



ANNUAL REPORT

2018-2019



AMBEE PHARMACEUTICALS LTD.

LETTER OF TRANSMITTAL

To
Valued Shareholders of Ambee Pharmaceuticals Limited
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Subject : Annual Report for the year ended 30 June 2019.

Dear Sir(s)

We are pleased to enclose the notice of the 43rd Annual General Meeting, a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial position as at 30 June 2019, Statement of Profit or Loss and other Comprehensive income, Statement of changes in Equity and Statement of Cash Flows for the year ended on 30 June 2019 along with notes thereon of Ambee Pharmaceuticals Limited for your information and record.

Thank you.

Yours sincerely,



(Jahangir Alam)

Company Secretary

Date: 26 Nov. 2019



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AMBEE PHARMACEUTICALS LIMITED184/1, Tejgaon Industrial Area, Dhaka-1208

Date : 26th November, 2019

NOTICE OF 43rd ANNUAL GENERAL MEETING

Notice is hereby given that the 43rd Annual General Meeting of the Shareholders of Ambee Pharmaceuticals Limited will be held on Tuesday the 31st December 2019 at 10.00 A.M. at Factory Premises, 184/1, Tejgaon Industrial Area, Dhaka-1208 to transact the following business:

AGENDA

1. To receive, consider and adopt the audited accounts of the Company for the year ended on June 30, 2019 together with reports of the Directors and Auditors thereon.
 2. To consider and approve the Dividend for the year ended 30th June 2019.
 3. To elect Directors in terms of the relevant provision of the Articles of Association.
 4. To appoint Auditors for the year 2019-2020 and to fix their remuneration.
 5. To appoint Corporate Governance Compliance Auditor for the year 2019-2020 and to fix their remuneration.
- By order of the Board

By order of the Board


(Jahangir Alam)
Company Secretary**Notes:**

- i. The Record Date for entitlement of Dividend will be on Tuesday the 17th December 2019. Shareholders whose names will appear in the Share Register of the Company on the Record Date on 17th December, 2019 shall be entitled to attend the meeting.
- ii. The Board of Directors recommended 30% (thirty percent) cash dividend i.e. Tk.3.00 per share which will be recognized in the accounts as and when approved by the shareholders in the Annual General Meeting.
- iii. A member entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote in his stead. Such proxy shall be a member of the Company. The proxy form must be affixed with revenue stamp of Tk. 20.00 (Twenty) only and should be deposited to Company's Head Office at 184/1 Tejgaon Industrial Area, Tejgaon, Dhaka-1208 not later than 48 hours before the time fixed the meeting.
- iv. Members are requested to notify change of address, if any, well in time. For Beneficiary Account holders, the same to be rectified through their respective Depository Participants.
- v. Admission to the meeting venue will be strictly on production of the attendance slip duly signed. Children and non-members are not allowed to attend the meeting. The signature of Proxy is to be verified by the shareholders appointing the Proxy.
- vi. Members are requested to notify 12 digit Taxpayer's Identification Number (E-TIN) through their respective Depository Participants.

Attention Please :

No gift or benefit in cash or kind shall be paid to the holders of the equity securities in terms of Clause (c) of the Notification No. SEC/SRMI/2000-953/1950 dated 24 October 2000 for attending this AGM of the Company.



Management Apparatus

A. THE BOARD OF DIRECTORS:

Mr. Aziz Mohammad Bhai	:	Chairman
Mrs. Naureen Aziz Mohammad Bhai	:	Managing Director
Mrs. Nurjehan Hudda	:	Director
Mrs. Sakina Miraly	:	Director
Mr. Laszlo Nemes	:	Director (Medimpex)
Ms. Georgina Gruber	:	Director (Medimpex)
Mr. A. F. M. Azim	:	Independent Director
Mr. Ruhul Quddus	:	Independent Director

B. AUDIT COMMITTEE :

Mr. A. F. M. Azim, Independent Director	:	Chairman
Mr. Ruhul Quddus, Independent Director	:	Member
Mrs. Sakina Miraly, Director	:	Member

C. NOMINATION and REMUNERATION COMMITTEE :

Mr. A. F. M. Azim, Independent Director	:	Chairman
Mr. Ruhul Quddus, Independent Director	:	Member
Mrs. Sakina Miraly, Director	:	Member

D. MANAGEMENT COMMITTEE :

Mrs. Naureen Aziz Mohammad Bhai	:	Chairman
Mrs. Nurjehan Hudda	:	Member
Mrs. Sakina Miraly	:	Member
Mr. A.K.M. Khairul Aziz	:	Member

CORPORATE OFFICIALS :

Mr. A.K.M. Khairul Aziz	:	Chief Financial Officer
Mr. Md. Mizanur Rahman	:	General Manager, Admin.
Mr. Jahangir Alam	:	Company Secretary
Mr. Hasanul Kabir	:	Head of Internal Audit

AUDITORS :

M/S. Shafiq Basak & Co.
Chartered Accountants
House # 42 (1st floor) Road # 1, Block - A
Niketan, Gulshan-1, Dhaka - 1212.

BANKERS:

Agrani Bank Limited
Amin Court Corporate Branch
62-63, Motijheel C/A, Dhaka - 1000

Eastern Bank Limited

Gulshan Branch
100, Gulshan Avenue
Plot No. 8A, Block CES (F)
Gulshan - 1, Dhaka 1212

United Commercial Bank Limited

Tejgaon Branch
191/B Tejgaon Gulshan Link Road.
Tejgaon I/A, Dhaka-1208

Insurers:

Pioneer Insurance Co. Ltd.
Symphony (5th Floor)
Plot No. SE(F), 9, Road No. -142
South Avenue
Gulshan-1, Dhaka

Listing :

Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

FACTORY/REGISTERED OFFICE:

184/1, Tejgaon Industrial Area
Dhaka - 1208

HEAD OFFICE:

184/1, Tejgaon Industrial Area
Dhaka - 1208

Phone:

8870777, 8870788, Fax : 8870799

Website:

www.ambeepharma.com

Board of Directors



Mr. Aziz Mohammad Bhai
Chairman



Mrs. Naureen Aziz M. Bhai
Managing Director



Mrs. Sakina Miraly
Director



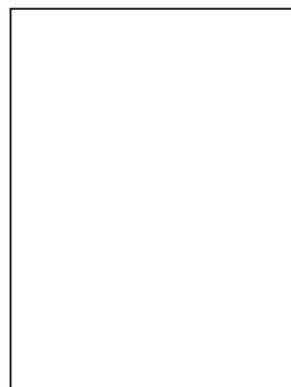
Mrs. Nurjehan Hudda
Director



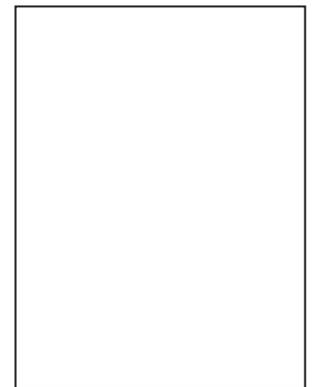
Mr. A.F.M. Azim
Independent Director



Mr. Ruhul Quddus
Independent Director



Mr. Laszlo Nemes
Director



Ms. Georgina Gruber
Director

Ambee Pharmaceuticals Limited Pictures on 42nd Annual General Meeting



Chairman's Message to the Shareholders

Ladies and Gentlemen,

I, on behalf of the Board of Directors of Ambee Pharmaceuticals Limited, extend a very warm welcome to you all on the occasion of 43rd Annual General Meeting of the Company. I would also like to express my heartfelt thanks and gratitude to all of you for your continuous support and trust reposed on us.

