholder | 100,000    | 0.1370%  | 1203680043529568 | 06/08/2015 | 1 year  |
| 19 | Mr. Hazi Abdul Kader Mia   | Shareholder | 1,000      | 0.0014%  | 1202800018215401 | 07/07/2014 | 3 years |
| 20 | Mr. Ayub Hossain Khan  | Shareholder | 1,000      | 0.0014%  | 1202800000042215 | 07/07/2014 | 3 years |
| 21 | Mr. S.M. Ashfaqur Rahman   | Shareholder | 101,000    | 0.1384%  | 1202240049275011 | 06/06/2016 | 1 year  |
| 22 | Mr. Md. Mustafizur Rahman  | Shareholder | 105,000    | 0.1438%  | 1202800005735176 | 06/06/2016 | 1 year  |
| 23 | Md. Mostafijur Rahman  | Shareholder | 50,000     | 0.0685%  | 1204040000208271 | 06/06/2016 | 1 year  |
| 24 | Shamima Akhter   | Shareholder | 30,000     | 0.0411%  | 1202830048268769 | 06/06/2016 | 1 year  |
| 25 | Md. Abul Kalam Azad  | Shareholder | 51,000     | 0.0699%  | 1202800003934084 | 06/06/2016 | 1 year  |
| 26 | Akram Hossain Md. Feroz  | Shareholder | 2,800,000  | 3.8356%  | 1205150000008272 | 06/06/2016 | 1 year  |
| 27 | A.T.M. Shafiqul Hasan  | Shareholder | 120,000    | 0.1644%  | 1201590029913417 | 06/06/2016 | 1 year  |
| 28 | Rajib Kumar Saha   | Shareholder | 20,000     | 0.0274%  | 1202020017193489 | 07/07/2014 | 3 years |
| 29 | Zillur Rahman Zilu   | Shareholder | 20,000     | 0.0274%  | 1203550038380920 | 07/07/2014 | 3 years |
| 30 | Md. Abdullah Al Mamun  | Shareholder | 20,000     | 0.0274%  | 1202240060691166 | 07/07/2014 | 3 years |
| 31 | Shamima Nasrin   | Shareholder | 50,000     | 0.0685%  | 1204560043510669 | 06/06/2016 | 1 year  |
| 32 | Kazi Mahbulul Haque  | Shareholder | 50,000     | 0.0685%  | 1204560055357102 | 06/06/2016 | 1 year  |
| 33 | Eng. Mahmudul Hasan  | Shareholder | 110,000    | 0.1507%  | 1203520064660290 | 06/06/2016 | 1 year  |
| 34 | BMSL Invesment Ltd.  | Shareholder | 10,000     | 0.0137%  | 1604940020020801 | 07/07/2014 | 3 years |
| 35 | Abaci Invesment Ltd (MDA)  | Shareholder | 10,000     | 0.0137%  | 1602770045524684 | 07/07/2014 | 3 years |
| 36 | Khairul Hossain  | Shareholder | 20,000     | 0.0274%  | 1201700058531344 | 07/07/2014 | 3 years |
| 37 | Partho Kumar Bagchi  | Shareholder | 50,000     | 0.0685%  | 1203570011404113 | 06/06/2016 | 1 year  |
| 38 | H. A. Mamun  | Shareholder | 101,000    | 0.1384%  | 1202010055060934 | 06/06/2016 | 1 year  |
| 39 | Satyendra Nath Roy   | Shareholder | 48,000     | 0.0658%  | 1202060015277340 | 06/06/2016 | 1 year  |
| 40 | Eurodesch Consumer Products Ltd  | Shareholder | 1,000      | 0.0014%  | 1205150055070966 | 07/07/2014 | 3 years |
| 41 | Sonamoni Saha  | Shareholder | 1,000      | 0.0014%  | 1201910061487831 | 07/07/2014 | 3 years |
| 42 | Most. Afroza Akter   | Shareholder | 1,000      | 0.0014%  | 1204220021590934 | 07/07/2014 | 3 years |

|    |                         |             |                   |                |                  |            |         |
|----|-------------------------|-------------|-------------------|----------------|------------------|------------|---------|
| 43 | Lubna Nishat Mim        | Shareholder | 42,000            | 0.0575%        | 1201950062052254 | 06/06/2016 | 1 year  |
| 44 | Jannatul Marzan         | Shareholder | 2,251,000         | 3.0836%        | 1201530062052262 | 06/06/2016 | 1 year  |
| 45 | Nazmun Nahar            | Shareholder | 1,301,000         | 1.7822%        | 1201530062017241 | 06/06/2016 | 1 year  |
| 46 | Md. Abdus Sabur Khan    | Shareholder | 1,651,000         | 2.2616%        | 1201950062017033 | 06/06/2016 | 1 year  |
| 47 | Md. Abdur Rashid        | Shareholder | 201,000           | 0.2753%        | 1202240061364251 | 06/06/2016 | 1 year  |
| 48 | Masuda Islam Sharnali   | Shareholder | 501,000           | 0.6863%        | 1605860064702075 | 06/06/2016 | 1 year  |
| 49 | Shakil Mahmud           | Shareholder | 751,000           | 1.0288%        | 1605550062101886 | 06/06/2016 | 1 year  |
| 50 | Mohammad Towhidul Islam | Shareholder | 801,000           | 1.0973%        | 1202830055707558 | 06/06/2016 | 1 year  |
| 51 | Md. Foysal Ahamed       | Shareholder | 501,000           | 0.6863%        | 1203040058175818 | 06/06/2016 | 1 year  |
| 52 | Md. Abdul Kaiwm Sikder  | Shareholder | 751,000           | 1.0288%        | 1202830048268991 | 06/06/2016 | 1 year  |
| 53 | Safia Begum             | Shareholder | 901,000           | 1.2342%        | 1201950062016973 | 06/06/2016 | 1 year  |
| 54 | Soneya Akter            | Shareholder | 701,000           | 0.9603%        | 1201950062016957 | 06/06/2016 | 1 year  |
| 55 | Tania Rashid            | Shareholder | 751,000           | 1.0288%        | 1201950062016991 | 06/06/2016 | 1 year  |
| 56 | Md. Alauddin            | Shareholder | 651,000           | 0.8918%        | 1201950062016981 | 06/06/2016 | 1 year  |
| 57 | Tahmina Nupur           | Shareholder | 151,000           | 0.2068%        | 1201730063759395 | 06/06/2016 | 1 year  |
| 58 | Md. Masum Billah        | Shareholder | 1,000             | 0.0014%        | 1203130025666759 | 07/07/2014 | 3 years |
| 59 | Md. Khalid Hossain      | Shareholder | 1,000             | 0.0014%        | 1203130025666759 | 07/07/2014 | 3 years |
| 60 | Mushfiq Ul Quayoom      | Shareholder | 1,000             | 0.0014%        | 1203130025666759 | 07/07/2014 | 3 years |
| 61 | Neaz Rahman Shaqib      | Shareholder | 1,000             | 0.0014%        | 1604630054980351 | 07/07/2014 | 3 years |
| 62 | Md. Ziaul Hossain       | Shareholder | 300,000           | 0.4110%        | 1201530062955713 | 06/06/2016 | 1 year  |
| 63 | Md. Emdadul Hoque       | Shareholder | 300,000           | 0.4110%        | 1202830063196835 | 06/06/2016 | 1 year  |
| 64 | Md. Obaidul Islam Khan  | Shareholder | 50,000            | 0.0685%        | 1204220040609968 | 06/06/2016 | 1 year  |
| 65 | Md. Farid Ahmed         | Shareholder | 700,000           | 0.9589%        | 1604940059674010 | 06/06/2016 | 1 year  |
| 66 | Jubaida Nasrin          | Shareholder | 50,000            | 0.0685%        | 120430020835718  | 06/06/2016 | 1 year  |
| 67 | Md. Humayan Kabir       | Shareholder | 100,000           | 0.1370%        | 1203680020762241 | 06/06/2016 | 1 year  |
| 68 | Iqbal Ahmed             | Shareholder | 50,000            | 0.0685%        | 1201820062950662 | 06/06/2016 | 1 year  |
| 69 | Mst. Nurun Nahar Parvin | Shareholder | 50,000            | 0.0685%        | 1602770062695315 | 06/06/2016 | 1 year  |
|    |                         |             | <b>73,000,000</b> | <b>100.00%</b> |                  |            |         |

*[From the issue date of Prospectus]*

## CHAPTER (XXIV): MARKETS FOR THE SECURITIES BEING OFFERED

### Stock Exchanges:

The issuer shall apply to the following bourses for listing shares within 7 (seven) working days from the date of consent accorded by the Commission to issue the prospectus:



#### **Dhaka Stock Exchange Limited (DSE)**

9/F, Motijheel C/A, Dhaka-1000; and



#### **Chittagong Stock Exchange Limited (CSE)**

CSE Building, 1080 Sheikh Mujib Road, Chittagong.

### Declaration about Listing of Shares with Stock Exchanges:

None of the Stock Exchanges, if for any reason, grant listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 75 (seventy-five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue managers, in addition to the issuer Company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

### Trading and Settlement;

Trading and Settlement Regulation of the stock exchanges will apply in respect of trading and settlement of the shares of the Company.

### THE ISSUE SHALL BE PLACED IN “N” CATEGORY

## **CHAPTER (XXV): DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED**

### **(a) Dividend, voting and preemption rights;**

The Share Capital of the Company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the Company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra-ordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) from time to time.

### **(b) Conversion and liquidation rights;**

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

### **(c) Dividend policy;**

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

**(d) Other rights of the securities holders;**

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the Company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the Company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the Company shall have the right to requisition extra ordinary General Meeting of the Company as provided for the section 84 of the Companies Act 1994.

## CHAPTER (XXVI): FINANCIAL STATEMENTS

- (a) **The latest financial statements prepared and audited by any of the Commission’s panel of auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the কোম্পানি আইন, ১৯৯৪, International Financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and any other law as applicable;**

### **Independent Auditors Report To the shareholders of Indo-Bangla Pharmaceuticals Limited**

We have audited the accompanying Financial Statements of **Indo-Bangla Pharmaceuticals Limited** which comprises the Statement of Financial Position as at 30 June 2016, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and other explanatory notes forming part of the financial statements.

#### **Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS)/ Bangladesh Accounting Standards, the Companies Act, 1994, Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing internal control relevant to the preparation of financial statements that are free from material misstatement whether due to fraud or error selecting and applying appropriate accounting policies and making accounting estimates that reasonable in the circumstances.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

#### **Basis of Opinion**

We have conducted audit in accordance with Bangladesh Standards on Auditing (BSA) and accordingly we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standard (BFRS) present fairly in all material respects the financial position of the company as at 30 June, 2016 and the result of its operation and cash flows for the year then ended and comply with the Companies Act, 1994, Securities and Exchange Rules, 1987 and other applicable laws and regulations.

We further report that;

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) the company's consolidated Financial Statements dealt with by the report are in agreement with the books of accounts; and
- d) the expenditure incurred were for the purposes of company's business;

Dated, Dhaka;  
08 September, 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**INDO-BANGLA PHARMACEUTICALS LTD**  
**STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2016

| Particulars                                 | Notes | Amounts in Taka    |                    |                           |
|---|-------|--------------------|--------------------|---------------------------|
|   |       | 30th June,2016     | 30th June,2015     | 1th July,2015 (Re-Stated) |
| <b>ASSETS:</b>                              |       |                    |                    |                           |
| <b>Non-current Assets:</b>                  |       | <b>330,469,857</b> | <b>158,274,850</b> | <b>158,274,850</b>        |
| Property, Plant and Equipment               | 3.00  | 211,400,486        | 147,873,513        | 147,873,513               |
| Capital Work in Progress                    | 4.00  | 119,069,371        | 10,401,337         | 10,401,337                |
| <b>Current Assets:</b>                      |       | <b>614,908,956</b> | <b>224,744,682</b> | <b>224,744,682</b>        |
| Inventories                                 | 5.00  | 156,521,360        | 142,164,099        | 142,164,099               |
| Trade & Other Receivables                   | 6.00  | 112,266,319        | 41,438,482         | 41,438,482                |
| Advance, Deposits and Prepayments           | 7.00  | 105,325,972        | 35,253,978         | 35,253,978                |
| Cash and Cash equivalents                   | 8.00  | 240,795,305        | 5,888,123          | 5,888,123                 |
| <b>TOTAL ASSETS</b>                         |       | <b>945,378,813</b> | <b>383,019,532</b> | <b>383,019,532</b>        |
| <b>OWNER'S EQUITY AND LIABILITIES</b>       |       |                    |                    |                           |
| <b>Owner's Equity:</b>                      |       | <b>849,233,972</b> | <b>159,209,267</b> | <b>159,209,267</b>        |
| Share Capital                               | 9.00  | 730,000,000        | 99,000,000         | 99,000,000                |
| Retained Earnings                           | 10.00 | 119,233,972        | 60,209,267         | 60,209,267                |
| <b>NON-CURRENT LIABILITIES</b>              |       | <b>13,823,679</b>  | <b>4,105,826</b>   | <b>4,022,794</b>          |
| Deferred Tax Liability                      | 11.00 | 9,283,317          | 4,105,826          | 4,022,794                 |
| Provision for WPPF                          | 12.00 | 4,540,362          | -                  | -                         |
| <b>Current Liabilities:</b>                 |       | <b>82,321,162</b>  | <b>219,704,439</b> | <b>219,787,471</b>        |
| Trade Payables                              | 13.00 | 15,911,787         | 11,847,860         | 11,847,860                |
| Vendors payable Account                     | 14.00 | -                  | 171,837,213        | 171,837,213               |
| Provision for Taxes                         | 15.00 | 54,919,591         | 28,314,549         | 28,397,581                |
| Liabilities for Expenses                    | 16.00 | 11,489,784         | 7,704,817          | 7,704,817                 |
| <b>TOTAL OWNER'S EQUITY AND LIABILITIES</b> |       | <b>945,378,813</b> | <b>383,019,532</b> | <b>383,019,532</b>        |
| Net Asset Value (NAV) Per Share             | 24.00 | 11.63              | 16.08              | 16.08                     |

Annexed notes form an integral part of these financial statements.

Sd/-  
**Chief Financial Officer**

Sd/-  
**Director**

Sd/-  
**Managing Director**

Signed in terms of our annexed report of even date.

Date: Dhaka  
8-Sep-16

Sd/-  
**Mahfel Huq & Co**  
Chartered Accountants

**INDO-BANGLA PHARMACEUTICALS LTD**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the Year ended 30 June, 2016**

| Particulars  | Notes | Amounts in Taka    |                    |
|--|-------|--------------------|--------------------|
|  |       | 30th June,2016     | 30th June,2015     |
| <b>Net Sales Revenue</b>                                     | 17.00 | 444,777,724        | 435,024,108        |
| Less: Cost of Sales  | 18.00 | 262,528,992        | 257,883,659        |
| <b>Gross Profit</b>  |       | <b>182,248,732</b> | <b>177,140,449</b> |
| <b>Less: Operating Expenses:</b>                             |       | 87,751,623         | 84,720,465         |
| Administrative Expenses                                      | 19.00 | 23,381,246         | 22,007,014         |
| Selling & Distributing Expenses                              | 20.00 | 64,370,377         | 62,713,451         |
| <b>Profit from Operations</b>                                |       | <b>94,497,109</b>  | <b>92,419,984</b>  |
| Add: Non-Operating Income:                                   | 21.00 | 850,491            | 209,658            |
| <b>Profit before Contribution to WPPF &amp; Welfare Fund</b> |       | <b>95,347,600</b>  | <b>92,629,642</b>  |
| Less: Contribution to WPPF & Welfare Fund                    | 12.00 | 4,540,362          | -                  |
| <b>Profit before Tax</b>                                     |       | <b>90,807,238</b>  | <b>92,629,642</b>  |
| <b>Less: Income Tax Expenses:</b>                            |       | <b>31,782,533</b>  | <b>32,420,375</b>  |
| Current Tax  | 22.00 | 26,522,010         | 28,397,581         |
| Deferred Tax   | 11.00 | 5,260,523          | 4,022,794          |
| <b>Net Profit for the year</b>                               |       | <b>59,024,705</b>  | <b>60,209,267</b>  |
| <b>Earnings per share (Basic)</b>                            | 23.00 | <b>2.62</b>        | <b>6.40</b>        |

Annexed notes form an integral part of these financial statements.

Sd/-  
**Chief Financial Officer**

Sd/-  
**Director**

Sd/-  
**Managing Director**

Signed in terms of our annexed report of even date.

Date: Dhaka  
8-Sep-16

Sd/-  
**Mahfel Huq & Co**  
Chartered Accountants

**INDO BANGLA PHARMACEUTICALS LTD**  
**Statement of Changes in Equity**  
**For the year ended 30th June, 2016**

| Particulars                  | Share Capital      | Retained Earnings  | Total Equity       |
|------------------------------|--------------------|--------------------|--------------------|
| Balance as at 30-06-2015     | 99,000,000         | 60,209,267         | 159,209,267        |
| Share allotment              | 631,000,000        | -                  | 631,000,000        |
| Net Profit for the year      | -                  | 59,024,705         | 59,024,705         |
| Closing Balance (30-06-2016) | <b>730,000,000</b> | <b>119,233,972</b> | <b>849,233,972</b> |

**INDO BANGLA PHARMACEUTICALS LTD**  
**Statement of Changes in Equity**  
**For the year ended 30th June, 2015**

| Particulars                        | Share Capital     | Retained Earnings | Total Equity       |
|------------------------------------|-------------------|-------------------|--------------------|
| Initial Capital (at incorporation) | 1,000,000         | -                 | 1,000,000          |
| Share Allotment                    | 98,000,000        | -                 | 98,000,000         |
| Net Profit for the year            | -                 | 60,209,267        | 60,209,267         |
| Closing Balance (30-06-2015)       | <b>99,000,000</b> | <b>60,209,267</b> | <b>159,209,267</b> |

Annexed notes form an integral part of these financial statements.

Sd/-  
**Chief Financial Officer**

Sd/-  
**Director**

Sd/-  
**Managing Director**

Signed in terms of our annexed report of even date.

Date: Dhaka  
8-Sep-16

Sd/-  
**Mahfel Huq & Co**  
Chartered Accountants

**INDOBANGLA PHARMACEUTICALS LIMITED**  
**Statement of Cash Flows**  
**For the year ended 30th June, 2016**

| Particulars  | Amounts in Taka      |                     |
|--|----------------------|---------------------|
|  | 2016                 | 2015                |
| <b>Cash Flow from Operating Activities</b>           |                      |                     |
| Cash receipts from customers                         | 374,559,271          | 438,103,575         |
| Cash receipts from others income                     | 241,107              | 209,658             |
| Cash payment to Suppliers                            | (256,407,305)        | (288,800,236)       |
| Cash payment to Employees                            | (62,440,406)         | (59,295,036)        |
| Cash payment to Others                               | (34,132,076)         | (7,810,716)         |
| <b>Cash Generate from operation</b>                  | <b>21,820,591</b>    | <b>82,407,246</b>   |
| Cash payment against income Tax                      | (7,801,198)          | (7,551,199)         |
| <b>Net Cash from Operating Activities</b>            | <b>14,019,393</b>    | <b>74,856,046</b>   |
| <b>Cash Flow from Investing Activities</b>           |                      |                     |
| Acquisition of property, plant and equipment         | (6,470,900)          | (48,342,450)        |
| Advance paid for construction                        | (22,448,801)         | (12,448,801)        |
| Advance paid L/C Margin for Machinery                | (30,568,200)         |                     |
| Paid for Work in Progress                            | (158,787,097)        | (10,401,337)        |
| Advance paid for Land                                | (20,000,000)         |                     |
| Paid for Vendor Payable                              | (171,837,213)        | -                   |
| <b>Net Cash used in Investing Activities</b>         | <b>(410,112,211)</b> | <b>(71,192,588)</b> |
| <b>Cash Flow from Financing Activities</b>           |                      |                     |
| Proceeds from issue of share capital                 | 631,000,000          | 1,000,000           |
| <b>Net Cash from Financing Activities</b>            | <b>631,000,000</b>   | <b>1,000,000</b>    |
| <b>Net increase in Cash and Cash equivalents</b>     | <b>234,907,182</b>   | <b>4,663,458</b>    |
| Cash and Cash Equivalents at beginning of the period | 5,888,123            | 1,224,665           |
| <b>Cash and Cash Equivalent at end of the Period</b> | <b>240,795,305</b>   | <b>5,888,123</b>    |

Annexed notes form an integral part of these financial statements.

Sd/-  
**Chief Financial Officer**

Sd/-  
**Director**

Sd/-  
**Managing Director**

Signed in terms of our annexed report of even date.

Date: Dhaka  
8-Sep-16

Sd/-  
**Mahfel Huq & Co**  
Chartered Accountants

**Indo-Bangla Pharmaceuticals Ltd**  
**Notes to the Financial Statements**  
**For the Period ended 30th June 2016**

**1.00 Reporting Entity and its Activities**

**1.01 Legal forms of the Entity**

Indo-Bangla Pharmaceuticals Limited was incorporated as a private Limited Company under the Companies Act-1994 on 18 June 2014 vide registration no.C-116665/14 through takeover of M/S. Indo-Bangla Pharmaceutical Works, a proprietorship business since pre-liberation period. The company has been converted into public limited company on 21-10-2014. Registered office of the company and Factory is at Aziz Bhaban, College Road, Barisal. Authorized capital of the company is Tk.1000,000,000 divided into 100,000,000 ordinary shares of Tk.10 each. Paid up capital of the company was Tk.99,000,000 divided into 9,900,000 ordinary shares of Tk.10 each. The Company raised its paid-up capital from tk. 99,000,000 to tk. 199,000,000 with the consent of Bangladesh Securities and Exchange Commission (BSEC) dated 06 August, 2015. The Paid-up capital of the Company has been increased further from Tk.199,000,000 to Tk. 730,000,000 through allotment of 53,100,000 ordinary shares of Tk.10 each to the existing shareholders in cash consideration by allotment dated 06-06-2016 with due permission from BSEC.

**1.02 Nature of Business Activities**

The Company is engaged in manufacturing and selling of all kinds of medicine (excluding Antibiotic), medical preparations drugs & chemicals (Human Health). The company took permission for production and selling of veterinary medicine also.

**2.00 Significant Accounting policies and other Information**

The specific accounting policies were selected and applied by the company's management for significant transactions and events that have a material effect within the framework of BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements. The previous years' figures were presented accounting to the same accounting principles. Compared to the previous year, there were no significant changes in the accounting and valuation principals affecting the financial position and performance of the company. However, changes made to the presentation are explained in the note for each respective item.

**2.01 Statement of Compliance**

This financial Statement has been prepared on going concern concept and on accrual basis in accordance with the applicable as of International Accounting Standard (IAS), Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the companies Act,1994, the Securities and Exchange Rules,1987, the Income Tax Ordinance,1984, the Value-Added Tax Rules, 1991, the VAT Act,1991, the Customs Act,1969 and other applicable laws and regulations.

**2.02 Compliance with BAS**

The following BAS have been applicable for the preparation of the financial statements for the year under review:

|        |   |
|--------|---|
| BAS 1  | Presentation of Financial Statements                            |
| BAS 2  | Inventories   |
| BAS 7  | Statement of Cash Flows   |
| BAS 8  | Accounting Policies, Changes in Accounting Estimates and Errors |
| BAS 10 | Events after the Reporting Period                               |
| BAS 12 | Income Taxes  |
| BAS 16 | Property, Plant and Equipment                                   |
| BAS 18 | Revenue   |
| BAS 19 | Employee's Benefits   |

- BAS 24 Related Party Disclosures
- BAS 33 Earnings Per Share
- BAS 36 Impairment of Assets
- BAS 37 Provisions, Contingent Liabilities and Contingent Assets.
- BAS 39 Financial Instruments: Recognition and Measurement.

The related BFRSs are also complied for preparation of these Financial Statements.

**2.03 Statement of Cash Flows:**

Statement of cash flows is prepared in accordance with BAS-7"Statement of Cash flows" and the cash flow from the operating activities have been presented under direct method considering the provisions of paragraph 19 of BAS-7 which provides that "Enterprise are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method".

**2.04 Property, Plant and Equipment:**

All property, plant and equipment are initially accounted for at cost and depreciated over their expected useful life in accordance with BAS-16. The cost of acquisition of an asset comprise its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and nonrefundable taxes.

**Depreciation:**

Depreciation has been charged on item of Property, Plant & Equipment and has been computed during the year using the reducing balance method so as to write off the assets over their expected useful life. Depreciation has been charged on addition from the date when it was put to use. Rate of depreciation on property, plant and equipment considering their useful life are as follows.

| Particulars             | Rate of Depreciation |      |
|-------------------------|----------------------|------|
|                         | 2016                 | 2015 |
| Machineries & Equipment | 3%                   | 3%   |
| Generator               | 3%                   | 3%   |
| Furniture & Fixture     | 10%                  | 10%  |
| Office Equipment        | 10%                  | 10%  |
| Transport               | 10%                  | 10%  |
| Building                | 2.5%                 | 2.5% |
| Water Plant             | 10%                  | 10%  |
| ETP Plant               | 10%                  | 10%  |

**2.05 Basis of Preparation & Presentation of the Financial Statements:**

The Financial statements have been prepared and the disclosures of information have been made in accordance with the requirements of the Companies Act, 1994 and Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards. The Financial Statements have been prepared according to BAS-1 Presentation of Financial Statements on accrual basis following going concern assumption.

**2.06 Use of Estimates and Judgments:**

The preparation of Financial Statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses. Due to inherent uncertainties involved in making estimates actual results may differ from those estimates and underlying assumptions are reviewed on a going concern basis.

## **2.07 Going Concern**

The company has adequate resources to continue its operation for the foreseeable future. For this reason, the directors adopt going concern basis in preparing the Financial Statement. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

## **2.08 Reporting Period**

The accounting period of the company covers financial period from 1st July 2015 to 30th June 2016.

## **2.09 Segmental Reporting**

No segmental reporting is applicable for the company as required by BAS14: "Segment Reporting" as the company operates in a single industry segment and within a single geographical territory.

## **2.10 Events after the Reporting Period**

As per **BAS-10:"Events after the Reporting Period"** is those events favorable and unfavorable that occur between the end of the reporting year and the date when the financial statements are authorize for issue.

The name of the chairman & the director are respectively Aysha Siddika and Md. Bellal Khan who have been resigned on 28th July 2016.

Simultaneously, Aziza Yeasmin appointed as a Chairman, Fatema Parvin, Shanaj Akter & Mizanur Rahman appointed as a director, Harun or Rasid and Moniruzaman appointed as an independent director on the same date.

The company has a deed of agreement for corporate office (1250 sqf at monthly rent Tk. 32,500) at Jahan Tower A-2,11/1 Avoy das lane, Tikatuly in Dhaka 1203 on 1st August 2016.

The Company has registered 37.40 decimal of land vides Deed no. 8605 and 8611 on 24th August, 2016.

## **2.11 Revenue Recognition:**

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates exclusive of VAT as per BAS-18. Revenue is recognized when the significant risks and reward of ownership have been transferred to the buyer.

## **2.12 Financial Instruments:**

A financial instrument in any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

### **Financial Assets**

Financial assets of the company include cash and cash equivalents, equity instrument of another entity, trade receivable and other receivables. The company initially recognize receivable on the date they are originated. All other financial assets are recognized initially on the date which the company becomes a part to the contractual obligation of the transaction. The company derecognizes a financial asset when and only when contractual rights or probabilities of receiving the cash flows from the assets expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and reward of ownership of the financial assets are transferred.

### **Initial Recognition**

An entity recognizes a financial assets or liabilities in its statement of financial position when and only when, the entity becomes a party to the contractual provision of the instrument and subsequently recognizes at their amortized cost.

### **Trade and other Receivable**

This represents the net realizable value only. This is considered good and realizable and therefore, no amount was written off as debt and even no debt was doubtful to provide for in the accounts.

### **Cash & Cash Equivalents**

According to BAS 7 ' Statement of cash flows' comprises of cash in hand, demand deposits and Cash equivalents which are short term highly liquid investments that are readily convertible to Cash and which are subject to an insignificant risk of changes in value. BAS 1 "Presentation of Financial Statements" provides that Cash & Cash Equivalents are not restricted in use. Considering the provision of BAS 7 & BAS 1, Cash in Hand, Short term FDR & Bank Balances have been treated as Cash & Cash Equivalents.

### **Financial Liabilities**

The company initially recognizes financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when it's contractual obligations are discharged or cancelled or expired. Financial liabilities are recognized initially at fair value less any directly attributable transactions cost. Subsequently to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Financial liabilities include loan and borrowing, trade creditors, liabilities for expenses and liabilities for other finance.

#### **2.13 Valuation of Inventories:**

Inventories comprise of Raw materials, work-in-process, Finished goods, Spares, Accessories and Stores. They are stated at the lower of cost and net realizable Value in accordance with BAS-2.

The stock of raw materials and spares has been valued of at average cost and the stock of finished goods have been valued at cost or net realizable value whichever is lower.

#### **2.14 Impairment of assets**

All assets have been reviewed according to BAS 36 and it was confirmed that no such assets have been impaired during the year and for this reason no provision has been made for Impairment of assets.

#### **2.15 Employee Benefit Plan:**

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

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

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

The company's employee benefits include the following:

### **Workers' Profit Participation and Welfare Funds**

The company recognizes contribution to Workers' Profit Participation and Welfare Funds in the accounts from the year 2016.

This represents 5% of net profit before tax but after charged the amount WPPF by the company as per provisions of the Bangladesh Labor (amendment) Act 2013.

### **Short Term Employee Benefits**

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

## **2.16 Liabilities & basis of their measurement:**

### **Accrued Expenses and Other Payables**

Liabilities are recognized for the goods and service received, whether paid or not. Other payables are not interest bearing and are stated at their nominal value.

### **Provisions**

In accordance with the guidelines as prescribed by BAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

- a. When the company has an obligation (legal or constructive) as a result of past events;
- b. When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c. Reliable estimates can be measured of the amount of the obligation.

The company has no contingent liabilities & assets and its provision as per BAS-37 as on 30th June, 2016.

## **2.17 Related Party Disclosures**

The company in normal course of business carried out a number of transactions with other entities and Directors that fall within the definition of related party contained in BAS-24: Related Party Disclosures. Details of related party disclosures are shown in Note-25.

## **2.18 Income Tax Expenses**

### **Current Tax**

Tax rate of the company is 35% which has been charged as per Income Tax Ordinance, 1984.

### **Deferred Tax:**

The company accounts for deferred tax as per BAS-12 "Income Taxes". Deferred tax is provided using the Financial Position method for all temporary differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes. Tax rate prevailing at the Financial Position date is used to determine deferred tax.

## **2.19 Earnings Per Share**

This has been calculated in compliance with the requirements of BAS 33: Earnings Per Share dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

### **Basic Earnings**

This represents earnings for the period attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

### **Weighted Average Number of Ordinary Shares Outstanding during the year**

The basis of computation of number of shares is in line with the provisions of BAS-33: Earnings Per Share. Therefore, the total number of shares outstanding at the end of the year multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the period.

### **Additional Information on Financial Statements:**

#### **2.20 Responsibility for preparation and presentation of financial statements:**

The company's management and the Board of Directors are responsible for the preparation and presentation of Financial Statements as per section 183 of the companies Act 1994.

#### **2.21 Approval of Financial Statements:**

The financial statements were duly approved by the board of Directors as at 8th August, 2016.

#### **2.22 Components of Financial Statements:**

Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by BAS 1: "Presentation of Financial Statements". The complete set of financial statements comprises:

- Statement of Financial Position as at 30th June 2016,
- Statement of Profit or Loss and other Comprehensive Income for the year ended 30th June 2016,
- Statement of Changes in Equity for the year ended 30th June 2016,
- Statement of Cash Flows for the year ended 30th June 2016 and
- Notes comprising a summary of significant accounting policies and other explanatory information to the financial Statements for the year ended 30th June 2016.

#### **2.23 Comparative Information:**

Comparative Information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.

Figures for the year 2014-2015 have been re-arranged and re-stated wherever considered necessary to ensure better comparability with the year.

#### **2.24 Re-arrangement**

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

### **Re-Statement**

In finalizing the financial statements for the year ended June 30, 2016 some figures of previous year were restated to confirm the provisions of BAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors" 42 & 49. During the year, the following accounting errors has been rectified in compliance with BAS -8:

Previously Deferred Tax liability was calculated on the basis of temporary difference between carrying value of assets for accounting purpose and written down value of assets for tax

purpose. Depreciation for the purpose of tax was computed on the basis of estimation and accordingly the tax written down value although total income tax remained same. In the year 2016, the company obtained tax assessment order from Deputy Commissioner of Taxes for the year 2015 and calculated Deferred Tax Liability on the basis of assessment order of 2015. Accordingly, tax provision has been adjusted with respective head of accounts.

**Re-Classification**

Re-Classification adjustments are amounts which is charged the presentation or classification in its financial statements in the current period.

Re-Classification of Liabilities for repair & maintenance and Office rent expenses:

During the year, Repairs and maintenance of Tk.3,948,512 under the head of Trade & Other payables has been re-classified as Repairs and maintenance under the head of Liabilities for expenses and Office rent of Tk.130,800 has been separated from other expenses for the purpose of fair presentation.

**Re-Classification of cash flows:**

Cash payment to suppliers and others consisted of cash payment against income tax, employees and construction in the year 30th June, 2015, which has been shown in this year separately under the head of cash payment to suppliers, cash payment to employees and cash payment to others.

**Indo-Bangla Pharmaceuticals Ltd**  
**Notes to the Financial Statements**  
**For the year ended 30th June, 2016**

|   |   | <b>Amount in Taka</b>     |                           |
|---|---|---------------------------|---------------------------|
|   |   | <b>30th June'2016</b>     | <b>30th June'2015</b>     |
| <b>3.00 Property, Plant and Equipment</b> |   |                           |                           |
|   | These have arrived at as under:             |                           |                           |
|   | Opening balance                             | 151,533,130               | -                         |
|   | Assets taken over through vendor agreements | -                         | 103,190,680               |
|   | Add: Addition during the period             | <u>69,038,764</u>         | <u>48,342,450</u>         |
|   | <b>Total Cost (a)</b>                       | <b>220,571,894</b>        | <b>151,533,130</b>        |
|   | <b>B. Accumulated Depreciation</b>          |                           |                           |
|   | Opening balance                             | 3,659,617                 | -                         |
|   | Add: Depreciation Charged for the year      | <u>5,511,791</u>          | <u>3,659,617</u>          |
|   | Total: Depreciation (b)                     | <u>9,171,408</u>          | <u>3,659,617</u>          |
|   | <b>WDV as on 30.06.2016 (a-b)</b>           | <b><u>211,400,486</u></b> | <b><u>147,873,513</u></b> |

The company took over assets and liabilities from Indo Bangla Pharmaceutical works (a proprietorship firm) through two vendors agreements. The Machineries of book valued tk. 97,936,383 have been agreed to take over for tk. 98,000,000 and settle by issued 9,800,000 no. Ordinary shares @ Tk. 10 by a vendor agreement. Another vendor agreement that was subsequently amended by the company for amount of tk. 171,837,213 for taken over Generator, Furniture & Fixture, Office equipment and Transport, all current assets and all current liabilities other than bank loans.

The company signed a Memorandum of Understanding (MoU) with Mr. AFM Anowarul Huque, Managing Director of Indo-Bangla Pharmaceuticals Ltd. to purchase 37.40 decimal of land and 1(one) building (area 2200 square feet) and subsequently on 24th August, 2016 the company purchase the said land and building under two separate registered deed on which the building construction in progress.

A schedule of Property, Plant & Equipment is given in Annexure-A

**4.00 Capital Work in Progress**

These have arrived at as under:

**A. Construction of Building:**

|  |  |                           |                          |
|--|--|---------------------------|--------------------------|
|  | Opening balance  | 10,401,337                | -                        |
|  | Add: Addition during the year                            | 93,708,754                | 10,401,337               |
|  | Less: Transfer to Fixed Assets of Building               | <u>(62,567,864)</u>       | <u>-</u>                 |
|  | <b>Closing Construction of Building</b>                  | <b>41,542,227</b>         | <b>10,401,337</b>        |
|  | <b>B. Plant &amp; Machinery Addition during the year</b> | <u>77,527,144</u>         | <u>-</u>                 |
|  | <b>Total</b>   | <b><u>119,069,371</u></b> | <b><u>10,401,337</u></b> |

**5.00 Inventories:**

This consists of the following;

|                     |               |                           |                           |
|---------------------|---------------|---------------------------|---------------------------|
| Raw Material        | Note: 18.01   | 69,555,407                | 57,483,839                |
| Finished Goods      | Note: 18.00   | 45,053,550                | 39,238,921                |
| Work - in - Process | Note: 18.00   | 18,013,355                | 17,689,450                |
| Spare Parts         | Note: 18.02.1 | 8,083,723                 | 6,620,359                 |
| Packing Materials   | Note: 18.03.1 | <u>15,815,325</u>         | <u>21,131,530</u>         |
|                     |               | <b><u>156,521,360</u></b> | <b><u>142,164,099</u></b> |

Inventories in hand have been valued at lower of cost or/and net realizable value as per BAS-2 and have been certified by management.

**6.00 Trade & Others Receivable:**

These have arrived at as under:

**A. Trade Receivable**

|   |                    |                   |
|---|--------------------|-------------------|
| Opening balance   | 41,438,482         | -                 |
| Trade receivables acquired through vendor agreement                 | -                  | 44,517,949        |
| Add: Sales during the period  | 444,777,724        | 435,024,108       |
| Total   | 486,216,206        | 479,542,057       |
| Less: Adjustment / recovery   | 374,559,271        | 438,103,575       |
| <b>Closing balance (Trade Receivable) Details are in Annexure-B</b> | <b>111,656,935</b> | <b>41,438,482</b> |
| <b>B. Other Receivable (Interest on FDR)</b>                        | 609,384            | -                 |
| <b>Total:</b>   | <b>112,266,319</b> | <b>41,438,482</b> |

**Ageing of Accounts Receivable**

|                      |                    |                   |
|----------------------|--------------------|-------------------|
| More than six months | -                  | -                 |
| Less than six month  | 112,266,319        | 41,438,482        |
|                      | <b>112,266,319</b> | <b>41,438,482</b> |

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

Receivable considered good in respect of which the company is fully secured.

Receivable considered good in respect of which the company holds no security other than the debtor personal security.

Receivables considered doubtful bad.

Receivable to Directors.

Receivables due by common management.

The maximum amount of receivable due by any director or other officer of the company.

**Total**

|                    |                   |
|--------------------|-------------------|
| -                  | -                 |
| 112,266,319        | 41,438,482        |
| -                  | -                 |
| -                  | -                 |
| -                  | -                 |
| -                  | -                 |
| <b>112,266,319</b> | <b>41,438,482</b> |

**7.00 Advance, deposit and prepayments:**

This consists of the following;

**Advance**

|                        |      |                    |                   |
|------------------------|------|--------------------|-------------------|
| Advance Income Tax     | 7.01 | 15,352,397         | 7,551,199         |
| Advance to Employees   |      | 675,648            | 662,400           |
| Advance to others      | 7.02 | 89,145,609         | 27,040,379        |
| Prepayment (Insurance) |      | 152,318            | -                 |
|                        |      | <b>105,325,972</b> | <b>35,253,978</b> |

**7.01 Advance Tax paid**

|                                  |                   |                  |
|----------------------------------|-------------------|------------------|
| Opening                          | 7,551,199         | -                |
| Advance Tax paid during the year | 7,801,198         | 7,551,199        |
|                                  | <b>15,352,397</b> | <b>7,551,199</b> |

**7.02 Advance to Others**

|                          |                   |                   |
|--------------------------|-------------------|-------------------|
| Goods and services       | 11,906,106        | 10,241,337        |
| Construction materials   | 22,448,801        | 12,448,801        |
| Tour                     | 4,031,218         | 4,243,387         |
| L/C Margin for Machinery | 30,568,200        | -                 |
| Land                     | 20,000,000        | -                 |
| VAT current account      | 191,284           | 106,854           |
|                          | <b>89,145,609</b> | <b>27,040,379</b> |

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

**8.00 Cash and Cash equivalents:**

These have arrived at as under:

|              |           |                    |                  |
|--------------|-----------|--------------------|------------------|
| Cash in Hand |           | 5,822,086          | 740,329          |
| Cash at Bank | Note-8.01 | 234,973,219        | 5,147,794        |
|              |           | <u>240,795,305</u> | <u>5,888,123</u> |

**8.01 Cash at Bank**

|  |                    |                  |
|--|--------------------|------------------|
| Pubali Bank Ltd. Barishal Sadar Branch A/C 50517         | 72,915             | 1,778            |
| Dutch-Bangla Bank Ltd. Barisal Branch A/C 3745           | 68,662             | 82,395           |
| Sonali Bank Ltd. Barishal Corporate Branch A/C. 3953     | 34,664             | 700              |
| Islami Bank Bangladesh Ltd. Barishal Branch A/C no.10807 | 3,924,535          | 28,525           |
| Islami Bank Bangladesh Ltd. Bhanga Branch A/C no.01405   | 196,721            | -                |
| Islami Bank Bangladesh Ltd. Bhanga Branch A/C no.01506   | 94,084             | -                |
| Islami Bank Bangladesh Ltd. Bhanga Branch A/C no.79513   | 81,794             | -                |
| One Bank Ltd. Barisal Branch A/C no.02579                | 1,598,850          | -                |
| National Bank Ltd. Barishal Branch A/c No CD- 28913      | 3,900,994          | 5,034,396        |
| Short Term FDR   | 225,000,000        | -                |
|  | <u>234,973,219</u> | <u>5,147,794</u> |

Cash balance was certified by the management. Bank balance were agreed with banks Statement/Certified Issued by the respective banks.

**9.00 Share Capital:****Authorized****Capital**

100,000,000 Ordinary Shares  
of Tk. 10 each

1,000,000,000      1,000,000,000

**Issued, Subscribed & Paid-up Capital:**

73,000,000 Ordinary Shares of Tk. 10 each fully paid  
up

730,000,000      99,000,000

The company raised its paid-up Capital from TK.99,000,000 to Tk. 730,000,000 through allotment of 10,000,000 and 53,100,000 ordinary shares of Tk.10 each on 06/08/2015 and 06/06/2016 respectively.