The year 2018-2019 was a difficult year as smooth running of business was badly due to continuous price hike of Raw Materials in the International Market and currency fluctuation. However, your company has been able to earn pre-tax profit i.e. Tk 131.07 lac during the year and this was made possible with relentless endeavors of all under dynamic leadership of the management of your company.

Your company needs adequate cash to run its business smoothly amidst growing prices. Keeping this requirement of the company vis-à-vis the interest of our valued shareholders in mind, I have been able to convince the Board of Directors to recommend for you payment of dividend at a consistent rate. This will keep our esteemed shareholders pleased, I believe. The days ahead of us will be challenging no doubt, but I would like to assure you all that the management of your company will, as always, leave no stone unturned to meet the challenges successfully and thereby to carry forward the objective of the company.

In conclusion, I would like to thank all our employees, stakeholders, government agencies, banks, financial institutions and the regulating bodies for their all out support. We will remain on track to achieve greater heights for years to come.



(Aziz Mohammad Bhai)

Chairman

26 Nov. 2019

তারিখ: ২৬ নভেম্বর ২০১৯ইং

পরিচালক মন্ডলীর প্রতিবেদন

বিস্মিল্লাহির রাহমানির-রাহমানির রাহিম

সম্মানিত শেয়ার হোল্ডারবৃন্দ

আসসালামু আলাইকুম

আমি পরিচালনা পর্ষদের পক্ষ থেকে এমবি ফার্মাসিউটিক্যালস্ লিমিটেড এর ৪৩তম বার্ষিক সাধারণ সভায় অতি আনন্দের সাথে আপনাদেরকে স্বাগত জানাচ্ছি এবং আপনাদের কোম্পানীর ৩০শে জুন ২০১৯ইং তারিখে সমাপ্ত বৎসরের নিরীক্ষিত হিসাবপত্র আপনাদের সামনে উপস্থাপন করছি।

কার্য তৎপরতা

আলোচ্য বৎসরে আপনাদের কোম্পানী ৩২.১২ কোটি টাকা বিক্রয় করেছে যা গত বৎসরের (২০১৭-২০১৮) তুলনায় ৮.০৭% কম। কোম্পানী এ বৎসর আয়কর অফিস কর্তৃক নির্ধারিত বিগত ২০১২ ও ২০১৪ সালের আয়কর খরচ বাবাদ ৫৫.৮৬ লক্ষ টাকা লাভ ক্ষতি হিসাবে দর্শন করায় নেট মুনাফা ৩৩.৬৭ লক্ষ টাকা অর্জন করে, যা গত বৎসর ছিল ৮২.৬৪ লক্ষ টাকা। আর সে কারণে গত বৎসরের আরনিং পার শেয়ার (ই.পি.এস.) ৩.৪৪ টাকার বিপরীতে এ বৎসর ১.৪০ টাকা হয়েছে। যদিও ব্যয় বৃদ্ধির প্রবণতা ছিল তবুও ব্যবস্থাপনা কর্তৃপক্ষ তাঁদের ক্রয়, উৎপাদন, বিক্রয়, মজুদ মাল ও অর্থনৈতিক কার্যক্রমে দক্ষ ব্যবস্থাপনার মাধ্যমে কর পূর্ব মুনাফা ১.৩১ কোটি টাকা অর্জন করতে সক্ষম হয়েছেন। ব্যবস্থাপনা কর্তৃপক্ষ বিপণন কার্যক্রমকে ভোক্তার বিশ্বস্ততা অর্জনে, পুনরায় গতিশীল করার সর্বাত্মক চেষ্টা করে যাচ্ছেন। যাতে কোম্পানীর উৎপাদিত পণ্যের গ্রহণযোগ্যতা, বিক্রয় ও মুনাফা উত্তরোত্তর বৃদ্ধি পায়।

দৃষ্টিভঙ্গি

আলোচ্য আর্থিক বৎসরে সামাজিক ও পরিবেশগত অবস্থার প্রতিকূলতা সত্ত্বেও এমবি ফার্মাসিউটিক্যালস্ লিমিটেড সর্বক্ষেত্রে তথা উৎপাদনশীলতা ও ব্যবসা পরিচালনায় উত্তম নীতিবোধ সংরক্ষণ ও উন্নয়নকে অগ্রাধিকার দেওয়ার নীতিতে অবিচল থাকার চেষ্টা অব্যাহত রেখেছে।

ঝুঁকি এবং উদ্বেগ

অন্যান্য ব্যবসার ন্যায় ঔষধ শিল্পকেও রাজনৈতিক সিদ্ধান্ত, অর্থনৈতিক, সামাজিক, প্রযুক্তি, পরিবেশগত ও আইন সংক্রান্ত বহুবিদ সমস্যার মোকাবেলা করতে হয়, পাশাপাশি ব্যবসায়িক কার্যক্রমের ক্ষেত্রেও আর্থিক ঝুঁকির সম্মুখীন হতে হয়। ব্যবস্থাপনাবর্গ এই ঝুঁকির ব্যাপারে সম্পূর্ণ অবগত আছেন এবং এই ঝুঁকি মোকাবেলায় যথাযথ কার্যকরী ব্যবস্থা গ্রহণে প্রস্তুত। ব্যবসায়িক ব্যবস্থাপনার ক্ষেত্রে ঝুঁকি সমূহের ধরন বিবেচনা সাপেক্ষে এগুলো মোকাবেলা করার জন্য উত্তম কৌশলগত সিদ্ধান্ত গ্রহণ করে থাকেন। আর্থিক বিবরণীতে বিভিন্ন রকমের আর্থিক ঝুঁকিসমূহের বিস্তারিত বর্ণনা দেওয়া হয়েছে।

আন্তঃ সম্পর্কিত লেনদেন সমূহঃ

অডিট কমিটি আন্তঃ সম্পর্কিত লেনদেন সমূহ পুঙ্খানুপুঙ্খ ভাবে পরীক্ষা-নিরীক্ষা করেছেন। আর্থিক বছরের বিভিন্ন পর্যায়ে যে আর্থিক বিবরণীসমূহ তৈয়ার করা হয়েছে সে সময় অডিট কমিটি আন্তঃ সম্পর্কিত লেনদেন সমূহ গভীরভাবে পর্যালোচনা করেছেন। আর্থিক বিবরণীর নোট নং ৩৫ এ আন্তঃ সম্পর্কিত লেনদেন সমূহের বিষয় বর্ণনা দেওয়া আছে।