9.01 A distribution schedule of the above shares is given below;

| Name                                    | Status with the Company | 30-06-2016<br>Share Holding | % of<br>Holding<br>Position | 30-06-2015<br>Share Holding | % of Share<br>Holding<br>Position |
|---|-------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|
| Aziza Yeasmin                           | Chairman                | 2,005,000                   | 2.75%                       | 5,000                       | 0.05%                             |
| A F M Anowarul Huq                      | Managing Director       | 12,435,000                  | 17.03%                      | 9,855,000                   | 99.55%                            |
| Hafiza Yeasmin                          | Director                | 2,005,000                   | 2.75%                       | 5,000                       | 0.05%                             |
| Md. Amin-Ur-Rashid                      | Director                | 2,515,000                   | 3.45%                       | 15,000                      | 0.15%                             |
| Sayedra Huq                             | Director                | 2,001,000                   | 2.74%                       | -                           | -                                 |
| Fatima Parvin                           | Director                | 2,461,000                   | 3.37%                       | -                           | -                                 |
| Investment Corporation of<br>Bangladesh | Director                | 15,000,000                  | 20.55%                      | -                           | -                                 |
| Mst. Shahanaz Akter                     | Director                | 2,051,000                   | 2.81%                       | -                           | -                                 |
| Mizanur Rahman                          | Director                | 2,051,000                   | 2.81%                       | -                           | -                                 |
| Md. Bellal Khan                         | Shareholder             | 3,140,000                   | 4.78%                       | 15,000                      | 0.15%                             |
| Aysha Siddika                           | Shareholder             | 2,005,000                   | 2.75%                       | 5,000                       | 0.05%                             |
| ICB Capital Management Limited          | Shareholder             | 1,000,000                   | 1.37%                       | -                           | -                                 |
| Bangladesh Fund                         | Shareholder             | 6,000,000                   | 8.22%                       | -                           | -                                 |
| FAS Capital Management Limited          | Shareholder             | 450,000                     | 0.62%                       | -                           | -                                 |
| Continental Insurance Limited           | Shareholder             | 250,000                     | 0.34%                       | -                           | -                                 |
| Saiful Islam Kamruz                     | Shareholder             | 100,000                     | 0.14%                       | -                           | -                                 |
| Md. Siddiqur Rahman                     | Shareholder             | 150,000                     | 0.21%                       | -                           | -                                 |
| Sayed Sakib Naimuddin                   | Shareholder             | 100,000                     | 0.14%                       | -                           | -                                 |
| Mr. Hazi Abdul Kader Mia                | Shareholder             | 1,000                       | 0.001%                      | -                           | -                                 |
| Mr. Ayub Hossain Khan                   | Shareholder             | 1,000                       | 0.001%                      | -                           | -                                 |
| Mr. S.M. Ashfaqur Rahman                | Shareholder             | 101,000                     | 0.14%                       | -                           | -                                 |
| Mr.Md. Mustafizur Rahman                | Shareholder             | 105,000                     | 0.14%                       | -                           | -                                 |
| Shamima Akhter                          | Shareholder             | 30,000                      | 0.04%                       | -                           | -                                 |
| Md. Abul Kalam Azad                     | Shareholder             | 51,000                      | 0.07%                       | -                           | -                                 |
| Akram Hossain Md. Feroj                 | Shareholder             | 1,000,000                   | 1.37%                       | -                           | -                                 |
| A.T.M. Shafiqul Hasan                   | Shareholder             | 120,000                     | 0.16%                       | -                           | -                                 |
| Rajib Kumar Saha                        | Shareholder             | 20,000                      | 0.03%                       | -                           | -                                 |
| Zillur Rahman Zilu                      | Shareholder             | 20,000                      | 0.03%                       | -                           | -                                 |
| Md. Abdullah al Mamun                   | Shareholder             | 20,000                      | 0.03%                       | -                           | -                                 |
| Shamima Nasrin                          | Shareholder             | 50,000                      | 0.07%                       | -                           | -                                 |
| Kazi Mahbubul Haque                     | Shareholder             | 50,000                      | 0.07%                       | -                           | -                                 |
| Eng. Mahmudul Hasan                     | Shareholder             | 110,000                     | 0.15%                       | -                           | -                                 |

|                                 |             |                   |             |                  |             |
|---------------------------------|-------------|-------------------|-------------|------------------|-------------|
| BMSL Invesment Ltd.             | Shareholder | 10,000            | 0.01%       | -                | -           |
| Abaci Investment Ltd (MDA)      | Shareholder | 10,000            | 0.01%       | -                | -           |
| Khairul Hossain                 | Shareholder | 20,000            | 0.03%       | -                | -           |
| Partho Kumar Bagchi             | Shareholder | 50,000            | 0.07%       | -                | -           |
| H. A. Mamun                     | Shareholder | 101,000           | 0.14%       | -                | -           |
| Satyendra Nath Roy              | Shareholder | 48,000            | 0.07%       | -                | -           |
| Eurodesch Consumer Products Ltd | Shareholder | 1,000             | 0.001%      | -                | -           |
| Sonamoni Saha                   | Shareholder | 1,000             | 0.001%      | -                | -           |
| Most. Afroza Akter              | Shareholder | 1,000             | 0.001%      | -                | -           |
| Lubna Nishat Mim                | Shareholder | 2,251,000         | 3.08%       | -                | -           |
| Nazmun Nahar                    | Shareholder | 1,801,000         | 2.47%       | -                | -           |
| Md. Abdus Sabur Khan            | Shareholder | 1,651,000         | 2.26%       | -                | -           |
| Jannatul Marzan                 | Shareholder | 2,251,000         | 3.08%       | -                | -           |
| Md. Iqbal Hussain               | Shareholder | 1,241,000         | 1.70%       | -                | -           |
| Md. Abdur Rashid                | Shareholder | 201,000           | 0.28%       | -                | -           |
| Masuda Islam Sharnali           | Shareholder | 501,000           | 0.69%       | -                | -           |
| Shakil Mahmud                   | Shareholder | 501,000           | 0.69%       | -                | -           |
| Mohammad Towhidul Islam         | Shareholder | 801,000           | 1.10%       | -                | -           |
| Md. Foysal Ahamed               | Shareholder | 501,000           | 0.69%       | -                | -           |
| Md. Abdul Kaiwm Sikder          | Shareholder | 501,000           | 0.69%       | -                | -           |
| Safia Begum                     | Shareholder | 901,000           | 1.23%       | -                | -           |
| Soneya Akter                    | Shareholder | 701,000           | 0.96%       | -                | -           |
| Tania Rashid                    | Shareholder | 751,000           | 1.03%       | -                | -           |
| Md. Alauddin                    | Shareholder | 651,000           | 0.89%       | -                | -           |
| Tahmina Nupur                   | Shareholder | 151,000           | 0.21%       | -                | -           |
| Md. Masum Billah                | Shareholder | 1,000             | 0.001%      | -                | -           |
| Md. Khalid Hossain              | Shareholder | 1,000             | 0.001%      | -                | -           |
| Mushfiq UI Quayoom              | Shareholder | 1,000             | 0.001%      | -                | -           |
| Neaz Rahman Shaqib              | Shareholder | 1,000             | 0.001%      | -                | -           |
| <b>Total</b>                    |             | <b>73,000,000</b> | <b>100%</b> | <b>9,900,000</b> | <b>100%</b> |

#### 10.00 Retained Earnings:

This amount consists of as follows:

Balance brought forward

60,209,267 -

Add: Net Profit for the year

59,024,705 60,209,267

**119,233,972** **60,209,267**

**11.00 Deferred Tax Liability:**

This amount consists as follows:

|  |                   |                   |
|--|-------------------|-------------------|
| Carrying Value of Property, Plant & Equipment (Annexure-A) | 211,400,486       | 147,873,513       |
| As Tax Base  | 184,876,723       | 136,379,817       |
| Temporary Difference                                       | <u>26,523,763</u> | <u>11,493,696</u> |
| <b>Deferred Tax Liabilities @35%</b>                       | <b>9,283,317</b>  | <b>4,022,794</b>  |
| Opening Deferred Tax Liability                             | 4,022,794         | -                 |
| Deferred Tax Liability/Expenses (Current year)             | <u>5,260,523</u>  | <u>4,022,794</u>  |

**12.00 Provision for WPPF**

|  |                  |          |
|--|------------------|----------|
| Profit before contribution for WPPF              | 95,347,600       | -        |
| Provision for contribution @5% Profit After WPPF | <u>4,540,362</u> | <u>-</u> |

**13.00 Trade Payables:**

|  |                          |                          |
|--|--------------------------|--------------------------|
| <b>Opening balance;</b>                            | 11,847,860               | -                        |
| Trade Payable acquired through vendor agreement    | -                        | 9,536,835                |
| Add: Purchase during the period                    | 258,806,463              | 280,869,924              |
| Total:   | <u>270,654,323</u>       | <u>290,406,759</u>       |
| Less: Adjustment / recovery                        | <u>254,742,536</u>       | <u>278,558,899</u>       |
| <b>Closing balance (Details are in Annexure-C)</b> | <b><u>15,911,787</u></b> | <b><u>11,847,860</u></b> |
| This consists of the following year's addition     |                          |                          |
| Raw and Packing Materials                          | 9,884,766                | 5,412,642                |
| Chemicals  | 6,027,021                | 6,435,218                |
|  | <u>15,911,787</u>        | <u>11,847,860</u>        |

**14.00 Vendor Payable Accounts:**

The above amount is payable to A.F.M Anowarul Huq, proprietor of M/S Indo-Bangla Pharmaceutical Works for the amount of purchase consideration amount tk. 269,837,213 due to net assets taken over (except bank liabilities of Indo-Bangla Pharmaceuticals Works) less shares issued amount tk. 98,000,000.

Assets Taken Over

|                                  |                    |                    |
|----------------------------------|--------------------|--------------------|
| Machineries                      | 98,000,000         | 98,000,000         |
| Generator                        | 2,882,879          | 2,882,879          |
| Furniture & Fixture              | 390,074            | 390,074            |
| Office Equipment                 | 55,901             | 55,901             |
| Transport                        | 1,861,826          | 1,861,826          |
| Inventory                        | 103,277,537        | 103,277,537        |
| Trade & Other Receivables        | 44,517,949         | 44,517,949         |
| Advance, Deposit and Prepayments | 30,889,668         | 30,889,668         |
| Cash & Cash Equivalent           | 1,224,665          | 1,224,665          |
| <b>Total Assets:</b>             | <b>283,100,499</b> | <b>283,100,499</b> |

Liabilities Taken Over:

|                           |                   |                   |
|---------------------------|-------------------|-------------------|
| Trade & Other Payables    | 9,536,835         | 9,536,835         |
| Liabilities for Expenses  | 3,726,451         | 3,726,451         |
| <b>Total Liabilities:</b> | <b>13,263,286</b> | <b>13,263,286</b> |

**Purchase Consideration**

|   |                    |                    |
|---|--------------------|--------------------|
| <b>Purchase Consideration</b>                 | <b>269,837,213</b> | <b>269,837,213</b> |
| Less: Issued 98,00,000 no. of Shares @ Tk. 10 | 98,000,000         | 98,000,000         |
| <b>Payable to Vendor</b>                      | <b>171,837,213</b> | <b>171,837,213</b> |
| Less: Paid & Adjustment during the year       | 171,837,213        | -                  |
| <b>Balance</b>                                | <u>-</u>           | <u>171,837,213</u> |

**15.00 Provision for Taxes**

This has been arrived as at under;

|                                  |                   |                   |
|----------------------------------|-------------------|-------------------|
| Balance b/d                      | 28,397,581        | -                 |
| Add: Provision during the Period | 26,522,010        | 28,397,581        |
|                                  | <u>54,919,591</u> | <u>28,397,581</u> |

Tax assessment up to Income year 2014-2015 has been completed. As per assessment tax liability stood at Tk.34,117,129 subsequently paid Tk.8,551,199.

**16.00 Liabilities for Expenses:**

This consists of the following

|                         |                   |                  |
|-------------------------|-------------------|------------------|
| Telephone Bill          | 8,558             | 68,045           |
| Electricity Bill        | 136,612           | 175,562          |
| Directors Remuneration  | 150,000           | -                |
| Salary & Wages          | 3,999,715         | 2,913,248        |
| Repairs and Maintenance | 6,909,896         | 3,948,512        |
| Audit Fees with VAT     | 172,500           | 172,500          |
| Factory Rent            | 109,000           | 425,100          |
| Others                  | 3,503             | 1,850            |
|                         | <u>11,489,784</u> | <u>7,704,817</u> |

**17.00 Net Sales Revenue:**

|                         |                    |                    |
|-------------------------|--------------------|--------------------|
| Net Sales (Net off VAT) | 444,777,724        | 435,024,108        |
|                         | <u>444,777,724</u> | <u>435,024,108</u> |

Sales represents details are in Annexure-D

**18.00 Cost of Sales:**

This has been arrived as under;

|  |              |                    |                    |
|--|--------------|--------------------|--------------------|
| Raw Material Consumed  | Notes #18.01 | 179,027,986        | 168,618,598        |
| Add: Work in process (Opening)                                   |              | 17,689,450         | -                  |
| Add: Work in process (Taken over)                                |              | -                  | 20,558,942         |
| Less: Work in Process (Closing)                                  |              | 18,013,355         | 17,689,450         |
| <b>Total Consumption</b>   |              | <u>178,704,081</u> | <u>171,488,090</u> |
| Add: Manufacturing Overhead                                      | Notes #18.02 | 26,534,444         | 22,746,902         |
| Add: Direct expenses   | Notes #18.03 | 65,375,188         | 62,410,047         |
| <b>Cost of Production</b>  |              | <u>270,613,713</u> | <u>256,645,040</u> |
| Add: Finished Goods (Opening balance)                            |              | 39,238,921         | -                  |
| Add: Finished Goods (Taken over)                                 |              | -                  | 42,541,260         |
| <b>Finished Goods Available</b>                                  |              | <u>309,852,634</u> | <u>299,186,300</u> |
| Less: Finished Goods (Closing balance Details are in Annexure-E) |              | 45,053,550         | 39,238,921         |
| Less: Sample Costs   |              | 2,270,092          | 2,063,720          |
| <b>Cost of Sales:</b>  |              | <u>262,528,992</u> | <u>257,883,659</u> |

**18.01 Material Consumed:**

|   |                    |                    |
|---|--------------------|--------------------|
| Opening balance   | 57,483,839         | -                  |
| Materials (Taken over)                                      | -                  | 33,109,890         |
| Add: Material Purchased                                     | <u>191,099,554</u> | <u>192,992,547</u> |
| Import  | 124,513,068        | 151,023,980        |
| Local   | 66,586,486         | 41,968,567         |
| Less: Materials (Closing balance Details are in Annexure-F) | 69,555,407         | 57,483,839         |
| <b>Total</b>  | <u>179,027,986</u> | <u>168,618,598</u> |

|  |                           |                          |
|--|---------------------------|--------------------------|
| <b>18.02 Manufacturing Overhead:</b>         |                           |                          |
| Salary & Wages                               | 4,150,471                 | 4,049,240                |
| Cork & Cap                                   | 1,616,056                 | 1,576,640                |
| Carton & Label                               | 2,187,929                 | 2,134,565                |
| Hand Glove, Tape, Gum etc.                   | 161,463                   | 157,525                  |
| Quality Control Expenses                     | 246,743                   | 240,725                  |
| Accessories                                  | 1,790,853                 | 1,747,174                |
| Apron & Uniform                              | 164,875                   | 160,853                  |
| Carriage Inward                              | 693,611                   | 676,693                  |
| Water bill                                   | 5,265                     | 4,680                    |
| Washing Expenses                             | 2,400                     | 122,027                  |
| Maintenance of Machine (Spare parts)         | Notes #18.02.01 7,795,778 | 6,317,378                |
| Electricity Bill Factory                     | 1,367,000                 | 1,491,598                |
| Maintenance of Factory Building              | 409,672                   | 399,680                  |
| Factory Rent                                 | 1,308,000                 | 425,100                  |
| Depreciation (Annexure-A)                    | 4,634,327                 | 3,243,023                |
|  | <b><u>26,534,444</u></b>  | <b><u>22,746,902</u></b> |
| <b>18.02.01 Spare Parts Consumption</b>      |                           |                          |
| Opening balance                              | 6,620,359                 | -                        |
| Spare Parts (Taken Over)                     | -                         | 1,955,893                |
| Purchase during the year                     | 9,259,142                 | 10,981,844               |
| Less: Stock of Spare parts (Closing balance) | 8,083,723                 | 6,620,359                |
| Consumption                                  | <b><u>7,795,778</u></b>   | <b><u>6,317,378</u></b>  |
| <b>18.03 Direct expenses:</b>                |                           |                          |
| Delivery Charges                             | 651,177                   | 620,169                  |
| Packing Materials                            | Notes #18.03.1 63,763,972 | 60,875,555               |
| Medical Bag Expenses                         | 363,225                   | 345,928                  |
| Cost of Literature                           | 96,910                    | 92,296                   |
| Remission Settlement                         | 499,904                   | 476,099                  |
| Total  | <b><u>65,375,188</u></b>  | <b><u>62,410,047</u></b> |
| <b>18.03.1 Packing Materials</b>             |                           |                          |
| Opening balance                              | 21,131,530                | -                        |
| Packing Materials (Taken over)               | -                         | 5,111,552                |
| Purchase during the year                     | 58,447,767                | 76,895,533               |
| Less: Packing Materials (Closing balance)    | 15,815,325                | 21,131,530               |
| Consumption                                  | <b><u>63,763,972</u></b>  | <b><u>60,875,555</u></b> |
| <b>19.00 Administrative Expenses</b>         |                           |                          |
| Salary of Office Staff                       | 8,633,432                 | 8,550,811                |
| Director Remuneration (Note-26)              | 1,050,000                 | -                        |
| Board Meeting Fee (Note-26)                  | 245,000                   | -                        |
| Travelling & Conveyance                      | 2,087,305                 | 2,069,844                |
| Entertainment                                | 1,502,018                 | 1,480,016                |
| Office Rent                                  | 130,800                   | 130,800                  |
| Printing & Stationery                        | 1,806,365                 | 1,796,917                |
| News Paper & Magazine                        | 42,033                    | 36,550                   |
| Post & Telegram                              | 304,637                   | 264,902                  |
| Insurance Premium                            | 152,319                   | 51,233                   |
| License & Legal Fee                          | 568,870                   | 417,970                  |
| Telephone Bill                               | 99,698                    | 404,855                  |
| TA & DA of Field Staff                       | 3,027,415                 | 2,909,270                |
| Audit Fees                                   | 172,500                   | 172,500                  |
| Electricity Bill                             | 305,420                   | 296,792                  |

|                                    |                          |                          |
|------------------------------------|--------------------------|--------------------------|
| Maintenance of Transport           | 1,510,390                | 1,487,296                |
| Securities service                 | 645,826                  | 561,588                  |
| Preliminary expenses (Notes-19.01) | -                        | 519,265                  |
| Bank Charge                        | 4,830                    | 4,400                    |
| Others expenses                    | 214,924                  | 435,412                  |
| Depreciation (Annexure-A)          | 877,464                  | 416,594                  |
| <b>Total</b>                       | <b><u>23,381,246</u></b> | <b><u>22,007,014</u></b> |

**19.01 Preliminary & Pre-operating expenses:**

|                       |                 |                       |
|-----------------------|-----------------|-----------------------|
| RJSC Registration Fee | -               | 464,000               |
| Stamp Charges         | -               | 11,000                |
| Trade Licenses Fees   | -               | 5,000                 |
| Entertainment         | -               | 22,517                |
| Service Charge        | -               | 11,535                |
| Fees & Form           | -               | 5,213                 |
|                       | <b><u>-</u></b> | <b><u>519,265</u></b> |

Preliminary & Pre-Operating Expenses are fully written off in the Income year 2014-2015.

**20.00 Selling & Distributing Expenses**

|   |                          |                          |
|---|--------------------------|--------------------------|
| Salary & allowance (Including Depot Staff)  | 32,815,664               | 32,274,490               |
| Incentive Bonus                             | 2,338,816                | 2,294,623                |
| Carriage Outward                            | 2,179,769                | 2,156,321                |
| Packing Materials-Selling & Distribution    | 3,201,249                | 3,131,521                |
| Sales Promotion                             | 3,424,488                | 3,325,642                |
| Training & seminar Expenses                 | 4,464,889                | 4,056,425                |
| Entertainment for Conference                | 1,930,204                | 1,852,351                |
| Gift & Presentation (Promotional Materials) | 2,184,686                | 2,160,752                |
| Sample expense                              | 2,270,092                | 2,063,720                |
| Travelling & Conveyance                     | 9,560,520                | 9,397,606                |
|   | <b><u>64,370,377</u></b> | <b><u>62,713,451</u></b> |

**21.00 Non-Operating Income:**

|                 |                       |                       |
|-----------------|-----------------------|-----------------------|
| Misc. Sales     | 241,107               | 209,658               |
| Interest on FDR | 609,384               | -                     |
|                 | <b><u>850,491</u></b> | <b><u>209,658</u></b> |

**22.00 Current Tax:**

|                                  |                          |                          |
|----------------------------------|--------------------------|--------------------------|
| Profit before tax as per account | 90,807,238               | 92,629,642               |
| Add: Accounting depreciation     | 5,511,791                | 3,659,617                |
| Less: Tax base depreciation      | (20,541,858)             | (15,153,313)             |
| Current year profit before Tax   | <b><u>75,777,171</u></b> | <b><u>81,135,946</u></b> |
| Current Tax @ 35%                | <b><u>26,522,010</u></b> | <b><u>28,397,581</u></b> |

**23.00 Earnings Per Share:**

This has been calculated in compliance with the requirements of BAS 33: Earnings Per Share, is the basic earning dividing by the weighted average number of ordinary shares outstanding the end of the Period.

The composition of earnings per shares (EPS) is given below:

|  |                    |                    |
|--|--------------------|--------------------|
| Total Comprehensive Income for the Year                | 59,024,705         | 60,209,267         |
| Weighted Average number of ordinary shares outstanding | 22,543,442         | 9,407,407          |
| <b>Earnings per share (Basic)</b>                      | <b><u>2.62</u></b> | <b><u>6.40</u></b> |

|   |        |                   |                  |
|---|--------|-------------------|------------------|
| Weighted Average Number of Shares             | Weight |                   |                  |
| 100,000 Shares                                | 1.00   | 100,000           | 100,000          |
| 9,800,000 Shares                              | 1.00   | 9,800,000         | 9,307,407        |
| 10,000,000 Shares (allotment date 06/08/2015) | 0.9016 | 9,016,393         | -                |
| 53,100,000 Shares (allotment date 06/06/2016) | 0.0683 | 3,627,049         | -                |
| <b>Weighted Average Number of Shares</b>      |        | <b>22,543,442</b> | <b>9,407,407</b> |

#### 24.00 Net Assets Value Per Share:

The composition of net assets value per share is given below:

|   |              |              |
|---|--------------|--------------|
| Total Assets  | 945,378,813  | 383,019,532  |
| Less: Non-Current Liabilities + Current Liabilities | 96,144,841   | 223,810,265  |
| Net Assets Value                                    | 849,233,972  | 159,209,267  |
| Number of ordinary shares outstanding               | 73,000,000   | 9,900,000    |
|   | <b>11.63</b> | <b>16.08</b> |

#### 25.00 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) |           |
|------------------------|-------------------|-----------------------|-----------------|-----------|
|                        |                   |                       | 2015-2016       | 2014-2015 |
| Mr. A.F.M Anowarul Huq | Managing Director | Remuneration          | 1,050,000       | -         |

##### (b) Board meeting fee

| Name                   | Designation       | Number of meeting | Amount in (BDT) |           |
|------------------------|-------------------|-------------------|-----------------|-----------|
|                        |                   |                   | 2015-2016       | 2014-2015 |
| Mrs. Aziza Yeasmin     | Chairman          | 7                 | 35,000          | -         |
| Mr. A.F.M Anowarul Huq | Managing Director | 7                 | 35,000          | -         |
| Mrs. Hafiza Yeasmin    | Director          | 7                 | 35,000          | -         |
| Md. Amin-Ur-Rashid     | Director          | 7                 | 35,000          | -         |
| Sayeda Huq             | Director          | 7                 | 35,000          | -         |
| Md. Bellal Khan        | Ex Director       | 7                 | 35,000          | -         |
| Aysha Siddika          | Ex-Chairman       | 7                 | 35,000          | -         |

##### (c) Factory Rent

| Name of the parties    | Relationship      | Nature of Transaction | Amount in (BDT) |           |
|------------------------|-------------------|-----------------------|-----------------|-----------|
|                        |                   |                       | 2015-2016       | 2014-2015 |
| Mrs. Aziza Yeasmin     | Chairman          | Factory Rent          | 1,308,000       | 425,100   |
| Mr. A.F.M Anowarul Huq | Managing Director | Factory Rent          |                 |           |
| Mrs. Hafiza Yeasmin    | Director          | Factory Rent          |                 |           |

**26.00 Production Capacity and Utilization**

| Item    | Unit        | Production Capacity |      | Actual Production |      | Capacity Utilization |        |
|---------|-------------|---------------------|------|-------------------|------|----------------------|--------|
|         |             | 2016                | 2015 | 2016              | 2015 | 2016                 | 2015   |
| Tablet  | Million Pcs | 87                  | 84.5 | 58                | 55   | 66.67%               | 65.09% |
| Capsule | Million Pcs | 435                 | 425  | 290               | 280  | 66.67%               | 65.88% |
| Liquid  | Million ML  | 145                 | 140  | 87                | 81   | 60.00%               | 57.86% |

**27.00 The requirements of schedule XI, Part II, Para 3, of the company Act.1994****Employees**

Number of employees whose salary was below Tk. 5,300

Number of employees whose salary was above Tk. 5,300

| 2016 | 2015 |
|------|------|
| -    | -    |
| 206  | 138  |

**28.00 Financial Risk Management**

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

Credit Risk

Liquidity Risk

Market Risk

**Credit Risk**

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk monitored on an ongoing basis. As at 30th June 2016 substantial part of the receivables are those from its related company and subject to insignificant credit risk. Risk exposures from other financial assets. i.e. Cash at bank and other external receivables are nominal.

**Liquidity Risk**

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

**Market Risk**

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

**(a) Currency risk**

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

**(b) Interest rate risk**

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

**INDO-BANGLA PHARMACEUTICALS LTD**  
**Schedule of Property Plant & Equipment**  
**As at 30 June 2016**

| Category of Assets            | COST                     |                   |                             | Rate | DEPRECIATION             |                          |                        | Written Down Value as on 30.06.2016 |
|-------------------------------|--------------------------|-------------------|-----------------------------|------|--------------------------|--------------------------|------------------------|-------------------------------------|
|                               | Balance as on 01.07.2015 | Addition          | Total Cost as at 30.06.2016 |      | Balance as on 01.07.2015 | Charge During the period | Total as at 30.06.2016 |                                     |
| Machineries & Equipment       | 114,553,535              | 4,235,600         | 118,789,135                 | 3%   | 3,022,768                | 3,356,512                | 6,379,280              | 112,409,855                         |
| Generator                     | 2,882,879                | -                 | 2,882,879                   | 3%   | 86,486                   | 83,892                   | 170,378                | 2,712,501                           |
| Furniture & Fixture           | 4,352,524                | 1,508,300         | 5,860,824                   | 10%  | 138,069                  | 446,584                  | 584,653                | 5,276,171                           |
| Office Equipment              | 2,658,481                | 402,000           | 3,060,481                   | 10%  | 92,343                   | 263,314                  | 355,657                | 2,704,824                           |
| Transport                     | 1,861,826                | -                 | 1,861,826                   | 10%  | 186,183                  | 167,564                  | 353,747                | 1,508,079                           |
| Building                      | 21,090,550               | 62,567,864        | 83,658,414                  | 2.5% | 43,939                   | 786,865                  | 830,804                | 82,827,610                          |
| Water Plant                   | 2,512,960                | -                 | 2,512,960                   | 10%  | 62,824                   | 245,014                  | 307,838                | 2,205,122                           |
| ETP Plant                     | 1,620,375                | 325,000           | 1,945,375                   | 10%  | 27,006                   | 162,045                  | 189,051                | 1,756,324                           |
| <b>Balance 30th June,2016</b> | <b>151,533,130</b>       | <b>69,038,764</b> | <b>220,571,894</b>          |      | <b>3,659,617</b>         | <b>5,511,791</b>         | <b>9,171,408</b>       | <b>211,400,486</b>                  |
| <b>Balance 30th June,2015</b> | <b>103,190,680</b>       | <b>48,342,450</b> | <b>151,533,130</b>          |      | <b>-</b>                 | <b>3,659,617</b>         | <b>3,659,617</b>       | <b>147,873,513</b>                  |

**Allocation of Depreciation**

|                |           |
|----------------|-----------|
| Factory        | 4,634,327 |
| Administration | 877,464   |
|                | 5,511,791 |

**INDO-BANGLA PHARMACEUTICALS LIMITED**  
**TRADE RECEIVABLE AMMOUNT DATED: 30.06.2016**

| Sl. No | Name of Party                       | Amount Tk.            |
|--------|-------------------------------------|-----------------------|
|        |                                     | <b>30/6/2016</b>      |
|        | <b>General Party</b>                |                       |
| 1      | Barendra distribution, Rajshahi     | 6,824,586             |
| 2      | Saimun drug, Khulna                 | 6,587,963             |
| 3      | Shafi Medicall Hall, Jessore        | 6,025,478             |
| 4      | Mannan Pharmacy, Ullapara           | 5,978,641             |
| 5      | Shaha pharmacy, Sherpur             | 5,648,752             |
| 6      | Rakib medical hall, Bogura          | 5,626,897             |
| 7      | khokon medical hall, Khulna         | 5,248,759             |
| 8      | Rafiq medical hall, Natore          | 5,062,485             |
| 9      | Deep medical hall, Rangpur          | 4,752,654             |
| 10     | Iqbal medical hall, Kishorgonj      | 4,254,321             |
| 11     | City pharmacy, Glachipa             | 4,054,219             |
| 12     | Badal pharmacy, Gopalganj           | 3,787,741             |
| 13     | Kanai Lal Pharma, Faridpur          | 3,514,875             |
| 14     | Rumman Medical, Bogura              | 1,678,956             |
| 15     | Ali Medical, Kishorgonj             | 1,352,411             |
| 16     | Shahin Medical Hall, Dhaka          | 1,263,045             |
| 17     | Sundorban Pharmacy, Comilla         | 1,245,786             |
| 18     | Jannat Medical, Natore              | 1,124,586             |
| 19     | Bangladesh Medical Hall, Maymensing | 1,054,265             |
| 20     | City Medical Hall, Magura           | 2,880,546             |
| 21     | Tanvir Medical Hall, Hatia          | 877,643               |
| 22     | Asha Drug, Khulna                   | 1,678,452             |
| 23     | Shams pharmacy, Chittagong          | 2,474,203             |
| 24     | Aroga Niketon, Dohar                | 458,693               |
| 25     | Basin Medical Hall, Narshingdi      | 888,745               |
| 26     | Lovely Enterprise, Feni             | 385,235               |
| 27     | Janata Medical Hall, Gopalganj      | 3,500,000             |
| 28     | Rup Saj Corner, Sayedpur            | 2,378,451             |
| 29     | Helal Drug, Rajshahi                | 2,367,665             |
| 30     | Utsab Meidcal, Kishorgonj           | 1,354,555             |
| 31     | Taramoni Medical Hall, Faridpur     | 3,345,869             |
| 32     | Prodip Medical Store, Jessore       | 4,026,650             |
| 33     | Tanzila Medical Hall, Bogra         | 3,526,650             |
| 34     | Badhan Pharmacy, Jhinaidah          | 2,520,050             |
| 35     | Lia Aroggo Niketon, Chittagong      | 2,526,650             |
| 36     | Kanai Lal Medical Hall, Faridpur    | 1,380,458             |
|        | <b>Sub Total Tk.</b>                | <b>111,656,935.00</b> |

**Annexure-C**

**INDO-BANGLA PHARMACEUTICALS LIMITED**  
**TRADE PAYABLE AMMOUNT DATED: 30.06.2016**

| Sl. No | Name of the Medical Hall    | Address                           | Payable Amount    |
|--------|-----------------------------|-----------------------------------|-------------------|
| 1      | Pirojpur Printing & Packing | 185, Fakirapul, Motijhil, Dhaka.  | 1,533,875         |
| 2      | S.T.S Foil Corporation      | Fakirapul, Motijhil, Dhaka.       | 3,259,742         |
| 3      | M.K. Printers               | 103, Arambag, Motijhil, Dhaka.    | 1,652,645         |
| 4      | Jass Corporation            | Asulia, Savar.                    | 3,835,245         |
| 5      | Oni Printers                | 240/3, Fakirapul Motijhil, Dhaka. | 3,365,875         |
| 6      | Nahid Perfumary & Chemical  | 47/C, Midford, Dhaka.             | 346,512           |
| 7      | Riya Perfumary              | Midford, Dhaka.                   | 255,420           |
| 8      | Brothers Hood Chemical      | Agrabad, Chittagong.              | 303,415           |
| 9      | Desh Foil Limited           | Sabujbag, Dhaka.                  | 270,954           |
| 10     | Banik Stors                 | Bazar Road, Barisal.              | 233,961           |
| 11     | Padma Cap                   | Oponin Mor, Barisal.              | 223,629           |
| 12     | Global Capsul               | Rupatoli, Barisal.                | 223,625           |
| 13     | Rouf Medical Hall           | Babu Bazar, Dhaka                 | 221,653           |
| 14     | Rabby Cartoon               | Barisal                           | 185,236           |
|        | <b>Total Taka</b>           |                                   | <b>15,911,787</b> |

**Annexure-D**

**INDO-BANGLA PHARMACEUTICALS LIMITED**  
**SALES STATEMENT, DATED: 01/07/2015-30/06/2016**

| Sl. No | Name of the Product | Quantity (Box)    | Taka (1/7/15-30/6/16) | Quantity (Box)    | Taka (18/6/14-30/6/15) |
|--------|---------------------|-------------------|-----------------------|-------------------|------------------------|
| 1      | Dextrin             | 250,932           | 8,782,620             | 245,913           | 8,606,968              |
| 2      | Indomoxin PFS       | 879,676           | 17,593,520            | 862,082           | 17,241,650             |
| 3      | Indoplex 100 mg     | 949,936           | 13,299,104            | 930,937           | 13,033,122             |
| 4      | Indostin R          | 452,393           | 20,357,685            | 443,345           | 19,950,531             |
| 5      | Indocal             | 439,131           | 8,782,620             | 430,348           | 8,606,968              |
| 6      | Indozith 500 mg     | 193,984           | 10,281,152            | 190,104           | 10,075,529             |
| 7      | I-Cet               | 1,634,549         | 27,787,333            | 1,601,858         | 27,231,586             |
| 8      | I-pedom             | 1,390,538         | 27,810,760            | 1,362,727         | 27,254,545             |
| 9      | Protobit            | 421,508           | 33,299,132            | 413,078           | 32,633,149             |
| 10     | Cipro-I             | 365,874           | 18,293,700            | 358,557           | 17,927,826             |
| 11     | I-B Oral Saline     | 263,880           | 11,874,600            | 258,602           | 11,637,108             |
| 12     | Indoprox            | 182,892           | 18,289,200            | 179,234           | 17,923,416             |
| 13     | Metrol              | 165,710           | 8,782,787             | 162,396           | 8,606,977              |
| 14     | Indotetra-250mg     | 338,337           | 17,593,524            | 331,570           | 17,241,654             |
| 15     | Inket               | 443,304           | 13,299,120            | 434,438           | 13,033,138             |
| 16     | Relise              | 636,177           | 20,357,664            | 623,453           | 19,950,511             |
| 17     | Riboflavin          | 165,709           | 8,782,577             | 162,395           | 8,606,925              |
| 18     | Zins Syrup          | 734,368           | 10,281,152            | 719,681           | 10,075,529             |
| 19     | Indoplex 200mg      | 1,389,366         | 27,787,320            | 1,361,579         | 27,231,574             |
| 20     | Seplon              | 1,738,173         | 27,810,768            | 1,703,410         | 27,254,553             |
| 21     | Indoflox PFS        | 1,109,970         | 33,299,100            | 1,087,771         | 32,633,118             |
| 22     | Indocef             | 703,604           | 18,293,704            | 689,532           | 17,927,830             |
| 23     | Indomol Plus        | 224,049           | 11,874,597            | 210,606           | 11,162,121             |
| 24     | Trilugel            | 304,820           | 18,289,200            | 292,627           | 17,540,492             |
| 25     | Fixim PFS           | 182,689           | 11,874,785            | 179,035           | 11,637,289             |
|        | <b>Total Taka</b>   | <b>15,561,569</b> | <b>444,777,724</b>    | <b>15,235,279</b> | <b>435,024,108</b>     |

**INDO-BANGLA PHARMACEUTICALS LIMITED**  
**FINISHED GOODS**

| <b>Sl. No</b> | <b>Name of the Product</b> | <b>Quantity (Box)</b> | <b>Taka (30/06/2016)</b> | <b>Quantity</b> | <b>Taka (30/06/2015)</b> |
|---------------|----------------------------|-----------------------|--------------------------|-----------------|--------------------------|
| 1             | Dextrin                    | 44,721                | 1,565,235                | 29,516          | 1,033,055                |
| 2             | Indomoxin PFS              | 49,352                | 987,040                  | 32,572          | 651,446                  |
| 3             | Indoplex 100 mg            | 92,730                | 1,298,220                | 61,202          | 856,825                  |
| 4             | Indostin R                 | 80,341                | 3,615,345                | 53,025          | 2,386,128                |
| 5             | Indocal                    | 78,262                | 1,565,240                | 51,653          | 1,033,058                |
| 6             | Indozith 500 mg            | 35,149                | 1,862,897                | 23,198          | 1,229,512                |
| 7             | I-Cet                      | 151,450               | 2,574,650                | 99,957          | 1,699,269                |
| 8             | I-pedom                    | 82,178                | 1,643,560                | 54,237          | 1,084,750                |
| 9             | Protobit                   | 77,192                | 6,098,168                | 116,947         | 9,238,791                |
| 10            | Cipro-I                    | 71,748                | 3,587,400                | 113,354         | 5,667,684                |
| 11            | I-B Oral Saline            | 42,756                | 1,924,020                | 28,219          | 1,269,853                |
| 12            | Indoprox                   | 11,784                | 1,178,400                | 7,777           | 777,744                  |
| 13            | Indoplex 200mg             | 93,765                | 1,875,300                | 61,885          | 1,237,698                |
| 14            | Indozith 15 PFS            | 76,370                | 1,985,620                | 50,404          | 1,310,509                |
| 15            | Indozith 30 PFS            | 52,521                | 2,626,049                | 34,664          | 1,733,193                |
| 16            | Inket                      | 75,308                | 2,259,240                | 49,703          | 1,491,098                |
| 17            | Relise                     | 157,096               | 5,027,072                | 138,158         | 4,307,451.80             |
| 18            | Seplon                     | 115,882               | 1,854,112                | 76,482          | 1,223,714                |
| 19            | Zins Syrup                 | 108,999               | 1,525,982                | 71,939          | 1,007,142                |
|               | <b>Total Taka</b>          |                       | <b>45,053,550</b>        |                 | <b>39,238,921</b>        |

**INDO-BANGLA PHARMACEUTICALS LIMITED**

**Annexure-F**

**Stock of RAW Materials**

| SL | Name of Product                     | As at 30th June,2016 |         |               | As at 30th June,2015 |         |               |
|----|-------------------------------------|----------------------|---------|---------------|----------------------|---------|---------------|
|    |                                     | Stock (Qut)          | Rate    | Amount in Tk. | Stock (Qut)          | Rate    | Amount in Tk. |
| 01 | Albendazole                         | 655                  | 1,300   | 851,500       | 511                  | 1,280   | 653,952       |
| 02 | Aminophylline                       | 365                  | 800     | 292,000       | 285                  | 800     | 227,760       |
| 03 | Amoxicillin Trihydrate              | 625                  | 2,500   | 1,562,500     | 488                  | 2,450   | 1,194,375     |
| 04 | Amoxicillin Trihydrate (Micronized) | 335                  | 2,500   | 837,500       | 261                  | 2,500   | 653,250       |
| 05 | Aluminium Hydroxide Dried Gel       | 313                  | 300     | 93,900        | 244                  | 300     | 73,242        |
| 06 | Ascorbic Acid                       | 340                  | 420     | 142,800       | 265                  | 420     | 111,384       |
| 07 | Aceclofenac                         | 355                  | 2,110   | 749,050       | 277                  | 2,110   | 584,259       |
| 08 | Azithromycin (Compacted)            | 156                  | 12,200  | 1,903,200     | 122                  | 12,200  | 1,484,496     |
| 09 | Azithromycin (Mic)                  | 126                  | 12,200  | 1,537,200     | 98                   | 12,200  | 1,199,016     |
| 10 | Ciprofloxacin Hydrochloride         | 173                  | 2,400   | 415,200       | 135                  | 2,400   | 323,856       |
| 11 | Cetirizine Dihydrochloride          | 225                  | 3,408   | 766,800       | 176                  | 3,408   | 598,104       |
| 12 | Dextrose Monohydrate                |                      |         | -             | -                    |         | -             |
| 13 | Calcium Carbonate                   | 755                  | 19      | 14,345        | 589                  | 19      | 11,189        |
| 14 | Calcium Lactate                     | 576                  | 128     | 73,728        | 449                  | 128     | 57,508        |
| 15 | Caffeine Anhydrous                  | 290                  | 1,070   | 310,300       | 226                  | 1,070   | 242,034       |
| 16 | Cephadrine (Com.)                   | 275                  | 4,800   | 1,320,000     | 315                  | 4,800   | 1,509,600     |
| 17 | Cephadrine (Mic)                    | 175                  | 4,800   | 840,000       | 137                  | 4,800   | 655,200       |
| 18 | Di-calcium Phosphate                | 219                  | 38      | 8,322         | 171                  | 38      | 6,491         |
| 19 | Doxycycline Hydrochloride           | 450                  | 4,600   | 2,070,000     | 351                  | 4,600   | 1,614,600     |
| 20 | Diclofenac Sodium                   | 310                  | 1,020   | 316,200       | 242                  | 1,020   | 246,636       |
| 21 | Diclofenac Sodium SR Pellets        | 383                  | 1,140   | 436,620       | 299                  | 1,140   | 340,564       |
| 22 | Doxtorose Anhydrous                 | 287                  | 82      | 23,534        | 224                  | 82      | 18,357        |
| 23 | Diazepam                            | 254                  | 2,000   | 508,000       | 198                  | 2,000   | 396,240       |
| 24 | Domperidone Plain                   | 14                   | 8,100   | 113,400       | 11                   | 8,100   | 88,452        |
| 25 | Dexamethasone                       | 21                   | 8,100   | 170,100       | 16                   | 8,100   | 132,678       |
| 26 | Ferrous Sulphate                    | 11                   | 58,000  | 638,000       | 12                   | 58,000  | 671,640       |
| 27 | Flucloxacillin Sodium               | 230                  | 168     | 38,640        | 179                  | 168     | 30,139        |
| 28 | Folic Acid                          | 245                  | 3,484   | 853,580       | 191                  | 3,484   | 665,792       |
| 29 | Ferrous Fumarate                    | 770                  | 2,400   | 1,848,000     | 601                  | 2,400   | 1,441,440     |
| 30 | Hyoscin Butyl Bromide               | 362                  | 169     | 61,178        | 282                  | 169     | 47,719        |
| 31 | Ibuprofen                           | 1                    | 115,000 | 143,750       | 1                    | 115,000 | 112,125       |
| 32 | Indomethacin                        | 174                  | 850     | 147,900       | 136                  | 850     | 115,362       |
| 33 | Ketorolac                           | 135                  | 2,300   | 310,500       | 105                  | 2,300   | 242,190       |
| 34 | Magnesium Hydroxide                 | 15                   | 19,000  | 285,000       | 12                   | 19,000  | 222,300       |
| 35 | Mebendazole                         | 520                  | 260     | 135,200       | 406                  | 260     | 105,456       |
| 36 | Metronidazole                       | 530                  | 1,200   | 636,000       | 413                  | 1,200   | 496,080       |
| 37 | Metronidazole Benzoate              | 80                   | 830     | 66,400        | 62                   | 830     | 51,792        |
| 38 | Naproxen                            | 70                   | 1,080   | 75,600        | 55                   | 1,080   | 58,968        |
| 39 | Nicotinamide                        | 11                   | 3,800   | 41,800        | 9                    | 3,800   | 32,604        |
| 40 | Neutral Pellets                     | 205                  | 850     | 174,250       | 160                  | 850     | 135,915       |
| 41 | Omeprazole Pellets 8.5%             | 80                   | 540     | 43,200        | 62                   | 540     | 33,696        |
| 42 | Paracetamol                         | 165                  | 910     | 150,150       | 129                  | 910     | 117,117       |
| 43 | Potassium Chloride                  | 225                  | 315     | 70,875        | 176                  | 315     | 55,283        |
| 44 | Promethazine Hydrochloride          | 706                  | 18      | 12,708        | 551                  | 18      | 9,912         |
| 45 | Pyridoxine Hydrochloride (B6)       | 10                   | 2,800   | 28,000        | 8                    | 2,800   | 21,840        |
| 46 | Ranitidine Hydrochloride            | 49                   | 2,600   | 127,400       | 38                   | 2,550   | 97,461        |
| 47 | Riboflavine (B2)                    | 148                  | 1,280   | 189,440       | 115                  | 1,280   | 147,763       |

|    |  |       |        |           |     |        |           |
|----|--|-------|--------|-----------|-----|--------|-----------|
| 48 | Riboflavine 5 Phosphate Sodium           | 148   | 3,400  | 503,200   | 115 | 3,400  | 392,496   |
| 49 | Sulphamethoxazole                        | 54    | 6,900  | 372,600   | 42  | 6,900  | 290,628   |
| 50 | Sodium citrate                           | 122   | 1,020  | 124,440   | 95  | 1,020  | 97,063    |
| 51 | Sodium Chloride                          | 300   | 108    | 32,400    | 234 | 108    | 25,272    |
| 52 | Salbutamol                               | 700   | 32     | 22,400    | 546 | 32     | 17,472    |
| 53 | Tetracycline Hydrochloride               | 79    | 1,200  | 94,800    | 62  | 1,200  | 73,944    |
| 54 | Thiamine Dydrochloride (B1)              | 280   | 1,390  | 389,200   | 218 | 1,390  | 303,576   |
| 55 | Trimethoprim                             | 310   | 2,600  | 806,000   | 242 | 2,600  | 628,680   |
| 56 | Zinc Sulphate                            | 88    | 1,780  | 156,640   | 69  | 1,780  | 122,179   |
| 57 | Tripolidine Hydrochloride                | 126   | 28     | 3,528     | 98  | 28     | 2,752     |
| 58 | Pseuduephedrine HCL                      | 127   | 900    | 114,300   | 99  | 900    | 89,154    |
| 59 | Dextromethorphan HBR                     | 223   | 6,500  | 1,449,500 | 174 | 6,500  | 1,130,610 |
| 60 | Cefixime Compacted                       | 165   | 1,090  | 179,850   | 129 | 1,090  | 140,283   |
| 61 | Oxitetracline Hydrochloride              | 476   | 14,000 | 6,664,000 | 411 | 14,000 | 5,757,920 |
| 62 | Aerosil                                  | 465   | 650    | 302,250   | 363 | 650    | 235,755   |
| 63 | Avicel Rc-591                            | 375   | 140    | 52,500    | 293 | 140    | 40,950    |
| 64 | Avicel-01                                | 258   | 225    | 58,050    | 201 | 225    | 45,279    |
| 65 | Aspertem                                 | 425   | 90     | 38,250    | 332 | 90     | 29,835    |
| 66 | Amarmath Colour                          | 365   | 650    | 237,250   | 285 | 650    | 185,055   |
| 67 | Banana Flavour Liq                       | 460   | 800    | 368,000   | 359 | 800    | 287,040   |
| 68 | Banana Trusil Flavour Powder             | 375   | 1,200  | 450,000   | 293 | 1,200  | 351,000   |
| 69 | Citric Acid Monohydrate                  | 425   | 85     | 36,125    | 332 | 85     | 28,178    |
| 70 | Citric Acid Anhydrous                    | 510   | 94     | 47,940    | 398 | 94     | 37,393    |
| 71 | Carboxy Methyl Cellulose Sodium CMCS     | 320   | 322    | 103,040   | 250 | 322    | 80,371    |
| 72 | Caustic Soda                             | 280   | 9      | 2,520     | 218 | 9      | 1,966     |
| 73 | Erythrosin Lake (Diclofenac Colour) Pink | 552   | 3,100  | 1,711,200 | 431 | 3,000  | 1,291,680 |
| 74 | Essence Lemon                            | 325   | 800    | 260,000   | 254 | 800    | 202,800   |
| 75 | ETDA                                     | 254   | 400    | 101,600   | 198 | 400    | 79,248    |
| 76 | Gum Acacia                               | 354   | 320    | 113,280   | 276 | 320    | 88,358    |
| 77 | Gluconate Liquid (Seplon)                | 256   | 690    | 176,640   | 200 | 690    | 137,779   |
| 78 | Gelatine                                 | 425   | 120    | 51,000    | 332 | 120    | 39,780    |
| 79 | Glycerine                                | 376   | 68     | 25,568    | 293 | 68     | 19,943    |
| 80 | Green Lake Color (Indoprox)              | 724   | 3,100  | 2,244,400 | 665 | 3,000  | 1,994,160 |
| 81 | Hydroxypropyl Methyl Cellulose (HPMC)    | 225   | 640    | 144,000   | 176 | 640    | 112,320   |
| 82 | Hydrochloric Acid (HCL)                  | 365   | 18     | 6,570     | 285 | 18     | 5,125     |
| 83 | Iso. Prpyl Alcohol (IPA)                 | 256   | 90     | 23,040    | 200 | 90     | 17,971    |
| 84 | Lactose                                  | 457   | 258    | 117,906   | 356 | 258    | 91,967    |
| 85 | L 30 D 35                                | 1,260 | 392    | 493,920   | 983 | 392    | 385,258   |
| 86 | Methyl Paraben Plain (M.P.P)             | 129   | 425    | 54,825    | 101 | 425    | 42,764    |
| 87 | Mannitol                                 | 265   | 185    | 49,025    | 207 | 185    | 38,240    |
| 88 | Methanol                                 | 453   | 84     | 38,052    | 353 | 84     | 29,681    |
| 89 | mango Flavour (Powder)                   | 254   | 1,200  | 304,800   | 198 | 1,200  | 237,744   |
| 90 | Manthl                                   | 256   | 90     | 23,040    | 200 | 90     | 17,971    |
| 91 | Maize Starch (Apple)                     | 524   | 58     | 30,392    | 409 | 58     | 23,706    |
| 92 | Maize Starch (Globe)                     | 352   | 62     | 21,824    | 275 | 62     | 17,023    |
| 93 | Magnesium Stearate                       | 375   | 120    | 45,000    | 293 | 120    | 35,100    |
| 94 | Methyl Paraben Sodium (MPS)              | 185   | 325    | 60,125    | 144 | 325    | 46,898    |
| 95 | Orange Red Colour                        | 765   | 650    | 497,250   | 597 | 650    | 387,855   |

|     |                                    |           |       |                   |           |       |                   |
|-----|------------------------------------|-----------|-------|-------------------|-----------|-------|-------------------|
| 96  | Orange Lake Colour (vitamine)      | 852       | 3,100 | 2,641,200         | 666       | 3,100 | 2,063,236         |
| 97  | Orange Liquid                      | 158       | 800   | 126,400           | 123       | 800   | 98,592            |
| 98  | Orange Flavour (Powder)            | 485       | 1,200 | 582,000           | 378       | 1,200 | 453,960           |
| 99  | Orange Oil                         | 225       | 330   | 74,250            | 176       | 330   | 57,915            |
| 100 | Povidone K-30                      | 195       | 720   | 140,400           | 152       | 720   | 109,512           |
| 101 | Sodium Thiosulphate                | 285       | 80    | 22,800            | 222       | 80    | 17,784            |
| 102 | Potassium Sorbate                  | 1,258     | 350   | 440,300           | 981       | 350   | 343,434           |
| 103 | Propyl paraben Plain (P.P.P)       | 1,128     | 700   | 789,600           | 880       | 700   | 615,888           |
| 104 | Propyl Paraben Sodium (P.P.S)      | 1,858     | 900   | 1,672,200         | 1,449     | 900   | 1,304,316         |
| 105 | Poly Etylen Glycol (PEG)           | 1,325     | 650   | 861,250           | 1,034     | 650   | 671,775           |
| 106 | Purified Talc.                     | 1,045     | 60    | 62,700            | 815       | 60    | 48,906            |
| 107 | Propylene Glycol                   | 1,925     | 180   | 346,500           | 1,502     | 180   | 270,270           |
| 108 | Pineapple Liquid                   | 1,498     | 900   | 1,348,200         | 1,168     | 900   | 1,051,596         |
| 109 | Polish/Carnubawax                  | 1,396     | 450   | 628,200           | 1,089     | 450   | 489,996           |
| 110 | Ruspberry Red Colour               | 1,825     | 1,600 | 2,920,000         | 1,424     | 1,570 | 2,234,895         |
| 111 | Ruspberry Trusil Flavour (Powder)  | 2,087     | 1,200 | 2,504,400         | 1,628     | 1,200 | 1,953,432         |
| 112 | Sodium Starch Glycolate            | 1,575     | 750   | 1,181,250         | 1,229     | 750   | 921,375           |
| 113 | Saccharin Sodium                   | 1,352     | 280   | 378,560           | 1,055     | 280   | 295,277           |
| 114 | Sorbitol 70% Solution              | 2,135     | 840   | 1,793,400         | 2,065     | 840   | 1,734,852         |
| 115 | Sodium Benzoate                    | 1,285     | 260   | 334,100           | 1,002     | 260   | 260,598           |
| 116 | Sodium Lauryl Sulphate (Cetrimide) | 1,150     | 450   | 517,500           | 897       | 445   | 399,165           |
| 117 | Strawberry Liquid                  | 2,485     | 900   | 2,236,500         | 2,238     | 875   | 1,958,513         |
| 118 | Seplon Scent                       | 1,856     | 1,100 | 2,041,600         | 1,598     | 1,050 | 1,677,564         |
| 119 | Sucrose                            | 924       | 85    | 78,540            | 721       | 85    | 61,261            |
| 120 | Tween-80                           | 678       | 800   | 542,400           | 529       | 775   | 409,851           |
| 121 | Titanium Dioxide                   | 725       | 350   | 253,750           | 566       | 330   | 186,615           |
| 122 | Eudragit-L 100                     | 410       | 4,200 | 1,722,000         | 422       | 4,100 | 1,729,380         |
| 123 | Yellow Colour                      | 529       | 900   | 476,100           | 413       | 890   | 367,232           |
| 124 | Vanilla Flavour Liquid             | 448       | 900   | 403,200           | 203       | 889   | 180,467           |
| 125 | Yellow Lake Colour                 | 356       | 3,600 | 1,281,600         | 578       | 3,575 | 2,065,206         |
| 126 | Cap Protobit (Size#2) D Blue-White | 1,249,983 | 0.17  | 212,497           | 974,987   | 0.17  | 165,748           |
| 127 | (Size #1) Green op - white op      | 1,800,000 | 0.17  | 306,000           | 1,407,820 | 0.15  | 211,173           |
|     | <b>Total</b>                       |           |       | <b>69,555,407</b> |           |       | <b>57,483,839</b> |

(b) **Information as is required under section 186 of the কোম্পানি আইন, ১৯৯৪ relating to holding company;**

Not applicable for Indo-Bangla Pharmaceuticals Limited as it is not a holding Company.

(c) Selected ratios as specified in Annexure-D;

**Auditor's certificate regarding calculation of EPS and Ratios**

This is to certify that Indo-Bangla Pharmaceuticals Limited has maintained the following ratios as computed on the basis of the audited financial statements for the year ended June 30, 2016 and 2015.

| Particulars | 30-Jun-2016 |  | 30-Jun-2015 |
|-------------|-------------|--|-------------|
|             | Ratio       |  |             |

**I. Liquidity Ratios:**

|                   |      |  |      |
|-------------------|------|--|------|
| (i) Current Ratio | 7.47 |  | 1.02 |
| (ii) Quick Ratio  | 4.29 |  | 0.22 |

**II. Operating Efficiency Ratios:**

|  |      |  |       |
|--|------|--|-------|
| (i) Accounts Receivable Turnover Ratio | 5.79 |  | 10.50 |
| (ii) Inventory Turnover Ratio          | 1.76 |  | 1.81  |
| (iii) Asset Turnover Ratio             | 0.67 |  | 1.14  |

**III. Profitability Ratios:**

|                                     |        |  |        |
|-------------------------------------|--------|--|--------|
| (i) Gross Margin Ratio              | 40.98% |  | 40.72% |
| (ii) Operating Profit Ratio         | 21.25% |  | 21.24% |
| (iii) Net Profit Ratio              | 13.27% |  | 13.84% |
| (iv) Return on Assets Ratio         | 8.89%  |  | 15.72% |
| (v) Return on Equity Ratio          | 11.71% |  | 37.82% |
| (vi) Basic Earnings Per Share (EPS) | 2.62   |  | 6.40   |
| (vii) EBITDA Margin                 | 22.49% |  | 22.09% |

**IV. Solvency Ratios:**

|                                   |   |  |   |
|-----------------------------------|---|--|---|
| (i) Debt to Total Assets Ratio    | - |  | - |
| (ii) Debt to Equity Ratio         | - |  | - |
| (iii) Times Interest Earned Ratio | - |  | - |
| (iv) Debt Service Coverage Ratio  | - |  | - |

**V. Cash Flow Ratios:**

|  |      |  |      |
|--|------|--|------|
| (i) Net Operating Cash Flow per Share (NOCFPS) | 0.19 |  | 7.56 |
| (ii) NOCFPS to EPS Ratio                       | 0.07 |  | 1.18 |

Place: Dhaka  
Date: October 01, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**1. It is observed that return on equity and EPS are declining year to year. Explain;**

Our profitability did not decrease; it is remaining same to June 30, 2015. In the year ended June 30 2016, Share capital has increased by Tk. 631,000,000 and same time no. of shares has increased by 63,100,000 compare to year ended June 30 2015. Hence, return on equity and EPS seems decreased.

| <b>Ratio Calculation</b>                       |   |             |        |             |        |
|--|---|-------------|--------|-------------|--------|
| Particulars                                    | Formula   | 30-06-2016  |        | 30-06-2015  |        |
|  |   | Calculation | Ratio  | Calculation | Ratio  |
| <b>I. Liquidity Ratios:</b>                    |   |             |        |             |        |
| (i) Current Ratio                              | Current Assets/Current Liabilities  | 614,908,956 | 7.47   | 224,744,682 | 1.02   |
|  |   | 82,321,161  |        | 219,787,472 |        |
| (ii) Quick Ratio                               | (Current Assets-Inventories-Advance, Deposit & Prepayments)/Current Liabilities | 353,061,624 | 4.29   | 47,326,605  | 0.22   |
|  |   | 82,321,161  |        | 219,787,472 |        |
| <b>II. Operating Efficiency Ratios:</b>        |   |             |        |             |        |
| (i) Accounts Receivable Turnover Ratio         | Net Sales/Average Accounts Receivables  | 444,777,724 | 5.79   | 435,024,108 | 10.50  |
|  |   | 76,852,400  |        | 41,438,482  |        |
| (ii) Inventory Turnover Ratio                  | Cost of Goods Sold /Average Inventory   | 262,528,992 | 1.76   | 257,883,659 | 1.81   |
|  |   | 149,342,730 |        | 142,164,099 |        |
| (iii) Asset Turnover Ratio                     | Net Sales/Average Total Assets  | 444,777,724 | 0.67   | 435,024,108 | 1.14   |
|  |   | 664,199,172 |        | 383,019,532 |        |
| <b>III. Profitability Ratios:</b>              |   |             |        |             |        |
| (i) Gross Margin Ratio                         | Gross Profit/Net Sales  | 182,248,732 | 40.98% | 177,140,449 | 40.72% |
|  |   | 444,777,724 |        | 435,024,108 |        |
| (ii) Operating Profit Ratio                    | Operating Profit/Net Sales  | 94,497,109  | 21.25% | 92,419,984  | 21.24% |
|  |   | 444,777,724 |        | 435,024,108 |        |
| (iii) Net Profit Ratio                         | Net Profit after Tax/Net Sales  | 59,024,705  | 13.27% | 60,209,267  | 13.84% |
|  |   | 444,777,724 |        | 435,024,108 |        |
| (iv) Return on Assets Ratio                    | Net Profit after Tax/ Average Total Assets                                      | 59,024,705  | 8.89%  | 60,209,267  | 15.72% |
|  |   | 664,199,172 |        | 383,019,532 |        |
| (v) Return on Equity Ratio                     | Net Profit after Tax/Average Total Shareholders' Equity                         | 59,024,705  | 11.71% | 60,209,267  | 37.82% |
|  |   | 504,221,620 |        | 159,209,267 |        |
| (vi) Basic Earnings Per Share (EPS)            | Net Profit after Tax/Weighted Average Number of Ordinary Shares Outstanding     | 59,024,705  | 2.62   | 60,209,267  | 6.40   |
|  |   | 22,543,442  |        | 9,407,407   |        |
| (vii) EBITDA Margin                            | EBITDA/Net Sales  | 100,008,901 | 22.49% | 96,079,601  | 22.09% |
|  |   | 444,777,724 |        | 435,024,108 |        |
| <b>IV. Solvency Ratios:</b>                    |   |             |        |             |        |
| (i) Debt to Total Assets Ratio                 | Total Debt/Total Assets   | -           | -      | -           | -      |
|  |   | 945,378,813 |        | 383,019,532 |        |
| (ii) Debt to Equity Ratio                      | Total Debt/Total Equity   | -           | -      | -           | -      |
|  |   | 849,233,972 |        | 159,209,267 |        |
| (iii) Times Interest Earned Ratio              | EBIT/Financial Expenses   | 94,497,109  | -      | 92,419,984  | -      |
|  |   | -           |        | -           |        |
| (iv) Debt Service Coverage Ratio               | Net Operating Profit / Total Debt Service                                       | 100,008,901 | -      | 96,079,601  | -      |
|  |   | -           |        | -           |        |
| <b>V. Cash Flow Ratios:</b>                    |   |             |        |             |        |
| (i) Net Operating Cash Flow per Share (NOCFPS) | Net Operating Cash Flow/ Number of Ordinary Shares Outstanding                  | 14,019,393  | 0.19   | 74,856,046  | 7.56   |
|  |   | 73,000,000  |        | 9,900,000   |        |
| (ii) NOCFPS to EPS Ratio                       | Net Operating Cash Flow per Share/EPS   | 0.19        | 0.07   | 7.56        | 1.18   |
|  |   | 2.62        |        | 6.40        |        |

**Comparison ratios with the industry average ratios of the same periods:**

| INDO BANGLA PHARMACEUTICALS LTD.               |            | Industry Average *** | Remark/Explanation   |
|--|------------|----------------------|--|
| Particulars                                    | 30/06/2016 | 2015                 |  |
|  | Ratio      | Ratio                |  |
| <b>I. Liquidity Ratios:</b>                    |            |                      |  |
| (i) Current Ratio                              | 7.47       | 2.47                 | IBPL's Current Ratio is higher as the current assets are higher than the current liabilities.                          |
| (ii) Quick Ratio                               | 4.29       | 1.15                 | IBPL's Ratio is higher as the quick assets are higher than the current liabilities.                                    |
| <b>II. Operating Efficiency Ratios:</b>        |            |                      |  |
| (i) Accounts Receivable Turnover Ratio         | 5.79       | 10.66                | IBPL's Ratio is satisfactory as collection period is shorter.  |
| (ii) Inventory Turnover Ratio                  | 1.76       | 3.38                 | IBPL's Ratio is satisfactory as inventory is sold in shorter time.   |
| (iii) Asset Turnover Ratio                     | 0.67       | 0.57                 | IBPL's Ratio is satisfactory with the average industry.  |
| <b>III. Profitability Ratios:</b>              |            |                      |  |
| (i) Gross Margin Ratio                         | 40.98%     | 45.21%               | IBPL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (ii) Operating Profit Ratio                    | 21.25%     | 25.50%               | IBPL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (iii) Net Profit Ratio                         | 13.27%     | 15.87%               | IBPL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (iv) Return on Assets Ratio                    | 8.89%      | 9.56%                | IBPL's Ratio is satisfactory with the average industry.  |
| (v) Return on Equity Ratio                     | 11.71%     | 13.11%               | IBPL's Ratio is satisfactory with the average industry.  |
| (vi) Basic Earnings Per Share (EPS)            | 2.62       | 5.27                 | IBPL's Ratio is satisfactory with the average industry.  |
| (vii) EBITDA Margin                            | 22.49%     | 262.33%              | IBPL's Ratio is satisfactory with the average industry.  |
| <b>IV. Solvency Ratios:</b>                    |            |                      |  |
| (i) Debt to Total Assets Ratio                 | -          | 0.14                 | IBPL's Ratio is null as the company has no long term and short term debt.  |
| (ii) Debt to Equity Ratio                      | -          | 0.22                 | IBPL's Ratio is null as the company has no long term and short term debt.  |
| (iii) Times Interest Earned Ratio              | -          | 14.15                | IBPL's Ratio is null as the company has no financial expense.  |
| (iv) Debt Service Coverage Ratio               | -          | Not Available        | IBPL's Ratio is null as the company has no long term and short term debt.  |
| <b>V. Cash Flow Ratios:</b>                    |            |                      |  |
| (i) Net Operating Cash Flow per Share (NOCFPS) | 0.19       | 3.05                 | IBPL's Ratio is satisfactory as Net Operating Cash Flow is positive.   |
| (ii) NOCFPS to EPS Ratio                       | 0.07       | 0.79                 | IBPL's Ratio is satisfactory as Net Operating Cash Flow is positive.   |

\*\*\* The Industry average ratio is calculated through using the ratio of 5 listed similar companies namely Square Pharma Ltd. for the year ended March 31, 2015, Beximco Pharma Ltd. for the year ended December 31, 2015, Pharma Aid Ltd. for the year ended June 30, 2015, Beacon Pharma Ltd. for the year ended June 30, 2015 and Central Pharma Ltd. for the year ended June 30, 2015. (Source: Annual Report) Information for the Company Ambee Pharmaceuticals Limited, Orion Pharma Limited & Renata Limited is not available.

| INDO BANGLA PHARMACEUTICALS LTD.               |                  | Industry Average *** | Remark/Explanation   |
|--|------------------|----------------------|--|
| Particulars                                    | 30/06/2015 Ratio | 2014 Ratio           |  |
| <b>I. Liquidity Ratios:</b>                    |                  |                      |  |
| (i) Current Ratio                              | 1.02             | 1.95                 | IBPL's Current Ratio is higher as the current assets are higher than the current liabilities.                          |
| (ii) Quick Ratio                               | 0.22             | 1.02                 | IBPL's Ratio is lower as the quick assets are lower than the current liabilities.                                      |
| <b>II. Operating Efficiency Ratios:</b>        |                  |                      |  |
| (i) Accounts Receivable Turnover Ratio         | 10.50            | 8.77                 | IBPL's Ratio is satisfactory as collection period is shorter.  |
| (ii) Inventory Turnover Ratio                  | 1.81             | 2.95                 | IBPL's Ratio is satisfactory as inventory is sold in shorter time.   |
| (iii) Asset Turnover Ratio                     | 1.14             | 0.54                 | IBPL's Ratio is satisfactory with the average industry.  |
| <b>III. Profitability Ratios:</b>              |                  |                      |  |
| (i) Gross Margin Ratio                         | 40.72%           | 46.97%               | IBPL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (ii) Operating Profit Ratio                    | 21.24%           | 22.67%               | IBPL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (iii) Net Profit Ratio                         | 13.84%           | 13.87%               | IBPL's Ratio is satisfactory with the average industry as the ratio of the same nature of the business is almost same. |
| (iv) Return on Assets Ratio                    | 15.72%           | 6.70%                | IBPL's Ratio is satisfactory with the average industry.  |
| (v) Return on Equity Ratio                     | 37.82%           | 14.01%               | IBPL's Ratio is satisfactory with the average industry.  |
| (vi) Basic Earnings Per Share (EPS)            | 6.40             | 8.19                 | IBPL's Ratio is satisfactory with the average industry.  |
| (vii) EBITDA Margin                            | 22.09%           | 197.69%              | IBPL's Ratio is satisfactory with the average industry.  |
| <b>IV. Solvency Ratios:</b>                    |                  |                      |  |
| (i) Debt to Total Assets Ratio                 | -                | 0.19                 | IBPL's Ratio is null as the company has no long term and short term debt.  |
| (ii) Debt to Equity Ratio                      | -                | 0.67                 | IBPL's Ratio is null as the company has no long term and short term debt.  |
| (iii) Times Interest Earned Ratio              | -                | 7.90                 | IBPL's Ratio is null as the company has no financial expense.  |
| (iv) Debt Service Coverage Ratio               | -                | Not Available        | IBPL's Ratio is null as the company has no long term and short term debt.  |
| <b>V. Cash Flow Ratios:</b>                    |                  |                      |  |
| (i) Net Operating Cash Flow per Share (NOCFPS) | 7.56             | 8.97                 | IBPL's Ratio is satisfactory as Net Operating Cash Flow is positive.   |
| (ii) NOCFPS to EPS Ratio                       | 1.18             | 1.50                 | IBPL's Ratio is satisfactory as Net Operating Cash Flow is positive.   |

\*\*\* The Industry average ratio is calculated through using the ratio of 8 listed similar companies namely Square Pharma Ltd. for the year ended March 31, 2014, Beximco Pharma Ltd. for the year ended December 31, 2014, Renata Ltd. for the year ended December 31, 2014, Pharma Aid Ltd. for the year ended June 30, 2014, Orion Pharma Ltd. for the year ended December 31, 2014, Beacon Pharma Ltd. for the year ended June 30, 2014, Central Pharma Ltd. for the year ended June 30, 2014 and Ambee Pharma Ltd. for the year ended December 31, 2014. (Source: Annual Report)

**Rationale for choosing these 8 Companies:**

There are twenty-eight pharmaceutical companies listed in the capital market. Among the twenty-eight companies IBPL has taken eight companies because IBPL's product mix matches to these eight companies.

- (d) **Auditors report under Section 135(1), Paragraph 24(1) of Part II of Schedule III of the কোম্পানি আইন, ১৯৯৪. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation;**

**Auditors' report Under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act 1994**

We have examined the Financial Statements of Indo-Bangla Pharmaceuticals Limited for the year ended June 30, 2015 and 2016 were audited by us. In pursuance of Section-135 (1) and Para-24 (1) of Part-II of Schedule-III of the Companies Act 1994, our report is as under:

**A) Statements of Assets and Liabilities of the company is as under:**

| Particulars                         | Amount in Taka     |                    |
|-------------------------------------|--------------------|--------------------|
|                                     | 30-Jun-16          | 30-Jun-15          |
|                                     |                    | Restated           |
| <b>APPLICATION OF FUND</b>          |                    |                    |
| <b>NON-CURRENT ASSETS</b>           |                    |                    |
| Property, Plant and Equipment       | 211,400,486        | 147,873,513        |
| Work in Progress                    | 119,069,371        | 10,401,337         |
| <b>Total Non-Current Assets</b>     | <b>330,469,857</b> | <b>158,274,850</b> |
| <b>CURRENT ASSETS</b>               |                    |                    |
| Inventories                         | 156,521,360        | 142,164,099        |
| Trade & Other Receivables           | 112,266,319        | 41,438,482         |
| Advance, Deposits and Prepayments   | 105,325,972        | 35,253,978         |
| Cash and Cash equivalents           | 240,795,305        | 5,888,123          |
| <b>Total Current Assets</b>         | <b>614,908,956</b> | <b>224,744,682</b> |
| <b>TOTAL ASSETS</b>                 | <b>945,378,813</b> | <b>383,019,532</b> |
| <b>OWNER'S EQUITY</b>               |                    |                    |
| Share Capital                       | 730,000,000        | 99,000,000         |
| Retained Earnings                   | 119,233,972        | 60,209,267         |
| <b>Total Equity</b>                 | <b>849,233,972</b> | <b>159,209,267</b> |
| <b>NON-CURRENT LIABILITIES</b>      |                    |                    |
| Deferred Tax Liability              | 9,283,317          | 4,022,794          |
| Provision for WPPF                  | 4,540,362          | -                  |
|                                     | <b>13,823,679</b>  | <b>4,022,794</b>   |
| <b>CURRENT LIABILITIES</b>          |                    |                    |
| Trade and other Payables            | 15,911,787         | 11,847,860         |
| Vendors payable Account             | -                  | 171,837,213        |
| Provision for Taxes                 | 54,919,591         | 28,397,581         |
| Liabilities for Expenses            | 11,489,784         | 7,704,817          |
| <b>TOTAL CURRENT LIABILITIES</b>    | <b>82,321,162</b>  | <b>219,787,471</b> |
| <b>TOTAL LIABILITIES</b>            | <b>96,144,841</b>  | <b>223,810,265</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>945,378,813</b> | <b>383,019,532</b> |
| Net Asset Value (NAV) per Share     | 11.63              | 16.08              |

**B) The statements of operating results of the company is as follow:**

| Particulars  | Amount in Taka     |                    |
|--|--------------------|--------------------|
|  | 30-Jun-16          | 30-Jun-15          |
|  |                    | Restated           |
| Net Sales Revenue  | 444,777,724        | 435,024,108        |
| Cost of Goods Sold   | 262,528,992        | 257,883,659        |
| <b>Gross Profit</b>  | <b>182,248,732</b> | <b>177,140,449</b> |
| <b>Operating Expenses:</b>                                   | <b>87,751,623</b>  | <b>84,720,465</b>  |
| Administrative Expenses                                      | 23,381,246         | 22,007,014         |
| Selling & Distributing Expenses                              | 64,370,377         | 62,713,451         |
| <b>Profit from Operations</b>                                | <b>94,497,109</b>  | <b>92,419,984</b>  |
| Non-Operating Income   | 850,491            | 209,658            |
| <b>Profit before Contribution to WPPF &amp; Welfare Fund</b> | <b>95,347,600</b>  | <b>92,629,642</b>  |
| Contribution to WPPF & Welfare Fund                          | 4,540,362          | -                  |
| <b>Profit before Tax</b>                                     | <b>90,807,238</b>  | <b>92,629,642</b>  |
| <b>Provision for Taxation:</b>                               | <b>31,782,533</b>  | <b>32,420,375</b>  |
| Income Tax Current year                                      | 26,522,010         | 28,397,581         |
| Deferred Tax Current year                                    | 5,260,523          | 4,022,794          |
| <b>Profit after tax</b>                                      | <b>59,024,705</b>  | <b>60,209,267</b>  |
| <b>Earnings per Share (Basic)</b>                            | 2.62               | 6.40               |

**C. Dividend declared:**

| Particulars                  | 30-Jun-16 | 30-Jun-15 |
|------------------------------|-----------|-----------|
| Cash Dividend                | Nil       | Nil       |
| Stock Dividend (Bonus Share) | Nil       | Nil       |

- D. Indo-Bangla Pharmaceuticals Limited (IBPL) was incorporated in Bangladesh as a Private Limited Company with the issuance of Certificate of incorporation bearing no. C-116665/14 dated on June 18, 2014 by the Registrar of Joint Stock Companies & Firms. The Company Converted into public Limited Company on October 21, 2014.
- E. The Company started its commercial operation in June 18, 2014.
- F. No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.
- G. The Company did not prepare any statement of accounts for the year subsequent to June 30, 2016.
- H. Figures related to previous years have been re-arranged whenever considered necessary.

Place: Dhaka  
Date: September 24, 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

## (e) Financial spread sheet analysis for the latest audited financial statements;

**Indo Bangla Pharmaceuticals Ltd.**  
Statement of Financial Position  
As at June 30, 2016

| Particulars                                   | Amount             | Percentage<br>on Total<br>Asset | Grand<br>Total |
|---|--------------------|---------------------------------|----------------|
| <b>PROPERTY &amp; ASSETS</b>                  |                    |                                 |                |
| <b>NON-CURRENT ASSETS</b>                     | <b>330,469,857</b> |                                 | <b>34.96%</b>  |
| <b>Property, Plant and Equipment</b>          | <b>211,400,486</b> | <b>22.36%</b>                   |                |
| Machineries & Equipment                       | 112,409,855        | 11.89%                          |                |
| Generator                                     | 2,712,501          | 0.29%                           |                |
| Furniture & Fixture                           | 5,276,171          | 0.56%                           |                |
| Office Equipment                              | 2,704,824          | 0.29%                           |                |
| Transport                                     | 1,508,079          | 0.16%                           |                |
| Building                                      | 82,827,610         | 8.76%                           |                |
| Water Plant                                   | 2,205,122          | 0.23%                           |                |
| ETP Plant                                     | 1,756,324          | 0.19%                           |                |
| <b>Capital Work in Progress</b>               | <b>119,069,371</b> |                                 | <b>12.59%</b>  |
| <b>Current Assets</b>                         | <b>614,908,956</b> |                                 | <b>65.04%</b>  |
| <b>Inventories</b>                            | <b>156,521,360</b> | <b>16.56%</b>                   |                |
| Raw Material                                  | 69,555,407         | 7.36%                           |                |
| Finished Goods                                | 45,053,550         | 4.77%                           |                |
| Work - in - Process                           | 18,013,355         | 1.91%                           |                |
| Spare Parts                                   | 8,083,723          | 0.86%                           |                |
| Packing Materials                             | 15,815,325         | 1.67%                           |                |
| <b>Trade &amp; Other Receivables</b>          | <b>112,266,319</b> | <b>11.88%</b>                   |                |
| Accounts Receivable                           | 112,266,319        | 11.88%                          |                |
| <b>Advances, Deposits and Pre-payments</b>    | <b>105,325,972</b> | <b>11.14%</b>                   |                |
| Advance Income Tax                            | 15,352,397         | 1.62%                           |                |
| Advance to Employees                          | 675,648            | 0.07%                           |                |
| Prepayment (Insurance)                        | 152,318            | 0.02%                           |                |
| Goods and services                            | 11,906,106         | 1.26%                           |                |
| Construction materials                        | 22,448,801         | 2.37%                           |                |
| Tour  | 4,031,218          | 0.43%                           |                |
| L/C Margin for Machinery                      | 30,568,200         | 3.23%                           |                |
| Land  | 20,000,000         | 2.12%                           |                |
| VAT current account                           | 191,284            | 0.02%                           |                |
| <b>Cash and Cash Equivalents</b>              | <b>240,795,305</b> | <b>25.47%</b>                   |                |
| <b>Total Assets</b>                           | <b>945,378,813</b> |                                 | <b>100.00%</b> |
| <b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b> |                    |                                 |                |
| <b>SHAREHOLDERS EQUITY</b>                    | <b>849,233,972</b> |                                 | <b>89.83%</b>  |
| Share Capital                                 | 730,000,000        | 77.22%                          |                |
| Retained Earnings                             | 119,233,972        | 12.61%                          |                |
| <b>NON-CURRENT LIABILITY</b>                  | <b>13,823,679</b>  |                                 | <b>1.46%</b>   |
| Deferred Tax Liability                        | 9,283,317          | 0.98%                           |                |
| Provision for WPPF                            | 4,540,362          | 0.48%                           |                |
| <b>CURRENT LIABILITY</b>                      | <b>82,321,162</b>  |                                 | <b>8.71%</b>   |
| Trade Payables                                | 15,911,787         | 1.68%                           |                |
| Provision for Taxes                           | 54,919,591         | 5.81%                           |                |
| <b>Liabilities for Expenses</b>               | <b>11,489,784</b>  | <b>1.22%</b>                    |                |
| Telephone Bill                                | 8,558              | 0.001%                          |                |

|   |                    |         |             |
|---|--------------------|---------|-------------|
| Electricity Bill                                    | 136,612            | 0.014%  |             |
| Directors Remuneration                              | 150,000            | 0.016%  |             |
| Salary & Wages                                      | 3,999,715          | 0.423%  |             |
| Repairs and Maintenance                             | 6,909,896          | 0.731%  |             |
| Audit Fees with VAT                                 | 172,500            | 0.018%  |             |
| Factory Rent  | 109,000            | 0.012%  |             |
| Others  | 3,503              | 0.0004% |             |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <b>945,378,813</b> |         | <b>100%</b> |

**Indo Bangla Pharmaceuticals Ltd.**  
**Statement of Profit and Loss and Other Comprehensive Income**  
**For the year ended June 30, 2016**

| Particulars  | For the year<br>ended June 30,<br>2016 | Percentage<br>on Total<br>Turnover | Grand<br>Percentage |
|--|--|------------------------------------|---------------------|
| <b>Turnover</b>  | <b>444,777,724</b>                     |                                    | <b>100%</b>         |
| Sales Revenue  | 444,777,724                            |                                    |                     |
| <b>Less: Cost of Goods Sold</b>                              | <b>262,528,992</b>                     |                                    | <b>59.02%</b>       |
| Raw material consumed  | 179,027,986                            | 40.25%                             |                     |
| Direct Expense   | 65,375,188                             | 14.70%                             |                     |
| Manufacturing Overhead                                       | 26,534,444                             | 5.97%                              |                     |
|  | 270,937,618                            |                                    |                     |
| Add: Opening Work in process                                 | 17,689,450                             |                                    |                     |
| Less: Closing Work in process                                | 18,013,355                             |                                    |                     |
| <b>Cost of Production</b>                                    | <b>270,613,713</b>                     | <b>60.84%</b>                      |                     |
| Add: Opening Stock of Finished Goods                         | 39,238,921                             |                                    |                     |
| <b>Cost of Goods available for Sale</b>                      | <b>309,852,634</b>                     | <b>69.66%</b>                      |                     |
| Less: Closing Stock of Finished Goods                        | 45,053,550                             |                                    |                     |
| Less: Sample Costs   | 2,270,092                              |                                    |                     |
| <b>Cost of Goods Sold:</b>                                   | <b>262,528,992</b>                     | <b>59.02%</b>                      |                     |
| <b>Gross Profit</b>  | <b>182,248,732</b>                     |                                    | <b>40.98%</b>       |
| <b>Less: Operating Expenses</b>                              | <b>87,751,623</b>                      |                                    | <b>19.73%</b>       |
| Administrative Expenses                                      | 23,381,246                             | 5.26%                              |                     |
| Selling & Distribution Expenses                              | 64,370,377                             | 14.47%                             |                     |
| <b>Operating Profit</b>                                      | <b>94,497,109</b>                      |                                    | <b>21.25%</b>       |
| <b>Add: Non-Operating Income</b>                             | <b>850,491</b>                         |                                    | <b>0.19%</b>        |
| Other Income   | 850,491                                | 0.19%                              |                     |
| <b>Profit before Contribution to WPPF &amp; Welfare Fund</b> | <b>95,347,600</b>                      |                                    | <b>21.44%</b>       |
| Less: Contribution to WPPF & Welfare Fund                    | 4,540,362                              | 1.02%                              |                     |
| <b>Net Profit before Income Tax</b>                          | <b>90,807,238</b>                      |                                    | <b>20.42%</b>       |
| <b>Less: Income Tax Expenses:</b>                            | <b>31,782,533</b>                      |                                    | <b>7.15%</b>        |
| Current Tax  | 26,522,010                             | 5.96%                              |                     |
| Deferred Tax   | 5,260,523                              | 1.18%                              |                     |
| <b>Total Comprehensive Income for the Year</b>               | <b>59,024,705</b>                      |                                    | <b>13.27%</b>       |

**Indo Bangla Pharmaceuticals Ltd.**  
**Worksheet Analysis**  
**For the year ended June 30, 2016**

| Particulars                                      | Trial Balance |               | Adjustment |            | Adjusted Trial balance |               | Statement of Profit or Loss and Other Comprehensive Income |             | Statement of Changes in Equity (Retained Earnings) |             | Statement of Financial Position |             |
|--|---------------|---------------|------------|------------|------------------------|---------------|--|-------------|--|-------------|---------------------------------|-------------|
|  | Dr.           | Cr.           | Dr.        | Cr.        | Dr.                    | Cr.           | Dr.  | Cr.         | Dr.  | Cr.         | Dr.                             | Cr.         |
| Property, Plant & Equipment                      | 220,571,894   |               |            |            | 220,571,894            |               |  |             |  |             | 220,571,894                     |             |
| Accumulated Depreciation                         |               | 3,659,617     |            | 5,511,791  |                        | 9,171,408     |  |             |  |             |                                 | 9,171,408   |
| Capital Work in Progress                         | 119,069,371   |               |            |            | 119,069,371            |               |  |             |  |             | 119,069,371                     |             |
| Inventories                                      | 156,521,360   |               |            |            | 156,521,360            |               |  |             |  |             | 156,521,360                     |             |
| Trade & Other Receivables                        | 112,266,319   |               |            |            | 112,266,319            |               |  |             |  |             | 112,266,319                     |             |
| Advance, Deposits & Pre payments                 | -             |               | 16,765,290 |            | 16,765,290             |               |  |             |  |             | 16,765,290                      |             |
| Advance Income Tax                               | 15,352,397    |               |            |            | 15,352,397             |               |  |             |  |             | 15,352,397                      |             |
| Construction materials                           | 22,448,801    |               |            |            | 22,448,801             |               |  |             |  |             | 22,448,801                      |             |
| L/C Margin for Machinery                         | 30,568,200    |               |            |            | 30,568,200             |               |  |             |  |             | 30,568,200                      |             |
| Advance against Land                             | 20,000,000    |               |            |            | 20,000,000             |               |  |             |  |             | 20,000,000                      |             |
| VAT current account                              | 191,284       |               |            |            | 191,284                |               |  |             |  |             | 191,284                         |             |
| Cash & Cash Equivalent                           | 240,795,305   |               |            |            | 240,795,305            |               |  |             |  |             | 240,795,305                     |             |
| Share Capital                                    |               | 730,000,000   |            |            |                        | 730,000,000   |  |             |  |             |                                 | 730,000,000 |
| Opening Retained Earnings                        |               | 60,209,267    |            |            |                        | 60,209,267    |  |             | 60,209,267   |             |                                 |             |
| Deferred Tax Liability                           |               | 9,283,317     |            |            |                        | 9,283,317     |  |             |  |             |                                 | 9,283,317   |
| Provision for WPPF                               |               | 4,540,362     |            |            |                        | 4,540,362     |  |             |  |             |                                 | 4,540,362   |
| Trade Payables                                   |               | 15,911,787    |            |            |                        | 15,911,787    |  |             |  |             |                                 | 15,911,787  |
| Provision for Taxes                              |               | 54,919,591    |            |            |                        | 54,919,591    |  |             |  |             |                                 | 54,919,591  |
| Liabilities for Expenses                         |               | -             | 11,489,784 |            |                        | 11,489,784    |  |             |  |             |                                 | 11,489,784  |
| Sales Revenue                                    |               | 444,777,724   |            |            |                        | 444,777,724   |  | 444,777,724 |  |             |                                 |             |
| Cost of Sales (Excluding Depreciation)           | 269,232,665   |               | 568,106    | 11,906,106 | 257,894,665            |               | 257,894,665  |             |  |             |                                 |             |
| Administrative Expenses (Excluding Depreciation) | 19,365,102    |               | 7,997,864  | 4,859,184  | 22,503,782             |               | 22,503,782   |             |  |             |                                 |             |
| Selling & Distribution Expenses                  | 61,446,563    |               | 2,923,814  |            | 64,370,377             |               | 64,370,377   |             |  |             |                                 |             |
| Depreciation Expense                             | -             |               | 5,511,791  |            | 5,511,791              |               | 5,511,791  |             |  |             |                                 |             |
| Other Income                                     |               | 850,491       |            |            |                        | 850,491       |  | 850,491     |  |             |                                 |             |
| Contribution to WPPF                             | 4,540,362     |               |            |            | 4,540,362              |               | 4,540,362  |             |  |             |                                 |             |
| Current Tax                                      | 26,522,010    |               |            |            | 26,522,010             |               | 26,522,010   |             |  |             |                                 |             |
| Deferred Tax                                     | 5,260,523     |               |            |            | 5,260,523              |               | 5,260,523  |             |  |             |                                 |             |
|  | 1,324,152,156 | 1,324,152,156 | 33,766,865 | 33,766,865 | 1,341,153,730          | 1,341,153,730 | 386,603,510  | 445,628,215 |  |             |                                 |             |
| Net Profit                                       |               |               |            |            |                        |               | 59,024,705   |             | 59,024,705   |             |                                 |             |
|  |               |               |            |            |                        |               | 445,628,215  | 445,628,215 | -  | 119,233,972 |                                 |             |
| Closing Retained Earnings                        |               |               |            |            |                        |               |  |             | 119,233,972  |             |                                 | 119,233,972 |
|  |               |               |            |            |                        |               |  |             | 119,233,972  | 119,233,972 |                                 |             |
|  |               |               |            |            |                        |               |  |             |  |             | 954,550,221                     | 954,550,221 |

- (f) **Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;**

*As per audited financial statement as at 30 June, 2016*

| Particulars   | Amount in Taka |
|---|----------------|
| Profit after tax  | 59,024,705     |
| Total existing number of Share                                      | 73,000,000     |
| Weighted average number of Share                                    | 22,543,442     |
| <b>Earnings per Share (EPS)-Fully Diluted Basis</b>                 | <b>0.81</b>    |
| <b>Earnings per Share (EPS)-Weighted average no. of Share basis</b> | <b>2.62</b>    |

- (g) **All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;**

*As per audited financial statement as at 30 June, 2016*

| Particulars  | Amount in Taka    |
|--|-------------------|
| Profit before Contribution to WPPF & Welfare Fund  | 95,347,600        |
| Less: Non-Operating Income   | 850,491           |
| Less: Contribution to WPPF & Welfare Fund  | 4,540,362         |
| <b>Net profit before tax except Non-Operating Income &amp; Contribution to WPPF &amp; Welfare Fund</b> | <b>89,956,747</b> |
| Less: Income Tax Current Year  | 26,522,010        |
| Less: Deferred Tax   | 5,260,523         |
| <b>Profit after tax</b>  | <b>58,174,214</b> |
| No. of shares  | 73,000,000        |
| <b>Earnings per Share (EPS)</b>  | <b>0.80</b>       |

- (h) **Quarterly or half-yearly EPS should not be annualized while calculating the EPS;**

This information is not applicable for IBPL.