আর্থিক ফলাফল

কোম্পানী ৩০ জুন, ২০১৯ সমাপ্ত বৎসরের আর্থিক ফলাফল পূর্ববর্তী বৎসরের সহিত তুলনামূলক সার সংক্ষেপ নিম্নরূপ :

বিবরণ :	২০১৮-২০১৯	২০১৭-২০১৮
গ্রস টার্নওভার	৩৬৯,৪০২,৬০৯	৪০১,৭৮৮,৭৯২
নীট টার্নওভার	৩২১,২১৯,৬৬০	৩৪৯,৩৮১,৫৫৮
গ্রস মুনাফা	১৬৬,৯৮৩,৯৮৬	১৮১,২৪৫,৮৮৩
কর পূর্ব মুনাফা	১৩,১০৭,৩০৭	১১,০১৮,৬৪০
কর বাদ প্রভিশন	৯,৭৪০,২৯৩	২,৭৫৪,৬৬০
কর পরবর্তী মুনাফা	৩,৩৬৭,০১৬	৮,২৬৩,৯৮১
গ্রস মার্জিন	৫১.৯৮%	৫১.৮৬%
কর পূর্ব নীট মার্জিন	৪.০৮%	৩.১৫%
কর বাদ নীট মার্জিন	১.০৫%	২.৩৮%
ইপিএস (আরনিং পার শেয়ার) (টাকা)	১.৪০	৩.৪৪

লভ্যাংশ

আলোচ্য সমাপ্ত বৎসর ৩০শে জুন ২০১৯ইং এর সার্বিক আর্থিক আবস্থা বিবেচনা করে ব্যবস্থাপনা পর্ষদ নগদ ৩০% লভ্যাংশ সুপারিশ করেছেন (২০১৭-২০১৮ @৩০%)। আশা করা যাচ্ছে যে, শেয়ারহোল্ডারদের স্বার্থ রক্ষার্থে পরিচালক মণ্ডলীর এই বৎসরের সুপারিশকৃত লভ্যাংশকে শেয়ারহোল্ডারগণ আন্তরিক ভাবে গ্রহণ করবেন।

পরিচালক

কোম্পানীর আর্টিকেল অব এসোসিয়েশনের ১১৯ অনুচ্ছেদ অনুযায়ী পরিচালক জনাবা নুরজাহান হুদা এবং জনাবা শাকিনা মিরালী পর্যায়ক্রমে এই সভায় অবসর গ্রহণ করেছেন এবং অনুচ্ছেদ ১২১ অনুসারে যোগ্য বিধায় তাঁরা দুইজনই পুনঃনির্বাচনের ইচ্ছা জ্ঞাপন করেছেন।

পুনঃ নিয়োগ পরিচালকদের প্রোপ্রাইল

জনাবা নুরজাহান হুদা ২০০০ সাল থেকে এমবি ফার্মাসিউটিক্যালস্ লিমিটেডের পরিচালক হিসাবে দায়িত্ব পালন করে আসছেন। তিনি কোম্পানীর প্রতিষ্ঠাতা চেয়ারম্যান মরহুম মোহাম্মদ ভাই এর মেয়ে। নুরজাহান হুদা ঢাকা বিশ্ববিদ্যালয় থেকে স্নাতক ডিগ্রী অর্জন করেছেন। তিনি ইহা ছাড়াও ৫টি বেসরকারী লিমিটেড কোম্পানীর পরিচালক। সেগুলো হলো ম্যান্টিকোর ইঞ্জিনিয়ারিং লিঃ, ম্যান্টিকোর টেকনোলজী লিঃ, এমকো হোল্ডিং লিঃ, বেঙ্গল পেট্রোলিয়াম লিঃ এবং অক্সাস এন্টারপ্রাইজ লিঃ। তার ফার্মাসিউটিক্যালস্, প্রযুক্তি এবং হাউজিং পন্যে ২০ বৎসরের ও বেশি সময় ধরে ব্যবসায়িক অভিজ্ঞতা রয়েছে। তিনি দেশে এবং বিদেশে ব্যাপক ভ্রামণ করেছেন।

জনাবা শাকিনা মিরালী ২০০৫ সাল থেকে এমবি ফার্মাসিউটিক্যালস্ লিমিটেডের পরিচালক হিসাবে দায়িত্ব পালন করছেন আসছেন। তিনি কোম্পানীর প্রতিষ্ঠাতা চেয়ারম্যান মরহুম মোহাম্মদ ভাইয়ের মেয়ে। শাকিনা মিরালী ঢাকা বিশ্ববিদ্যালয়ে থেকে স্নাতক ডিগ্রী অর্জন করেছেন। তিনি ইহা ছাড়া আরো ৫টি বেসরকারী লিমিটেড কোম্পানীর পরিচালক। সে গুলো হল ম্যান্টিকোর ইঞ্জিনিয়ারিং লিঃ, ম্যান্টিকোর টেকনোলজী লিঃ, এমকো হোল্ডিং লিঃ, বেঙ্গল পেট্রোলিয়াম লিঃ এবং অক্সাস এন্টারপ্রাইজ লিমিটেড। তার ফার্মাসিউটিক্যালস্ প্রযুক্তি এবং হাউজিং পন্যে ১৫ বৎসরের ও বেশি সময় ধরে ব্যবসায়িক অভিজ্ঞতা রয়েছে। শুরু থেকে তিনি দক্ষতার সহিত কোম্পানী পরিচালনা করে আসছেন। তিনি একজন ভাল উপদেষ্টা এবং সমাজ কর্মী। তিনি দেশে এবং বিদেশে ব্যাপক ভ্রামণ করেছেন।

নিরীক্ষক

কোম্পানীর বর্তমান নিরীক্ষক, মেসার্স শফিক বসাক এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস, বাড়ি নং-৪২ (২য় তলা), রোড নং-১, ব্লক-এ, নিকেতন, গুলশান-১, ঢাকা-১২১২, ৪২তম বার্ষিক সাধারণ সভায় নিরীক্ষক হিসাবে নিয়োগ প্রাপ্ত হয়েছিলেন এবং ৩০ জুন ২০১৯ইং সমাপ্ত বৎসরের নিরীক্ষকের দায়িত্ব পালন করেছেন। মেসার্স শফিক বসাক এন্ড কোং, কোম্পানীর নিরীক্ষক হিসাবে পূর্ণঃ নিয়োগে আগ্রহ প্রকাশ করেন এবং ২০১৯-২০২০ অর্থবৎসরের জন্য বর্তমান সম্মানি টাঃ ৩,৫০,০০০.০০ (তিন লক্ষ পঞ্চাশ হাজার) এ পুনঃ নিয়োগের জন্য তাদের প্রস্তাবনা পেশ করেছেন।

কর্পোরেট ব্যবস্থাপনা কোড

কর্পোরেট ব্যবস্থাপনা হচ্ছে সূনাগরিকত্বের চর্চা যার মাধ্যমে পরিচালনা পর্ষদ কোম্পানী পরিচালনা করেন এবং জবাব দিহিতার দৃষ্টি ভঙ্গি নিয়ে শেয়ারহোল্ডার ও শেয়ার সংশ্লিষ্ট ব্যক্তিবর্গের প্রতি আচরন করে থাকেন। সংযুক্ত তিন (৩) এর মাধ্যমে সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর নোটিশ নং বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/প্রশাসন/৮০ তারিখ ০৩ জুন ২০১৮ইং এর নিরিখে কোম্পানীর কর্পোরেট ব্যবস্থাপনা কোড এর অবস্থা সংযুক্ত করা হয়েছে।

স্বীকৃতি

পরিচালক মন্ডলী কোম্পানীর সকল কর্মচারীকে তাদের সহযোগিতা এবং কঠোর পরিশ্রমের জন্য ধন্যবাদ জ্ঞাপন করছেন এবং কোম্পানীর শেয়ার হোল্ডার, গ্রাহক, সরবরাহকারী এবং সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিঃ ও চট্টগ্রাম স্টক এক্সচেঞ্জ লিঃ, ঔষধ প্রশাসন, জাতীয় রাজস্ব বোর্ড, অন্যান্য সরকারী সংস্থা সমূহ, ব্যাংক ও অর্থনৈতিক প্রতিষ্ঠানের সহযোগিতার জন্য ধন্যবাদ জ্ঞাপন করছেন। সকলের মিলিত প্রচেষ্টায় কোম্পানি আগামীতেও সাফল্যের ধারায় এগিয়ে যাবে সে আশাবাদ ব্যক্ত করছি।

আল্লাহ হাফেজ।



(সাকিনা মিরালি)
পরিচালক

পরিচালক মন্ডলীর পক্ষে,



(নুরজাহান হুদা)
পরিচালক

DIRECTORS' REPORT

"Bismilla-Hir-Rahmanir Rahim"

Dear Valued Shareholders

As-Salamu-Alaikum

The Board of Directors takes immense to pleaser to present all in the 43rd Annual General meeting of your Company and we present before you the Annual Report of your Company for the year ended June 30, 2019.

Operating Activities :

During the year under review, the Company attained a net sale of Tk.32.12 crores which is 8.07 % lower than that of the previous year (2017-2018). The Company has made Net Profit of Tk.33.67 lac for the year due to company charged earlier years income tax expenses Tk 55.86 lac in the statement of profit or loss and other comprehensive income which is determind by the office of Income Tax for the years 2012 and 2014 as compared to Tk.82.64 lac for the previous year. So that Earning Per Share (EPS) stood at Tk.1.40 against Tk.3.44 of previous year. Though costs continued to increase during the year, the management was able to earn a reasonable amount of pre-tax profit i.e. Tk. 1.31 crore by efficient management of purchases, production, sale, inventory and finance. The Management is trying its best to further gear-up the marketing activities of the Company so as to earn more confidence of consumers on the Company's products and thereby to gradually increase the sale and profit.

Out Look :

Ambee Pharmaceuticals Limited tried to maintain the continuing of its productivity and best ethical standard of business affairs preferring the principle of sustainable development despite the adverse situation in social and environmental aspects in the year under review.

Risk & Concerns :

Like any other business, the Pharmaceuticals Industry is exposed to political, social, technological, environmental and legal risks embeded in any business transaction .The Board of Directors are fully concern of the risks and take necessary steps for the appropriate management of the risk. Considering the nature of the risk, the management takes strategic decisions to avoid or reduce or transfer or accommodating the risks arising in the business management process.The details of the various financial risks are discussed in the financial statements.

Related Party Transaction :

The Audit Committee carried out the related party transactions on arm's length basis. During the financial year, the Audit Committee while the financial statement periodically carried out in-depth analysis of the transactions involving related parties. In the explanatory Note No.-35 to the Financial Statement provides details of the transactions with the related party.

Financial results :

Financial results of the Company for the year ended 30 June 2019 as compared to previous year are summarized hereunder :

Particulars :	2018-2019	2017-2018
Gross Turnover	369,402,609	401,788,792
Net Turnover	321,219,660	349,381,558
Gross Profit	166,983,986	181,245,883
Net Profit (Before Tax)	13,107,307	11,018,640
Provision for Taxation	9,740,293	2,754,660
Net Profit (After Tax)	3,367,016	8,263,981
Gross Margin	51.98%	51.86%
Net Margin (Before Tax)	4.08%	3.15%
Net Margin (After Tax)	1.05%	2.38%
EPS (Earning Per Share) TK.	1.40	3.44

Dividend :

Considering the overall performance of the Company during the year end 30 June 2019, the Board of Directors is pleased to recommend Cash Dividend @ 30 % (2017-18 @ 30%). It is hoped that the shareholders would please appreciate the sincerity of the Board of Directors in taking care of the shareholders interest by recommending dividend this year.

Director:

In terms of Article 119 of the Articles of Association of the Company, Director Mrs. Nurjehan Hudda and Mrs. Sakina Miraly retire in this meeting by rotation and being eligible as per Article 121, both of them offer themselves for re-election.

Directors Profile who are seeking re-appointment:

Mrs.Nurjehan Hudda is a Director of Ambee Pharmaceuticals Limited since 2000. She is the daughter of Late Mohammad Bhai, founder Chairman of the Company. Nurjehan Hudda has completed her graduation from Dhaka University. She is also Director in 5 other private Limited Company namely Manticore Technology Ltd., Manticore Engineering Ltd., AMCO Holdings Ltd., Bengal Petroleum Ltd. and Oxus Enterprise Ltd..She has a business experience of more than 20 years in the Pharmaceuticals, Technology and housing products. She widely travelled both home and abroad.

Mrs.Sakina Miraly is a Director of Ambee Pharmaceuticals Limited since 2005.She is the daughter of Late Mohammad Bhai,founder Chairman of the Company. Sakina Miraly has completed her graduation from Dhaka University . She is also Director in 5 other private Limited Company namely Manticore Technology Ltd.,Manticore Engineering Ltd., AMCO Holdings Ltd., Bengal Petroleum Ltd. and Oxus Enterprise Ltd..She has a business experience of more than 15 years in the Pharmaceuticals , Technology and housing products.She has taken active part in the Company's operations from beginning. She is a good advisor and social worker.She widely travelled both home and abroad.

Auditors :

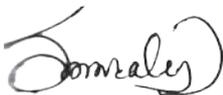
M/s. Shafiq Basak & Co. Chartered Accountants, House # 42 (1st floor), Road # 1, Block- A, Niketan, Gulshan-1, Dhaka -1212 has been appointed as Auditor of the Company in the 42nd AGM of the Company and has carried out the audit for the year ended 30 June 2019. M/S Shafiq Basak & Co. has expressed their willingness to continue as auditors of the Company and being offer themselves for re-appointment for the year 2019-2020 at existing remuneration Tk.3,50,000.00 (taka three lac fifty thousand) only.