- (i) **Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.**

The Company has not revalued any of its assets.

*As per audited financial statement as at 30 June, 2016*

| Particulars  | Amount in Taka     |
|--|--------------------|
| Share Capital  | 730,000,000        |
| Retained Earnings                                    | 119,233,972        |
| <b>Total Shareholders' Equity</b>                    | <b>849,233,972</b> |
| Total Number of Ordinary Share                       | 73,000,000         |
| <b>Net Assets Value (NAV) at BDT 10.00 per share</b> | <b>11.63</b>       |

- (j) **The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.**

This information is not applicable for IBPL.

(k) **Following statements for the last five years or any shorter period of commercial operation certified by the auditors: -**

(i) **Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued;**

After due verification, we certify that Indo-Bangla Pharmaceuticals Ltd. did not take any Long Term and Short Term Borrowing Including Borrowing from Related Party or Connected Person from 18 June 2014 to 30 June 2016.

Place: Dhaka  
Date: September 24, 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

(ii) **Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status;**

After due verification, we certify that Indo-Bangla Pharmaceuticals Ltd. did not take any Secured Loans from any lender and no charge has been created on any assets for any loan from 18 June 2014 to 30 June 2016.

Place: Dhaka  
Date: September 24, 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

(iii) **Statement of unsecured loans with terms and conditions;**

This is to certify that **Indo-Bangla Pharmaceuticals Ltd.** did not take any unsecured loan from 18 June 2014 to 30 June 2016.

Place: Dhaka  
Date: September 24, 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

(iv) **Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store and spares parts, inventory of trading goods etc.;**

After due verification, we certify that the Statement of inventories showing amount of raw materials, packing materials, stock in process and finished goods, consumable items, store & spare parts, inventory of trading goods etc; of Indo-Bangla Pharmaceuticals Ltd. for the last two years were as follows:

| Items                          | Amount In (BDT)         |                         |
|--------------------------------|-------------------------|-------------------------|
|                                | Year Ended 30 June 2016 | Year Ended 30 June 2015 |
| <b>Raw Materials</b>           | 69,555,407              | 57,483,839              |
| <b>Packing Materials</b>       | 15,815,325              | 21,131,530              |
| <b>Stock in Process</b>        | 18,013,355              | 17,689,450              |
| <b>Finish Goods</b>            | 45,053,550              | 39,238,921              |
| <b>Consumable Items</b>        | Nil                     | Nil                     |
| <b>Store &amp; Spare Parts</b> | 8,083,723               | 6,620,359               |
| <b>Trading Goods</b>           | N/A                     | N/A                     |
| <b>Total</b>                   | <b>156,521,360</b>      | <b>142,164,099</b>      |

Place: Dhaka  
Date: September 24, 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

(v) **Statement of trade receivables showing receivable from related party and connected persons;**

After due verification, we certify that the statement of trade receivables showing Receivable from related party and connected person of **Indo-Bangla Pharmaceuticals Ltd.** for the last two years were as follows:

| Particulars                     | Amount in BDT |           |
|---------------------------------|---------------|-----------|
|                                 | 30-Jun-16     | 30-Jun-15 |
| <b>Trade Receivable:</b>        |               |           |
| Barendra distribution, Rajshahi | 6,824,586     | 2,774,586 |
| Saimun drug, Khulna             | 6,587,963     | 2,687,963 |
| Shafi Medicall Hall, Jessore    | 6,025,478     | 2,134,910 |
| Mannan Pharmacy, Ullapara       | 5,978,641     | 1,430,952 |
| Shaha pharmacy, Sherpur         | 5,648,752     | 3,778,074 |
| Rakib medical hall, Bogura      | 5,626,897     | -         |
| khokon medical hall, Khulna     | 5,248,759     | 2,430,943 |
| Rafiq medical hall, Natore      | 5,062,485     | 3,191,591 |
| Deep medical hall, Rangpur      | 4,752,654     | 2,675,764 |
| Iqbal medical hall, Kishorgonj  | 4,254,321     | 2,363,667 |
| City pharmacy, Glachipa         | 4,054,219     | 1,966,569 |
| Badal pharmacy, Gopalganj       | 3,787,741     | -         |
| Kanai Lal Pharma, Faridpur      | 3,514,875     | 1,733,910 |
| Rumman Medical, Bogura          | 1,678,956     | 1,417,969 |
| Ali Medical, Kishorgonj         | 1,352,411     | 921,541   |
| Shahin Medical Hall, Dhaka      | 1,263,045     | 702,059   |
| Sundorban Pharmacy, Comilla     | 1,245,786     | 680,354   |
| Jannat Medical, Natore          | 1,124,586     | 673,696   |

|                                     |                    |                   |
|-------------------------------------|--------------------|-------------------|
| Bangladesh Medical Hall, Maymensing | 1,054,265          | 268,833           |
| City Medical Hall, Magura           | 2,880,546          | 1,319,560         |
| Tanvir Medical Hall, Hatia          | 877,643            | 426,883           |
| Asha Drug, Khulna                   | 1,678,452          | 807,465           |
| Shams pharmacy, Chittagong          | 2,474,203          | 803,217           |
| Aroga Niketon, Dohar                | 458,693            | 255,243           |
| Basin Medical Hall, Narshingdi      | 888,745            | 451,965           |
| Lovely Enterprise, Feni             | 385,235            | 264,255           |
| Janata Medical Hall, Gopalganj      | 3,500,000          | 1,419,046         |
| Rup Saj Corner, Sayedpur            | 2,378,451          | 507,491           |
| Helal Drug, Rajshahi                | 2,367,665          | 606,685           |
| Utsab Meidcal, Kishorgonj           | 1,354,555          | 593,609           |
| Taramoni Medical Hall, Faridpur     | 3,345,869          | -                 |
| Prodip Medical Store, Jessore       | 4,026,650          | -                 |
| Tanzila Medical Hall, Bogra         | 3,526,650          | 1,181,050         |
| Badhan Pharmacy, Jhainidah          | 2,520,050          | 259,064           |
| Lia Aroggo Niketon, Chittagong      | 2,526,650          | -                 |
| Kanai Lal Medical Hall, Faridpur    | 1,380,458          | 709,568           |
| <b>Total Trade Receivable</b>       | <b>111,656,935</b> | <b>41,438,482</b> |
| With Related Party                  | Nil                | Nil               |
| With Connected Persons Party        | Nil                | Nil               |
| <b>Grand Total:</b>                 | <b>111,656,935</b> | <b>41,438,482</b> |

Place: Dhaka  
Date: September 24, 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**(vi) Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized and accrued;**

This is to certify that Indo-Bangla Pharmaceuticals Ltd. did not give any loan to any related party or connected persons from June 18, 2014 to June 30, 2016.

Place: Dhaka  
Date: September 24, 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**(vii) Statement of other income showing interest income, dividend income, discount received, other non operating income;**

After due verification, we certify that the Statement of Other Income showing interest income, dividend Income, discount received and other non operating income of Indo-Bangla Pharmaceuticals Ltd. for the last two years were as follows:

Place: Dhaka  
Date: September 24, 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

(viii) Statement of turnover showing separately in cash and through banking channel;

| Particular                 | Amount in (BDT)         |                         |
|----------------------------|-------------------------|-------------------------|
|                            | Year Ended 30 June 2016 | Year Ended 30 June 2015 |
| Interest Income            | 609,384                 | -                       |
| Dividend Income            | -                       | -                       |
| Discount Received          | -                       | -                       |
| Other Non-Operating Income | 241,107                 | 209,658                 |
| <b>Total</b>               | <b>850,491</b>          | <b>209,658</b>          |

Place: Dhaka  
Date: September 24, 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

(ix) Statement of related party transaction;

After due verification, we certify that the Status of related Party Transactions of Indo-Bangla Pharmaceuticals Ltd. for the last two years were as follows:

**A: Director Remuneration**

| Name                   | Position          | Amount in (BDT) |           |
|------------------------|-------------------|-----------------|-----------|
|                        |                   | 2015-2016       | 2014-2015 |
| Mr. A.F.M Anowarul Huq | Managing Director | 1,050,000       | -         |

**B: Board Meeting Fees**

| Name                   | Position          | Amount in (BDT) |           |
|------------------------|-------------------|-----------------|-----------|
|                        |                   | 2015-2016       | 2014-2015 |
| Mrs. Aziza Yeasmin     | Chairman          | 35,000          | -         |
| Mr. A.F.M Anowarul Huq | Managing Director | 35,000          | -         |
| Mrs. Hafiza Yeasmin    | Director          | 35,000          | -         |
| Md. Amin-Ur-Rashid     | Director          | 35,000          | -         |
| Sayedra Huq            | Director          | 35,000          | -         |
| Md. Bellal Khan        | Ex Director       | 35,000          | -         |
| Aysha Siddika          | Ex-Chairman       | 35,000          | -         |
| Subtotal               |                   | <b>245,000</b>  |           |

**C: Factory Rent**

| Name                   | Position          | Nature of Transaction | Amount in (BDT) |           |
|------------------------|-------------------|-----------------------|-----------------|-----------|
|                        |                   |                       | 2015-2016       | 2014-2015 |
| Mrs. Aziza Yeasmin     | Chairman          | Factory Rent          | 1,308,000       | 425,100   |
| Mr. A.F.M Anowarul Huq | Managing Director |                       |                 |           |
| Mrs. Hafiza Yeasmin    | Director          |                       |                 |           |
| Mrs. Sayeda Huq        | Director          |                       |                 |           |

**D: Other Transactions**

|                        |                   |                                      |             |             |
|------------------------|-------------------|--------------------------------------|-------------|-------------|
| Mr. A.F.M Anowarul Huq | Managing Director | Allotment of share (Other than cash) | -           | 98,000,000  |
|                        |                   | Advance against land                 | 20,000,000  | -           |
|                        |                   | Vendor payable                       |             | 171,837,213 |
|                        |                   | Payment of vendor payable            | 171,837,213 |             |

Place: Dhaka  
Date: June 20, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

- (x) **Reconciliation of business income shown in tax return with net income shown in audited financial statements;**

| Particulars  | Amount in BDT |                   |
|--|---------------|-------------------|
|  | 30 June, 2016 | 30 June, 2015     |
| Business Income as per audited financial statement | 90,807,238    | 92,629,642        |
| Add: Accounting Depreciation                       | Not submitted | 3,659,617         |
| Less: Tax Base Depreciation                        |               | 15,390,548        |
| <b>Income Shown in Tax Return</b>                  |               | <b>80,898,711</b> |

Place: Dhaka  
Date: September 24, 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

- (xi) **Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;**

We have conducted such test of accounting transactions of Indo-Bangla Pharmaceuticals Ltd. as were considered necessary and do hereby confirm that the company made receipts and payments except petty cash over Tk. 500,000 (five lac) from June 18, 2014 to June 30, 2016 through banking channel so far as it appeared from our test of those accounting transactions.

Place: Dhaka  
Date: September 24, 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

- (xii) **Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;**

This is to certify that the Books of Accounts of Indo-Bangla Pharmaceuticals Ltd. from June 18, 2014 to June 30, 2016 are in conformity with Bank Statements.

Place: Dhaka  
Date: September 24, 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

- (xiii) **Statement of payment status of TAX, VAT and other taxes or duties; and**

After due verification, we certify that the Status of Tax, VAT and Others Taxes/ Duties Payments of Indo-Bangla Pharmaceuticals Ltd. for the last two years were as follows:

| Particular          | Payment Status           |                          |
|---------------------|--------------------------|--------------------------|
|                     | Year Ended 30 June, 2016 | Year Ended 30 June, 2015 |
| Tax                 | 7,801,198                | 7,551,199                |
| VAT                 | 66,801,089               | 65,246,209               |
| Others Taxes/Duties | -                        | -                        |
| <b>Total</b>        | <b>74,602,287</b>        | <b>72,797,408</b>        |

Place: Dhaka  
Date: September 24, 2016

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**Auditors' additional disclosure relating to the financial statements for the year ended 30 June 2016 of Indo-Bangla Pharmaceuticals Limited**

- 1) It appears from Note No. 14.00 to the audited F/S for the year ended on June 2016 that assets amounting Tk. 26.98 Crore were taken over from proprietorship through Vendors agreement, out of which Tk. 10.32 Crore was accounted for Property, Plant & Equipment (Note No. 3.00). As such, the detailed calculation (showing effect on non-current assets) of non-current assets taken over from proprietor are required to disclosed;

Non-current assets taken over from proprietor and accounted for Property, Plant & equipment are as follows:

| <b>Particulars</b>  | <b>Amount in Tk.</b> |
|---------------------|----------------------|
| Machineries         | 98,000,000           |
| Generator           | 2,882,879            |
| Furniture & Fixture | 390,074              |
| Office Equipment    | 55,901               |
| Transport           | 1,861,826            |
| <b>Total</b>        | <b>103,190,680</b>   |

- 2) Disclosure regarding valuation;

Assets taken over from proprietorship were valued by the competent valuer namely G.K. ADJUSTERS LTD.

- 3) Disclosure regarding detailed calculation of restatement in deferred tax and tax provision;

Detailed calculation of re-statement of deferred tax and tax provision are as follows:

**Deferred tax liability as on 1<sup>st</sup> July 2015 is as follows:**

|   | <i>Amount in Tk.</i> |
|---|----------------------|
| Carrying Value of Property, Plant & Equipment | 147,873,513          |
| As Tax Base                                   | 136,379,817          |
| Temporary Difference                          | 11,493,696           |
| Deferred Tax Liabilities @35%                 | 4,022,794            |

**Provision for tax as on 30th June 2015 is as follows:**

| This has been arrived as at under; | <b>Amount in Tk.</b> |
|------------------------------------|----------------------|
| Profit before tax as per accounts  | 92,629,642           |
| Add: Accounting depreciation       | 3,659,617            |
| Less: Tax base depreciation        | 15,153,313           |
| Taxable Income                     | 81,135,946           |
| Current Tax @35%                   | 28,397,581           |

**Deferred tax liability as on 30th June 2015 is as follows:**

|   | <i>Amount in Tk.</i> |
|---|----------------------|
| Carrying Value of Property, Plant & Equipment | 147,873,513          |
| As Tax Base                                   | 136,142,582          |
| Temporary Difference                          | 11,730,931           |
| Deferred Tax Liabilities @35%                 | 4,105,826            |

4) Utilization of participation fund;

The Company has opened a bank account in the name of trust and fund has been transferred to that bank account.

5) MD's remuneration as per Para 4, Schedule XI, part –II of the Companies Act 1994;

MD's remuneration as per Para 4, Schedule XI, part –II of the Companies Act 1994 for the year 2015-2016 is as follows:

| <b>Name</b>            | <b>Position</b>   | <b>Amount in Tk.</b> |
|------------------------|-------------------|----------------------|
| Mr. A.F.M Anowarul Huq | Managing Director | 1,050,000            |

6) Cost of goods sold from import as per Para 8, Schedule XI, part –II of the Companies Act 1994;

During the period 1<sup>st</sup> July 2015 to 30<sup>th</sup> June 2016 total value of import in respect of raw materials and packing materials stands equivalent USD 1,923,788 on CIF basis. Details are as follows:

| <b>Particulars</b>          | <b>Amount in Tk.</b> |
|-----------------------------|----------------------|
| Import of Raw Materials     | 124,513,068          |
| Import of Packing Materials | 31,510,892           |
| <b>Total</b>                | <b>156,023,960</b>   |

7) Whether payments made on 24-08-2016 has been adjusted the advance as mention to note 7.02.

Advance made against land Tk. 2.00 Crore which has been mentioned in note no. 7.02 duly adjusted with the payments made on 24-08-2016 i.e. the registration date of land.

8) The years in which such re-arrangements/re-statements were made, basis and impact on NAV and EPS;

In finalizing the financial statements for the year ended June 30, 2016 some figures of previous year were restated to conform to the provisions of BAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors" 42 & 49. During the year the following accounting errors has been rectified in compliance with BAS -8:

Previously Deferred Tax liability was calculated on the basis of temporary difference between carrying values of assets for accounting purpose and written down value of assets for tax purpose. Depreciation for the purpose of tax was computed on the basis of estimation and accordingly the tax written down value although total income tax remained same. In the year 2016, the company obtained tax assessment order from Deputy Commissioner of Taxes for the year 2015 and calculated Deferred Tax Liability on the basis of assessment order of 2015. Accordingly, tax provision has been adjusted with respective head of accounts.

There is no impact on NAV and EPS as the re-statement has been made between deferred tax liability and provision for tax.

- 9) Separate break-up of salary & wages as disclosed in note 18.02;

Separate break-up of salary & wages are as follows:

| Particulars            | Amount in Tk. |
|------------------------|---------------|
| Salary                 | 568,600       |
| Wages                  | 3,581,871     |
| Total Salary and Wages | 4,150,471     |

- 10) Calculation of WPPF as disclosed in note 12.00 of the accounts;

WPPF calculated @ 5% of net profit after charge the WPPF but before Income tax. Detail calculation of WPPF is as follows:

$$\begin{aligned}
 &= \frac{\text{Net profit before WPPF} \times 5}{105} \\
 &= \frac{95,347,600.00 \times 5}{105} \\
 &= 4,540,362
 \end{aligned}$$

- 11) Explain why your provided certificate dated 24-09-2016 regarding related party transaction have not include advance against land amounting to Tk. 2.00 Crore has shown in notes 7.02 to Mr. A.F.M. Anowarul Huq, Mrs. Sayeda Huq, Aziza Yesmin & Hafiza Yesmin who are presently director of the company and also you have not included Tk. 17, 18, 37,213.00 paid to Mr. A.F.M. Anowarul Haque as shown in the cash Flow Statement for the year ended 30<sup>th</sup> June 2016.

We submit herewith the certificate regarding any transaction with directors or related party during last 5 (five) years.

- 12) List of transport as shown in Annexure-A of the accounts year ended 30<sup>th</sup> June 2016.

Detail list of transport as shown in Annexure-A of the accounts ended 30<sup>th</sup> June 2016 is as follows:

| Particulars                 | Description                      |
|-----------------------------|----------------------------------|
| Number of Transport         | One Pcs                          |
| Owner Name                  | Indo-Bangla Pharmaceuticals Ltd. |
| Classification of Transport | Covered Van Tata 2009            |
| Registration Number         | Dhaka Metro NA 14-2674           |
| Chassis Number              | MAT4450519ZR57923                |
| Engine Number               | 275IDI05MQZSE8160                |

- 13) Details balance confirmation certificates;

We have sent balance confirmation letter to all 36 respective parties regarding trade receivables. Of the 36 Parties, 28 parties have confirmed their balance, rest of them namely: Rumman Medical, Tanvir Medical Hall, Asha Drug, Aroga Niketon, Lovely Enterprise, Feni; Utsab Meidcal, Ali Medical, Taramoni Medical have not answered in writing but verbally confirmed the balance.

14) Subsequent balance of trade receivable;

Trade receivable as shown in note no. 6.00 of the financial statements as on 30<sup>th</sup> June 2016 has already been collected by December 2016.

15) Quantity wise inventories.

| <b>Stock of Packing Materials Dated: 30/06/2016</b> |  |                 |             |               |
|---|--|-----------------|-------------|---------------|
| <b>SL</b>   | <b>Name of Product</b>                   | <b>Quantity</b> | <b>Rate</b> | <b>Amount</b> |
| 01  | Albendox Tablet 400mg (Case cover)       | 6,000           | 1.00        | 6,000.00      |
| 02  | Albendox Tablet 400mg (Master Carton)    | 1,742           | 16.00       | 27,872.00     |
| 03  | Butabrom Tablet 10mg                     | 638             | 1.20        | 765.60        |
| 04  | Caltab Tablet 300mg                      | 292             | 1.35        | 394.20        |
| 05  | Cotrimox-DS Tablet                       | 3,542           | 3.50        | 12,397.00     |
| 06  | Cotrimox Suspension                      | 2,980           | 3.25        | 9,685.00      |
| 07  | Cotrimox Tablet                          | 4,592           | 2.95        | 13,546.40     |
| 08  | Cipro-I Tablet 500mg (6×5,s)             | 4,526           | 2.50        | 11,315.00     |
| 09  | Dextrin Tablet (Carton)                  | 3,215           | 2.10        | 6,751.50      |
| 10  | Indoflox Capsule 250 mg                  | 3,542           | 2.75        | 9,740.50      |
| 11  | Indoflox Capsule 500mg                   | 1,650           | 3.10        | 5,115.00      |
| 12  | Indoflox Dry Syrup                       | 630             | 2.10        | 1,323.00      |
| 13  | Indomox Tablet 250mg                     | 970             | 1.95        | 1,891.50      |
| 14  | Indomoxin Capsule 250mg                  | 1,365           | 2.15        | 2,934.75      |
| 15  | Indomoxin Capsule 500mg                  | 3,920           | 2.15        | 8,428.00      |
| 16  | Indomoxin Dry Syrup                      | 1,725           | 1.95        | 3,363.75      |
| 17  | Indophylline Tablet                      | 215             | 2.10        | 451.50        |
| 18  | Indoplex-B- Tablet                       | 3,592           | 1.85        | 6,645.20      |
| 19  | Indoplex Syrup 100ml                     | 1,620           | 2.35        | 3,807.00      |
| 20  | Indoplex Syrup 200ml                     | 785             | 3.50        | 2,747.50      |
| 21  | Indocof                                  | 1,262           | 2.95        | 3,722.90      |
| 22  | Indotetra Capsule 500mg                  | 865             | 4.00        | 3,460.00      |
| 23  | Indoprox 250mg                           | 685             | 3.30        | 2,260.50      |
| 24  | Indoprox 500mg                           | 395             | 3.30        | 1,303.50      |
| 25  | I-B Oral Saline                          | 1,322           | 5.00        | 6,610.00      |
| 26  | Indomol Plus                             | 6,542           | 2.15        | 14,065.30     |
| 27  | Indox Capsule                            | 6,952           | 2.65        | 18,422.80     |
| 28  | Indofenac-50                             | 11,750          | 1.65        | 19,387.50     |
| 29  | Indofenac SR Capsule 100mg               | 652             | 2.10        | 1,369.20      |
| 30  | I-Cet Syrup                              | 635             | 1.95        | 1,238.25      |
| 31  | I-Cet Tablet                             | 850             | 2.25        | 1,912.50      |
| 32  | I-Pedom Tablet                           | 1,565           | 1.95        | 3,051.75      |
| 33  | Indocef Carton (100ml)                   | 640             | 1.95        | 1,248.00      |
| 34  | Indomoxin Paediatric Drops Carton (15ml) | 865             | 2.10        | 1,816.50      |
| 35  | Indozith 30ml Carton                     | 520             | 1.95        | 1,014.00      |
| 36  | Indozith 15ml Carton                     | 1,520           | 1.65        | 2,508.00      |
| 37  | Indozith 250mg                           | 3,965           | 2.85        | 11,300.25     |
| 38  | Indozith 500mg                           | 2,575           | 2.85        | 7,338.75      |
| 39  | I-Pedom 60ml Syrup                       | 375             | 1.95        | 731.25        |
| 40  | Inket                                    | 1,350           | 2.25        | 3,037.50      |
| 41  | Indoflam 400mg Carton                    | 1,720           | 1.95        | 3,354.00      |
| 42  | Indoflam 100ml Carton                    | 800             | 1.65        | 1,320.00      |
| 43  | I-Cin                                    | 1,955           | 2.10        | 4,105.50      |
| 44  | Mebendox Suspension                      | 845             | 1.95        | 1,647.75      |
| 45  | Mebendox Tablet                          | 1,274           | 2.35        | 2,993.90      |
| 46  | Metrol Suspension                        | 2,695           | 2.10        | 5,659.50      |
| 47  | Metrol Tablet 400mg                      | 2,540           | 3.50        | 8,890.00      |
| 48  | Neostin-R Tablet 150mg                   | 6,825           | 2.15        | 14,673.75     |

|     |                              |         |          |            |
|-----|------------------------------|---------|----------|------------|
| 49  | Zins Syrup                   | 4,565   | 1.95     | 8,901.75   |
| 50  | Paracetamol Tablet (Blister) | 11,575  | 2.20     | 25,465.00  |
| 51  | Paramol Suspension           | 3,095   | 1.25     | 3,868.75   |
| 52  | Protobit 20mg                | 6,982   | 4.00     | 27,928.00  |
| 53  | Testy Salt Saline            | 8,533   | 5.00     | 42,665.00  |
| 54  | Tensareal Tablet (New)       | 2,700   | 1.25     | 3,375.00   |
| 55  | Trialugel Tablet             | 4,576   | 4.50     | 20,592.00  |
| 56  | Riboflavin Tablet            | 3,498   | 4.50     | 15,741.00  |
| 57  | Relise Tablet                | 6,512   | 3.70     | 24,094.40  |
| 58  | Sulbumol Suspension          | 11,719  | 2.50     | 29,297.50  |
| 59  | Fixim-PFS (50ml)             | 11,512  | 2.60     | 29,931.20  |
| 60  | I-Fol Tablet                 | 4,226   | 1.90     | 8,029.40   |
| 61  | Arromin Elixir 100ml         | 12,380  | 0.25     | 3,095.00   |
| 62  | Arromin Elixir 60ml          | 45,621  | 0.25     | 11,405.25  |
| 63  | Aurioton Syrup               | 9,821   | 0.25     | 2,455.25   |
| 64  | Cotrimox Suspension          | 44,273  | 0.25     | 11,068.25  |
| 65  | Fixim-PFS (50ml)             | 1,830   | 0.25     | 457.50     |
| 66  | Indomoxin Dry Syrup          | 45,621  | 0.25     | 11,405.25  |
| 67  | Indoplex B Tablet            | 39,839  | 0.25     | 9,959.75   |
| 68  | Indoplex Syrup 100ml         | 8,292   | 0.25     | 2,073.00   |
| 69  | Indoplex Syrup 200ml         | 45,721  | 0.25     | 11,430.25  |
| 70  | Indocef 100ml Lebel          | 91,098  | 0.25     | 22,774.50  |
| 71  | Indomoxin Paediatric Drops   | 15,290  | 0.25     | 3,822.50   |
| 72  | Indozith 30ml Lebel          | 8,291   | 0.25     | 2,072.75   |
| 73  | Indozith 15ml Lebel          | 11,930  | 0.25     | 2,982.50   |
| 74  | Indoflam 100ml Lebel         | 32,832  | 0.25     | 8,208.00   |
| 75  | Indocof                      | 40,291  | 0.25     | 10,072.75  |
| 76  | I-Pedom Syrup Lebel          | 57,201  | 0.25     | 14,300.25  |
| 77  | I-Cet Syrup                  | 102,000 | 0.25     | 25,500.00  |
| 78  | Indocal Tablet 500mg         | 12,307  | 0.25     | 3,076.75   |
| 79  | Indoflox Dry Syrup           | 8,923   | 0.25     | 2,230.75   |
| 80  | Seplon 110 ml                | 22,301  | 0.25     | 5,575.25   |
| 81  | Seplon 56ml                  | 46,786  | 0.25     | 11,696.50  |
| 82  | Zins Syrup                   | 16,390  | 0.25     | 4,097.50   |
| 83  | Sulbumol Suspension          | 16,391  | 0.25     | 4,097.75   |
| 84  | Mebendox Suspension          | 12,983  | 0.25     | 3,245.75   |
| 85  | Metrol Suspension            | 36,978  | 0.25     | 9,244.50   |
| 86  | Paramol Suspension           | 34,921  | 0.25     | 8,730.25   |
| 87  | Indomoxin P/D                | 25,550  | 0.30     | 7,665.00   |
| 88  | I-Cet Syrup (60ml)           | 26,208  | 0.30     | 7,862.40   |
| 89  | I-Pedom                      | 11,588  | 0.30     | 3,476.40   |
| 90  | Indoflox Dry Syrup           | 25,928  | 0.30     | 7,778.40   |
| 91  | Indomol Plus                 | 6,385   | 0.30     | 1,915.50   |
| 92  | Indoprox 250mg               | 22,565  | 0.30     | 6,769.50   |
| 93  | Indocof                      | 21,639  | 0.30     | 6,491.70   |
| 94  | I-Cin                        | 24,585  | 0.30     | 7,375.50   |
| 95  | Indocef                      | 23,921  | 0.30     | 7,176.30   |
| 96  | Inket Tablet                 | 16,982  | 0.30     | 5,094.60   |
| 97  | Indozith                     | 35,685  | 0.30     | 10,705.50  |
| 98  | Indoflam                     | 25,454  | 0.30     | 7,636.20   |
| 99  | Relise Tablet                | 26,593  | 0.30     | 7,977.90   |
| 100 | Sulbumol Syrup               | 11,763  | 0.30     | 3,528.90   |
| 101 | Zins Syrup                   | 12,093  | 0.30     | 3,627.90   |
| 102 | Protobit 20mg                | 25,413  | 0.30     | 7,623.90   |
| 103 | Cipro -I                     | 12,983  | 0.30     | 3,894.90   |
| 104 | Fixim-PFS (50ml)             | 17,620  | 0.30     | 5,286.00   |
| 105 | Alu Bottom (240mm)           | 250.00  | 1,050.00 | 262,500.00 |

|     |                                |          |          |            |
|-----|--------------------------------|----------|----------|------------|
| 106 | Alu Bottom (210mm)             | 550.00   | 1,050.00 | 577,500.00 |
| 107 | Albendox Tablet 400mg          | 485.00   | 750.00   | 363,750.00 |
| 108 | Alu Bottom (245mm)             | 350.00   | 1,050.00 | 367,500.00 |
| 109 | Butabrom Tablet                | 250.00   | 750.00   | 187,500.00 |
| 110 | Clear Foil                     | 450.00   | 750.00   | 337,500.00 |
| 111 | Cipro-I                        | 550.00   | 750.00   | 412,500.00 |
| 112 | Cotrimox-DS Tablet             | 345.00   | 750.00   | 258,750.00 |
| 113 | Cotrimox Tablet                | 251.00   | 750.00   | 188,250.00 |
| 114 | Caltab Tablet                  | 445.00   | 750.00   | 333,750.00 |
| 115 | Dextrin Tablet                 | 574      | 750.00   | 430,500.00 |
| 116 | I-Cet Tablet                   | 251.00   | 750.00   | 188,250.00 |
| 117 | Indomox Tablet 250mg           | 620.00   | 750.00   | 465,000.00 |
| 118 | I-B Oral Saline                | 454.00   | 560.00   | 254,240.00 |
| 119 | Indophylline Tablet            | 540.00   | 750.00   | 405,000.00 |
| 120 | Indomoxin Capsule 500mg        | 365.00   | 750.00   | 273,750.00 |
| 121 | Indomoxin Capsule 250mg        | 328.00   | 750.00   | 246,000.00 |
| 122 | Indoflox Capsule 250mg         | 425.00   | 750.00   | 318,750.00 |
| 123 | Indoflox Capsule 500mg         | 350.00   | 750.00   | 262,500.00 |
| 124 | Indoprox Tablet 250mg          | 650.00   | 750.00   | 487,500.00 |
| 125 | Indoprox Tablet 500mg          | 745.00   | 750.00   | 558,750.00 |
| 126 | Indox                          | 480.00   | 750.00   | 360,000.00 |
| 127 | Indomol Plus                   | 552.00   | 750.00   | 414,000.00 |
| 128 | Indozith 250mg Foil            | 335.00   | 750.00   | 251,250.00 |
| 129 | Indozith 500mg Foil            | 425.00   | 750.00   | 318,750.00 |
| 130 | I-Cin                          | 535.00   | 750.00   | 401,250.00 |
| 131 | I-Fol Tablet Foil              | 350.00   | 750.00   | 262,500.00 |
| 132 | Indoflam Tablet Foil           | 680.00   | 750.00   | 510,000.00 |
| 133 | I-Pedom                        | 675.00   | 750.00   | 506,250.00 |
| 134 | Protobit (20mg)                | 272.00   | 750.00   | 204,000.00 |
| 135 | Puretab Foil                   | 350.00   | 750.00   | 262,500.00 |
| 136 | Puretab Plus Foil              | 450.00   | 750.00   | 337,500.00 |
| 137 | Tasty Salt Saline              | 500.00   | 750.00   | 375,000.00 |
| 138 | Trialugel Tablet               | 300.00   | 750.00   | 225,000.00 |
| 139 | Relise                         | 200.00   | 750.00   | 150,000.00 |
| 140 | Gyfusin                        | 390.00   | 750.00   | 292,500.00 |
| 141 | Metrol Tablet 400mg            | 350.00   | 750.00   | 262,500.00 |
| 142 | Mebendox Tablet                | 270.00   | 750.00   | 202,500.00 |
| 143 | Neostin-R 150mg                | 300.00   | 750.00   | 225,000.00 |
| 144 | PVC Film (169mm)               | 240.00   | 250.00   | 60,000.00  |
| 145 | PVC Film (135mm)               | 300.00   | 250.00   | 75,000.00  |
| 146 | PVC Film (110mm)               | 570.00   | 250.00   | 142,500.00 |
| 147 | PVC Film (150mm)               | 600.00   | 250.00   | 150,000.00 |
| 148 | PVC Film (105mm) Orange Colour | 1,100.00 | 250.00   | 275,000.00 |
| 149 | PVC Film (256mm)               | 852.00   | 250.00   | 213,000.00 |
| 150 | PVC Film (235mm)               | 650.00   | 250.00   | 162,500.00 |
| 151 | Indoplex 200ml (1×20)          | 680      | 35.00    | 23,800.00  |
| 152 | 100ml (1×12)                   | 529      | 35.00    | 18,515.00  |
| 153 | 60ml (1×12)                    | 375      | 35.00    | 13,125.00  |
| 154 | Indoplex B pot (1×20)          | 238      | 35.00    | 8,330.00   |
| 155 | Indocal (1×20×30)              | 155      | 35.00    | 5,425.00   |
| 156 | Indomoxin P/D (1×24)           | 68       | 35.00    | 2,380.00   |
| 157 | Indozith 30ml (1×24)           | 129      | 35.00    | 4,515.00   |
| 158 | Indozith 15ml (1×60)           | 425      | 35.00    | 14,875.00  |
| 159 | Indoprox 250mg                 | 167      | 35.00    | 5,845.00   |
| 160 | Indoprox 500mg                 | 420      | 35.00    | 14,700.00  |
| 161 | Neostin-R 150mg (10×10×100)    | 130      | 35.00    | 4,550.00   |
| 162 | Neostin-R 150mg (10×10×200)    | 130      | 35.00    | 4,550.00   |

|     |                         |        |              |                      |
|-----|-------------------------|--------|--------------|----------------------|
| 163 | Protobit (6×10×100)     | 539    | 35.00        | 18,865.00            |
| 164 | Protobit (6×10×50)      | 230    | 35.00        | 8,050.00             |
| 165 | Cipro - I (6×5×60)      | 139    | 35.00        | 4,865.00             |
| 166 | Cipro - I (6×5×120)     | 85     | 35.00        | 2,975.00             |
| 167 | IB Saline (1×20)        | 98     | 35.00        | 3,430.00             |
| 168 | T.S.S (1×20)            | 30     | 35.00        | 1,050.00             |
| 169 | T.S.S (1×12)            | 80     | 35.00        | 2,800.00             |
| 170 | Packing Paper           | 692    | 2.50         | 1,730.00             |
| 171 | Hand Gloves             | 190    | 125.00       | 23,750.00            |
| 172 | Cotton                  | 290    | 250.00       | 72,500.00            |
| 173 | Tape Large              | 800    | 30.00        | 24,000.00            |
| 174 | Tape Small              | 290    | 25.00        | 7,250.00             |
| 175 | Hlogram                 | 930    | 1.00         | 930.00               |
| 176 | Plastic Sandel          | 9      | 80.00        | 720.00               |
| 177 | Droper (5ml) White      | 23,320 | 0.75         | 17,490.00            |
| 178 | Droper 1.25ml (28 Cap)  | 25,470 | 1.00         | 25,470.00            |
| 179 | Dropper 1.25ml Red      | 32,690 | 1.25         | 40,862.50            |
| 180 | Wrapping Paper          | 44.00  | 25.00        | 1,100.00             |
| 181 | Spoon White             | 18,512 | 1.00         | 18,512.00            |
| 182 | Spoon Tansperants       | 12,360 | 1.00         | 12,360.00            |
| 183 | Gum Pot (For Lebel Use) | 500    | 250.00       | 125,000.00           |
| 184 | Washing Brush 1 Aunc    | 280    | 250.00       | 70,000.00            |
| 185 | Washing Brush 2 Aunc    | 200    | 300.00       | 60,000.00            |
| 186 | Washing Brush 3 Aunc    | 150    | 350.00       | 52,500.00            |
| 187 | Washing Brush 8 Aunc    | 300    | 400.00       | 120,000.00           |
| 188 | Pusher (25 mm)          | 55,000 | 0.50         | 27,500.00            |
| 189 | Pusher 28mm             | 3,400  | 0.50         | 1,700.00             |
| 190 | Pusher 22mm             | 36,000 | 0.50         | 18,000.00            |
| 191 | 28mm Cap                | 12,000 | 1.00         | 12,000.00            |
| 192 | 25mm Cap                | 17,150 | 1.00         | 17,150.00            |
| 193 | 22mm Cap                | 9,345  | 1.00         | 9,345.00             |
| 194 | Face Mark               | 3      | 150.00       | 450.00               |
| 195 | Show Cover              | 139    | 30.00        | 4,170.00             |
| 196 | Doctors cap             | 18     | 50.00        | 900.00               |
| 197 | Inner Sheet             | 300    | 25.00        | 7,500.00             |
| 198 | MC (1×120)              | 180    | 10.00        | 1,800.00             |
| 199 | Seplon 110ml            | 3,580  | 3.50         | 12,530.00            |
| 200 | Seplon 56ml             | 3,570  | 3.00         | 10,710.00            |
| 201 | Bottle (8 Aunc) 200ml   | 3,530  | 5.00         | 17,650.00            |
| 202 | Bottle (3 Aunc) 100ml   | 3,255  | 5.00         | 16,275.00            |
| 203 | Bottle (2 Aunc) 60ml    | 3,245  | 4.00         | 12,980.00            |
| 204 | Bottle (pot) 35ml       | 5,612  | 3.50         | 19,642.00            |
| 205 | Bottle (1 Aunc) 30ml    | 3,433  | 3.00         | 10,299.00            |
| 206 | Bottle (1/2 Aunc) 15ml  | 582    | 3.00         | 1,746.00             |
| 207 | 200 ml Amber            | 2,453  | 6.00         | 14,718.00            |
| 208 | 100ml Amber             | 1,566  | 5.00         | 7,830.00             |
| 209 | 100ml White             | 2,954  | 4.50         | 13,293.00            |
| 210 | 60ml Amber              | 6,545  | 4.00         | 26,180.00            |
| 211 | 30ml Amber Pot          | 4,526  | 4.00         | 18,104.00            |
| 212 | Cap                     | 11,310 | 1.00         | 11,310.00            |
| 213 | Indocal Pot White       | 8,671  | 3.00         | 26,013.00            |
|     |                         |        | <b>Total</b> | <b>15,815,325.00</b> |

Place Dhaka  
Date: June 20, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

- 16) It has been noticed in the financial statements of Indo-Bangla Pharmaceuticals Ltd for the year ended 30 June 2016 subsequent to the issue of such financial statement that few inadvertent mistakes was done by the company in the policy notes. The actual position has been described as under;

**Note no. 1.02: Nature of Business Activities**

In the last line of the above para it was written that “The Company took permission for production and selling of Veterinary medicine also.”

The above line should be read as under;

“The company applied for permission for production and selling of Veterinary medicine also.”

**In note no. 2.10: Events after the Reporting period**

In the last line of last para of above notes one deed number out of two deeds executed for purchase of land on 24.08.2016 was mistakably cited due to oversight. Actually the deed numbers should be read as no. 8606 and 8611 dated 24<sup>th</sup> August 2016. The para should be read as “The Company has registered 37.40 decimal of land vide deeds no. 8606 and 8611 on 24<sup>th</sup> August 2016.”

We regret for the inadvertent oversight by us.

Sd/-

**Mahfel Huq & Co.**

Chartered Accountants

24 September 2017

- 17) Disclosure regarding gross sales;

Gross sales including VAT as at 30<sup>th</sup> June 2016 are as follows;

| Particulars             | 30th June 2016 | 30th June 2015 |
|-------------------------|----------------|----------------|
|                         | Amount in Tk.  | Amount in Tk.  |
| Gross turnover:         |                |                |
| Domestic:               |                |                |
| Own products (with VAT) | 511,494,383    | 500,277,724    |
|                         | 511,494,383    | 500,277,724    |
| Manufactured by others: | -              | -              |
| Exports:                | -              | -              |
| Total Gross Turnover    | 511,494,383    | 500,277,724    |
| Less VAT                | 66,716,659     | 65,253,616     |
| Net Turnover            | 444,777,724    | 435,024,108    |

- 18) It is observed from note 4.00 (capital work-in-progress) for the period ended 30/06/2016 that the company has incurred Tk. 9, 37, 08,754.00 for the addition of building. But the company has no land as on 30/06/2016. As per note 14.00 that company has also not taken land and building at the time of acquisition. Explain whether the company can incurred expenditure on construction/addition of building, (which it does not own) only on the basis of a MoU with previous owner. Also, state whether such construction with signing a (MoU) consistent with provision of BAS with detailed reference thereof;

Mr. AFM Anowarul Haq is the Managing Director of Indo-Bangla Pharmaceuticals Ltd. and he is the seller of the land. Moreover, the seller is the majority shareholder and sponsor Director of Indo-Bangla Pharmaceuticals Ltd. At the time of converting from proprietorship to limited company, Indo-Bangla Pharmaceuticals Ltd. took all current assets, current liabilities and other moveable assets of the proprietorship. Subsequently, MoU was signed between Indo-Bangla Pharmaceuticals Ltd. and the seller regarding the buying of the land. Since registration procedure to purchase the land was time-consuming the company started construction of building. Finally, the company purchased the land including three finished building and two under construction building on the land. The purchase deed has been executed on 24.08.2016. As there was binding to comply with the guideline of Directorate General of Drug Administration (DGDA) and to continue operation as well, the company had to continue the constructions in to the said lands. There is no reference in BAS regarding this matter. However, in our opinion this is consistent with the BAS as there is no reference.

- 19) Break-up of land and land development expense;

There is no such expenses has been incurred for land and land development. Below are the details of land purchase cost for land purchase on 24th August 2016.

| Date         | Particulars             | Amount in Tk.     |
|--------------|-------------------------|-------------------|
| 24.08.2016   | Deed value              | 31,391,000        |
|              | Stamp and registration  | 2,381,930         |
|              | Legal and other charges | 1,384,990         |
| <b>Total</b> |                         | <b>35,157,920</b> |

- 20) Disclosure as per Schedule XI, Part – II, Para 8

During the period 1<sup>st</sup> July 2015 to 30<sup>th</sup> June 2016 total value of import in respect of raw materials and packing materials stands equivalent USD 1,923,788 on CIF basis. Details are as follows:

(a) Value of imports calculated on CIF basis by the Company during the financial year 2015-2016 in respect of Raw materials, Component and Spare parts and Capital Goods were as follows:

| Sl. | Year      | Particulars               | Import |          |               |
|-----|-----------|---------------------------|--------|----------|---------------|
|     |           |                           | Unit   | Quantity | Amount in BDT |
| i   | 2015-2016 | Product raw Materials     | Kg     | 629,412  | 124,513,068   |
| i   | 2015-2016 | Packing raw Materials     | Kg     | 73,025   | 31,510,892    |
|     |           |                           |        |          | 156,023,960   |
| ii  | 2015-2016 | Components of Spare parts | -      | -        | -             |
| iii | 2015-2016 | Capital goods             | Pc     | 2        | 3,569,760     |

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

(c) Value of both imported and Indigenous raw materials, Spare parts and Consumption thereon were as follows;

| Particulars                                     | Raw Material            |                           | Total       | Spare parts             |                           | Total     |
|---|-------------------------|---------------------------|-------------|-------------------------|---------------------------|-----------|
|   | Imported Value (in BDT) | Indigenous Value (in BDT) |             | Imported Value (in BDT) | Indigenous Value (in BDT) |           |
| Opening Balance                                 | 43,983,282              | 13,500,557                | 57,483,839  | -                       | 6,620,359                 | 6,620,359 |
| Purchase During the year                        | 124,513,068             | 66,586,486                | 191,099,554 | -                       | 9,259,142                 | 9,259,142 |
| Closing balance                                 | 44,119,609              | 25,435,798                | 69,555,407  | -                       | 8,083,723                 | 8,083,723 |
| Consumption During the year                     | 124,376,741             | 54,651,245                | 179,027,986 | -                       | 7,795,778                 | 7,795,778 |
| Percentage of total Consumption During the year | 69.47%                  | 30.53%                    | 100.00%     | -                       | 100.00%                   | 100.00%   |

#### Packing Materials:

| Particulars                                     | Imported value (In BDT) | Indigenous value (In BDT) | Total (In BDT) |
|---|-------------------------|---------------------------|----------------|
| Opening Balance                                 | -                       | 21,131,530                | 21,131,530     |
| Purchase During the year                        | 31,510,892              | 26,936,875                | 58,447,767     |
| Closing balance                                 | 7,103,247               | 8,712,078                 | 15,815,325     |
| Consumption During the year                     | 24,407,605              | 39,356,367                | 63,763,972     |
| Percentage of total Consumption During the year | 38.28%                  | 61.72%                    | 100.00%        |

(d) No amount is remitted during the year in foreign currencies on account of dividend with a specific mention of the number of non-residents shareholders, the number of shares held by them on which the dividends were due and the year to which the dividends, related;

|      |   |
|------|---|
| (e)  | Earnings in foreign exchange Classified under the following heads as follows: |
| i)   | No export made during the year;   |
| ii)  | No Royalty, know-how, professional and consultation fees were received        |
| iii) | No Interest and dividend received   |
| iv)  | No Other income received  |

21) Information as per requirement of schedule XI, Part I para-4 of the Companies Act, 1994.

Information required as per Para 4, Schedule XI, part –I of the Companies Act 1994 for the year 2015-2016 are as follows:

Aging schedule of trade and other receivable is as follows:

| Particulars          | 30-Jun-2016        | 30-Jun-2015       |
|----------------------|--------------------|-------------------|
|                      | Amount in TK.      | Amount in TK.     |
| More than six months | -                  | -                 |
| Less than six months | 112,266,319        | 41,438,482        |
| <b>Total</b>         | <b>112,266,319</b> | <b>41,438,482</b> |

The classification of trade receivables is given below:

|   |             |            |
|---|-------------|------------|
| Receivables considered good in respect of which the company is fully secured.                                 | -           | -          |
| Receivables considered good for which the company holds no security other than the debtor's personal security | 111,656,935 | 41,438,482 |

|   |   |   |
|---|---|---|
| Receivables considered doubtful or bad.   | - | - |
| Receivable due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member. | - | - |
| Receivables due by companies under the same management.   | - | - |
| The maximum amount due by directors or other officers of the company at any time during the year.   | - | - |

22) Information of advance to others amount in Tk. 8,91,45,609.00 under note 7.02;

Detailed information of advance to others as on 30<sup>th</sup> June 2016 is as follows:

| Particulars              | Amount in Tk. | Status as on June 20, 2017   |
|--------------------------|---------------|--|
| Goods and services       | 11,906,106    | Advance is duly adjusted after receiving goods and services. It is a recurring process. Now as on 20 <sup>th</sup> June 2017 the balance was Tk. 4,256,320.                                |
| Construction materials   | 22,448,801    | Construction material has been supplied and was duly adjusted.   |
| Tour                     | 4,031,218     | After completion of tour, advance paid to sales representative, is duly adjusted. It's an ongoing process. Now as on 20 <sup>th</sup> June 2017 the balance was Tk. 1,721,775.             |
| L/C Margin for Machinery | 30,568,200    | Advance has been adjusted after receiving the machineries and installed with other machineries in the factory.   |
| Land                     | 20,000,000    | Land has been registered on 24.08.2016 and advance has been adjusted duly.   |
| VAT current account      | 191,284       | According to VAT Rules a Current has to be maintained and there has to be positive balance before delivery of goods from factory premises. This amount has been adjusted on regular basis. |

23) Subsequent balance of advance against machinery (Note 7.02) with addresses of the parties and reasons of advances;

Machinery has already been arrived and installed with other machinery in the factory. The mentioned L/C margin was 100% of machinery invoice value. Name and address of the supplier are as follows:

| Sl. | Name of Supplier                        | Address  |
|-----|---|--|
| 1   | Runin Dolin Inp & Exp Trade Co. Ltd.    | Trade Co Ltd No 45, Longshan Rd Ruian, City Zhejiang, China  |
| 2   | Printemps International, India          | 21/1, A/3, Room No. 203, Jindal Towers, Darga Road, Beniapur, Kolkata, West Bengal, 700017, India. |
| 3   | Julian Machinery Co. Ltd. Taiwan        | No.100, Sec. 1, Guofeng Rd. Shengang Dist., Taichung City 42942, Taiwan                            |
| 4   | Wissenschaft Liche Knaver GmbH, Germany | Heganer Weg 38, 14163 Berlin, Germany  |

24) List of the machineries & equipment added during the year 30-06-2016;

Detailed list of the machineries & equipment added during the year 30-06-2016 are as follows:

| Particulars                                   | Seller name   | Seller Address  | Amount in Tk.    |
|---|---|---|------------------|
| 2 nos. Auto Liquid Filling & Sealing Machine  | Julian Machinery Co. Ltd. Taiwan  | No.100, Sec. 1, Guofeng Rd. Shengang Dist., Taichung City 42942, Taiwan | 3,569,760        |
| C&F, Loading unloading, erection & Other cost | C&F: Sundarbans Trading Agency, B.S Nahar Building (1 <sup>st</sup> Floor), Room no. 16, Strand Road. Chittagong. |   | 665,840          |
| <b>Total</b>                                  |   |   | <b>4,235,600</b> |

25) Submitted certificate of payment of VAT does not agree with the audited accounts;

VAT Current Account is a memorandum account. In the certificate we have disclosed the payment of VAT during the period and in the financial statements VAT current account shows how much taka has deposited in with VAT current account. VAT current account balance indicates the positive balance of VAT Current Account.

26) Name wise break-up with date of FDR;

Name wise break-up of FDR is as follows:

| Date         | Bank Name & Branch                | Amount in Tk.      |
|--------------|-----------------------------------|--------------------|
| 16.06.2016   | One Bank Ltd. Barisal branch      | 170,000,000        |
| 16.06.2016   | Standard Bank Ltd. Barisal branch | 55,000,000         |
| <b>Total</b> |                                   | <b>225,000,000</b> |

27) Break-up of cash payment to others;

Break-up of cash payment to others is as follows:

| Particulars                                       | Amount in Tk.     |
|---|-------------------|
| Cash payments for Manufacturing overhead          | 9,041,161         |
| Cash payments for Administrative expenses         | 7,705,630         |
| Cash payments for Selling & distribution expenses | 17,385,285        |
| <b>Total</b>                                      | <b>34,132,076</b> |

28) Details of capital work-in-progress;

Detail of Capital Work in Progress for the year ended 30<sup>th</sup> June 2016 is as follows:

A. Construction of Building:

| Name of buildings | Particulars of construction   | Total area (Sft) | Total amount      | Status        |
|-------------------|---|------------------|-------------------|---------------|
| Building-4        | Four Storied under construction building Pillar-RCC, Wall-Brick Roof-Brick. | 9106.40          | 19,095,243        | 60% completed |
| Building-5        | Four Storied under construction building Pillar-RCC, Wall-Brick Roof-Brick. | 16447.20         | 22,446,984        | 40% completed |
| <b>Total</b>      |   |                  | <b>41,542,227</b> |               |

## B. Plant & Machinery

| Sl                       | L/C No., Name of Bank & Supplier   | Particular of Machinery  | Invoice Value (\$) | Invoice Value (In BDT) | Local Cost (In BDT) | Total (In BDT)        | Present Status                                       |
|--------------------------|--|--|--------------------|------------------------|---------------------|-----------------------|--|
| 1                        | LC No. 091016010006<br>L.C Beneficiary: Runin Dolin Inp & Exp Trade Co. Ltd. China, L.C opening Bank: Islami Bank Bangladesh Ltd. Barisal Branch | 5 Blister Packing Machine, DPP 250LL                                   | 250,000.00         | 19,570,275.00          | 393,362.53          | 19,963,637.53         | Machine installation complete and production running |
| 2                        | LC No. 091016010010<br>L.C Beneficiary: Runin Dolin Inp & Exp Trade Co. Ltd. China, L.C opening Bank: Islami Bank Bangladesh Ltd. Barisal Branch | 2 Blister Packing Machine, China & DPH 250                             | 79,300.00          | 6,208,222.54           | 124,785.27          | 6,333,007.81          |  |
| 3                        | LC No. 091016010017<br>L.C Beneficiary: Printemps International, India, L.C opening Bank: Islami Bank Bangladesh Ltd. Barisal Branch             | 4 Automatic Capsule Filling & Sealing Machine, India Pharma fill-A 150 | 160,000.00         | 12,498,576.00          | 251,221.38          | 12,749,797.38         |  |
| 4                        | LC No. 091016010037<br>L.C Beneficiary: Julian Machinery Co. Ltd. Taiwan, L.C opening Bank: Islami Bank Bangladesh Ltd. Barisal Branch           | 2 Auto Liquid Filling & Sealing Machine, Taiwan & GI-RFC-2410          | 44,800.00          | 3,499,422.08           | 70,338.38           | 3,569,760.46          |  |
| 5                        | LC No. 091016010048<br>L.C Beneficiary: Julian Machinery Co. Ltd. Taiwan, L.C opening Bank: Islami Bank Bangladesh Ltd. Barisal Branch           | 3 Dry Powder Filling Machine, Taiwan & GI-DRY-2410                     | 120,000.00         | 9,373,572.00           | 188,408.80          | 9,561,980.80          |  |
| 6                        | LC No. 091016010071<br>L.C Beneficiary: Julian Machinery Co. Ltd. Taiwan, L.C opening Bank: Islami Bank Bangladesh Ltd. Barisal Branch           | 5 Automatic Strip packing Machine, Taiwan 501                          | 37,000.00          | 2,890,155.47           | 58,092.12           | 2,948,247.59          |  |
| 7                        | LC No. 091016010095<br>L.C Beneficiary: Printemps International, India, L.C opening Bank: Islami Bank Bangladesh Ltd. Barisal Branch             | 8 Auto Sachet Filling Machine, India, Wraptech MB-100C/F               | 64,048.00          | 5,003,820.45           | 100,576.79          | 5,104,397.24          |  |
| 8                        | LC No. 091016010110<br>L.C Beneficiary: Wissenschaft Liche Knaver Gmbth, Germany, L.C opening Bank: Islami Bank Bangladesh Ltd. Barisal Branch   | 3 HPLC, Knauer, Germany, S1 no 98619                                   | 130,500.00         | 10,196,108.55          | 204,941.78          | 10,401,050.33         | Machine installation complete and production running |
| 9                        | LC No. 091016010118<br>L.C Beneficiary: Alpha Bruker Gmbth, Germany  | 1 FTIR, ALPHA, Bruker, Germany   | 81,000.00          | 6,326,910.00           | 127,170.89          | 6,454,080.89          |  |
| 10                       | LC No. 091016010329<br>L.C Beneficiary: Wissenschaft Liche Knaver Gmbth, Germany, L.C opening Bank: Islami Bank Bangladesh Ltd. Barisal Branch   | 1 Moisture Blance, Germany 1.5L 50/617                                 | 5,534.71           | 432,490.89             | 8,693.07            | 441,183.96            |  |
| <b>Total</b>             |  |  |                    |                        |                     | <b>77,527,144.00</b>  |  |
| <b>Grand Total (A+B)</b> |  |  |                    |                        |                     | <b>119,069,371.00</b> |  |

29) Address of parties in Annexure B,

Name and address of the parties in Annexure B is as follows:

| Sl. No | Name of Party           | Full Address   |
|--------|-------------------------|--|
| 1      | Barendra distribution   | 181/A, Upo Shohor, Newmarket, Rajshahi,                          |
| 2      | Saimun Drug, Khulna     | 17/3, Durgabari Road, Mymensing                                  |
| 3      | Shafi Medical Hall      | 25, BCDS Market, Maik Potti, Jessore                             |
| 4      | Mannan Pharmacy         | BRTC Bus Station, Shamoli Para, 120/A, Ulla Para, Sirajgonj      |
| 5      | Shaha Pharmacy          | Ranjit Shaha, 45, Taramoni Medical Hall, College Mor, Sherpur    |
| 6      | Rakib Medical hall      | Rakibul Hasan, 10, Hatirkumrul, Oil Pump, Sirajgonj              |
| 7      | Khokon Medical hall     | 75, Sarder Super Market, Satkhira, Khulna                        |
| 8      | Rafiq Medical hall      | 85, Kadamtala Bazar, Natore                                      |
| 9      | Deep Medical hall       | 60, Hisan Medicine Market, Rangpur.                              |
| 10     | Iqbal Medical hall      | 27, Sadar Road, Kishoreganj                                      |
| 11     | City Pharmacy           | Bishnu Podo Shaha, 12, Thana More Golachipa.                     |
| 12     | Badal Pharmacy          | Sumit Sikder, 67, Natun Bazar, Gopalganj.                        |
| 13     | Kanai Lal Pharma        | Kanai Lal Das, 102, Laheri Para, Faridpur.                       |
| 14     | Rumman Medical          | 110, Nodi Bangla Market, 2 <sup>nd</sup> floor, Shatmata, Bogra. |
| 15     | Ali Medical             | Sarwar Hossain, 115, Sadar Road, Kishoreganj.                    |
| 16     | Shahin Medical Hall     | 76, Nurpur Market, Babubazar, Dhaka                              |
| 17     | Sundorban Pharmacy      | Tofazzel Hossen, 24, Station Road, Comilla.                      |
| 18     | Jannat Medical          | Kayser Ahmed, 45, Station Road, Natore.                          |
| 19     | Bangladesh Medical Hall | 17, Durgabari Road, Mymensing                                    |
| 20     | City Medical Hall       | 33, Datta Building, In front of Town Hall, Magura.               |
| 21     | Tanvir Medical Hall     | Golam Sorowar Hossain, 21, Station Road, Hatia.                  |
| 22     | Asha Drug               | Mr. Azad, 42/A, Heraj Market, Khulna.                            |
| 23     | Shams Pharmacy          | 167, Bijoy Bitan, Hali Shohor, Hazari Lane, Chittagong.          |
| 24     | Arogga Niketon          | Monorangon Pal, 12, Sadar Road, Dohar, Dhaka.                    |
| 25     | Basin Medical Hall      | M.A Mannan, 55, Madhabpur, Narsingdi.                            |
| 26     | Lovely Enterprise, Feni | Mr. Bimal, 34, Station Road, Feni.                               |
| 27     | Janata Medical Hall     | 15, Hazi Super Market, Rangpur.                                  |
| 28     | Rup Saj Corner          | Mr. Arif, 27, Bazar Road, Saidpur.                               |
| 29     | Helal Drug              | Md. Issa, 55, Laxmipur Mor, Rajshahi.                            |
| 30     | Utsab Meidcal           | Deb Dulal Shaha, 15, Sadar Road, Kishoreganj                     |
| 31     | Taramoni Medical Hall   | Biplob Das, 7, Khoda Box Road, Faridpur.                         |
| 32     | Prodip Medical Store    | Md. Rakibul Islam, 18, M.K Road, Jessore.                        |
| 33     | Tanzila Medical Hall    | 19, Merina Nodi Bangla Market, Bogra.                            |
| 34     | Badhan Pharmacy         | 28, Bangabandhu Sarak, Jhenaidah                                 |
| 35     | Lia Arogga Niketon      | G.C Market, 170 Hazari Lane, Chittagong.                         |
| 36     | Kanai Lal Medical Hall  | Rajon Lal Das, 11, Bhanga Bazar, Bhanga, Faridpur.               |

Place Dhaka

Date: October 01, 2017

Sd/-

**Mahfel Huq & Co.**

Chartered Accountants

## AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

### **Independent Auditor's Report To the Shareholders of INDO-BANGLA PHARMACEUTICALS LTD**

#### **Report on the Financial Statements**

We have audited the accompanying Financial Statements of INDO-BANGLA PHARMACEUTICALS LTD, which comprises the Statement of Financial Position as at 30 June 2017 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with the Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

**Report on Other Legal and Regulatory Requirements**

We further report that:

- a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purpose of the company's business.

Dhaka  
October 28, 2017

Sd/-  
**MAHFEL HUQ & Co.**  
Chartered Accountants

**INDO-BANGLA PHARMACEUTICALS LTD**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30th June, 2017**

| Particulars                                 | Notes        | Amounts in Taka      |                    |
|---|--------------|----------------------|--------------------|
|   |              | 30th June, 2017      | 30th June, 2016    |
| <b>ASSETS:</b>                              |              |                      |                    |
| <b>Non-current Assets:</b>                  |              | <b>536,553,973</b>   | <b>330,469,857</b> |
| Property, Plant and Equipment               | 3.00         | 536,553,973          | 211,400,486        |
| Capital Work In Progress                    | 4.00         | -                    | 119,069,371        |
| <b>Current Assets:</b>                      |              | <b>541,115,957</b>   | <b>614,908,956</b> |
| Inventories                                 | 5.00         | 151,056,806          | 156,521,360        |
| Trade & Other Receivables                   | 6.00         | 163,857,128          | 112,266,319        |
| Advance, Deposits and Prepayments           | 7.00         | 109,389,792          | 105,325,972        |
| Cash and Cash equivalents                   | 8.00         | 116,812,231          | 240,795,305        |
| <b>TOTAL ASSETS</b>                         |              | <b>1,077,669,930</b> | <b>945,378,813</b> |
| <b>OWNER'S EQUITY AND LIABILITIES</b>       |              |                      |                    |
| <b>Owner's Equity:</b>                      |              | <b>937,606,643</b>   | <b>849,233,972</b> |
| Share Capital                               | 9.00         | 730,000,000          | 730,000,000        |
| Retained Earnings                           | 10.00        | 207,606,643          | 119,233,972        |
| <b>NON-CURRENT LIABILITIES</b>              |              | <b>38,180,191</b>    | <b>9,283,317</b>   |
| Deferred Tax Liability                      | 11.00        | 38,180,191           | 9,283,317          |
| <b>Current Liabilities:</b>                 |              | <b>101,883,096</b>   | <b>86,861,524</b>  |
| Provision for WPPF                          | 12.00        | 6,797,898            | 4,540,362          |
| Trade Payables                              | 13.00        | 16,677,674           | 15,911,787         |
| Provision for Income Tax                    | 14.00        | 73,608,002           | 54,919,591         |
| Liabilities for Expenses                    | 15.00        | 4,799,522            | 11,489,784         |
| <b>TOTAL OWNER'S EQUITY AND LIABILITIES</b> |              | <b>1,077,669,930</b> | <b>945,378,813</b> |
| <b>Net Asset Value (NAV) Per Share</b>      | <b>23.00</b> | <b>12.84</b>         | <b>11.63</b>       |

Annexed notes form an integral part of these financial statements.

Sd/-  
**Chief Financial Officer**

Sd/-  
**Director**

Sd/-  
**Managing Director**

Signed in terms of our annexed report of even date.

Date: Dhaka  
28<sup>th</sup> October, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**INDO-BANGLA PHARMACEUTICALS LTD**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the year ended 30th June, 2017.**

| Particulars  | Notes | Amount in Taka     |                    |
|--|-------|--------------------|--------------------|
|  |       | 2017               | 2016               |
| <b>Net Sales Revenue</b>                                     | 16.00 | 616,711,210        | 444,777,724        |
| Less: Cost of Sales  | 17.00 | 381,800,293        | 262,528,992        |
| <b>Gross Profit</b>  |       | <b>234,910,917</b> | <b>182,248,732</b> |
| <b>Less: Operating Expenses:</b>                             |       | <b>102,688,317</b> | <b>87,751,623</b>  |
| Administrative Expenses                                      | 18.00 | 29,841,047         | 23,381,246         |
| Selling & Distributing Expenses                              | 19.00 | 72,847,270         | 64,370,377         |
| <b>Profit from Operations</b>                                |       | <b>132,222,600</b> | <b>94,497,109</b>  |
| Add: Non Operating Income:                                   | 20.00 | 10,533,254         | 850,491            |
| <b>Profit before Contribution to WPPF &amp; Welfare Fund</b> |       | <b>142,755,854</b> | <b>95,347,600</b>  |
| Less: Contribution to WPPF & Welfare Fund                    | 12.00 | 6,797,898          | 4,540,362          |
| <b>Profit before Tax</b>                                     |       | <b>135,957,956</b> | <b>90,807,238</b>  |
| <b>Less: Income Tax Expenses:</b>                            |       | <b>47,585,285</b>  | <b>31,782,533</b>  |
| Current Tax  | 21.00 | 18,688,411         | 26,522,010         |
| Deferred Tax   | 11.00 | 28,896,874         | 5,260,523          |
| <b>Net Profit for the year</b>                               |       | <b>88,372,671</b>  | <b>59,024,705</b>  |
| <b>Earnings per share (Basic)</b>                            | 22.00 | <b>1.21</b>        | <b>2.62</b>        |

Annexed notes form an integral part of these financial statements.

Sd/-  
**Chief Financial Officer**

Sd/-  
**Director**

Sd/-  
**Managing Director**

Signed in terms of our annexed report of even date.

Date: Dhaka  
28<sup>th</sup> October, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**INDO BANGLA PHARMACEUTICALS LTD**  
**Statement Of Changes In Equity**  
**For the year ended 30th June, 2017**

| Particulars                  | Share Capital      | Retained Earnings  | Total Equity       |
|------------------------------|--------------------|--------------------|--------------------|
| Balance as at 01-07-2016     | 730,000,000        | 119,233,972        | 849,233,972        |
| Net Profit for the year      | -                  | 88,372,671         | 88,372,671         |
| Closing Balance (30-06-2017) | <b>730,000,000</b> | <b>207,606,643</b> | <b>937,606,643</b> |

**INDO BANGLA PHARMACEUTICALS LTD**  
**Statement Of Changes In Equity**  
**For the year ended 30th June, 2016**

| Particulars                  | Share Capital      | Retained Earnings  | Total Equity       |
|------------------------------|--------------------|--------------------|--------------------|
| Balance as at 01-07-2015     | 99,000,000         | 60,209,267         | 159,209,267        |
| Share allotment              | 631,000,000        | -                  | 631,000,000        |
| Net Profit for the year      | -                  | 59,024,705         | 59,024,705         |
| Closing Balance (30-06-2016) | <b>730,000,000</b> | <b>119,233,972</b> | <b>849,233,972</b> |

Annexed notes form an integral part of these financial statements.

Sd/-  
**Chief Financial Officer**

Sd/-  
**Director**

Sd/-  
**Managing Director**

Signed in terms of our annexed report of even date.

Date: Dhaka  
28<sup>th</sup> October, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**INDO-BANGLA PHARMACEUTICALS LIMITED**  
**Statement of Cash Flows**  
**For the year ended 30th June, 2017**

| Particulars  | Amounts in Taka      |                      |
|--|----------------------|----------------------|
|  | 2017                 | 2016                 |
| <b>Cash Flow from Operating Activities</b>           |                      |                      |
| Cash receipts from customers                         | 564,635,675          | 374,559,271          |
| Cash receipts from others income                     | 11,017,980           | 241,107              |
| Cash payment to Suppliers                            | (339,163,994)        | (256,407,305)        |
| Cash payment to Employees                            | (64,622,901)         | (62,440,406)         |
| Cash payment to Others                               | (65,899,370)         | (34,132,076)         |
| <b>Cash Generate from operation</b>                  | <b>105,967,390</b>   | <b>21,820,591</b>    |
| Cash payment against income Tax                      | (26,598,351)         | (7,801,198)          |
| <b>Net Cash from Operating Activities</b>            | <b>79,369,039</b>    | <b>14,019,393</b>    |
| <b>Cash Flow from Investing Activities</b>           |                      |                      |
| Acquisition of property, plant and equipment         | (144,784,648)        | (6,470,900)          |
| Advance paid for Constraction                        | -                    | (22,448,801)         |
| Paid for Work In Progress                            | -                    | (158,787,097)        |
| Advance paid for L/C Margin Machinery                | (58,567,465)         | (30,568,200)         |
| Paid for Vendor Payable                              | -                    | (171,837,213)        |
| Advance paid for Land                                | -                    | (20,000,000)         |
| <b>Net Cash used in Investing Activities</b>         | <b>(203,352,113)</b> | <b>(410,112,211)</b> |
| <b>Cash Flow from Financing Activities</b>           |                      |                      |
| Proceeds from issue of share capital                 | -                    | 631,000,000          |
| <b>Net Cash from Financing Activities</b>            | <b>-</b>             | <b>631,000,000</b>   |
| <b>Net increase in Cash and Cash equivalents</b>     | <b>(123,983,074)</b> | <b>234,907,182</b>   |
| Cash and Cash Equivalents at beginning of the period | 240,795,305          | 5,888,123            |
| <b>Cash and Cash Equivalent at end of the Period</b> | <b>116,812,231</b>   | <b>240,795,305</b>   |
| <b>Net Operating Cash flows per Share</b>            | <b>1.09</b>          | <b>0.62</b>          |

Annexed notes form an integral part of these financial statements.

Sd/-  
**Chief Financial Officer**

Sd/-  
**Director**

Sd/-  
**Managing Director**

Signed in terms of our annexed report of even date.

Date: Dhaka  
28<sup>th</sup> October, 2017

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

**INDO-BANGLA PHARMACEUTICALS LTD.**  
**Notes to the Financial Statements and other explanatory information**  
**For the year ended June 30, 2017**

**1.00 REPORTING ENTITY:**

**1.01 Background of the Company:**

Indo-Bangla Pharmaceuticals Limited was incorporated as a private Limited Company under the Companies Act-1994 on 18 June 2014 vides registration no.C-116665/14 through takeover of M/S. Indo-Bangla Pharmaceutical Works, a proprietorship business since pre-liberation period. The company has been converted into public limited company on 21-10-2014. Registered office of the company and Factory is at Aziz Bhaban, College Road, Barisal. Authorized capital of the company is Tk.1000,000,000 divided into 100,000,000 ordinary shares of Tk.10 each. Paid up capital of the company was Tk.99,000,000 divided into 9,900,000 ordinary shares of Tk.10 each. The Company raised its paid up capital from tk. 99,000,000 to tk. 199,000,000 with the consent of Bangladesh Securities and Exchange Commission (BSEC) dated 06 August, 2015. The paid up capital of the Company has been increased further from Tk.199,000,000 to Tk. 730,000,000 through allotment of 53,100,000 ordinary shares of Tk.10 each to the existing shareholders in cash consideration through by allotment dated 06-06-2016 with due permission from BSEC.

**1.02 Nature of the business:**

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

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

**2.01 Presentation of Financial Statements:**

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other laws & regulation in Bangladesh applicable to the Company.

**2.02 Going Concern:**

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

**2.03 Accrual Basis:**

The financial statements have been prepared, except cash flow information, using the accrual basis of accounting.

**2.04 Components of the Financial Statements:**

According to BAS-1 "presentation of the Financial Statements" the complete set of financial statement includes the following components

- a) Statement of Financial Position as at June 30, 2017;
- b) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2017;
- c) Statement of Changes in Equity for the year ended June 30, 2017;
- d) Statement of Cash Flows for the year ended June 30, 2017; and

- e) Notes, summary of significant accounting policies and other explanatory information.

**2.05 Accounting Policies & Estimates:**

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

**2.06 Responsibility for Preparation and Presentation of Financial Statements:**

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

**2.07 Statement of Cash flows:**

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

**2.08 Applicable accounting standards:**

The following BASs and BFRSs are applicable for the financial statements for the year under review:

**BASs:**

|        |  |
|--------|--|
| BAS-1  | Presentation of Financial Statements;                            |
| BAS-2  | Inventories;   |
| BAS-7  | Statements of Cash flows;  |
| BAS-8  | Accounting Policies, Changes in Accounting Estimates and Errors; |
| BAS 10 | Events after the reporting Period                                |
| BAS 12 | Income Taxes   |
| BAS 16 | Property, Plant and Equipment                                    |
| BAS 18 | Revenue  |
| BAS 19 | Employee Benefits  |
| BAS 24 | Related Party Disclosures  |
| BAS 32 | Financial Instruments Presentation                               |
| BAS 33 | Earnings per Share   |
| BAS 36 | Impairment of Assets   |
| BAS 37 | Provisions, Contingent Liabilities and Contingent Assets         |
| BAS 39 | Financial Instruments: Recognition and Measurement               |

**BFRSs:**

|        |                                    |
|--------|------------------------------------|
| BFRS 7 | Financial Instruments: Disclosures |
| BFRS 8 | Operating Segments                 |

**2.09 Property, Plant and Equipment:**

**2.09.1 Recognition and Measurement**

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

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its costs can be measured reliably. The cost of the day to day maintaining cost on PPE is recognized in the Statements of Profit or Loss and other Comprehensive Income as incurred.

### 2.09.2 Depreciation:

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

| Name of Assets                  | Rate  | Rate  |
|---------------------------------|-------|-------|
|                                 | 2017  | 2016  |
| Land                            | 0%    | 0%    |
| Building and Civil Construction | 2.50% | 2.50% |
| Machineries & Equipment         | 3%    | 3%    |
| Generator                       | 3%    | 3%    |
| Furniture & Fixture             | 10%   | 10%   |
| Office Equipment                | 10%   | 10%   |
| Transport                       | 10%   | 10%   |
| Water Plant                     | 10%   | 10%   |
| ETP Plant                       | 10%   | 10%   |
| Office Decoration               | 10%   | -     |
| Computer                        | 10%   | -     |
| Air Condition                   | 10%   | 10%   |

### 2.09.3 Retirement and Disposals:

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

### 2.09.4 Impairment:

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

### 2.10 Revenue Recognition:

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates exclusive of VAT as per BAS-18. Revenue is recognized when the significant risks and reward of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably & there is no continuing management involvement with the goods sold. Transfer of risk and rewards occurs for the sale of goods when the product is delivered along with dispatch documents and invoices to customers.

## **2.11 Valuation of Current Assets:**

### **Trade and Other Receivable:**

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

### **Inventories:**

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

## **2.12 Provisions:**

A provision is recognized when:

- a) the company has an obligation (legal or constructive) as a result of past events;
- b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) Reliable estimates can be made of the amount of the obligation.

## **2.13 Employees' Benefit**

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

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

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

The company's employee benefits include the following:

### **a) Short Term Employee Benefit**

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

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

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

## **2.14 Advances, Deposits and Prepayments**

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

## **2.15 Functional and Presentational Currency:**

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

## **2.16 Income Tax:**

### **Current Tax:**

Provision for taxation is calculated on the basis of applicable current tax rate in compliance with Finance Act. 2017. Any adjustment to tax payable in respect of previous years have been made.

**Deferred Tax:**

The company recognized deferred tax as per BAS 12: Income Taxes. Deferred tax is recognized for all temporary timing difference arising between the carrying value of assets and liabilities and its tax base values during the year. The tax rate prevailing at the Financial Position date is used to determine the deferred tax.

Written down value of fixed assets for tax purpose for the year ended 30 June, 2016 was calculated as per assessment order made by the DCT for the assessment year 2015-2016. In the mean time, we have received assessment order for the assessment year 2016-2017, where the DCT had changed the depreciation rate of the fixed assets, that is why, we have calculated written down value of fixed assets for tax purpose for the year ended 30 June, 2017 as per assessment order made by the DCT for the assessment year 2016-2017. In the assessment order 2016-2017 the Deputy Commissioner of Taxes changed the rate of depreciation as follows:

| S/L No: | Name of Assets            | Depreciation Rate For Assessment year 2016-2017 | Depreciation Rate For Assessment year 2015-2016 |
|---------|---------------------------|---|---|
| 1.      | Machineries & Equipment's | 20%   | 10%   |
| 2.      | Generator                 | 20%   | 10%   |
| 3.      | Furniture & Fixture       | 10%   | 10%   |
| 4.      | Office Equipment's        | 10%   | 10%   |
| 5.      | Transport                 | 20%   | 10%   |
| 6.      | Building                  | 20%   | 10%   |
| 7.      | Water Plant               | 20%   | 10%   |
| 8.      | ETP Plant                 | 20%   | 10%   |

**2.17 Earnings per Share:**

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

**Basic Earnings:**

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

**Basic Earnings per Share:**

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

**2.18 Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability or equity instrument to another entity as per BAS-39 "Financial Instruments Recognition and Measurement."

**Financial Assets:**

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

**Financial Liabilities:**

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

**2.19 Cash and Cash Equivalents:**

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

**2.20 Events after the Reporting Period:**

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

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

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

Bangladesh Securities and Exchange Commission (BSEC) accorded approval to the company vide letter no. বিএস ই সি/মুখপাত্র/(২য় খন্ড)/ ২০১১/২৪৬৯ তাং: ০৩ অক্টোবর ২০১৭ toraise share capital of Tk. 200,000,000 (Twenty crore) by issuing 2 crore of ordinary shares of Tk. 10 each through Initial Public Offer (IPO).

**2.21 Authorization date for issuing Financial Statements:**

The financial statements were authorized by the Board of Directors on October 28, 2017.

**2.22 Comparative Information**

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

**2.23 Segmental Reporting:**

**In accordance with** BFRS-8 "Operating Segments", an operating segment is a component of an entity:

- a) that engages in business activities that may earn revenues or incur expenses,
- b) whose operating results are regularly reviewed by the entity's chief operating decision maker to made a decisions about researches to be allocated to the segment and assess its performance, and
- c) for which discrete financial information is available.

The company considers the operation on aggregate basis and manages the operations as a single operating segment. Hence it is felt that such segment reporting is not required to be made.

**2.24 Related Party Disclosure**

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by BAS-24: Related Party Disclosures has been disclosed in a separate note (note no: 25) to the financial statements.

**2.25 General:**

- i) The figure has been rounded off to the nearest taka.
- ii) The financial Statements have been prepared covering one year from July 01, 2016 to June 30, 2017.