Corporate Governance Code :

Corporate Governance is the practice of good citizenship through which the Company is governed by the board, keeping in view its accountability to the shareholders, stakeholders and to the society at large. The status report required to be presented by the Company in pursuance to the notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, by order of the Bangladesh Securities and Exchange Commission, is attached in Annexure-III to this Report.

Acknowledgements :

The Board of Directors take this opportunity to thank all employees of the Company for their co-operation and hard work and also acknowledge the support received by the Company from its shareholders, bankers, financial institutions, customers, suppliers and above all from the Securities and Exchange Commission, Stock Exchanges, Drug Administration, National Board of Revenue and



(Sakina Miraly)
Director

On behalf of the Board of Directors



(Nurjehan Hudda)
Director

ANNEXURE-I

The Directors also report that :

- The financial statement of the Company present true and fair view of Company's state of affairs, result of its operations, cash flows and changes in equity.
- Proper books of accounts as required by law have been maintained.
- Appropriate accounting policies have been followed in formulating the financial Statements and Accounting estimates were reasonable and prudent.
- The financial statement was prepared in accordance with International Accounting Standard (IAS) as applicable in Bangladesh.
- The internal control system is sound in design and effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There is no significant deviation from the operating result of the last year.
- The number of board meetings and the attendance of directors during the year June 30, 2019 were as follows :

Name of Directors	Position	Meeting held	Attended	Remarks
Mr. Aziz Mohammad Bhai	Chairman	9		Staying abroad
Mrs. Naureen Aziz Mohammad Bhai	Managing Director	9	9	
Mrs. Nurjehan Hudda	Director	9	9	
Mrs. Sakina Miraly	Director	9	9	
Mr. Laszlo Nemes	Director (Medimpex)	9	-	
Ms. Georgina Gruber	Director (Medimpex)	9	-	
Mr. AFM Azim	Independent Director	9	8	
Mr. Ruhul Quddus	Independent Director	9	9	

- The pattern of shareholding (along with name wise detail) of parent/Subsidiary/Associated companies and other related parties, Directors, Chief Executives officer, Company Secretary, Chief financial Officer, Head of internal audit and their spouse and minor children, Executives, shareholders holding 10% or more voting interest in the company as at 30 June, 2019 were as stated in Annexure-II.
- Securities and Exchange Commission compliance report is enclosed herewith as ANNEXURE-III.
Key operating and financial data of last five years have been presented in summarized form in ANNEXURE-IV.

ANNEXURE-II

Pattern of Shareholding as on 30 June , 2019

Particulars	Nos. shareholding	Percentage	Remark
Parent Company	-	-	
Associated Companies :	-	-	
Directors :			
Mr. Aziz Mohammad Bhai	1447149	60.30%	
Mrs. Naureen Aziz Mohammad Bhai	48000	2%	
Mrs. Nurjehan Hudda	48120	2.01%	
Mrs. Sakina Miraly	48000	2%	
M/s. Medimpex, Hungary	214790	8.95%	
Represented by :			
Mr. Laszlo Nemes			
Ms. Georgina Gruber	-	-	
Chief Financial Officer (CFO) and his spouse and minor children :	-	-	
Company Secretary (CS) and his spouse and minor children :			
Head of Internal Audit (HIA) and his spouse and minor children :	-	-	
Executives (Top five salaried person other than CEO, CFO, CS, HIA) :	-	-	
1. Mr. Shakya Priya Barua -Head of Operation			
2. Mr. Md.Mizanur Rahman- General Manager	-	-	
3. Mr. Mizanul Islam National-Sales Manager	-	-	
4. Mr. GM. Moshiur Rahman-Sales Manager	-	-	
5. Mr.Kabir-Un-Noor - Head of QA			
Shareholders Holding 10% or more voting right :			
-Mr. Aziz Mohammad Bhai	1,447,149	60.30%	

HUDA & CO.
Chartered Accountants

House No. 51, Road No. 13,
Sector – 13, Uttara Model
Town, Dhaka

Tel : 7911445
Mobile : 017 15 030 823

**Report to the Shareholders on
Compliance of Corporate
Governance Code to the Shareholders' of
Ambee Pharmaceuticals Limited**

We have examined the compliance status to the Corporate Governance Code by **Ambee Pharmaceuticals Limited** for the year ended on 30 June 2019. This Code relates to the Notification No. **BSEC/CMRRC/2006-158/207/Admin/80 dated 03 June 2018** of the Bangladesh Securities and Exchange Commission.

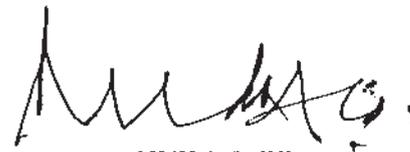
Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

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

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

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

Dated, Dhaka
05 November 2019



HUDA & CO
Chartered Accountants



ANNEXURE- III

Status of compliance of Ambee Pharmaceuticals Limited with the Conditions imposed by BSEC's Notification on Corporate Governance Code No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under Section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	Board of Directors			
1(1)	Size of the Board of Directors (number of Board members – minimum 5 and maximum 20).	✓		
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors.	✓		
1(2)(b)	Independent Director means a Director			
1(2)(b)(i)	Does not hold any share or holds less than 1% shares of the total paid-up shares of the company.	✓		
1(2)(b)(ii)	Not a sponsor of the company or not connected with the company's any sponsor/director/nominated director/shareholder/associates/sister concerns/subsidiaries and parents or holding entities who holds 1% or more shares of the total paid-up shares of the company on the basis of family relationship and his/her family member also shall not hold said mentioned shares in the company.	✓		
1(2)(b)(iii)	Not been an executive of the company in immediately preceding 2 (two) financial years.	✓		
1(2)(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company/subsidiary/associated companies.	✓		
1(2)(b)(v)	Not a member or TREC holder, director or officer of any stock exchange.	✓		
1(2)(b)(vi)	Not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	✓		
1(2)(b)(vii)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or conducting special audit or professional certifying compliance of the Code.	✓		
1(2)(b)(viii)	Not be an independent director in more than 5 (five) listed companies.	✓		
1(2)(b)(ix)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or advance to a bank or NBFI.	✓		