**Indo-Bangla Pharmaceuticals Ltd**  
**Notes to the Financial Statements**  
**For the year ended 30th June, 2017**

|             |  | <b>Amount in Taka</b>  |                        |
|-------------|--|------------------------|------------------------|
|             |  | <b>30th June, 2017</b> | <b>30th June, 2016</b> |
| <b>3.00</b> | <b>Property, Plant and Equipment</b>   |                        |                        |
|             | These have arrived at as under:        |                        |                        |
|             | Opening balance                        | 220,571,894            | 151,533,130            |
|             | Add: Addition during the year          | 336,871,020            | 69,038,764             |
|             | <b>Total Cost (a)</b>                  | <b>557,442,914</b>     | <b>220,571,894</b>     |
|             | <b>B. Accumulated Depreciation</b>     |                        |                        |
|             | Opening balance                        | 9,171,408              | 3,659,617              |
|             | Add: Depreciation Charged for the year | 11,717,533             | 5,511,791              |
|             | Total: Depreciation (b)                | <b>20,888,941</b>      | <b>9,171,408</b>       |
|             | <b>WDV as on 30.06.2017 (a-b)</b>      | <b>536,553,973</b>     | <b>211,400,486</b>     |

A schedule of Property, Plant & Equipment is given in Annexure-A

|             |   |               |                    |
|-------------|---|---------------|--------------------|
| <b>4.00</b> | <b>Capital Work in Progress</b>                     |               |                    |
|             | These have arrived at as under:                     |               |                    |
|             | <b>A. Construction of Building:</b>                 |               |                    |
|             | Opening balance                                     | 41,542,227    | 10,401,337         |
|             | Add: Addition during the year                       | 23,654,121    | 93,708,754         |
|             | Less: Transfer to Fixed Assets of Building          | (65,196,348)  | (62,567,864)       |
|             | <b>Closing Construction of Building</b>             | <b>-</b>      | <b>41,542,227</b>  |
|             | <b>B. Plant &amp; Machinery:</b>                    |               |                    |
|             | Opening Plant & Machinery                           | 77,527,144    | -                  |
|             | Add: Addition Installation & other cost             | 3,663,295     |                    |
|             | Add: Addition during the Period (Machinery)         | 137,392,515   | 77,527,144         |
|             | Less: Transfer to Fixed Assets of Plant & Machinery | (218,582,954) | -                  |
|             | <b>Closing Plant &amp; Machinery</b>                | <b>-</b>      | <b>77,527,144</b>  |
|             | <b>Total</b>  | <b>-</b>      | <b>119,069,371</b> |

|             |                                 |               |                    |
|-------------|---------------------------------|---------------|--------------------|
| <b>5.00</b> | <b>Inventories:</b>             |               |                    |
|             | This consists of the following; |               |                    |
|             | Raw Material                    | Note: 17.01   | 61,350,480         |
|             | Finished Goods                  | Note: 17.00   | 47,296,100         |
|             | Work - in - Process             | Note: 17.00   | 19,565,430         |
|             | Spare Parts & Consumable Items  | Note: 17.02.1 | 8,256,980          |
|             | Packing Materials               | Note: 17.03.1 | 14,587,816         |
|             |                                 |               | <b>151,056,806</b> |
|             |                                 |               | <b>156,521,360</b> |

Inventories in hand have been valued at lower of cost or net realizable value as per BAS-2 and have been certified by management.

|             |                                       |                    |                    |
|-------------|---------------------------------------|--------------------|--------------------|
| <b>6.00</b> | <b>Trade &amp; Others Receivable:</b> |                    |                    |
|             | These have arrived at as under:       |                    |                    |
|             | <b>A. Trade Receivable</b>            |                    |                    |
|             | Opening balance                       | 111,656,935        | 41,438,482         |
|             | Add: Sales during the year            | 616,711,210        | 444,777,724        |
|             | <b>Total</b>                          | <b>728,368,145</b> | <b>486,216,206</b> |

|                                       |                   |                    |                    |
|---------------------------------------|-------------------|--------------------|--------------------|
| Less: Received during the year        |                   | 564,635,675        | 374,559,271        |
| <b>Total trade receivables</b>        | <b>Annexure-B</b> | <b>163,732,470</b> | <b>111,656,935</b> |
| B. Other Receivable (Interest on FDR) |                   | 124,658            | 609,384            |
| <b>Total (A+B)</b>                    |                   | <b>163,857,128</b> | <b>112,266,319</b> |
| <b>Ageing of Accounts Receivable</b>  |                   |                    |                    |
| More than six months                  |                   | -                  | -                  |
| Less than six months                  |                   | 163,732,470        | 111,656,935        |
|                                       |                   | <b>163,732,470</b> | <b>111,656,935</b> |

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

|   |                    |                    |
|---|--------------------|--------------------|
| Receivable considered good in respect of which the company is fully secured.  | -                  | -                  |
| Receivable considered good in respect of which the company holds no security other than the debtor personal security.   | 163,732,470        | 111,656,935        |
| Receivables considered doubtful bad.  | -                  | -                  |
| Receivable due by directors or others or other offers of the company or any of them either severly or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member. | -                  | -                  |
| Receivables due by common under the same management.  | -                  | -                  |
| The maximum amount of receivable due by any director or other officer of the company at any time during the year.   | -                  | -                  |
| <b>Total</b>  | <b>163,732,470</b> | <b>111,656,935</b> |

**7.00 Advance, deposit and prepayments:**

This consists of the following;

**Advance**

|                        |             |                    |                    |
|------------------------|-------------|--------------------|--------------------|
| Advance Income Tax     |             | 45,150,748         | 15,352,397         |
| Advance to Employees   |             | 1,905,600          | 675,648            |
| Advance to others      | (Note-7.02) | 65,253,448         | 89,145,609         |
| Prepayment (Insurance) |             | 279,996            | 152,318            |
|                        |             | <b>112,589,792</b> | <b>105,325,972</b> |

**7.01 Advance Tax paid**

|  |  |                   |                   |
|--|--|-------------------|-------------------|
| Opening  |  | 15,352,397        | 7,551,199         |
| Advance Tax paid during the year                             |  | 28,718,663        | 7,801,198         |
| Advance Tax paid during the year on interest income from FDR |  | 1,079,688         | -                 |
|  |  | <b>45,150,748</b> | <b>15,352,397</b> |

**7.02 Advance to Others**

|                          |  |            |            |
|--------------------------|--|------------|------------|
| Goods and services       |  | 4,256,320  | 11,906,106 |
| Construction materials   |  | -          | 22,448,801 |
| Tour                     |  | 2,012,650  | 4,031,218  |
| Office Rent              |  | 400,000    | -          |
| L/C Margin for Machinery |  | 58,567,465 | 30,568,200 |
| Land                     |  | -          | 20,000,000 |
| VAT current account      |  | 17,013     | 191,284    |

|  |                    |                    |
|--|--------------------|--------------------|
|  | <b>65,253,448</b>  | <b>89,145,609</b>  |
| <b>8.00 Cash and Cash equivalents:</b>                   |                    |                    |
| These have arrived at as under:                          |                    |                    |
| Cash in Hand   | 6,970,609          | 5,822,086          |
| Cash at Bank (Note-8.01)                                 | 59,841,622         | 9,973,219          |
| Short Term FDR   | 50,000,000         | 225,000,000        |
|  | <b>116,812,231</b> | <b>240,795,305</b> |
| <b>8 Cash at Bank</b>                                    |                    |                    |
| Pubali Bank Ltd. Barishal Sadar Branch A/C 54490         | 6,726,939          | -                  |
| Pubali Bank Ltd. Barishal Sadar Branch A/C 50517         | -                  | 72,915             |
| Dutch-Bangla Bank Ltd. Barisal Branch A/C 3745           | -                  | 68,662             |
| Sonali Bank Ltd. Barishal Corporate Branch A/C. 3953     | 320,483            | 34,664             |
| Islami Bank Bangladesh Ltd. Barishal Branch A/C no.10807 | 50,589,876         | 3,924,553          |
| Islami Bank Bangladesh Ltd. Bhanga Branch A/C no.01405   | 184,931            | 196,721            |
| Islami Bank Bangladesh Ltd. Bhanga Branch A/C no.01506   | 80,464             | 94,084             |
| Islami Bank Bangladesh Ltd. Bhanga Branch A/C no.79513   | 79,080             | 81,794             |
| One Bank Ltd. Barisal Branch A/C no.02579                | 738,945            | 1,598,850          |
| National Bank Ltd. Brishal Branch A/c No CD- 28913       | -                  | 3,900,994          |
| Mercantile Bank Ltd A/C: 117213118856998                 | 792,088            | -                  |
| Dutch-Bangla Bank Ltd. Barisal Branch A/C 1271100014683  | 328,817            | -                  |
|  | <b>59,841,622</b>  | <b>9,973,237</b>   |

Cash balance was certified by the management. Bank balances were agreed with banks Statements certified by the respective banks.

|  |                      |                      |
|--|----------------------|----------------------|
| <b>9.00 Share Capital:</b>                               |                      |                      |
| <b>Authorized Capital</b>                                | <b>1,000,000,000</b> | <b>1,000,000,000</b> |
| 100,000,000 Ordinary Shares of Tk. 10 each.              |                      |                      |
| <b>Issued, Subscribed &amp; Paid-up Capital:</b>         | <b>730,000,000</b>   | <b>730,000,000</b>   |
| 73,000,000 Ordinary Shares of Tk. 10 each fully paid up. |                      |                      |

**9.01 A distribution schedule of the above shares is given below;**

| Name                                 | Status with the Company | 30-06-2017    | % of Holding Position | 30-06-2016    | % of Share Holding Position |
|--------------------------------------|-------------------------|---------------|-----------------------|---------------|-----------------------------|
|                                      |                         | Share Holding |                       | Share Holding |                             |
| Aziza Yeasmin                        | Chairman                | 2,005,000     | 2.747%                | 2,005,000     | 2.747%                      |
| A F M Anowarul Huq                   | Managing Director       | 12,435,000    | 17.034%               | 12,435,000    | 17.034%                     |
| Hafiza Yeasmin                       | Director                | 2,005,000     | 2.747%                | 2,005,000     | 2.747%                      |
| Md. Amin-Ur-Rashid                   | Director                | 2,515,000     | 3.445%                | 2,515,000     | 3.445%                      |
| Sayed Huq                            | Director                | 2,001,000     | 2.741%                | 2,001,000     | 2.741%                      |
| Fatima Parvin                        | Director                | 2,461,000     | 3.371%                | 2,461,000     | 3.371%                      |
| Investment Corporation of Bangladesh | Director                | 15,000,000    | 20.548%               | 15,000,000    | 20.548%                     |
| Mst. Shahanaz Akter                  | Director                | 2,051,000     | 2.810%                | 2,051,000     | 2.810%                      |
| Mizanur Rahman                       | Director                | 2,051,000     | 2.810%                | 2,051,000     | 2.810%                      |
| Md. Bellal Khan                      | Shareholder             | 3,140,000     | 4.301%                | 3,140,000     | 4.301%                      |
| Aysha Siddika                        | Shareholder             | 2,005,000     | 2.747%                | 2,005,000     | 2.747%                      |
| ICB Capital Management Limited       | Shareholder             | 1,000,000     | 1.370%                | 1,000,000     | 1.370%                      |
| Bangladesh Fund                      | Shareholder             | 6,000,000     | 8.219%                | 6,000,000     | 8.219%                      |
| FAS Capital Management Limited       | Shareholder             | 450,000       | 0.616%                | 450,000       | 0.616%                      |
| Continental Insurance Limited        | Shareholder             | 250,000       | 0.342%                | 250,000       | 0.342%                      |
| Saiful Islam Kamruz                  | Shareholder             | 100,000       | 0.137%                | 100,000       | 0.137%                      |
| Md. Siddiqur Rahman                  | Shareholder             | 150,000       | 0.205%                | 150,000       | 0.205%                      |
| Sayed Sakib Naimuddin                | Shareholder             | 100,000       | 0.137%                | 100,000       | 0.137%                      |
| Mr. Hazi Abdul Kader Mia             | Shareholder             | 1,000         | 0.001%                | 1,000         | 0.001%                      |
| Mr. Ayub Hossain Khan                | Shareholder             | 1,000         | 0.001%                | 1,000         | 0.001%                      |
| Mr. S.M. Ashfaqur Rahman             | Shareholder             | 101,000       | 0.138%                | 101,000       | 0.138%                      |
| Mr.Md. Mustafizur Rahman             | Shareholder             | 105,000       | 0.144%                | 105,000       | 0.144%                      |
| Shamima Akhter                       | Shareholder             | 30,000        | 0.041%                | 30,000        | 0.041%                      |
| Md. Abul Kalam Azad                  | Shareholder             | 51,000        | 0.070%                | 51,000        | 0.070%                      |
| Akram Hossain Md. Feroj              | Shareholder             | 1,000,000     | 1.370%                | 1,000,000     | 1.370%                      |
| A.T.M. Shafiqul Hasan                | Shareholder             | 120,000       | 0.164%                | 120,000       | 0.164%                      |
| Rajib Kumar Saha                     | Shareholder             | 20,000        | 0.027%                | 20,000        | 0.027%                      |
| Zillur Rahman Zilu                   | Shareholder             | 20,000        | 0.027%                | 20,000        | 0.027%                      |
| Md. Abdullah al Mamun                | Shareholder             | 20,000        | 0.027%                | 20,000        | 0.027%                      |
| Shamima Nasrin                       | Shareholder             | 50,000        | 0.068%                | 50,000        | 0.068%                      |

|                                |             |                   |             |                   |             |
|--------------------------------|-------------|-------------------|-------------|-------------------|-------------|
| Kazi Mahbubul Haque            | Shareholder | 50,000            | 0.068%      | 50,000            | 0.068%      |
| Eng. Mahmudul Hasan            | Shareholder | 110,000           | 0.151%      | 110,000           | 0.151%      |
| BMSL Invesment Ltd.            | Shareholder | 10,000            | 0.014%      | 10,000            | 0.014%      |
| Abaci Investment Ltd (MDA)     | Shareholder | 10,000            | 0.014%      | 10,000            | 0.014%      |
| Md. Khairul Islam              | Shareholder | 20,000            | 0.027%      | 20,000            | 0.027%      |
| Partho Kumar Bagchi            | Shareholder | 50,000            | 0.068%      | 50,000            | 0.068%      |
| H. A. Mamun                    | Shareholder | 101,000           | 0.138%      | 101,000           | 0.138%      |
| Satyendra Nath Roy             | Shareholder | 48,000            | 0.066%      | 48,000            | 0.066%      |
| Eurodesh Consumer Products Ltd | Shareholder | 1,000             | 0.001%      | 1,000             | 0.001%      |
| Sonamoni Saha                  | Shareholder | 1,000             | 0.001%      | 1,000             | 0.001%      |
| Most. Afroza Akter             | Shareholder | 1,000             | 0.001%      | 1,000             | 0.001%      |
| Lubna Nishat Mim               | Shareholder | 2,251,000         | 3.084%      | 2,251,000         | 3.084%      |
| Nazmun Nahar                   | Shareholder | 1,801,000         | 2.467%      | 1,801,000         | 2.467%      |
| Md. Abdus Sabur Khan           | Shareholder | 1,651,000         | 2.262%      | 1,651,000         | 2.262%      |
| Jannatul Marzan                | Shareholder | 2,251,000         | 3.084%      | 2,251,000         | 3.084%      |
| Md. Ikbal Hussain              | Shareholder | 1,241,000         | 1.700%      | 1,241,000         | 1.700%      |
| Md. Abdur Rashid               | Shareholder | 201,000           | 0.275%      | 201,000           | 0.275%      |
| Masuda Islam Sharnali          | Shareholder | 501,000           | 0.686%      | 501,000           | 0.686%      |
| Shakil Mahmud                  | Shareholder | 501,000           | 0.686%      | 501,000           | 0.686%      |
| Md. Towhidul Islam             | Shareholder | 801,000           | 1.097%      | 801,000           | 1.097%      |
| Md. Faysal Ahmed               | Shareholder | 501,000           | 0.686%      | 501,000           | 0.686%      |
| Abdul Kaiwm Sikder             | Shareholder | 501,000           | 0.686%      | 501,000           | 0.686%      |
| Safia Begum                    | Shareholder | 901,000           | 1.234%      | 901,000           | 1.234%      |
| Soneya Akter                   | Shareholder | 701,000           | 0.960%      | 701,000           | 0.960%      |
| Tania Rashid                   | Shareholder | 751,000           | 1.029%      | 751,000           | 1.029%      |
| Md. Alauddin                   | Shareholder | 651,000           | 0.892%      | 651,000           | 0.892%      |
| Tahmina Nupur                  | Shareholder | 151,000           | 0.207%      | 151,000           | 0.207%      |
| Md. Masum Billah               | Shareholder | 1,000             | 0.001%      | 1,000             | 0.001%      |
| Md. Khalid Hossain             | Shareholder | 1,000             | 0.001%      | 1,000             | 0.001%      |
| Mushfiq Ul Quayoom             | Shareholder | 1,000             | 0.001%      | 1,000             | 0.001%      |
| Neaz Rahman Shaqib             | Shareholder | 1,000             | 0.001%      | 1,000             | 0.001%      |
| <b>Total</b>                   |             | <b>73,000,000</b> | <b>100%</b> | <b>73,000,000</b> | <b>100%</b> |

|              |   | <b>Amount in Taka</b>  |                        |
|--------------|---|------------------------|------------------------|
|              |   | <b>30th June, 2017</b> | <b>30th June, 2016</b> |
| <b>10.00</b> | <b>Retained Earnings:</b>                                       |                        |                        |
|              | This amount consists of as follows:                             |                        |                        |
|              | Balance brought forward   | 119,233,972            | 60,209,267             |
|              | Add: Net Profit for the year                                    | 88,372,671             | 59,024,705             |
|              |   | <b>207,606,643</b>     | <b>119,233,972</b>     |
| <b>11.00</b> | <b>Deferred Tax Liability:</b>                                  |                        |                        |
|              | This amount consists as follows:                                |                        |                        |
|              | Carrying Value of Property, Plant & Equipment (Annexure-A)      | 536,553,973            | 211,400,486            |
|              | As Tax Base   | 427,467,713            | 184,876,723            |
|              | Temporary Difference  | <b>109,086,260</b>     | <b>26,523,763</b>      |
|              | <b>Deferred Tax Liabilities @35%</b>                            | 38,180,191             | 9,283,317              |
|              | Opening Deferred Tax Liability                                  | 9,283,317              | 4,022,794              |
|              | Deferred Tax Expenses (Current year)                            | <b>28,896,874</b>      | <b>5,260,523</b>       |
| <b>12.00</b> | <b>Provision for WPPF:</b>                                      |                        |                        |
|              | Opening WPPF  | 4,540,362              | -                      |
|              | Add: Addition during the Period                                 | 6,797,898              | 4,540,362              |
|              | Less: Transfer to WPPF Bank Accounts                            | (4,540,362)            | -                      |
|              | <b>Total:</b>   | <b>6,797,898</b>       | <b>4,540,362</b>       |
|              | Profit before contribution for WPPF                             | 142,755,854            | 95,347,600             |
|              | Provision for contribution @5% Profit After WPPF (For the year) | <b>6,797,898</b>       | <b>4,540,362</b>       |
| <b>13.00</b> | <b>Trade Payables:</b>  |                        |                        |
|              | <b>Opening balance;</b>   | 15,911,787             | 11,847,860             |
|              | Add: Purchase during the year                                   | 347,579,667            | 258,806,463            |
|              | Total:  | 363,491,454            | 270,654,323            |
|              | Less: Paid during the year                                      | 346,813,780            | 254,742,536            |
|              | <b>Closing balance (Details are in Annexure - C)</b>            | <b>16,677,674</b>      | <b>15,911,787</b>      |
|              |   | <b>Amount in Taka</b>  |                        |
|              |   | <b>30th June,2017</b>  | <b>30th June'2016</b>  |
| <b>14.00</b> | <b>Provision for Income Tax</b>                                 |                        |                        |
|              | This has been arrived as at under;                              |                        |                        |
|              | Balance b/d   | 54,919,591             | 28,397,581             |
|              | Add: Provision for the year                                     | 18,688,411             | 26,522,010             |
|              |   | <b>73,608,002</b>      | <b>54,919,591</b>      |
| <b>15.00</b> | <b>Liabilities for Expenses</b>                                 |                        |                        |
|              | This consists of the following                                  |                        |                        |
|              | Telephone Bill  | 184                    | 8,558                  |
|              | Electricity Bill  | 103,066                | 136,612                |
|              | Directors Remuneration  | 150,000                | 150,000                |
|              | Salary & Wages  | 4,200,000              | 3,999,715              |
|              | Repairs and Maintenance   | 158,350                | 6,909,896              |
|              | Audit Fees with VAT   | 172,500                | 172,500                |
|              | Factory Rent  | -                      | 109,000                |
|              | Others  | 15,422                 | 3,503                  |
|              |   | <b>4,799,522</b>       | <b>11,489,784</b>      |

|                                    |                    |                    |
|------------------------------------|--------------------|--------------------|
| <b>16.00 Net Sales Revenue:</b>    |                    |                    |
| Gross Sales                        | 709,217,891        | 511,494,383        |
| Less: VAT @ 15%                    | 92,506,681         | 66,716,659         |
| <b>Net Sales (Net off VAT)</b>     | <b>616,711,210</b> | <b>444,777,724</b> |
| <b>(Details are in Annexure-D)</b> |                    |                    |

|   |              | <b>Amount in Taka</b>     |                           |
|---|--------------|---------------------------|---------------------------|
|   |              | <b>30th<br/>June,2017</b> | <b>30th<br/>June'2016</b> |
| <b>17.00 Cost of Sales:</b>                                       |              |                           |                           |
| This has been arrived as under;                                   |              |                           |                           |
| Raw Material Consumed   | Notes #17.01 | 262,070,969               | 179,027,986               |
| Add: Work in process (Opening)                                    |              | 18,013,355                | 17,689,450                |
| Less: Work in Process (Closing)                                   |              | 19,565,430                | 18,013,355                |
| <b>Total Consumption</b>  |              | <b>260,518,894</b>        | <b>178,704,081</b>        |
| Add: Manufacturing Overhead                                       | Notes #17.02 | 45,730,451                | 26,534,444                |
| Add: Direct expenses  | Notes #17.03 | 80,943,707                | 65,375,188                |
| <b>Cost of Production</b>   |              | <b>387,193,052</b>        | <b>270,613,713</b>        |
| Add: Finished Goods (Opening balance)                             |              | 45,053,550                | 39,238,921                |
| <b>Finished Goods Available</b>                                   |              | <b>432,246,602</b>        | <b>309,852,634</b>        |
| Less: Finished Goods (Closing) <b>(Details are in Annexure-E)</b> |              | 47,296,100                | 45,053,550                |
| Less: Sample Costs  |              | 3,150,209                 | 2,270,092                 |
| <b>Cost of Sales:</b>   |              | <b>381,800,293</b>        | <b>262,528,992</b>        |

|  |  |                    |                    |
|--|--|--------------------|--------------------|
| <b>17.01 Material Consumed:</b>                            |  |                    |                    |
| Opening balance  |  | 69,555,407         | 57,483,839         |
| Add: Material Purchased                                    |  | <b>253,866,042</b> | <b>191,099,554</b> |
| Import   |  | 182,172,422        | 124,513,068        |
| Local  |  | 71,693,620         | 66,586,486         |
| Less: Closing Materials <b>(Details are in Annexure-F)</b> |  | 61,350,480         | 69,555,407         |
| <b>Total</b>   |  | <b>262,070,969</b> | <b>179,027,986</b> |

|   |                 |                   |                   |
|---|-----------------|-------------------|-------------------|
| <b>17.02 Manufacturing Overhead:</b>      |                 |                   |                   |
| Salary, Wages & allowance                 |                 | 5,607,121         | 4,150,471         |
| Cork & Cap                                |                 | 2,298,098         | 1,616,056         |
| Carton & Label                            |                 | 3,115,222         | 2,187,929         |
| Hand Glove, Tape, Gum Etc                 |                 | 194,204           | 161,463           |
| Quality Control Expenses                  |                 | 752,348           | 246,743           |
| Accessories                               |                 | 2,649,796         | 1,790,853         |
| Apron & Uniform                           |                 | 570,650           | 164,875           |
| Carriage Inward                           |                 | 1,236,334         | 693,611           |
| Water bill                                |                 | 7,130             | 5,265             |
| Washing Expenses                          |                 | 2,745             | 2,400             |
| Maintenance of Machine & Consumable Items | Notes #17.02.01 | 15,762,360        | 7,795,778         |
| Electricity Bill Factory                  |                 | 1,378,937         | 1,367,000         |
| Maintenance of Factory Building           |                 | 1,485,924         | 409,672           |
| Factory Rent                              |                 | -                 | 1,308,000         |
| Insurance expense                         |                 | 15,525            | -                 |
| Depreciation (Annexure-A)                 |                 | 10,654,057        | 4,634,327         |
|   |                 | <b>45,730,451</b> | <b>26,534,444</b> |

|                 |  |                   |                   |
|-----------------|--|-------------------|-------------------|
| <b>17.02.01</b> | <b>Maintenance of Machine &amp; Consumable Items</b> |                   |                   |
|                 | Opening balance                                      | 8,083,723         | 6,620,359         |
|                 | Purchase during the period                           | 15,935,617        | 9,259,142         |
|                 | Less: Closing balance                                | 8,256,980         | 8,083,723         |
|                 | Consumption  | <b>15,762,360</b> | <b>7,795,778</b>  |
| <b>17.03</b>    | <b>Direct expenses:</b>                              |                   |                   |
|                 | Delivery Charges                                     | 637,480           | 651,177           |
|                 | Packing Materials                                    | Notes #17.02.03   | 79,005,517        |
|                 | Medical Bag Expenses                                 | 402,850           | 363,225           |
|                 | Cost of Literature                                   | 397,880           | 96,910            |
|                 | Remission Settlement                                 | 499,980           | 499,904           |
|                 | Total  | <b>80,943,707</b> | <b>65,375,188</b> |
| <b>17.03.1</b>  | <b>Packing Materials</b>                             |                   |                   |
|                 | Opening balance                                      | 15,815,325        | 21,131,530        |
|                 | Purchase during the period                           | 77,778,008        | 58,447,767        |
|                 | Less: Packing Materials (Closing balance )           | 14,587,816        | 15,815,325        |
|                 | Consumption  | <b>79,005,517</b> | <b>63,763,972</b> |
| <b>18.00</b>    | <b>Administrative Expenses</b>                       |                   |                   |
|                 | Salary & allowance                                   | 10,872,584        | 8,633,432         |
|                 | Director Remuneration                                | 1,800,000         | 1,050,000         |
|                 | Board Meeting Fee                                    | 450,000           | 245,000           |
|                 | Travelling & Conveyance                              | 2,508,205         | 2,087,305         |
|                 | Entertainment  | 1,989,698         | 1,502,018         |
|                 | Office Rent  | 381,750           | 130,800           |
|                 | Printing & Stationery                                | 2,094,151         | 1,806,365         |
|                 | News Paper & Magazine                                | 61,005            | 42,033            |
|                 | Post & Telegram                                      | 428,355           | 304,637           |
|                 | Insurance Premium                                    | 177,772           | 152,319           |
|                 | License & Legal Fee                                  | 1,210,479         | 568,870           |
|                 | Telephone & Mobile Bill                              | 72,523            | 99,698            |
|                 | Internate Bill                                       | 19,260            | -                 |
|                 | TA & DA of Field Staff                               | 3,265,786         | 3,027,415         |
|                 | Audit Fees   | 172,500           | 172,500           |
|                 | Electricity Bill                                     | 112,041           | 305,420           |
|                 | Maintenance of Transport                             | 1,636,354         | 1,510,390         |
|                 | Securities service                                   | 670,510           | 645,826           |
|                 | Bank Charge  | 290,290           | 4,830             |
|                 | Others expenses                                      | 564,308           | 214,924           |
|                 | Depreciation (Annexure-A)                            | 1,063,476         | 877,464           |
|                 | Total  | <b>29,841,047</b> | <b>23,381,246</b> |
| <b>19.00</b>    | <b>Selling &amp; Distributing Expenses</b>           |                   |                   |
|                 | Salary & allowance                                   | 37,602,367        | 32,815,664        |
|                 | Incentive Bonus                                      | 2,720,800         | 2,338,816         |
|                 | Carriage Outward                                     | 2,407,600         | 2,179,769         |
|                 | Packing Materials-Selling & Distribution             | 3,407,682         | 3,201,249         |
|                 | Sales Promotion                                      | 3,890,030         | 3,424,488         |
|                 | Training & seminar Expenses                          | 4,742,870         | 4,464,889         |

|              |   |                   |                   |
|--------------|---|-------------------|-------------------|
|              | Entertainment for Conference                | 2,248,255         | 1,930,204         |
|              | Gift & Presentation (Promotional Materials) | 2,406,822         | 2,184,686         |
|              | Sample expense                              | 3,150,209         | 2,270,092         |
|              | Travelling & Conveyance                     | 10,270,635        | 9,560,520         |
|              |   | <b>72,847,270</b> | <b>64,370,377</b> |
| <b>20.00</b> | <b>Non Operating Income:</b>                |                   |                   |
|              | Misc Sales                                  | 221,105           | 241,107           |
|              | Interest on FDR                             | 10,312,149        | 609,384           |
|              |   | <b>10,533,254</b> | <b>850,491</b>    |
| <b>21.00</b> | <b>Current Tax:</b>                         |                   |                   |
|              | Profit before tax as per account            | 135,957,956       | 90,807,238        |
|              | Add: Accounting depreciation                | 11,717,533        | 5,511,791         |
|              | Less: Tax base depreciation                 | 94,280,030        | 20,541,858        |
|              | Current year Taxable profit                 | 53,395,459        | 75,777,171        |
|              | Current Tax @ 35%                           | <b>18,688,411</b> | <b>26,522,010</b> |

**22.00 Earnings Per Share:**

This has been calculated in compliance with the requirements of BAS 33: Earnings Per Share, is the basic earning dividing by the weighted average number of ordinary shares outstanding the end of the Period.

The composition of earnings per shares (EPS) is given below:

|  |             |             |
|--|-------------|-------------|
| Total Comprehensive Income for the Period              | 88,372,671  | 59,024,705  |
| Weighted Average number of ordinary shares outstanding | 73,000,000  | 22,543,442  |
| <b>Earnings per share (Basic)</b>                      | <b>1.21</b> | <b>2.62</b> |

| Weighted Average Number of Shares        | Weight                                |        |                                     |
|--|---------------------------------------|--------|-------------------------------------|
| <b>For,2017</b>                          |                                       |        |                                     |
| 73,000,000                               | Shares                                | 1.00   | 73,000,000.00                       |
| <b>For,2016</b>                          |                                       |        |                                     |
| 100,000                                  | Shares                                | 1.00   | 100,000.00                          |
| 9,800,000                                | Shares                                | 1.00   | 9,800,000.00                        |
| 10,000,000                               | Shares (allotment date<br>06/08/2015) | 0.9016 | 9,016,393                           |
| 53,100,000                               | Shares (allotment date<br>06/06/2016) | 0.0683 | 3,627,049                           |
| <b>Weighted Average Number of Shares</b> |                                       |        | <b>73,000,000</b> <b>22,543,442</b> |

**23.00 Net Assets Value Per Share:**

**The composition of net assets value per share is given below:**

|   |               |              |
|---|---------------|--------------|
| Total Assets                                      | 1,077,669,930 | 945,378,813  |
| Less: Non-Current Liabilities+Current Liabilities | 140,063,287   | 96,144,841   |
| Net Assets Value                                  | 937,606,644   | 849,233,972  |
| Number of ordinary shares outstanding             | 73,000,000    | 73,000,000   |
|   | <b>12.84</b>  | <b>11.63</b> |

**24.00 Net Operating Cash Flows Per Share:**

|                                    |            |            |
|------------------------------------|------------|------------|
| Net Cash from Operating Activities | 79,369,039 | 14,019,393 |
| Weighted Average Number of Shares  | 73,000,000 | 22,543,442 |
|                                    | 1.09       | 0.62       |

## 25.00

**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) |           |
|------------------------|-------------------|-----------------------|-----------------|-----------|
|                        |                   |                       | 2016-2017       | 2015-2016 |
| Mr. A.F.M Anowarul Huq | Managing Director | Remuneration          | 1,800,000       | 1,050,000 |

**(b) Board meeting fee**

| Name                   | Designation          | Nature of Transaction | Amount in (BDT) |           |
|------------------------|----------------------|-----------------------|-----------------|-----------|
|                        |                      |                       | 2016-2017       | 2015-2016 |
| Mrs. Aziza Yeasmin     | Chairman             | Board Meeting fee     | 60,000          | 35,000    |
| Mr. A F M Anowarul Huq | Managing Director    |                       | 60,000          | 35,000    |
| Mrs. Hafiza Yeasmin    | Director             |                       | 60,000          | 35,000    |
| Md. Amin-Ur-Rashid     | Director             |                       | 60,000          | 35,000    |
| Sayedra Huq            | Director             |                       | 60,000          | 35,000    |
| Fatima Parvin          | Director             |                       | 55,000          | 35,000    |
| Mst. Shahanaz Akter    | Director             |                       | 30,000          | 35,000    |
| Md. Bellal Khan        | Ex Director          |                       | -               | 35,000    |
| Aysha Siddika          | Ex Chairman          |                       | -               | 35,000    |
| Md. Mizanur Rahman     | Director             |                       | 30,000          | -         |
| S.M. Harun Or Rashid   | Independent Director |                       | 20,000          | -         |
| Md. Monirujjaman       | Independent Director |                       | 10,000          | -         |
| Md. Firoz Khan         | Independent Director |                       | 5,000           | -         |

**(c) Factory Rent**

| Name of the parties    | Relationship      | Nature of Transaction | Amount in (BDT) |           |
|------------------------|-------------------|-----------------------|-----------------|-----------|
|                        |                   |                       | 2016-2017       | 2015-2016 |
| Mrs. Aziza Yeasmin     | Chairman          | Factory Rent          | -               | 13,08,000 |
| Mr. A.F.M Anowarul Huq | Managing Director | Factory Rent          |                 |           |
| Mrs. Hafiza Yeasmin    | Director          | Factory Rent          |                 |           |

**(d) Other Transactions**

| Name                       | Designation       | Nature of Transaction     | Amount in (BDT) |             |
|----------------------------|-------------------|---------------------------|-----------------|-------------|
|                            |                   |                           | 2016-2017       | 2015-2016   |
| Mr. A..F.M<br>Anowarul Huq | Managing Director | Advance against land      | -               | 20,000,000  |
|                            |                   | Payment of vendor payable | -               | 171,837,213 |

**26.00 Production Capacity and Utilization**

| Item       | Unit        | Production Capacity |      | Actual Production |      | Capacity Utilization |        |
|------------|-------------|---------------------|------|-------------------|------|----------------------|--------|
|            |             | 2017                | 2016 | 2017              | 2016 | 2017                 | 2016   |
| Tablet     | Million Pcs | 1350                | 87   | 1196              | 58   | 89%                  | 66.67% |
| Capsule    | Million Pcs | 435                 | 435  | 275               | 290  | 63%                  | 66.67% |
| Liquid/Phs | Million ML  | 350                 | 145  | 314               | 87   | 90%                  | 60.00% |

**27.00 The requirements of schedule XI, Part II, Para 3, of the company Act.1994**

Employees

Number of employees whose salary was below Tk. 5,300

Number of employees whose salary was above Tk. 5,300

| 2017 | 2016 |
|------|------|
| -    | -    |
| 211  | 206  |

**28.00 Cost of goods sold from import as per Para 8, Schedule XI, Part-II of the Companies Act 1994 is required:**

During the period 1st July 2016 to 30th June 2017 total Value of import in respect of raw materials stands equivalent USD 2,479,390.36 on CIF basis. Details are as follows:

| Particulars                 | Amount In USD    | Amount In Tk.      |
|-----------------------------|------------------|--------------------|
| Import of raw Materials     | 2,347,885        | 182,172,422        |
| Import of Packing Materials | 131,505          | 10,200,846         |
| Total:                      | <b>2,479,390</b> | <b>192,373,268</b> |

**29.00 Financial Risk Management**

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

Credit Risk  
Liquidity Risk  
Market Risk

### **Credit Risk**

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk monitored on an ongoing basis. As at 30th June 2016 substantial part of the receivables are those from its related company and subject to insignificant credit risk. Risk exposures from other financial assets. i.e. Cash at bank and other external receivables are nominal.