ANNEXURE- III

Status of compliance of Ambee Pharmaceuticals Limited with the Conditions imposed by BSEC's Notification on Corporate Governance Code No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under Section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	Board of Directors			
1(1)	Size of the Board of Directors (number of Board members – minimum 5 and maximum 20).	✓		
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors.	✓		
1(2)(b)	Independent Director means a Director			
1(2)(b)(i)	Does not hold any share or holds less than 1% shares of the total paid-up shares of the company.	✓		
1(2)(b)(ii)	Not a sponsor of the company or not connected with the company's any sponsor/director/nominated director/shareholder/associates/sister concerns/subsidiaries and parents or holding entities who holds 1% or more shares of the total paid-up shares of the company on the basis of family relationship and his/her family member also shall not hold said mentioned shares in the company.	✓		
1(2)(b)(iii)	Not been an executive of the company in immediately preceding 2 (two) financial years.	✓		
1(2)(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company/subsidiary/associated companies.	✓		
1(2)(b)(v)	Not a member or TREC holder, director or officer of any stock exchange.	✓		
1(2)(b)(vi)	Not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	✓		
1(2)(b)(vii)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or conducting special audit or professional certifying compliance of the Code.	✓		
1(2)(b)(viii)	Not be an independent director in more than 5 (five) listed companies.	✓		
1(2)(b)(ix)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or advance to a bank or NBFI.	✓		

1(2)(b)(X)	Not been convicted for a criminal offence involving moral turpitude.	✓		
1(2)(c)	Appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	✓		
1(2)(d)	Not remain vacant for more than 90 (ninety) days.	✓		No such event in the year
1(2)(e)	The office tenure of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		
1.3	Qualification of Independent Director			
1(3)(a)	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 the business.	✓		
1(3)(b)(i)	Business Leader: Promoter or director of an unlisted company having minimum paid-up capital of Tk. 100 million or any listed company or a member of any national or international chamber of commerce or business association.	—	—	Not applicable
1(3)(b)(ii)	Corporate Leader: Top level executive not lower than Chief Executive Officer /Managing Director/Deputy Managing Director/Chief Financial Officer/Head of Finance or Accounts/Company Secretary/Head of Internal Audit and Compliance/Head of Legal Service or a person with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100 million or of a listed company.	—	—	Do
1(3)(b)(iii)	Former Govt. Official: Government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale having educational background of bachelor degree in economics or commerce or business or law.	—	—	Not applicable
1(3)(b)(iv)	University Teacher: Having educational background in economics or commerce or business studies or law.	—	—	Not applicable
1(3)(b)(v)	Professional: An advocate practicing in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.	—	—	Not applicable
1(3)(c)	Shall have at least 10 (ten) years of experiences as mentioned in clause 1(3)(b)(1) to (v).	✓		
1(3)(d)	In special cases, the above qualifications may be relaxed subject to prior approval of the Commission.	—	—	None

1(4)	Duality of Chairperson of the Board of Directors and Managing Director			
1(4)(a)	Chairperson of the Board and the Managing Director of the company shall be filled by different individuals.	✓		
1(4)(b)	The Managing Director of a listed company shall not hold the same position in another listed company.	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company.	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director.	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1(5)	The Directors' Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry.	✓		Included in the Directors' Report
1(5)(ii)	The segment-wise or product-wise performance.	✓		Company operates in a single product segment
1(5)(iii)	Risks and concerns.	✓		Included in the Directors' Report
1(5)(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		- Do -
1(5)(v)	Discussion on continuity of an extraordinary activities and their implications (gain or loss).	✓		- Do -
1(5)(vi)	Disclosure for related party transactions.	✓		- Do -
1(5)(vii)	Utilization of proceeds from public issues, rights issues and/or any other instruments.	—	—	Not applicable
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Share Offer, Direct Listing, etc.	—	—	No such case
1(5)(ix)	Explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements.	—	—	Not applicable
1(5)(x)	Disclosure for remuneration paid to the directors including independent directors.	✓		
1(5)(xi)	Fairness of financial statements.	✓		
1(5)(xii)	Maintenance of proper books of accounts.	✓		
1(5)(xiii)	Adoption of appropriate accounting policies and estimates.	✓		
1(5)(xiv)	Followed IAS or IFRS as applicable in preparation of the financial statement and departure there from has been adequately disclosed.	✓		
1(5)(xv)	Internal controlsystem is sound in design and has been effectively implemented and monitored.	✓		

1(5)(xvi)	The interest of the minority shareholders have been duly protected.	✓		
1(5)(xvii)	Going concern (ability to continue as a going concern).	✓		
1(5)(xviii)	Highlighted and explain significant deviations from the last year's operating results.	✓		
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1(5)(xx)	Reasons for non-declaration of dividend.			Not applicable
1(5)(xxi)	No bonus share or stock dividend has been declared as interim dividend during the year.	✓		
1(5)(xxii)	Total number of Board meetings held during the year and attendance by each director.	✓		
1(5)(xxiii)	Pattern of shareholding and name wise details (disclosing aggregate number of shares)			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties.	✓		
1(5)(xxiii)(b)	Directors, MD, CS, CFO, HIA and their spouses and minor children.	✓		
1(5)(xxiii)(c)	Executives(top five (5) other than mentioned 1(5)(xxiii)(b).	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest.	✓		
1(5)(xxiv)	In case of the appointment/reappointment of a director, disclose			
1(5)(xxiv)(a)	A brief resume of the director.	✓		
1(5)(xxiv)(b)	Expertise in specific functional areas.	✓		
1(5)(xxiv)(c)	Holding the directorship and the membership of committees of the Board other than APL.	✓		
1(5)(xxv)	Management's Discussion and Analysis			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, disclose the effects on financial results and position as well cash flows.	✓		
1(5)(xxv)(c)	Comparative analysis of financial results and position as well as cash flows for current year with immediate preceding five years.	✓		
1(5)(xxv)(d)	Compare financial results and positions as well as cash flows with the peer industry.	✓		
1(5)(xxv)(e)	Discussion on financial and economic scenario of the country and the global.	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements.	✓		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position.	✓		
1(5)(xxvi)	Declaration on Financial Statements for the year ended on 30 June 2019 by the MD and the CFO to the Board.	✓		
1(5)(xxvii)	The report and the certificate regarding compliance of conditions of Corporate Governance Code.	✓		

1(6)	Meetings of the Board of Directors			
	Meeting of the Board of Directors and record the minutes as well as keep required statutory books and records in line with the relevant provisions of Bangladesh Secretarial Standards (BSS) duly adopted by Institute of Chartered Secretaries of Bangladesh (ICSB).	✓		
1(7)	Code of Conduct (CoC) for Board of Directors			
1(7)(a)	The Board shall lay down a code of conduct, for the Chairperson of the Board, other board members and Managing Director.	---	---	CoC still under preparation
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	---	---	CoC still under preparation
2	Governance of Board of Directors of Subsidiary Company			
2(a)	The composition of the Board of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	---	---	Not applicable, since there is no subsidiary.
2(b)	At least 1 (one) Independent Director on the Board of the holding company shall be a Director on the Board of the subsidiary company.	---	---	Not Applicable
2(c)	Submission of Minutes to the holding company.	---	---	Not Applicable
2(d)	Review of Minutes by the holding company.	---	---	Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	---	---	Not Applicable
3	Managing Director (MD), Chief Financial Officer (CFO), Head of Internal Audit (HIA) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit (HIA).	✓		
3(1)(b)	The positions of the MD, CS, CFO, HIA shall be filled by different individuals.	✓		
3(1)(c)	The MD, CS, CFO and HIA of a listed company shall not hold any executive position in other company.	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of CFO, HIA and CS.	✓		
3(1)(e)	With Board's approval the MD, CS, CFO and HIA are removed from their position and immediate dissemination to the commission and stock exchanges.	✓		No such case in the year



3(2)	The MD, CS, CFO and HIA of the company shall attend the meetings of the Board except such part of the meeting which involves an agenda relating to their personal matters.	✓		
3(3)(a)	The MD and CFO shall certify to the board that they have reviewed financial statements for the year 2018-2019 and to the best of their knowledge and belief			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	✓		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		
3(3)(b)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's code conduct for Board of Directors.	✓		
3(3)(c)	The certification of the MD and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee			
4(i)	Audit Committee	✓		
4(ii)	Nomination and Remuneration Committee (NRC)	✓		
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board.	✓		
5(1)(b)	Assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
5(1)(c)	Responsible to the Board and the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	Constitution of the Audit Committee			
5(2)(a)	Shall be composed of at least 3 (three) members.	✓		
5(2)(b)	The Board shall appoint members of the Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director.	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience.	✓		
5(2)(d)	Casual vacancy shall be filled by the Board not later than 1 (one) month from the date of vacancy.	---	---	No such case in the year
5(2)(e)	The company secretary shall act as the secretary of the Committee.	✓		

5(2)(f)	The quorum of the Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Committee, who shall be an independent director.	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process.	✓		
5(5)(b)	Monitor choice of accounting policies and principles.	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report.	✓		
5(5)(d)	Oversee hiring and performance of external auditors.	✓		
5(5)(e)	Hold meeting with the statutory auditors for review of the annual financial statements before submission to the Board for approval.	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval.	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.	✓		
5(5)(h)	Review the adequacy of internal audit function.	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report.	✓		
5(5)(j)	Review all related party transactions.	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	---	---	No such case in the year

5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.	✓		
5(5)(m)	Oversee whether IPO proceeds utilized as per the published Prospectus.	---	---	Not applicable
5(6)	Reporting of the Audit Committee			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)(a)	Report on conflicts of interests.			Not applicable
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements.	---	---	Not applicable
5(6)(a)(ii)(c)	Report on suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations.	---	---	Not applicable
5(6)(a)(ii)(d)	Report on any other matter deems necessary shall be disclosed to the Board immediately.	---	---	Not applicable
5(6)(b)	Reporting to BSEC (If any material impact on the financial condition and results of operation, unreasonably ignored by the Board and management).	---	---	Not applicable
5(7)	Reporting to the shareholders of Audit Committee activities, which shall be signed by the Chairperson of the committee and disclosed in the Annual Report.	✓		
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board.	✓		
6(1)(b)	Assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive.	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing.			Still under preparation
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director.	✓		
6(2)(b)	All members of the Committee shall be non-executive directors.	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee.	✓		
6(2)(e)	Casual vacancy shall be filled by the Board within 180 days of occurring such vacancy.	---	---	No such case in the year

6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee.			No such case in the year
6(2)(g)	The company secretary shall act as the secretary of the Committee.	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director.	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		No such case in the year
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	---	---	Not applicable for the FY: 2018-19
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	---	---	The NRC had assisted the board in formulation of the nomination criteria.
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC.	---	---	Not applicable
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must.	---	---	Not yet applicable
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	---	---	Not yet applicable
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders.	✓		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	✓		

6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	✓		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.	✓		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board.	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board.	✓		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.	✓		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies.	✓		
6(5)(c)	Disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	---	---	Still under preparation
7	External or Statutory Auditors			
7(1)(i)	Non- engagement in appraisal or valuation services or fairness opinions.	✓		
7(1)(ii)	Non-engagement in designing and implementation of Financial Information System.	✓		
7(1)(iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements.	✓		
7(1)(iv)	Non-engagement in Broker-Dealer services.	✓		
7(1)(v)	Non-engagement in Actuarial services.	✓		
7(1)(vi)	Non-engagement in Internal Audit or special audit services.	✓		
7(1)(vii)	Non-engagement in any other services that the Audit Committee determines.	✓		
7(1)(viii)	Non-engagement in audit or certification services on compliance of Corporate Governance as required under condition no. 9(1).	✓		
7(1)(ix)	Non-engagement of any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company during the tenure of their assignment; his or her family members also shall not hold any shares in the said company.	✓		

7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting to answer the queries of the shareholders.	✓		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		A separate agenda to be provided in the ensuing AGM.
9(3)	The directors of the company shall attach the compliance status in the directors' report whether the company has complied with these conditions or not.	✓		

ANNEXURE-IV

Key operating and financial data of last five years have been presented below in summarized form :

Particulars	(Taka in lakh)	2018-2019	2017-2018	2016-2017	2015-30 June'16(18 months)	2014
Turnover	(" " ")	3,212	3,494	3,518	5,120	3,440
Cost of Goods Sold	(" " ")	1,542	1,681	(1670.07)	(2448.91)	(1618.07)
Gross Profit	(" " ")	1,670	1,812	1,848	2,671	1,822
Operating Expenses	(" " ")	(1452.65)	(1617.29)	(1553.69)	(2311.08)	(1528.74)
Financial Expenses	(" " ")	(79.21)	(79.18)	(190.84)	(273.38)	(186.18)
Operating Income	(" " ")	138	116	104	103	109
Net profit before WPPF	(" " ")	138	116	104	103	109
Contribution to WPPF	(" " ")	(6.89)	(5.79)	(5.17)	(5.15)	(5.47)
Net profit (BT)	(" " ")	131	110	98	98	104
Provision for Income-tax	(" " ")	(97.40)	(27.54)	(25.84)	(15.97)	(28.67)
Provision for Deferred Tax	(" " ")	(3.07)	0.35	(2.41)	(11.70)	(1.88)
Net Profit (AT)	(" " ")	34	83	73	82	75
Total Assets	(" " ")	4,030	4,439	4,516	4,222	4,171
Total Fixed Assets	(" " ")	1,091	1,166	1,199	952	497
Total Current Assets	(" " ")	2,939	3,273	3,317	3,270	3,673
Total Current Liabilities	(" " ")	3,357	3,683	3,750	3,554	3,506
Current Ratio	(Tk.)	1	1	1	1	1
Shareholders' Equity	(Taka in lakh)	578	616	606	596	581
Earning Per Share (EPS)	(Per value Tk. 10)	1.40	3.44	3.02	3.41	3.13
Dividend Per Share (DPS)	(Tk.)	3	3	3	3	3
MP(DSE) Year End	(Tk.)	651	592	406	289	250
PER (Year End)	(Tk.)	465	172	134	85	80
Others:						
-Number of shares	(No.)	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
-Number of shareholders	(No.)	2,870	2,243	2,555	2,799	3,301
-Number of Employees (including day labourers)	(No.)	891	1,007	1,015	850	1,084

Report of the Audit Committee

I am pleased to present the report of the Audit Committee of Ambee Pharmaceuticals Limited in pursuance with the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC).