### **Liquidity Risk**

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

### **Market Risk**

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

#### **(a) Currency risk**

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

#### **(b) Interest rate risk**

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

**INDO-BANGLA PHARMACEUTICALS LTD**  
**Schedule of Property Plant & Equipment**  
**As at 30th June, 2017**

| Category of Assets            | COST                     |                    |                             | Rate | DEPRECIATION             |                          |                        | Written Down Value as on 30.06.2017 |
|-------------------------------|--------------------------|--------------------|-----------------------------|------|--------------------------|--------------------------|------------------------|-------------------------------------|
|                               | Balance as on 01.07.2016 | Addition           | Total Cost as at 30.06.2017 |      | Balance as on 01.07.2016 | Charge During the period | Total as at 30.06.2017 |                                     |
| Land                          | -                        | 45,487,485         | 45,487,485                  | 0%   | -                        | -                        | -                      | 45,487,485                          |
| Building                      | 83,658,414               | 67,836,348         | 151,494,762                 | 2.5% | 830,804                  | 3,439,548                | 4,270,352              | 147,224,410                         |
| Machineries & Equipment       | 118,789,135              | 218,582,954        | 337,372,089                 | 3%   | 6,379,280                | 6,729,639                | 13,108,919             | 324,263,170                         |
| Generator                     | 2,882,879                | 1,470,000          | 4,352,879                   | 3%   | 170,378                  | 88,725                   | 259,103                | 4,093,776                           |
| Furniture & Fixture           | 5,860,824                | 1,741,370          | 7,602,194                   | 10%  | 584,653                  | 568,647                  | 1,153,300              | 6,448,894                           |
| Office Equipment              | 3,060,481                | 825,405            | 3,885,886                   | 10%  | 355,657                  | 297,773                  | 653,430                | 3,232,456                           |
| Office Decoration             | -                        | 135,650            | 135,650                     | 10%  | -                        | 12,435                   | 12,435                 | 123,215                             |
| Computer                      | -                        | 399,490            | 399,490                     | 10%  | -                        | 12,044                   | 12,044                 | 387,446                             |
| Air Condition                 | -                        | 173,850            | 173,850                     | 10%  | -                        | 14,488                   | 14,488                 | 159,363                             |
| Transport                     | 1,861,826                | 218,468            | 2,080,294                   | 10%  | 353,747                  | 158,090                  | 511,837                | 1,568,457                           |
| Water Plant                   | 2,512,960                | -                  | 2,512,960                   | 10%  | 307,838                  | 220,512                  | 528,350                | 1,984,610                           |
| ETP Plant                     | 1,945,375                | -                  | 1,945,375                   | 10%  | 189,051                  | 175,632                  | 364,683                | 1,580,692                           |
| <b>Balance 30th June,2017</b> | <b>220,571,894</b>       | <b>336,871,020</b> | <b>557,442,914</b>          |      | <b>9,171,408</b>         | <b>11,717,533</b>        | <b>20,888,941</b>      | <b>536,553,973</b>                  |
| <b>Balance 30th June,2016</b> | <b>151,533,130</b>       | <b>69,038,764</b>  | <b>220,571,894</b>          |      | <b>3,659,617</b>         | <b>5,511,791</b>         | <b>9,171,408</b>       | <b>211,400,486</b>                  |

**Allocation of Depreciation**

|                       |                          |
|-----------------------|--------------------------|
| <b>Factory</b>        | <b>10,654,057</b>        |
| <b>Administration</b> | <b>1,063,476</b>         |
|                       | <b><u>11,717,533</u></b> |

**INDO-BANGLA PHARMACEUTICALS LTD.**  
**Trade Receivables**  
**As at 30th June, 2017**

| Sl No        | Name of Party           | Full Address  | Amount in (TAKA)   |                    |
|--------------|-------------------------|---|--------------------|--------------------|
|              |                         |   | 2017               | 2016               |
| 1            | Barendra distribution   | 181/A, Upo shohor, Newmarket, Rajshahi.                           | 8,256,240          | 6,824,586          |
| 2            | Saimun drug, Khulna     | 17/3, Durgabari Road, Maymansing.                                 | 8,565,470          | 6,587,963          |
| 3            | Shafi Medical Hall      | 25, BCDS Market, Maik Potti, Jessore                              | 7,258,960          | 6,025,478          |
| 4            | Mannan Pharmacy         | BRTC Bus Station, 87, Shamoli Para, Ulla Para                     | 6,545,875          | 5,978,641          |
| 5            | Shaha pharmacy          | Ranjit Shaha, Taramoni Medical Hall, 12, College Mor, Sherpur     | 7,052,354          | 5,648,752          |
| 6            | Rakib medical hall      | Rakibul Hasan,65, Hatirkumrul, Oil Pump, Sirajong                 | 4,896,580          | 5,626,897          |
| 7            | khokon medical hall     | 75, Sarder Super Market, Satkhira, Khulna                         | 7,698,734          | 5,248,759          |
| 8            | Rafiq medical hall      | 85, Kadamtala Bazer, Nator.                                       | 6,254,870          | 5,062,485          |
| 9            | Deep medical hall       | 60, Hisan Medicine Market, Rangpur.                               | 7,147,850          | 4,752,654          |
| 10           | Iqbal medical hall      | 27, Sadar Road, Kishoregong.                                      | 4,586,936          | 4,254,321          |
| 11           | City pharmacy           | Bishnu podo Shaha,12, Thana More Golachipa.                       | 4,982,546          | 4,054,219          |
| 12           | Badal pharmacy          | Sumit Sikder,67, Natun Bazar, Gopalganj.                          | 4,156,983          | 3,787,741          |
| 13           | Kanai Lal Pharma        | Kanai Lal Das,102, Laheri Para, Faridpur.                         | 4,985,764          | 3,514,875          |
| 14           | Rumman Medical          | 110, Nodi Bangla Market, 2 <sup>nd</sup> floor, Shatmata, Bogura. | 3,254,168          | 1,678,956          |
| 15           | Ali Medical             | Soroware Hossain, 115, Sadar Road, Kishoregonj.                   | 2,586,356          | 1,352,411          |
| 16           | Shahin Medical Hall     | 76, Nurpur Market, Babubazar, Dhaka                               | 2,369,850          | 1,263,045          |
| 17           | Sundorban Pharmacy      | Tofazzel Hossen, 24, Station Road, Comilla.                       | 3,562,478          | 1,245,786          |
| 18           | Jannat Medical          | Kayser Ahmed, 45, Station Road, Natore.                           | 2,652,478          | 1,124,586          |
| 19           | Bangladesh Medical Hall | 17, Durgabari Road, Moymonsing.                                   | 1,452,635          | 1,054,265          |
| 20           | City Medical Hall       | 33, Datta Building, Infortn of Town Hall, Magura.                 | 3,256,890          | 2,880,546          |
| 21           | Tanvir Medical Hall     | Golam Soroware Hossain, 21, Station Road, Hatia.                  | 3,254,890          | 877,643            |
| 22           | Asha Drug               | Mr. Azad, 42/A Heraj Market, Khulna.                              | 2,156,368          | 1,678,452          |
| 23           | Shams pharmacy          | 167, Bijoy Bitan, Hali Shohor, Hazari Lane, Chittagong.           | 3,125,462          | 2,474,203          |
| 24           | Aroga Niketon           | Monorongan Pal,1 2, Sadar Road, Dohar, Dhaka.                     | 1,852,410          | 458,693            |
| 25           | Basin Medical Hall      | M.A Mannan, 55, Madhabpur, Narshingdi.                            | 3,546,358          | 888,745            |
| 26           | Lovely Enterprise, Feni | Mr. Bimal, 34, Station Road, Feni.                                | 1,670,197          | 385,235            |
| 27           | Janata Medical Hall     | 15, Hazi Super Market, Rangpur.                                   | 3,896,530          | 3,500,000          |
| 28           | Rup Saj Corner          | Mr. Arif, 27, Bazar Road, Sayedpur.                               | 4,854,780          | 2,378,451          |
| 29           | Helal Drug              | Md. Issa,55, Laxmipur Mor, Rajshahi.                              | 2,546,890          | 2,367,665          |
| 30           | Utsab Meidcal           | Deb Dulal Shaha, 15, Sadar Road, Kishoregong.                     | 3,254,698          | 1,354,555          |
| 31           | Taramoni Medical Hall   | Biplob Das, 7, Khoda Box Road, Faridpur.                          | 5,546,890          | 3,345,869          |
| 32           | Prodip Medical Store    | Md. Rakibul Islam, 18, M.K Road, Jessore.                         | 6,152,650          | 4,026,650          |
| 33           | Tanzila Medical Hall    | 19, Merina Nodi Bangla Market, Bogura.C25                         | 5,856,930          | 3,526,650          |
| 34           | Badhan Pharmacy         | 28, Bangabandhu Sarak, Jhinaidah.                                 | 4,154,680          | 2,520,050          |
| 35           | Lia Aroggo Niketon      | G.C Market, 170 Hazari Lane, Chittagong.                          | 4,686,360          | 2,526,650          |
| 36           | Kanai Lal Medical Hall  | Rajon Lal Das, 11Bhanga Bazar, Bhanga Faridpur.                   | 2,452,360          | 1,380,458          |
| 37           | Shah Medical hall       | 320, Chandina bazar, Comilla                                      | 452,460            | -                  |
| 38           | Dottho Farma            | 120, Fai bazar, Chandina, Comilla                                 | 324,680            | -                  |
| 39           | Johir Farma             | Rammohon bazar,25 Pan potti, Borora, Comilla                      | 320,465            | -                  |
| 40           | Shades Pharma           | 135, Chatkhil, Noakhali   | 235,480            | -                  |
| 41           | Sheto Medical hall      | 75, Jatrabari, Dhaka.   | 632,520            | -                  |
| 42           | Bayewan Medical hall    | 118, Shonir Akhra, Jatrabari, Dhaka                               | 321,540            | -                  |
| 43           | Alia Pharma             | 54, Aziz supermarket, Khulna                                      | 212,850            | -                  |
| 44           | Nazmul Pharma           | 120, Laksam bazar, Comilla  | 214,525            | -                  |
| 45           | Mayer Doa Medical hall  | 135, Kadamtala Bazer, Nator                                       | 85,420             | -                  |
| 46           | Asif pharma             | 120, Durgabari Road, Moymonsing.                                  | 140,230            | -                  |
| 47           | Priya Medical hall      | 25, Nurpur Market, Babubazar, Dhaka                               | 85,630             | -                  |
| 48           | Alif Medical hall       | 120, Merina Nodi Bangla Market, Bogura.                           | 174,200            | -                  |
| <b>Total</b> |                         |   | <b>163,732,470</b> | <b>111,656,935</b> |

## Annexure-C

## INDO-BANGLA PHARMACEUTICALS LTD.

Trade Paybles  
As at 30th June, 2017

| Sl. No            | Name of the Medical Hall    | Address                           | Amount in Tk (2017) | Amount in Tk (2016) |
|-------------------|-----------------------------|-----------------------------------|---------------------|---------------------|
| 1                 | Pirojpur Printing & Packing | 185, Fakirapul, Motijhil, Dhaka.  | 1,235,680           | 1,533,875           |
| 2                 | S.T.S Foil Corporation      | Fakirapul, Motijhil, Dhaka.       | 2,854,786           | 3,259,742           |
| 3                 | M.K. Printers               | 103, Arambag, Motijhil, Dhaka.    | 1,256,890           | 1,652,645           |
| 4                 | Jass Corporation            | Asulia, Savar.                    | 4,251,630           | 3,835,245           |
| 5                 | Oni Printers                | 240/3, Fakirapul Motijhil, Dhaka. | 3,568,960           | 3,365,875           |
| 6                 | Nahid Perfumary & Chemical  | 47/C, Midford, Dhaka.             | 546,890             | 346,512             |
| 7                 | Riya Perfumary              | Midford, Dhaka.                   | 452,160             | 255,420             |
| 8                 | Brothers Hood Chemical      | Agrabad, Chittagong.              | 525,630             | 303,415             |
| 9                 | Desh Foil Limited           | Sabujbag, Dhaka.                  | 396,108             | 270,954             |
| 10                | Banik Stors                 | Bazar Road, Barisal.              | 425,830             | 233,961             |
| 11                | Padma Cap                   | Opsonin Mor, Barisal.             | 354,860             | 223,629             |
| 12                | Global Capsul               | Rupatoli, Barisal.                | 347,850             | 223,625             |
| 13                | Rouf Medical Hall           | Babu Bazar, Dhaka                 | 254,760             | 221,653             |
| 14                | Rabby Cartoon               | Barisal                           | 205,640             | 185,236             |
| <b>Total Taka</b> |                             |                                   | <b>16,677,674</b>   | <b>15,911,787</b>   |

## Annexure-D

## INDO-BANGLA PHARMACEUTICALS LIMITED

Net Sales Statement  
As at 30th June, 2017

| Sl. No | Name of the Product  | Quantity (Box) | Amount in Tk (2017) | Quantity (Box) | Amount in Tk (2016) |
|--------|----------------------|----------------|---------------------|----------------|---------------------|
| 1      | Tab.Dextrin          | 485,465        | 16,991,275          | 250,932        | 8,782,620           |
| 2      | Indomoxin PFS        | 1,122,540      | 22,450,800          | 879,676        | 17,593,520          |
| 3      | Indofenac 500 mg     | 1,202,450      | 20,441,650          | 949,936        | 13,299,104          |
| 4      | Indostin R New       | 685,890        | 30,865,050          | 452,393        | 20,357,685          |
| 5      | Tab.Indocal-D        | 592,580        | 11,851,600          | 439,131        | 8,782,620           |
| 6      | Indozith 500 mg      | -              | -                   | 193,984        | 10,281,152          |
| 7      | Tab.I-Cet NN         | 2,012,450      | 34,211,650          | 1,634,549      | 27,787,333          |
| 8      | Tab.I-pedom(New)     | 631,265        | 12,625,300          | 1,390,538      | 27,810,760          |
| 9      | Cap.Protobit (10*10) | 872,150        | 68,899,850          | 421,508        | 33,299,132          |
| 10     | Cipro-I              | 71,748         | 2,869,920           | 365,874        | 18,293,700          |
| 11     | I-B Oral Saline      | 528,950        | 23,802,750          | 263,880        | 11,874,600          |
| 12     | Indoprox Mix         | 383,276        | 37,561,048          | 182,892        | 18,289,200          |
| 13     | Tab. Metrol 400mg    | 375,420        | 18,395,580          | 165,710        | 8,782,787           |
| 14     | Cap.Indotetra-250mg  | 545,870        | 28,385,240          | 338,337        | 17,593,524          |
| 15     | Inket (New)          | 665,890        | 14,649,580          | 443,304        | 13,299,120          |
| 16     | Tab. Relise (New)    | 912,450        | 27,373,500          | 636,177        | 20,357,664          |

|    |                    |                   |                    |                   |                    |
|----|--------------------|-------------------|--------------------|-------------------|--------------------|
| 17 | Tab. Riboflavin    | 440,319           | 23,336,907         | 165,709           | 8,782,577          |
| 18 | Zins Syrup         | 325,460           | 4,556,440          | 734,368           | 10,281,152         |
| 19 | Indoplex 200mg     | 312,165           | 6,243,300          | 1,389,366         | 27,787,320         |
| 20 | Seplon             | 450,420           | 7,206,720          | 1,738,173         | 27,810,768         |
| 21 | D/S. Indoflox PFS  | 1,045,680         | 31,370,400         | 1,109,970         | 33,299,100         |
| 22 | Tab. Indocal       | 665,322           | 6,653,220          | 703,604           | 18,293,704         |
| 23 | Tab. Indomol Plus  | 854,870           | 45,308,110         | 224,049           | 11,874,597         |
| 24 | Tab. Trilugel      | 245,820           | 14,749,200         | 304,820           | 18,289,200         |
| 25 | Fixim PFS          | 20,150            | 1,309,750          | 182,689           | 11,874,785         |
| 26 | Cap. Indofenac TR  | 1,300,480         | 72,826,880         | -                 | -                  |
| 27 | Tab. Neostin-R New | 164,210           | 13,465,220         | -                 | -                  |
| 28 | Indocal Luse       | 2,033,150         | 447,293            | -                 | -                  |
| 29 | Tasty Salt Saline  | 120,250           | 6,613,750          | -                 | -                  |
| 30 | Tab. P             | 124,620           | 4,112,460          | -                 | -                  |
| 31 | N-X                | 15,400            | 662,200            | -                 | -                  |
| 32 | Indozith 15 PFS    | 76,370            | 1,985,620          | -                 | -                  |
| 33 | Indozith 30 PFS    | 52,521            | 2,626,049          | -                 | -                  |
| 34 | Indozith 500 mg    | 35,149            | 1,862,897          | -                 | -                  |
|    | <b>Total Taka</b>  | <b>19,370,750</b> | <b>616,711,210</b> | <b>15,561,569</b> | <b>444,777,724</b> |

**INDO-BANGLA PHARMACEUTICALS LIMITED**  
**FINISHED GOODS**  
**As at 30th June, 2017**

| Sl. No | Name of the Product   | Quantity (Box) | Taka (30/06/2017) | Quantity (Box) | Taka (30/06/2016) |
|--------|-----------------------|----------------|-------------------|----------------|-------------------|
| 1      | Tab. Dextrin          | 8,800          | 308,000           | 44,721         | 1,565,235         |
| 2      | Indomoxin PFS         | 9,450          | 189,000           | 49,352         | 987,040           |
| 3      | Indoplex 100 mg       | 15,020         | 210,280           | 92,730         | 1,298,220         |
| 4      | Indostin R New        | 38,150         | 1,716,750         | 80,341         | 3,615,345         |
| 5      | Tab. Indocal          | 83,700         | 837,000           | 78,262         | 1,565,240         |
| 6      | Tab. Indocal-D        | 68,500         | 1,370,000         | -              | -                 |
| 7      | Indozith 500 mg       | -              | -                 | 35,149         | 1,862,897         |
| 8      | Tab. I-Cet NN         | 205,480        | 3,493,160         | 151,450        | 2,574,650         |
| 9      | Tab. I-pedom          | 155,040        | 3,100,800         | 82,178         | 1,643,560         |
| 10     | Tab. Protobit (10*10) | 25,500         | 2,014,500         | 77,192         | 6,098,168         |
| 11     | D/S. Indoflox PFS     | 39,520         | 1,185,600         | -              | -                 |
| 12     | Cipro-I               | -              | -                 | 71,748         | 3,587,400         |
| 13     | I-B Oral Saline       | 59,000         | 2,655,000         | 42,756         | 1,924,020         |
| 14     | Indoprox Mix          | 98,400         | 9,643,200         | 11,784         | 1,178,400         |
| 15     | Indoplex 200mg        | -              | -                 | 93,765         | 1,875,300         |
| 16     | Indozith 15 PFS       | -              | -                 | 76,370         | 1,985,620         |
| 17     | Indozith 30 PFS       | -              | -                 | 52,521         | 2,626,049         |
| 18     | Inket New             | 96,800         | 2,129,600         | 75,308         | 2,259,240         |
| 19     | Tab. Relise New       | 313,300        | 9,399,000         | 157,096        | 5,027,072         |
| 20     | Seplon                | -              | -                 | 115,882        | 1,854,112         |
| 21     | Zins Syrup            | -              | -                 | 108,999        | 1,525,982         |
| 22     | Tab. Indomol Plus     | 32,580         | 1,726,740         | -              | -                 |
| 23     | N-X                   | 52,930         | 2,275,990         | -              | -                 |
| 24     | Cap. Indotetra-250mg  | 80,240         | 4,172,480         | -              | -                 |
| 25     | Tasty salt saline     | 15,800         | 869,000           | -              | -                 |
|        | <b>Total Taka</b>     |                | <b>47,296,100</b> |                | <b>45,053,550</b> |

**INDO-BANGLA PHARMACEUTICALS LIMITED**  
**Stock Of Raw Materials**

| SL | Name of Product                     | <u>As at 30th June, 2017</u> |           |               | <u>As at 30th June, 2016</u> |        |               |
|----|-------------------------------------|------------------------------|-----------|---------------|------------------------------|--------|---------------|
|    |                                     | Stock(Out)                   | Rate      | Amount in Tk. | Stock(Out)                   | Rate   | Amount in Tk. |
| 01 | Albendazole                         | 720.00                       | 1,300.00  | 936,000       | 655                          | 1,300  | 851,500       |
| 02 | Aminophylline                       | 450.00                       | 800.00    | 360,000       | 365                          | 800    | 292,000       |
| 03 | Amoxicillin Trihydrate              | -                            | 2,500.00  | -             | 625                          | 2,500  | 1,562,500     |
| 04 | Amoxicillin Trihydrate (Micronized) | 372.72                       | 2,600.00  | 969,075       | 335                          | 2,500  | 837,500       |
| 05 | Aluminium Hydroxide Dried Gel       | 450.00                       | 300.00    | 135,000       | 313                          | 300    | 93,900        |
| 06 | Ascorbic Acid                       | 550.00                       | 420.00    | 231,000       | 340                          | 420    | 142,800       |
| 07 | Aceclofenac                         | 380.00                       | 2,110.00  | 801,800       | 355                          | 2,110  | 749,050       |
| 08 | Azithromycin (Compacted)            | 4.84                         | 12,200.00 | 59,048        | 156                          | 12,200 | 1,903,200     |
| 09 | Azithromycin (Mic)                  | 210.00                       | 12,200.00 | 2,562,000     | 126                          | 12,200 | 1,537,200     |
| 10 | Ciprofloxacin Hydrochloride         | 250.00                       | 2,600.00  | 650,000       | 173                          | 2,400  | 415,200       |
| 11 | Cetirizine Dihydrochloride          | 95.90                        | 4,000.00  | 383,612       | 225                          | 3,408  | 766,800       |
| 13 | Calcium Carbonate                   | 1,625.00                     | 19.00     | 30,875        | 755                          | 19     | 14,345        |
| 14 | Calcium Lactate                     | 652.00                       | 128.00    | 83,456        | 576                          | 128    | 73,728        |
| 15 | Caffeine Anhydrous                  | 420.00                       | 1,070.00  | 449,400       | 290                          | 1,070  | 310,300       |
| 16 | Cephadrine (Com.)                   | 350.00                       | 10,000.00 | 3,500,000     | 275                          | 4,800  | 1,320,000     |
| 17 | Cephadrine (Mic)                    | 450.00                       | 4,800.00  | 2,160,000     | 175                          | 4,800  | 840,000       |
| 18 | Di-calcium Phosphate                | 220.00                       | 38.00     | 8,360         | 219                          | 38     | 8,322         |
| 19 | Doxycycline Hydrochloride           | 740.00                       | 4,600.00  | 3,404,000     | 450                          | 4,600  | 2,070,000     |
| 20 | Diclofenac Sodium                   | 480.00                       | 950.00    | 456,000       | 310                          | 1,020  | 316,200       |
| 21 | Diclofenac Sodium TR Pellets        | 522.80                       | 1,140.00  | 595,992       | 383                          | 1,140  | 436,620       |
| 22 | Doxtorose Anhydrous                 | 487.50                       | 82.00     | 39,975        | 287                          | 82     | 23,534        |
| 23 | Diazepam                            | 520.00                       | 2,000.00  | 1,040,000     | 254                          | 2,000  | 508,000       |
| 24 | Domperidone Maleate                 | 353.62                       | 6,400.00  | 2,263,168     | -                            | -      | -             |
| 25 | Domperidone Plain                   | 24.00                        | 8,100.00  | 194,400       | 14                           | 8,100  | 113,400       |
| 26 | Dexamethasone                       | 244.15                       | 8,100.00  | 1,977,647     | 21                           | 8,100  | 170,100       |

|    |                                |          |            |           |     |         |           |
|----|--------------------------------|----------|------------|-----------|-----|---------|-----------|
| 27 | Ferrous Sulphate               | 12.00    | 58,000.00  | 696,000   | 11  | 58,000  | 638,000   |
| 28 | Flucloxacillin Sodium          | 10.75    | 4,700.00   | 50,534    | 230 | 168     | 38,640    |
| 29 | Folic Acid                     | -        | 3,484.00   | -         | 245 | 3,484   | 853,580   |
| 30 | Ferrous Fumarate               | 1,050.00 | 2,400.00   | 2,520,000 | 770 | 2,400   | 1,848,000 |
| 31 | Hyoscin Butyl Bromide          | 425.00   | 169.00     | 71,825    | 362 | 169     | 61,178    |
| 32 | Ibuprofen                      | 12.00    | 115,000.00 | 1,380,000 | 1   | 115,000 | 143,750   |
| 33 | Indomethacin                   | 214.80   | 850.00     | 182,580   | 174 | 850     | 147,900   |
| 34 | Ketorolac                      | 355.74   | 2,300.00   | 818,202   | 135 | 2,300   | 310,500   |
| 35 | Magnesium Hydroxide            | 123.43   | 19,000.00  | 2,345,170 | 15  | 19,000  | 285,000   |
| 36 | Mebendazole                    | 742.00   | 260.00     | 192,920   | 520 | 260     | 135,200   |
| 37 | Metronidazole                  | 800.00   | 1,185.00   | 948,000   | 530 | 1,200   | 636,000   |
| 38 | Metronidazole Benzoate         | 120.00   | 830.00     | 99,600    | 80  | 830     | 66,400    |
| 39 | Naproxen                       | 80.00    | 1,080.00   | 86,400    | 70  | 1,080   | 75,600    |
| 40 | Nicotinamide                   | -        | 3,800.00   | -         | 11  | 3,800   | 41,800    |
| 41 | Neutral Pellets                | 293.82   | 400.00     | 117,527   | 205 | 850     | 174,250   |
| 42 | Omeprazole Pellets 8.5%        | 333.06   | 810.00     | 269,781   | 80  | 540     | 43,200    |
| 43 | Paracetamol                    | 184.50   | 400.00     | 73,800    | 165 | 910     | 150,150   |
| 44 | Potassium Chloride             | 201.33   | 315.00     | 63,420    | 225 | 315     | 70,875    |
| 45 | Promethazine Hydrochloride     | 720.00   | 18.00      | 12,960    | 706 | 18      | 12,708    |
| 46 | Pyridoxine Hydrochloride (B6)  | 12.00    | 2,800.00   | 33,600    | 10  | 2,800   | 28,000    |
| 47 | Ranitidine Hydrochloride       | 287.76   | 1,600.00   | 460,416   | 49  | 2,600   | 127,400   |
| 48 | Riboflavine (B2)               | 157.50   | 5,000.00   | 787,500   | 148 | 1,280   | 189,440   |
| 49 | Riboflavine 5 Phosphate Sodium | 206.00   | 3,400.00   | 700,400   | 148 | 3,400   | 503,200   |
| 50 | Sulphamethoxazole              | 52.00    | 1,550.00   | 80,600    | 54  | 6,900   | 372,600   |
| 51 | Sodium citrate                 | 153.90   | 1,020.00   | 156,978   | 122 | 1,020   | 124,440   |
| 52 | Sodium Chloride                | 303.80   | 108.00     | 32,810    | 300 | 108     | 32,400    |
| 53 | Salbutamol                     | 800.00   | 32.00      | 25,600    | 700 | 32      | 22,400    |
| 54 | Tetracycline Hydrochloride     | 120.00   | 1,200.00   | 144,000   | 79  | 1,200   | 94,800    |
| 55 | Thiamine Hydrochloride (B1)    | 300.00   | 1,390.00   | 417,000   | 280 | 1,390   | 389,200   |
| 56 | Trimethoprim                   | -        | 2,700.00   | -         | 310 | 2,600   | 806,000   |
| 57 | Zinc Sulphate                  | 120.00   | 1,780.00   | 213,600   | 88  | 1,780   | 156,640   |

|    |  |        |           |           |     |        |           |
|----|--|--------|-----------|-----------|-----|--------|-----------|
| 58 | Tripolidine Hydrochloride                | -      | 28.00     | -         | 126 | 28     | 3,528     |
| 59 | Nemu                                     | 65.00  | 1,650.00  | 107,250   | -   | -      | -         |
| 60 | Pseduephedrine HCL                       | -      | -         | -         | 127 | 900    | 114,300   |
| 61 | Dextromethorphan HBR                     | 120.00 | 6,500.00  | 780,000   | 223 | 6,500  | 1,449,500 |
| 62 | Cefixime Compacted                       | -      | 1,090.00  | -         | 165 | 1,090  | 179,850   |
| 63 | Oxi                                      | 11.30  | 1,600.00  | 18,080    | -   | -      | -         |
| 64 | Esomeprazole                             | 458.00 | 770.00    | 352,660   | -   | -      | -         |
| 65 | Pen V                                    | 360.00 | 640.00    | 230,400   | -   | -      | -         |
| 66 | c Chemical                               | 265.00 | 10,000.00 | 2,650,000 | -   | -      | -         |
| 67 | Oxitetracline Hydrochloride              | -      | -         | -         | 476 | 14,000 | 6,664,000 |
| 68 | Aerosil                                  | 16.60  | 650.00    | 10,790    | 465 | 650    | 302,250   |
| 69 | Avicel Rc-591                            | -      | 140.00    | -         | 375 | 140    | 52,500    |
| 70 | Avicel-101                               | 952.50 | 160.00    | 152,400   | -   | -      | -         |
| 71 | Avicel-01                                | -      | -         | -         | 258 | 225    | 58,050    |
| 72 | Aspertem                                 | -      | 90.00     | -         | 425 | 90     | 38,250    |
| 73 | Amarmath Colour                          | 1.92   | 650.00    | 1,248     | 365 | 650    | 237,250   |
| 74 | Banana Flavour Liq                       | 4.00   | 800.00    | 3,200     | 460 | 800    | 368,000   |
| 75 | Banana Trusil Flavour Powder             | 1.21   | 1,200.00  | 1,452     | 375 | 1,200  | 450,000   |
| 76 | Citric Acid Monohydrate                  | 29.45  | 85.00     | 2,503     | 425 | 85     | 36,125    |
| 77 | Citric Acid Anhydrous                    | 33.93  | 94.00     | 3,189     | 510 | 94     | 47,940    |
| 78 | Carboxy Methyl Cellulose Sodium CMCS     | -      | -         | -         | 320 | 322    | 103,040   |
| 79 | Caustic Soda                             | 7.65   | 9.00      | 69        | 280 | 9      | 2,520     |
| 80 | Erythrosin Lake (Diclofenac Colour) Pink | 0.20   | 3,100.00  | 620       | 552 | 3,100  | 1,711,200 |
| 81 | Essence Lemon                            | 2.75   | 800.00    | 2,200     | 325 | 800    | 260,000   |
| 82 | ETDA                                     | -      | -         | -         | 254 | 400    | 101,600   |
| 83 | Gum Acacia                               | 36.31  | 350.00    | 12,709    | 354 | 320    | 113,280   |
| 84 | Gluconate Liquid (Seplon)                | 72.80  | 690.00    | 50,232    | 256 | 690    | 176,640   |
| 85 | Gelatine                                 | 48.00  | 145.00    | 6,960     | 425 | 120    | 51,000    |
| 86 | Glycerine                                | 82.31  | 68.00     | 5,597     | 376 | 68     | 25,568    |
| 87 | Green Lake Color (Indoprox)              | 0.38   | 3,100.00  | 1,178     | 724 | 3,100  | 2,244,400 |
| 88 | Hydroxypropyl Methyl Cellulose (HPMC)    | 16.09  | 640.00    | 10,298    | 225 | 640    | 144,000   |

|     |                                   |          |          |           |       |       |           |
|-----|-----------------------------------|----------|----------|-----------|-------|-------|-----------|
| 89  | Hydrochloric Acid (HCL)           | 20.00    | 18.00    | 360       | 365   | 18    | 6,570     |
| 90  | Iso. Prpyl Alcohol (IPA)          | 285.00   | 90.00    | 25,650    | 256   | 90    | 23,040    |
| 91  | Lactose                           | 1,289.63 | 275.00   | 354,648   | 457   | 258   | 117,906   |
| 92  | L 30 D 35                         | 14.04    | 1,500.00 | 21,060    | 1,260 | 392   | 493,920   |
| 93  | Methyl Paraben Plain (M.P.P)      | 0.90     | 425.00   | 383       | 129   | 425   | 54,825    |
| 94  | Mannitol                          | 0.20     | 185.00   | 37        | 265   | 185   | 49,025    |
| 95  | Methanol                          | 250.10   | 84.00    | 21,008    | 453   | 84    | 38,052    |
| 96  | mango Flavour (Powder)            | -        | -        | -         | 254   | 1,200 | 304,800   |
| 97  | Manthl                            | 350.00   | 90.00    | 31,500    | 256   | 90    | 23,040    |
| 98  | Maize Starch (Apple)              | -        | -        | -         | 524   | 58    | 30,392    |
| 99  | Maize Starch (Globe)              | 4,219.20 | 48.00    | 202,522   | 352   | 62    | 21,824    |
| 100 | Magnesium Stearate                | 75.24    | 165.00   | 12,415    | 375   | 120   | 45,000    |
| 101 | Methyl Paraben Sodium (MPS)       | -        | -        | -         | 185   | 325   | 60,125    |
| 102 | Orange Red Colour                 | 532.00   | 650.00   | 345,800   | 765   | 650   | 497,250   |
| 103 | Orange Lake Colour (vitamine)     | 0.80     | 3,100.00 | 2,480     | 852   | 3,100 | 2,641,200 |
| 104 | Orange Liquid                     | 5.00     | 800.00   | 4,000     | 158   | 800   | 126,400   |
| 105 | Orange Flavour (Powder)           | 0.37     | 1,200.00 | 444       | 485   | 1,200 | 582,000   |
| 106 | Orange Oil                        | -        | -        | -         | 225   | 330   | 74,250    |
| 107 | Povidone K-30                     | 2,292.82 | 640.00   | 1,467,405 | 195   | 720   | 140,400   |
| 108 | Potassium Sorbate                 | 450.00   | 350.00   | 157,500   | 1,258 | 350   | 440,300   |
| 109 | Propyl paraben Plain (P.P.P)      | 1,150.55 | 700.00   | 805,385   | 1,128 | 700   | 789,600   |
| 110 | Sodium Thiosulphate               | 250.00   | -        | -         | 285   | 80    | 22,800    |
| 111 | Propyl Paraben Sodium (P.P.S)     | 0.30     | 900.00   | 270       | 1,858 | 900   | 1,672,200 |
| 112 | Poly Ethylen Glycol (PEG)         | 1,354.00 | 650.00   | 880,100   | 1,325 | 650   | 861,250   |
| 113 | Purified Talc.                    | 212.77   | 60.00    | 12,766    | 1,045 | 60    | 62,700    |
| 114 | Propylene Glycol                  | -        | -        | -         | 1,925 | 180   | 346,500   |
| 115 | Pineapple Liquid                  | 3.60     | 900.00   | 3,240     | 1,498 | 900   | 1,348,200 |
| 116 | Polish/Carnubawax                 | 1,250.00 | 450.00   | 562,500   | 1,396 | 450   | 628,200   |
| 117 | Ruspberry Red Colour              | 1,800.90 | 1,600.00 | 2,881,440 | 1,825 | 1,600 | 2,920,000 |
| 118 | Ruspberry Trusil Flavour (Powder) | 1,204.61 | 1,200.00 | 1,445,532 | 2,087 | 1,200 | 2,504,400 |
| 119 | Sodium Starch Glycolate           | 1,519.01 | 750.00   | 1,139,258 | 1,575 | 750   | 1,181,250 |

|     |                                    |              |          |                   |           |       |                   |
|-----|------------------------------------|--------------|----------|-------------------|-----------|-------|-------------------|
| 120 | Saccharin Sodium                   | 1,240.40     | 280.00   | 347,312           | 1,352     | 280   | 378,560           |
| 121 | Sorbitol 70% Solution              | 1,075.90     | 840.00   | 903,756           | 2,135     | 840   | 1,793,400         |
| 122 | Sodium Benzoate                    | 1,075.35     | 260.00   | 279,591           | 1,285     | 260   | 334,100           |
| 123 | Sodium Lauryl Sulphate (Cetrimide) | 1,112.93     | 450.00   | 500,819           | 1,150     | 450   | 517,500           |
| 124 | Strawberry Liquid                  | 2,501.30     | 900.00   | 2,251,170         | 2,485     | 900   | 2,236,500         |
| 125 | Seplon Scent                       | 1,501.70     | 1,100.00 | 1,651,870         | 1,856     | 1,100 | 2,041,600         |
| 126 | Sucrose                            | 943.67       | 85.00    | 80,212            | 924       | 85    | 78,540            |
| 127 | Tween-80                           | 652.37       | 800.00   | 521,896           | 678       | 800   | 542,400           |
| 128 | Titanium Dioxide                   | 520.00       | 240.00   | 124,800           | 725       | 350   | 253,750           |
| 129 | Eudragit-L 100                     | 456.80       | 4,200.00 | 1,918,560         | 410       | 4,200 | 1,722,000         |
| 130 | Yellow Colour                      | 625.22       | 850.00   | 531,437           | 529       | 900   | 476,100           |
| 131 | Vanilla Flavour Liquid             | 505.00       | 900.00   | 454,500           | 448       | 900   | 403,200           |
| 132 | Yellow Lake Colour                 | 2.00         | 3,600.00 | 7,200             | 356       | 3,600 | 1,281,600         |
| 133 | Cap Protobit (Size#2) D Blue-White | 1,715,000.00 | 0.17     | 284,690           | 1,249,983 | 0.17  | 212,497           |
| 134 | Cap sheel (Size#2) Red-natural     | 1,250,000.00 | 0.17     | 207,500           | -         | -     | -                 |
| 135 | (Size #1) Green op - white op      | 1,400,000.00 | 0.17     | 232,399           | 1,800,000 | 0.17  | 306,000           |
|     | <b>Total</b>                       |              |          | <b>61,350,480</b> |           |       | <b>69,555,407</b> |

**Auditors' additional disclosure relating to the financial statements for the year ended 30 June 2017 of Indo-Bangla Pharmaceuticals Limited**

**1) Separate break-up of salary, wages & allowance as disclosed in note 17.02 to the financial statements;**

Separate break-up of salary, wages & allowance are as follows:

| Particulars                    | Amount in Tk. |
|--------------------------------|---------------|
| Salary and allowance           | 768,200       |
| Wages and allowance            | 4,838,921     |
| Total Salary, Wages& allowance | 5,607,121     |

**2) Calculation of WPPF as disclosed in note 12.00 to the financial statements;**

WPPF was calculated @ 5% of net profit after charging for the fund but before Income tax. Detailed calculation of WPPF is as follows:

$$= \frac{\text{Net profit before WPPF} \times 5}{105}$$

$$= \frac{142,755,854 \times 5}{105}$$

$$= \text{Tk. } 6,797,898$$

**3) Details of balance confirmation certificates of trade receivables;**

We have sent balance confirmation letter to all 48 respective parties regarding trade receivables. Forty two (42) customers out of the forty eight (48) confirmed their balances. Rest of them namely: Tanvir Medical Hall, Kanai Lal Medical Hall, Lovely Enterprise, City Medical Hall, Asha Drug, Ali Medical have not answered in writing but verbally confirmed the balance.

**4) Subsequent balance of trade receivables;**

Trade receivables as shown in note no. 6.00 to the financial statements as at 30th June 2017 were collected by 31<sup>st</sup> December 2017.

**5) Quantity wise inventory of packing materials as at 30<sup>th</sup> June 2017 were as under;**

| SL | Name of Product                       | Quantity | Rate | Amount    |
|----|---------------------------------------|----------|------|-----------|
| 01 | Albendox Tablet 400mg (Case cover)    | 4,850    | 1    | 4,850.00  |
| 02 | Albendox Tablet 400mg (Master Carton) | 1,526    | 16   | 24,416.00 |
| 03 | Butabrom Tablet 10mg                  | 625      | 1.2  | 750.00    |
| 04 | Caltab Tablet 300mg                   | 190      | 1.35 | 256.50    |
| 05 | Cotrimox-DS Tablet                    | 3,350    | 3.5  | 11,725.00 |
| 06 | Cotrimox Suspension                   | 4,256    | 3.25 | 13,832.00 |
| 07 | Cotrimox Tablet                       | 4,382    | 2.95 | 12,926.90 |
| 08 | Cipro-I Tablet 500mg (6×5,s)          | 4,358    | 2.5  | 10,895.00 |
| 09 | Dextrin Tablet (Carton)               | 3,025    | 2.1  | 6,352.50  |
| 10 | Indoflox Capsule 250 mg               | 3,352    | 2.75 | 9,218.00  |
| 11 | Indoflox Capsule 500mg                | 3,250    | 3.1  | 10,075.00 |
| 12 | Indoflox Dry Syrup                    | 3380     | 2.1  | 7,098.00  |

|    |  |        |      |            |
|----|--|--------|------|------------|
| 13 | Indomox Tablet 250mg                     | 850    | 1.95 | 1,657.50   |
| 14 | Indomoxin Capsule 250mg                  | 750    | 2.15 | 1,612.50   |
| 15 | Indomoxin Capsule 500mg                  | 685    | 2.15 | 1,472.75   |
| 16 | Indomoxin Dry Syrup                      | 1,540  | 1.95 | 3,003.00   |
| 17 | Indophylline Tablet                      | 212    | 2.1  | 445.20     |
| 18 | Indoplex-B- Tablet                       | 3,325  | 1.85 | 6,151.25   |
| 19 | Indoplex Syrup 100ml                     | 850    | 2.35 | 1,997.50   |
| 20 | Indoplex Syrup 200ml                     | 750    | 3.5  | 2,625.00   |
| 21 | Indocof                                  | 965    | 2.95 | 2,846.75   |
| 22 | Indotetra Capsule 500mg                  | 450    | 4    | 1,800.00   |
| 23 | Indoprox 250mg                           | 780    | 3.3  | 2,574.00   |
| 24 | Indoprox 500mg                           | 260    | 3.3  | 858.00     |
| 25 | I-B Oral Saline                          | 1,250  | 5    | 6,250.00   |
| 26 | Indomol Plus                             | 650    | 2.15 | 1,397.50   |
| 27 | Indox Capsule                            | 5,680  | 2.65 | 15,052.00  |
| 28 | Indofenac-50                             | 10,520 | 1.65 | 17,358.00  |
| 29 | Indofenac SR Capsule 100mg               | 620    | 2.1  | 1,302.00   |
| 30 | I-Cet Syrup                              | 630    | 1.95 | 1,228.50   |
| 31 | I-Cet Tablet                             | 750    | 2.25 | 1,687.50   |
| 32 | I-Pedom Tablet                           | 1,350  | 1.95 | 2,632.50   |
| 33 | Indocef Carton (100ml)                   | 520    | 1.95 | 1,014.00   |
| 34 | Indomoxin Paediatric Drops Carton (15ml) | 830    | 2.1  | 1,743.00   |
| 35 | Indozith 30ml Carton                     | 350    | 1.95 | 682.50     |
| 36 | Indozith 15ml Carton                     | 1,250  | 1.65 | 2,062.50   |
| 37 | Indozith 250mg                           | 3,855  | 2.85 | 10,986.75  |
| 38 | Indozith 500mg                           | 2,450  | 2.85 | 6,982.50   |
| 39 | I-Pedom 60ml Syrup                       | 250    | 1.95 | 487.50     |
| 40 | Inket                                    | 1,230  | 2.25 | 2,767.50   |
| 41 | Indoflam 400mg Carton                    | 1,560  | 1.95 | 3,042.00   |
| 42 | Indoflam 100ml Carton                    | 700    | 1.65 | 1,155.00   |
| 43 | I-Cin                                    | 1100   | 1.95 | 2,145.00   |
| 44 | Mebendox Suspension                      | 1,240  | 2.35 | 2,914.00   |
| 45 | Mebendox Tablet                          | 2,560  | 2.1  | 5,376.00   |
| 46 | Metrol Suspension                        | 2,430  | 3.5  | 8,505.00   |
| 47 | Metrol Tablet 400mg                      | 6,500  | 2.15 | 13,975.00  |
| 48 | Neostin-R Tablet 150mg                   | 4,320  | 1.95 | 8,424.00   |
| 49 | Zins Syrup                               | 11,150 | 2.2  | 24,530.00  |
| 50 | Paracetamol Tablet (Blister)             | 2,980  | 1.25 | 3,725.00   |
| 51 | Paramol Suspension                       | 38,765 | 4    | 155,060.00 |
| 52 | Protobit 20mg                            | 6,980  | 5    | 34,900.00  |
| 53 | Testy Salt Saline                        | 2,500  | 1.25 | 3,125.00   |
| 54 | Tensareal Tablet (New)                   | 4,350  | 4.5  | 19,575.00  |
| 55 | Trialugel Tablet                         | 3,520  | 4.5  | 15,840.00  |
| 56 | Riboflavin Tablet                        | 12,540 | 3.7  | 46,398.00  |
| 57 | Relise Tablet                            | 10,890 | 2.5  | 27,225.00  |
| 58 | Sulbumol Suspension                      | 10,560 | 2.6  | 27,456.00  |
| 59 | Fixim-PFS (50ml)                         | 3,420  | 1.9  | 6,498.00   |
| 60 | I-Fol Tablet                             | 12,890 | 0.25 | 3,222.50   |
| 61 | Arromin Elixir 100ml                     | 43,960 | 0.25 | 10,990.00  |
| 62 | Arromin Elixir 60ml                      | 9,850  | 0.25 | 2,462.50   |
| 63 | Aurioton Syrup                           | 43,250 | 0.25 | 10,812.50  |
| 64 | Cotrimox Suspension                      | 1,520  | 0.25 | 380.00     |

|     |                            |        |          |            |
|-----|----------------------------|--------|----------|------------|
| 65  | Fixim-PFS (50ml)           | 42,650 | 0.25     | 10,662.50  |
| 66  | Indomoxin Dry Syrup        | 1100   | 1.95     | 2,145.00   |
| 67  | Indoplex B Tablet          | 38,560 | 0.25     | 9,640.00   |
| 68  | Indoplex Syrup 100ml       | 7,980  | 0.25     | 1,995.00   |
| 69  | Indoplex Syrup 200ml       | 90,250 | 0.25     | 22,562.50  |
| 70  | Indocef 100ml Lebel        | 91,140 | 0.25     | 22,785.00  |
| 71  | Indomoxin Paediatric Drops | 14,650 | 0.25     | 3,662.50   |
| 72  | Indozith 30ml Lebel        | 7,980  | 0.25     | 1,995.00   |
| 73  | Indozith 15ml Lebel        | 9,685  | 0.25     | 2,421.25   |
| 74  | Indoflam 100ml Lebel       | 30,250 | 0.25     | 7,562.50   |
| 75  | Indocof                    | 38,960 | 0.25     | 9,740.00   |
| 76  | I-Pedom Syrup Lebel        | 55,740 | 0.25     | 13,935.00  |
| 77  | I-Cet Syrup                | 3,500  | 0.25     | 875.00     |
| 78  | Indocal Tablet 500mg       | 5,230  | 0.25     | 1,307.50   |
| 79  | Indoflox Dry Syrup         | 6,520  | 0.25     | 1,630.00   |
| 80  | Seplon 110 ml              | 25,430 | 0.25     | 6,357.50   |
| 81  | Seplon 56ml                | 47,560 | 0.25     | 11,890.00  |
| 82  | Zins Syrup                 | 15,230 | 0.25     | 3,807.50   |
| 83  | Sulbumol Suspension        | 11,450 | 0.25     | 2,862.50   |
| 84  | Mebendox Suspension        | 12,300 | 0.25     | 3,075.00   |
| 85  | Metrol Suspension          | 32,154 | 0.25     | 8,038.50   |
| 86  | Paramol Suspension         | 31,260 | 0.25     | 7,815.00   |
| 87  | Indomoxin P/D              | 23,560 | 0.3      | 7,068.00   |
| 88  | I-Cet Syrup (60ml)         | 15,820 | 0.3      | 4,746.00   |
| 89  | I-Pedom                    | 10,250 | 0.3      | 3,075.00   |
| 90  | Indoflox Dry Syrup         | 21,450 | 0.3      | 6,435.00   |
| 91  | Indomol Plus               | 5,210  | 0.3      | 1,563.00   |
| 92  | Indoprox 250mg             | 21,450 | 0.3      | 6,435.00   |
| 93  | Indocof                    | 19,860 | 0.3      | 5,958.00   |
| 94  | I-Cin                      | 22,150 | 0.3      | 6,645.00   |
| 95  | Indocef                    | 21,630 | 0.3      | 6,489.00   |
| 96  | Inket Tablet               | 12,560 | 0.3      | 3,768.00   |
| 97  | Indozith                   | 30,120 | 0.3      | 9,036.00   |
| 98  | Indoflam                   | 20,150 | 0.3      | 6,045.00   |
| 99  | Relise Tablet              | 21,540 | 0.3      | 6,462.00   |
| 100 | Sulbumol Syrup             | 10,450 | 0.3      | 3,135.00   |
| 101 | Zins Syrup                 | 11,250 | 0.3      | 3,375.00   |
| 102 | Protobit 20mg              | 23,450 | 0.3      | 7,035.00   |
| 103 | Cipro -I                   | 11,323 | 0.3      | 3,396.90   |
| 104 | Fixim-PFS (50ml)           | 13,554 | 0.3      | 4,066.20   |
| 105 | Alu Bottom (240mm)         | 485    | 1,050    | 509,250.00 |
| 106 | Alu Bottom (210mm)         | 620    | 1,050    | 651,000.00 |
| 107 | Albendox Tablet 400mg      | 385    | 750      | 288,750.00 |
| 108 | Alu Bottom (245mm)         | 385    | 1,050.00 | 404,250.00 |
| 109 | Butabrom Tablet            | 150    | 750      | 112,500.00 |
| 110 | Clear Foil                 | 250    | 750      | 187,500.00 |
| 111 | Cipro-I                    | 380    | 750      | 285,000.00 |
| 112 | Cotrimox-DS Tablet         | 240    | 750      | 180,000.00 |
| 113 | Cotrimox Tablet            | 250    | 750      | 187,500.00 |
| 114 | Caltab Tablet              | 420    | 750      | 315,000.00 |
| 115 | Dextrin Tablet             | 350    | 750      | 262,500.00 |
| 116 | I-Cet Tablet               | 340    | 750      | 255,000.00 |

|     |                                |       |     |              |
|-----|--------------------------------|-------|-----|--------------|
| 117 | Indomox Tablet 250mg           | 550   | 750 | 412,500.00   |
| 118 | I-B Oral Saline                | 280   | 560 | 156,800.00   |
| 119 | Indophylline Tablet            | 440   | 750 | 330,000.00   |
| 120 | Indomoxin Capsule 500mg        | 227   | 750 | 170,250.00   |
| 121 | Indomoxin Capsule 250mg        | 320   | 750 | 240,000.00   |
| 122 | Indoflox Capsule 250mg         | 420   | 750 | 315,000.00   |
| 123 | Indoflox Capsule 500mg         | 380   | 750 | 285,000.00   |
| 124 | Indoprox Tablet 250mg          | 520   | 750 | 390,000.00   |
| 125 | Indoprox Tablet 500mg          | 445   | 750 | 333,750.00   |
| 126 | Indox                          | 180   | 750 | 135,000.00   |
| 127 | Indomol Plus                   | 320   | 750 | 240,000.00   |
| 128 | Indozith 250mg Foil            | 120   | 750 | 90,000.00    |
| 129 | Indozith 500mg Foil            | 320   | 750 | 240,000.00   |
| 130 | I-Cin                          | 350   | 750 | 262,500.00   |
| 131 | I-Fol Tablet Foil              | 180   | 750 | 135,000.00   |
| 132 | Indoflam Tablet Foil           | 520   | 750 | 390,000.00   |
| 133 | I-Pedom                        | 540   | 750 | 405,000.00   |
| 134 | Protobit (20mg)                | 1580  | 750 | 1,185,000.00 |
| 135 | Puretab Foil                   | 380   | 750 | 285,000.00   |
| 136 | Puretab Plus Foil              | 420   | 750 | 315,000.00   |
| 137 | Tasty Salt Saline              | 480   | 750 | 360,000.00   |
| 138 | Trialugel Tablet               | 280   | 750 | 210,000.00   |
| 139 | Relise                         | 385   | 750 | 288,750.00   |
| 140 | Gyfusin                        | 260   | 750 | 195,000.00   |
| 141 | Metrol Tablet 400mg            | 450   | 750 | 337,500.00   |
| 142 | Mebendox Tablet                | 130   | 750 | 97,500.00    |
| 143 | Neostin-R 150mg                | 250   | 750 | 187,500.00   |
| 144 | PVC Film (169mm)               | 330   | 250 | 82,500.00    |
| 145 | PVC Film (135mm)               | 310   | 250 | 77,500.00    |
| 146 | PVC Film (110mm)               | 550   | 250 | 137,500.00   |
| 147 | PVC Film (150mm)               | 621   | 250 | 155,250.00   |
| 148 | PVC Film (105mm) Orange Colour | 1,820 | 250 | 455,000.00   |
| 149 | PVC Film (256mm)               | 950   | 250 | 237,500.00   |
| 150 | PVC Film (235mm)               | 820   | 250 | 205,000.00   |
| 151 | Indoplex 200ml (1×20)          | 390   | 35  | 13,650.00    |
| 152 | 100ml (1×12)                   | 250   | 35  | 8,750.00     |
| 153 | 60ml (1×12)                    | 175   | 35  | 6,125.00     |
| 154 | Indoplex B pot (1×20)          | 120   | 35  | 4,200.00     |
| 155 | Indocal (1×20×30)              | 130   | 35  | 4,550.00     |
| 156 | Indomoxin P/D (1×24)           | 48    | 35  | 1,680.00     |
| 157 | Indozith 30ml (1×24)           | 110   | 35  | 3,850.00     |
| 158 | Indozith 15ml (1×60)           | 320   | 35  | 11,200.00    |
| 159 | Indoprox 250mg                 | 150   | 35  | 5,250.00     |
| 160 | Indoprox 500mg                 | 310   | 35  | 10,850.00    |
| 161 | Neostin-R 150mg (10×10 ×100)   | 100   | 35  | 3,500.00     |
| 162 | Neostin-R 150mg (10×10×200)    | 110   | 35  | 3,850.00     |
| 163 | Protobit (6×10×100)            | 350   | 35  | 12,250.00    |
| 164 | Protobit (6×10×50)             | 130   | 35  | 4,550.00     |
| 165 | Cipro - I (6×5×60)             | 120   | 35  | 4,200.00     |
| 166 | Cipro - I (6×5×120)            | 12    | 35  | 420.00       |
| 167 | IB Saline (1×20)               | 65    | 35  | 2,275.00     |
| 168 | T.S.S (1×20)                   | 10    | 35  | 350.00       |

|     |                         |        |              |                      |
|-----|-------------------------|--------|--------------|----------------------|
| 169 | T.S.S (1×12)            | 50     | 35           | 1,750.00             |
| 170 | Packing Paper           | 360    | 2.5          | 900.00               |
| 171 | Hand Gloves             | 130    | 125          | 16,250.00            |
| 172 | Cotton                  | 120    | 250          | 30,000.00            |
| 173 | Tape Large              | 500    | 30           | 15,000.00            |
| 174 | Tape Small              | 150    | 25           | 3,750.00             |
| 175 | Hlogram                 | 120    | 1            | 120.00               |
| 176 | Plastic Sandel          | 2      | 80           | 160.00               |
| 177 | Droper (5ml) White      | 12,560 | 0.75         | 9,420.00             |
| 178 | Droper 1.25ml (28 Cap)  | 23,150 | 1            | 23,150.00            |
| 179 | Dropper 1.25ml Red      | 25,890 | 1.25         | 32,362.50            |
| 180 | Wrapping Paper          | 42     | 25           | 1,050.00             |
| 181 | Spoon White             | 12,580 | 1            | 12,580.00            |
| 182 | Spoon Tansperants       | 1,150  | 1            | 1,150.00             |
| 183 | Gum Pot (For Label Use) | 300    | 250          | 75,000.00            |
| 184 | Washing Brush 1 Aunc    | 100    | 250          | 25,000.00            |
| 185 | Washing Brush 2 Aunc    | 80     | 300          | 24,000.00            |
| 186 | Washing Brush 3 Aunc    | 120    | 350          | 42,000.00            |
| 187 | Washing Brush 8 Aunc    | 100    | 400          | 40,000.00            |
| 188 | Pusher (25 mm)          | 31,250 | 0.5          | 15,625.00            |
| 189 | Pusher 28mm             | 2,500  | 0.5          | 1,250.00             |
| 190 | Pusher 22mm             | 3,200  | 0.5          | 1,600.00             |
| 191 | 28mm Cap                | 10,230 | 1            | 10,230.00            |
| 192 | 25mm Cap                | 11,500 | 1            | 11,500.00            |
| 193 | 22mm Cap                | 5,240  | 1            | 5,240.00             |
| 194 | Face Mark               | 8      | 150          | 1,200.00             |
| 195 | Show Cover              | 1250   | 30           | 37,500.00            |
| 196 | Doctors cap             | 0      | 50           | 0.00                 |
| 197 | Inner Sheet             | 150    | 25           | 3,750.00             |
| 198 | MC (1×120)              | 120    | 10           | 1,200.00             |
| 199 | Seplon 110ml            | 2,860  | 3.5          | 10,010.00            |
| 200 | Seplon 56ml             | 3,240  | 3            | 9,720.00             |
| 201 | Bottle (8 Aunc) 200ml   | 3,120  | 5            | 15,600.00            |
| 202 | Bottle (3 Aunc) 100ml   | 2,560  | 5            | 12,800.00            |
| 203 | Bottle (2 Aunc) 60ml    | 2,840  | 4            | 11,360.00            |
| 204 | Bottle (pot) 35ml       | 3,200  | 3.5          | 11,200.00            |
| 205 | Bottle (1 Aunc) 30ml    | 3,200  | 3            | 9,600.00             |
| 206 | Bottle (1/2 Aunc) 15ml  | 250    | 3            | 750.00               |
| 207 | 200 ml Amber            | 1,850  | 6            | 11,100.00            |
| 208 | 100ml Amber             | 1,245  | 5            | 6,225.00             |
| 209 | 100ml White             | 1,165  | 4.5          | 5,242.50             |
| 210 | 60ml Amber              | 2,450  | 4            | 9,800.00             |
| 211 | 30ml Amber Pot          | 5,250  | 4            | 21,000.00            |
| 212 | Cap                     | 7,055  | 1            | 7,055.00             |
| 213 | Indocal Pot White       | 6,420  | 3            | 19,260.00            |
|     |                         |        | <b>Total</b> | <b>14,587,815.95</b> |

6) Break-up of acquisition cost of land;

Details of land cost are as follows (as shown in Annexure A of financial statement for the year ended 30 June, 2017):

| Sl. No.      | Particular  | Land 1 Mouza J<br>1 No-50<br>BoguraAlikanda,<br>BorisalSadar) | Land 2<br>(Mouzano-<br>98no Choradi,<br>Bakergonj) | Total             |
|--------------|---|---|--|-------------------|
|              |   | Amount in Tk.   |  |                   |
| A            | Land (Deed value, registration, and other cost)   | 35,157,920  | 2,240,000  | 37,397,920        |
| B            | Land development cost   |   |  |                   |
| 1            | Earth Filling:  |   |  |                   |
|              | Earth Filling cost in Land 2 up to 30.06.2017 by local sand, soil, with labor & carrying including ditch area filling. 425,766.58 cft @ Tk. 19.00 per cft | -   | 8,089,565  | 8,089,565         |
| <b>Total</b> |   | <b>35,157,920</b>   | <b>10,329,565</b>                                  | <b>45,487,485</b> |

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

- a) Value of imports calculated on C. I. F. basis during the financial year 2016-2017 in respect of Raw materials, Component and Spare parts and Capital Goods were as follows:

| Sl. | Year      | Particulars               | Import |          |               |
|-----|-----------|---------------------------|--------|----------|---------------|
|     |           |                           | Unit   | Quantity | Amount in BDT |
| i   | 2016-2017 | Product raw Materials     | Kg     | 920,025  | 182,172,422   |
| i   | 2016-2017 | Packing raw Materials     | Kg     | 23,669   | 10,200,846    |
| ii  | 2016-2017 | Components of Spare parts | -      | -        | -             |
| iii | 2016-2017 | Capital Goods             | Pc     | 92       | 214,919,659   |

- b) The Company did not incur any expenditure in foreign currency during the financial year on account of royalty, Know-how, professional Consultation fees, Interest and other matters.
- c) Value of both imported and indigenous raw materials, packing materials, spare parts & components consumed and the percentage of each to the total consumption are as follows;

**Raw materials and Spare parts:**

| Particulars                                     | Raw Material               |                              | Total       | Spare parts                |                              | Total      |
|---|----------------------------|------------------------------|-------------|----------------------------|------------------------------|------------|
|   | Imported Value<br>(in BDT) | Indigenous Value<br>(in BDT) |             | Imported Value<br>(in BDT) | Indigenous Value<br>(in BDT) |            |
| Opening balance                                 | 44,119,609                 | 25,435,798                   | 69,555,407  | -                          | 8,083,723                    | 8,083,723  |
| Purchase during the year                        | 182,172,422                | 71,693,620                   | 253,866,042 | -                          | 15,935,617                   | 15,935,617 |
| Closing balance                                 | 43,821,770                 | 17,528,710                   | 61,350,480  | -                          | 8,256,980                    | 8,256,980  |
| Consumption during the year                     | 182,470,261                | 79,600,708                   | 262,070,969 | -                          | 15,762,360                   | 15,762,360 |
| Percentage of total Consumption during the year | 69.63%                     | 30.37%                       | 100.00%     | -                          | 100.00%                      | 100.00%    |

## Packing Materials:

| Particulars                                     | Imported value<br>(In BDT) | Indigenous value<br>(In BDT) | Total (In<br>BDT) |
|---|----------------------------|------------------------------|-------------------|
| Opening balance                                 | 7,103,247                  | 8,712,078                    | 15,815,325        |
| Purchase during the year                        | 10,200,846                 | 67,577,162                   | 77,778,008        |
| Closing balance                                 | 2,083,974                  | 12,503,842                   | 14,587,816        |
| Consumption during the year                     | 15,220,119                 | 63,785,398                   | 79,005,517        |
| Percentage of total consumption during the year | 19.26%                     | 80.74%                       | 100.00%           |

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

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

|      |  |
|------|--|
| i)   | No export was made during the year;                                    |
| ii)  | No Royalty, know-how, professional and consultation fees were received |
| iii) | No Interest and dividend were received                                 |
| iv)  | No Other incomes were received   |

## 8) Disclosure required regarding imported plant & machineries during the year 30<sup>th</sup> June 2017.

Disclosure regarding imported plant & machineries during the year 30<sup>th</sup> June 2017 are as follows:

| Sl. | Particular  | Seller name                        | Seller Address   | Amount in Tk. |
|-----|---|------------------------------------|--|---------------|
| 1   | 5 Blister Packing Machine, DPP 250LL                                  | Runin Dolin Inp&Exp Trade Co. Ltd. | Runin Dolin Inp&Exp Trade Co. Ltd. Road no: 45, Longshan Rd Ruin city zhejiang, China.   | 19,963,637.53 |
| 2   | 2 Blister Packing Machine, China & DPH 250                            | Runin Dolin Inp&Exp Trade Co. Ltd. | Runin Dolin Inp&Exp Trade Co. Ltd. Road no: 45, Longshan Rd Ruin city zhejiang, China  | 6,333,007.81  |
| 3   | 4 Automatic Capsule Filling & Sealing Machine, India Pharmafill-A 150 | Printemps International, India     | Printemps International, India. 21/1, A/3, Room no. 203, Jindal Towers, Darga road, Beniapur, Kolkata, West Bengal, 700017, India  | 12,749,797.38 |
| 4   | 2 Auto Liquid Filling & Sealing Machine, Taiwan & GI-RFC-2410         | Julian Machinery Co. Ltd.          | Julian Machinery Co. Ltd. No.100, Sec.1, Guofeng Rd. Shengang Dist. Taichung city 42942, Taiwan                                    | 3,569,760.46  |
| 5   | 3 Dry Powder Filling Machine, Taiwan & GI-DRY-2410                    | Julian Machinery Co. Ltd.          | Julian Machinery Co. Ltd. No.100, Sec.1, Guofeng Rd. Shengang Dist. Taichung city 42942, Taiwan.                                   | 9,561,980.80  |
| 6   | 5 Automatic Strip packing Machine, Taiwan 501                         | Julian Machinery Co. Ltd.          | Julian Machinery Co. Ltd. No.100, Sec.1, Guofeng Rd. Shengang Dist. Taichung city 42942, Taiwan                                    | 2,948,247.59  |
| 7   | 8 Auto Sachet Filling Machine, India, Wraptech MB-100C/F              | Printemps International,           | Printemps International, India. 21/1, A/3, Room no. 203, Jindal Towers, Darga road, Beniapur, Kolkata, West Bengal, 700017, India. | 5,104,398.00  |
| 8   | 3 HPLC, Knauer, Germany, S1 no 98619                                  | Wissenschaftliche Kna-ver Gmbth,   | Wissenschaftliche Kna-ver Gmbth, Heganer Weg 38, 14163 Berlin, Germany.  | 10,401,050.33 |
| 9   | 1 FTIR, ALPHA, Bruker, Germany  | Alpha Bruker Gmbth,                | Alpha Bruker Gmbth, Germany.   | 6,454,080.89  |
| 10  | 1 Moisture Balance, Germany 1.5L 50/617                               | 1 Moisture Balance,                | Wissenschaftliche Kna-ver Gmbth, Heganer Weg 38, 14163 Berlin, Germany.  | 441,183.96    |
| 11  | 2 Blister Packing Machine, DPP 250LL                                  | Runin Dolin Inp&Exp Trade Co. Ltd. | Runin Dolin Inp&Exp Trade Co. Ltd. Road no: 45, Longshan Rd Ruin city zhejiang, China.   | 7,974,495     |

|              |  |   |  |                    |
|--------------|--|---|--|--------------------|
| 12           | 3 Automatic Capsule Filling & Sealing Machine, India Pharma fill-A 150 | Printemps International                             | Printemps International, India.21/1,A/3, Room no.203, Jindal Towers,Darga road, Beniapurkur, Kolkata, West Bengal, 700017,India    | 9,550,301          |
| 13           | 3 Auto Liquid Filling & Sealing Machine, Taiwan & GI-RFC-2410          | Julian Machinery Co. Ltd.                           | Julian Machinery Co. Ltd. No.100, Sec.1,Guofeng Rd.ShengangDist.Taichung city 42942, Taiwan  | 5,354,709          |
| 14           | 2 Dry Powder Filling Machine, Taiwan & GI-DRY-2410                     | Julian Machinery Co. Ltd.                           | Julian Machinery Co. Ltd. No.100, Sec.1,Guofeng Rd.ShengangDist.Taichung city 42942, Taiwan  | 6,365,650          |
| 15           | 3 Moisture Blance, Germany 1.5L 50/617                                 | WissenschaftLicheKna verGmbth,                      | WissenschaftLicheKnaverGmbth, HeganerWeg 38,14163Berlin,Germany.   | 1,323,045          |
| 16           | 2Automatic Capsule Filling & Sealing Machine, India Pharma fill-A 150  | Printemps International                             | Printemps International, India. Add:12, Moni Mukherjee Road,. City, Kolkata. Zip/Pin, 700019. Country, India.                      | 6,751,018          |
| 17           | 2Auto Liquid Filling & Sealing Machine, Taiwan & GI-RFC-2410           | JIH Cheng Machinery Technologies Co                 | JIH Cheng Machinery Technologies Co., Ltd. Add: ZIP:238 7F., No.502, Da'an Rd., Shulin Dist., New Taipei City 238, Taiwan (R.O.C.) | 3,816,074          |
| 18           | 2Dry Powder Filling Machine, Taiwan & GI-DRY-2410                      | JIH Cheng Machinery Technologies Co., Ltd.          | JIH Cheng Machinery Technologies Co., Ltd. Add: ZIP:238 7F., No.502, Da'an Rd., Shulin Dist., New Taipei City 238, Taiwan (R.O.C.) | 6,623,265          |
| 19           | 5Blister Packing Machine, DPP 250LL                                    | Zhejiang Feiyun Technology Co., Ltd.                | Zhejiang Feiyun Technology Co., Ltd. China. No.281, West Yanjiang Road, Ruian City, Zhejiang Province, P. R. China                 | 20,941,856         |
| 20           | 2High Speed Mixer Granulator, Thailand & MG 300                        | Sun JupiterMachenary Co. Ltd.                       | Sun JupiterMachenary Co. Ltd. Thailand. 2/2 Moo 3 Sai Mai, 10210, Thailand   | 4,939,864          |
| 21           | 2Auto Sachet Filling Machine, India , Wraptch MB-100C/F                | Printemps International                             | Printemps International, India. Address, 12, Moni Mukherjee Road,. City, Kolkata. Zip/Pin, 700019. Country, India.                 | 1,325,867          |
| 22           | 4Blister Packing Machine, China & DPH 250                              | Zhejiang Feiyun Technology Co., Ltd.                | Zhejiang Feiyun Technology Co., Ltd. China. No.281, West Yanjiang Road, Ruian City, Zhejiang Province, P. R. China.                | 13,560,403         |
| 23           | 4 FTIR, ALPHA,Bruker, Germany  | Alpha BrukerGmbth, Germany. Kaiserslautern, German. | Alpha BrukerGmbth, Germany. Kaiserslautern, German.  | 27,855,813         |
| 24           | 12 Moisture Blance, Germany 1.5L 50/617                                | WissenschaftKicheKna verGmbth,                      | WissenschaftKicheKnaverGmbth, Heinrich-Mack-Str. 35 89257 Illertissen, Germany.  | 5,500,682          |
| 25           | 2 Tablet Coating Machine, Taiwan& GM-CP-40                             | Shanghai Chengxiang Machinery Co., Ltd.             | Shanghai Chengxiang Machinery Co. Ltd. Room 105, Building 3, No. 345, Rongmei Road, Songjiang District, Shanghai, China.           | 4,513,945          |
| 26           | 2 HPLC, Knauer, Germany, S1 no 98619                                   | WissenschaftKicheKna verGmbth,                      | WissenschaftKicheKnaverGmbth, Germany. Heinrich-Mack-Str. 35 89257 Illertissen,  | 7,280,735          |
| 27           | 6 Automatic Strip packing Machine, Taiwan 501                          | JIH Cheng Machinery Technologies Co., Ltd.          | JIH Cheng Machinery Technologies Co., Ltd.ZIP:238 7F., No.502, Da'an Rd., Shulin Dist., New Taipei City 238, Taiwan (R.O.C.).      | 3,714,792          |
| <b>Total</b> |  |   |  | <b>214,919,659</b> |

9) Information required as per Para 4, Schedule XI, part –I of the Companies Act 1994.

Information required as per Para 4, Schedule XI, part –I of the Companies Act 1994 for the year 2016-2017 are as follows:

Aging schedule of trade receivable is as follows:

| Particulars          | 30-Jun-2017        | 30-Jun-2016        |
|----------------------|--------------------|--------------------|
|                      | Amount in TK.      | Amount in TK.      |
| More than six months | -                  | -                  |
| Less than six months | 163,732,470        | 111,656,935        |
| <b>Total</b>         | <b>163,732,470</b> | <b>111,656,935</b> |

The classification of trade receivables is given below:

| Particulars  | 30-JUN-2017 | 30-JUN-2016 |
|--|-------------|-------------|
| Receivables considered good and in respect of which the company is fully secured.  | -           | -           |
| Receivables considered good for which the company holds no security other than the debtor's personal security.   | 163,732,470 | 111,656,935 |
| Receivables considered doubtful or bad.  | -           | -           |
| Receivable due by directors or other officers of the company or any of them either severally or jointly with any other person or receivable due by firms or private companies respectively in which any director is a partner or a director or a member. | -           | -           |
| Receivables due by companies under the same management.  | -           | -           |
| The maximum amount due by directors or other officers of the company at any time during the year.  | -           | -           |

10) Subsequent status of advance to others amounting Tk. 65,253,448.00 under note 7.02.

Subsequent status of advance to others as on 30<sup>th</sup> June 2017 is as follows:

| Particulars              | Amount in Tk. | Status as on March 13, 2018  |
|--------------------------|---------------|--|
| Goods and services       | 4,256,320     | Advance is duly adjusted after receiving goods and services. It is a recurring process. Now as on 13 <sup>th</sup> March 2018 the balance is Tk. 4,051,510.                                |
| Tour                     | 2,012,650     | After completion of tour, advance paid to sales representative, is duly adjusted. It's an ongoing process. Now as on 13 <sup>th</sup> March 2018 the balance is Tk. 1,820,510.             |
| Office rent              | 400,000       | As per agreement for office rent the advance amount is remainsame and will be same till the agreement is valid.  |
| L/C Margin for Machinery | 58,567,465    | Advance has been adjusted after receiving the machineries and installed with other machineries in the factory.   |
| VAT current account      | 17,013        | According to VAT Rules a Current has to be maintained and there has to be positive balance before delivery of goods from factory premises. This amount has been adjusted on regular basis. |

- 11) Subsequent balance of advance against L/C margin for machinery (Note 7.02) and addresses of the machinery suppliers;

Machineries has already been arrived and installed on 1<sup>st</sup> September 2017, with other machineries in the factory. The mentioned L/C margin was 100% of machinery invoice value and amounting Tk. 58,567,465. Name and addresses of the suppliers are as follows:

| Sl. | Name of Supplier                       | Address  |
|-----|--|--|
| 1   | Project Consultancy Services. India    | Project Consultancy Services, 21/1A/3, Room No. 103, Darga Road, Beniapukur, Kolkata, west Bengal, India |
| 2   | Printemps International, India         | 21/1, A/3, Room No. 203, Jindal Towers, Darga Road, Beniapukur, Kolkata, West Bengal, 700017, India.     |
| 3   | Julian Machinery Co. Ltd. Taiwan       | No.100, Sec. 1, Guofeng Rd. Shengang Dist., Taichung City 42942, Taiwan                                  |
| 4   | WissenschaftlicheKnaiverGmbth, Germany | HeganerWeg 38, 14163 Berlin, Germany   |

- 12) Bank name wise break-up with date of FDR;

Bank name wise break-up of FDR is as follows:

| Date         | Bank Name & Branch   | Amount in Tk.     |
|--------------|--|-------------------|
| 16.06.2016   | One Bank Ltd. Barisal branch, K Jahan center 106, Sadar Road, Barisal. | 50,000,000        |
| <b>Total</b> |  | <b>50,000,000</b> |

- 13) Break-up of cash payment to others;

Break-up of cash payment to others is as follows:

| Particulars   | Amount in Tk.     |
|---|-------------------|
| Cash payments to others for manufacturing overhead (A)          | 20,870,489        |
| Cash payments to others for administrative expenses (B)         | 15,654,987        |
| Cash payments to others for selling & distribution expenses (C) | 29,373,894        |
| <b>Total (A+B+C)</b>  | <b>65,899,370</b> |

Detail breakup of cash payments to others is as follows:

| Particulars                     | Amount in Tk. |
|---------------------------------|---------------|
| Cork & Cap                      | 2,298,098     |
| Carton & Label                  | 3,115,222     |
| Hand Glove, Tape, Gum Etc.      | 194,204       |
| Quality Control Expenses        | 752,348       |
| Accessories                     | 2,649,796     |
| Apron & Uniform                 | 570,650       |
| Carriage Inward                 | 1,236,334     |
| Water bill                      | 7,130         |
| Washing Expenses                | 2,745         |
| Electricity Bill Factory        | 1,378,937     |
| Maintenance of Factory Building | 1,485,924     |
| Insurance expense               | 15,525        |

|   |                   |
|---|-------------------|
| Delivery Charges  | 637,480           |
| Medical Bag Expenses  | 402,850           |
| Cost of Literature  | 397,880           |
| Remission Settlement  | 499,980           |
| Opening liabilities related to other manufacturing overhead             | 7,340,069         |
| Closing liabilities related to other manufacturing overhead             | (449,522)         |
| Opening Advance related to other manufacturing overhead                 | (4,374,820)       |
| Closing Advance related to other manufacturing overhead                 | 2,709,659         |
| <b>Cash payment to others for manufacturing overhead (A)</b>            | <b>20,870,489</b> |
| Travelling & Conveyance   | 2,508,205         |
| Entertainment   | 1,989,698         |
| Office Rent   | 381,750           |
| Printing & Stationery   | 2,094,151         |
| News Paper & Magazine   | 61,005            |
| Post & Telegram   | 428,355           |
| Insurance Premium   | 177,772           |
| License & Legal Fee   | 1,210,479         |
| Telephone & Mobile Bill   | 72,523            |
| Internet Bill   | 19,260            |
| TA & DA of Field Staff  | 3,265,786         |
| Audit Fees  | 172,500           |
| Electricity Bill  | 112,041           |
| Maintenance of Transport  | 1,636,354         |
| Securities service  | 670,510           |
| Bank Charge   | 290,290           |
| Others expenses   | 564,308           |
| <b>Cash payment to others for administrative expenses (B)</b>           | <b>15,654,987</b> |
| Carriage Outward  | 2,407,600         |
| Packing Materials-Selling & Distribution                                | 3,407,682         |
| Sales Promotion   | 3,890,030         |
| Training & seminar Expenses   | 4,742,870         |
| Entertainment for Conference  | 2,248,255         |
| Gift & Presentation(Promotional Materials)                              | 2,406,822         |
| Travelling & Conveyance   | 10,270,635        |
| <b>Cash payment to others for Selling and distribution expenses (C)</b> | <b>29,373,894</b> |
| <b>Total Cash payments to others ( A+B+C)</b>                           | <b>65,899,370</b> |

14) Break-up of cash receipts from others income;

Break-up of cash receipts from other income is as follows:

| Particulars                            | Amount in Tk.     |
|--|-------------------|
| Miscellaneous Sales                    | 221,105           |
| Interest on FDR                        | 10,312,149        |
| Opening Other Receivables              | 609,384           |
| Closing Other Receivables              | (124,658)         |
| <b>Cash receipts from other income</b> | <b>11,017,980</b> |

- 15) Disclosure regarding decrease of Earnings per Share in the year 2017 compare to 2016 is required.

In the year ended 30 June 2017 the Earnings per Share(EPS) shown Tk. 1.21, where as it was Tk. 2.62 in the year ended 30 June, 2016. This is because the larger number of denominator used in calculation of EPS for the year 2017 in compare to the year 2016. Weighted average number of share 73,000,000 and 22,543,442 used for the year 2017 and 2016 respectively **(Note -22 of the audited financial statement for the year ended 30 June, 2017)**. It is mentionable here that if we use same number of denominator to calculate EPS for both years, we will find that the EPS for year 30 June, 2017 shown larger amount than for the year 2016.

- 16) Disclosure regarding Workers profit participation and welfare fund is required.

The Indo-Bangla Pharmaceuticals Limited have established of workers profit participation and welfare fund as per section 234 of Bangladesh Labour Act, 2006 (Amendment- 2013) as on 1st July 2015. Company also constituted a board of trustees named Indo-Bangla Pharmaceuticals Limited workers profit participation fund as per section 235 of Bangladesh Labour Act, 2006 (Amendment- 2013) on 1st July 2015. Subsequently the company open a bank account in the name of Indo-Bangla Pharmaceuticals Limited (WPPF) in Islami Bank Bangladesh Limited, Bhanga, Faridpur. In the year 2016-2017 Company transferred tk. 4,540,362 to trustee account regarding WPPF as on 12.06.2017.

- 17) Information as per requirement of schedule XI, Part II para-4 of the Companies Act, 1994

Information required as per Para 4, Schedule XI, part –II of the Companies Act 1994 for the year 2016-2017 are as follows:

| Name                     | Position          | Amount in Taka |
|--------------------------|-------------------|----------------|
| Mr. A. F. M Anowarul Huq | Managing Director | 1,800,000      |

- 18) Explanation regarding payment related Mr. A.F.M Anowarul Huq, amounting Tk. 2.00 Crore and Tk. 17, 18, 37,213.00 as shown in the cash Flow Statement for the year ended 30th June 2016 is required.

It was an inadvertent mistake that we have not included above transaction in the certificate issued dated on 24.09.2016 regarding related party transaction. The above transaction has been disclosed in note no 25.00 of the financial statement for the year ended 30 June, 2017, which is given as follows:

**(a) Remuneration**

| Name                   | Designation       | Nature of Transaction | Amount in (BDT) |           |
|------------------------|-------------------|-----------------------|-----------------|-----------|
|                        |                   |                       | 2016-2017       | 2015-2016 |
| Mr. A.F.M Anowarul Huq | Managing Director | Remuneration          | 1,800,000       | 1,050,000 |

**(b) Board meeting fee**

| Name                   | Designation          | Nature of Transaction | Amount in (BDT) |           |
|------------------------|----------------------|-----------------------|-----------------|-----------|
|                        |                      |                       | 2016-2017       | 2015-2016 |
| Mrs. Aziza Yeasmin     | Chairman             | Board Meeting fee     | 60,000          | 35,000    |
| Mr. A.F.M Anowarul Huq | Managing Director    |                       | 60,000          | 35,000    |
| Mrs. Hafiza Yeasmin    | Director             |                       | 60,000          | 35,000    |
| Md. Amin-Ur-Rashid     | Director             |                       | 60,000          | 35,000    |
| Sayedra Huq            | Director             |                       | 60,000          | 35,000    |
| Fatima Parvin          | Director             |                       | 55,000          | 35,000    |
| Mst. Shanaj Akter      | Director             |                       | 30,000          | 35,000    |
| Md. Bellal Khan        | Ex Director          |                       | -               | 35,000    |
| Aysha Siddika          | Ex Chairman          |                       | -               | 35,000    |
| Mizanur Rahman         | Director             |                       | 30,000          | -         |
| S.M. Harun Or Rashid   | Independent Director |                       | 20,000          | -         |
| Md. Monirujjaman       | Independent Director |                       | 10,000          | -         |
| Md. Firoz Khan         | Independent Director |                       | 5,000           | -         |

**(c) Factory Rent**

| Name of the parties    | Relationship      | Nature of Transaction | Amount in (BDT) |           |
|------------------------|-------------------|-----------------------|-----------------|-----------|
|                        |                   |                       | 2016-2017       | 2015-2016 |
| Mrs. Aziza Yeasmin     | Chairman          | Factory Rent          | -               | 13,08,000 |
| Mr. A.F.M Anowarul Huq | Managing Director | Factory Rent          |                 |           |
| Mrs. Hafiza Yeasmin    | Director          | Factory Rent          |                 |           |

**(d) Other Transactions**

| Name                   | Designation       | Nature of Transaction     | Amount in (BDT) |             |
|------------------------|-------------------|---------------------------|-----------------|-------------|
|                        |                   |                           | 2016-2017       | 2015-2016   |
| Mr. A.F.M Anowarul Huq | Managing Director | Advance against land      | -               | 20,000,000  |
|                        |                   | Payment of vendor payable | -               | 171,837,213 |

Place Dhaka  
Date: March 13, 2018

Sd/-  
**Mahfel Huq & Co.**  
Chartered Accountants

## CHAPTER (XXVII): PUBLIC ISSUE APPLICATION PROCEDURE

### Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
  - a. Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
  - b. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains Foreign Currency account debiting the same account and provide the customer with a certificate mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with their application. No banker shall issue more than two drafts from any Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.
  - c. Eligible investors shall submit application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by the exchange(s).

### Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
  - a. post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
  - b. accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of next working day of the cut-off date;

- c. instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category-wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts and certificates received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
7. On the next working day, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts and certificates submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

### **Step-3 (Issuer)**

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDRom to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. On the next working day, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges within 10 (ten) working days from the date of receiving information from the Exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications within 03 (three) working days from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites within 06 (six) hours and on the websites of the Commission and Exchanges within 12 (twelve) hours of lottery.

14. Within 02 (two) working days of conducting lottery, the Issuer shall:
  - a. send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
  - b. send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
  - c. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
  - d. send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

#### **Step-4 (Intermediary)**

15. On the next working day, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
  - a. remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
  - b. send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. On the next working day of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
  - a. release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
  - b. remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. On the next working day of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. Simultaneously, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.

19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account (FC account which has been debited to apply by NRB or foreign applicants) through banking channel within 10 (ten) working days from the date of lottery.

**Miscellaneous:**

20. The Issuer, Issue Manager, Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

**All eligible Stock Brokers and Merchant Bankers shall receive the IPO subscription.**

The IPO subscription money collected from successful applicants (other than NRB applicants) by the Stockbrokers/Merchant Bankers will be remitted to the Company's **High Performance Account Corporate No. 1011360459420** with Eastern Bank Limited, Principal Branch, Dhaka, Bangladesh for this purpose.

The IPO subscription money collected from successful NRB applicants in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose are as follows:

| SL | Name of the A/C                     | Account No.   | Type of A/C | Currency | Bank & Branch                                 |
|----|-------------------------------------|---------------|-------------|----------|---|
| 1  | Indo-Bangla Pharmaceuticals Limited | 1013050459441 | FC A/C      | USD      | Eastern Bank Limited, Principal Branch, Dhaka |
| 2  |                                     | 1013060459430 |             | GBP      |   |
| 3  |                                     | 1013070459408 |             | EUR      |   |

## APPLICATION FORM

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।

Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manager.

### INDO-BANGLA PHARMACEUTICALS LIMITED

#### APPLICATION FOR PUBLIC ISSUE

**Date:**

|                          |   |       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |       |  |      |
|--------------------------|---|-------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|---------------|-------|--|------|
| Name of applicant        | : |       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |       |  |      |
| Client Code              | : |       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |       |  |      |
| BO ID No.                | : |       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |       |  |      |
| Category of applicant    | : |       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |       |  |      |
| Name of the Company/Fund | : |       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |       |  |      |
| Number of Shares/Units   | : | ..... |  |  |  |  |  |  |  |  |  |  |  |  |  |  | Shares of Tk. | ..... |  | each |
| Total amount in Tk.      | : |       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |       |  |      |
| Amount in word           | : |       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |       |  |      |
| Mode of payment          | : |       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |       |  |      |
| Cheque/Draft information | : |       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |               |       |  |      |

\_\_\_\_\_  
Signature of  
Applicants

\_\_\_\_\_  
Signature of  
Authorized Officer

## CHAPTER (XXVIII): OTHERS

### MANAGEMENT ADDITIONAL DISCLOSURE

1. **It appears that none of the top 5 (five) salaried personnel is from Research & Development Department**

Mr. Shah-e-Azam is the head of Product Development, which is our R&D department. He is the among the top 5 salaried persons in our company.

2. **It appears that Tk. 12.09 crore from immediate past capital raising were utilized for investment in FDR. Rationales for further capital raising from IPO is required to disclose;**

Investment in FDR was temporary. We have procured land and building for expansion our business. We are on the process to further expand our business to be competitive with our competitors.

3. **It appears that actual capacity utilization of tablet, capsule & liquid for the year ended 30/06/16 respectively 66.67%, 66.67%, & 60% but you have stated that from IPO proceeds you will further purchase machineries. Explain;**

Currently our factory runs on average 65% capacity level which is almost the optimum level for existing machineries. For a constant business growth, we need to install new machineries for increase the capacity and production volume. Hence our management has decided to install new machineries and financing through Initial Public offering.

4. **It is also observed that huge amount of sales is piled up with account receivables (approximately 25%) year to year and huge amount of inventory excluding spare parts and packing materials (approximately 30%) are remain as inventory Explain;**

In order to boost up the market share and increase sales, Management has adopted credit policy for 90 to 120 days. Our management expects that the credit policy will boost our sales and we will be able to compete with our competitors in effective way. Hence, at the end of the year a portion of sales is retained with accounts receivable. To keep up the sales we have to maintain the optimum level of inventory.

Sd/-

**A F M Anowarul Huq**

Managing Director

**Indo-Bangla Pharmaceuticals Ltd.**

**DECLARATION FROM THE ISSUER THAT COMPANY WILL SHIFT ITS EXISTING INDUSTRY TO A NEW INDUSTRIAL AREA IMMEDIATELY**

We, the issuer, have bought land of 1.59 acre at Ranirhat, Bakergonj, Barisal. We informed to the Department of Environment that we would shift to the industrial area within 3/4 years. We reiterate our commitment here that we will shift within 3/4 years.

Sd/-

**A F M Anowarul Huq**  
Managing Director  
**Indo-Bangla Pharmaceuticals Ltd.**

**DECLARATION FROM ISSUE MANAGERS THAT COMPANY WILL SHIFT ITS EXISTING INDUSTRY TO A NEW INDUSTRIAL AREA IMMEDIATELY;**

We, the issue managers, would like to inform you that we discussed with the top management regarding the shifting of the existing industry. In this regard, issuer has bought land of 1.59 acre at Ranirhat, Bakergonj, Barisal. In addition, the issuer informed the matter to the Department of Environment that they would shift within 3/4 years.

Sd/-

**Mahbub H. Mazumdar FCMA**  
Chief Executive  
**AFC Capital Limited**

Sd/-

**Moinul Hossain Asif**  
Managing Director  
**EBL Investments Limited**

Sd/-

**Tania Sharmin**  
Managing Director & CEO  
**CAPM Advisory Limited**

**DECLARATION REGARDING COST AUDIT**

This is to inform you that Ministry of Commerce in its Gazette dated 12th January, 2003 ordered 5 companies from power sector and 6 companies from jute sector would be under Cost Audit Compliance. Later on, 3rd December 2009 Ministry of Commerce issued Gazette by which 42 companies from Garments and Textiles sector, 12 companies from Pharmaceutical sector and all the companies involved in manufacturing of Chemical Fertilizer would be under Cost Audit Compliance.

Since Indo-Bangla Pharmaceuticals Limited are not bracketed in above mentioned companies Cost Audit by Cost and Management Accountants is not applicable for "Indo-Bangla Pharmaceuticals Limited".

Sd/-

**A F M Anowarul Huq**  
Managing Director  
**Indo-Bangla Pharmaceuticals Ltd.**

Sd/-

**Md. Faruque Hossain**  
Chief Financial Officer  
**Indo-Bangla Pharmaceuticals Ltd.**

Sd/-

**Mahbub H. Mazumdar FCMA**  
Chief Executive  
**AFC Capital Limited**

Sd/-

**Moinul Hossain Asif**  
Managing Director  
**EBL Investments Limited**

Sd/-

**Tania Sharmin**  
Managing Director & CEO  
**CAPM Advisory Limited**

Date: September 28, 2017