The Audit Committee of Ambee Pharmaceuticals Ltd. is comprised of three members of the Board of Director and Company Secretary of the Company.

The Composition of present Audit Committee is as Under :

- | | |
|--|----------|
| 1. Mr. A.F.M.Azim, Independent Director | Chairman |
| 2. Mr. Ruhul Quddus Independent Director | Member |
| 3. Mrs. Sakina Miraly, Director | Member |

The Company Secretary, Mr. Jahangir Alam shall be act as the Secretary of the Audit Committee.

The scope of Audit Committee : (1)Review and recommended to the Board to approve the quarterly, half yearly and annual financial statements prepared for statutory purpose. (2) Reviewing with the management and statutory and internal auditors, the adequacy of internal control system. (3) Review statement of significant related party transactions submitted by the management. (4) Reviewing the Company's financial and risk management policies. (5) Reviewing Management letters issued by statutory auditors.

Activities carried out by the Audit Committee : The committee reviewed and discussed the financial report preparation and the external audit report. The committee found adequate arrangement to present a free & fair view of the activities and the financial status of the company and did not find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.



(A.F.M.Azim)

Chairman of the Committee

November 26, 2019

Report of the Nomination and Remuneration Committee (NRC)

I am pleased to present the report of the NRC Committee of Ambee Pharmaceuticals Limited in pursuance with the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC).

The NRC Committee of Ambee Pharmaceuticals Ltd. is comprised of three members of the Board of Directors and Company Secretary as the act of Secretary.

The Composition of present NRC Committee is as Under :

1. Mr. A.F.M.Azim, Independent Director	Chairperson
2. Mr. Ruhul Quddus Independent Director	Member
3. Mrs. Sakina Miraly, Director	Member

The Company Secretary, Mr. Jahangir Alam shall be act as the Secretary of the NRC Committee.

Scope of the NRC : (1) The NRC shall recommend a policy to the Board relating to the remuneration of the directors,top level executive. (2) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.(3) Who are qualified to become directors and who may be appointed in top level execut in accordance with the criteria laid down,and recommended their appointment and removal to the Board.(4) Identifying the company's needs for employees at different levels and determine their selection,transfer or replacement and promotion criteria.(5) developing, recommending and reviewing annually the company's human resources and training policies.

Activities carried out by the NRC : The Nomination and Remuneration Committee (NRC) as a sub-committee of the Board. The NRC assisted the Board in formulation of the nomination criteria.



(A.F.M.Azim)

Chairman of the Committee

November 20, 2019



Ambee Pharmaceuticals Limited

Declaration by MD and CFO

November 26, 2019

To
THE BOARD OF DIRECTORS
Ambee pharmaceuticals Ltd.
184/, Tejgaon Industrial Area, Tejgaon
Dhaka-1208

Sub: Declaration on Financial Statements for the year ended on 30 June 2019.

Dear Sirs,

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

- (1) The Financial Statements of Ambee Pharmaceuticals Limited for the year ended on 30 June 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and

- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that :--

A) We have reviewed the financial statements for the year ended June 30, 2019 and that to the best of our knowledge and belief;

i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;

ii) these statements collectively present true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.

B) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.



(A.K.M.Khairul Aziz)
Chief Financial Officer



(Naureen Aziz Mohammad Bhai)
Managing Director



**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF AMBEE PHARMACEUTICALS LIMITED**

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

We have audited the financial statements of Ambee Pharmaceuticals Limited (hereinafter referred to as "the Company"), which comprise the statement of financial position as at 30 June 2019, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects except the points mentioned in KAM below, the financial position of the company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws & regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of inventories	
See Note No. 05.00 to the financial statements	
The key audit matter	How the matter was addressed in our audit
The inventory of Tk. 144,527,601 as at 30 June 2019 held in factory and depots. Inventories are carried at the lower of cost and net realizable value. As a result, the management apply judgment in determining the appropriate values for slow-moving or obsolete items. Since the value of Inventory is significant to the Financial Statements and there is significant measurement uncertainty involved in this valuation, the valuation of inventory was significant to our audit.	We verified the appropriateness of management's assumptions applied in calculating the value of the inventory by: <ul style="list-style-type: none">• Evaluating the design and implementation of key inventory controls operating across the factory.• Attending inventory counts and reconciling the count results to the inventory listing to test the completeness of data.• Reviewing the requirement of inventory provisioning and action there upon by the management.• Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.

Independent Auditor’s Report (continued)

Workers Profit Participation Fund:	
See Note 17.00 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Contribution to workers' profit participation fund: As per section 234(1)(b) of Bangladesh Labour Act 2006 (as amended in 2013) 5% of the net profit of each year, not later than nine (9) months from the close of that period, is required to be transferred to the Fund, the proportion of the payment to the Participation Fund and the Welfare Fund being 80:10. The remaining 10% of the amount of net profit shall be paid by the Company to the Workers' Welfare Foundation Fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act, 2006. Of the 80% being transferred to the participation fund, two-third has to be distributed in equal proportions to all the members (beneficiary) of the fund in cash and one-third has to be invested in accordance with the manner as stated in section 242 of that Act.</p>	<p>We have checked the adequacy of WPPF fund provision and distribution there of and observed that, the requirement of the Labour Act 2006 (as amended in 2013) not followed properly.</p> <p>After distribution of some amount among the members and payment of government portion, the balance of the fund has been kept undistributed for future distribution. However, interest on undistributed amount has been provided as per rule. It may be mentioned here that, the related interest on unpaid amount of Taka 940,672 though related to previous year, has been charged as financial expenses resulting reduction of profit as well as earning per share (EPS) by Taka 0.39.</p>
Revenue recognition – Net Turnover	
See Note 19.00 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>At year end the company reported total revenue of BDT 321,219,660 (net)</p> <p>Revenue recognition has a significant and wide influence on the financial statements. Revenue is recognized when the amounts and the related costs are reliably measured, and the performance obligation is complete through passing of control to the customers. Revenue from the sale of goods is recognized at the time when the goods are dispatched for delivery to the customer.</p> <p>Revenue is measured net of discounts, incentives and rebates earned by customers on the company’s sales. Within a number of the company’s markets, the estimation of discounts, incentives and rebates recognised based on sales made during the year is material and considered to be complex and judgemental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.</p> <p>We identified the revenue recognition in key audit matter because sales revenue is the only key performance indicator of the company and there remains an inherent risk for recognition of by management to meet specific targets or expectations.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • We understood, evaluated and validated the key controls related to the Company’s sales process from end to end, from contracts approval and sign-off, recording of sales, all the way through to cash receipts and customers’ outstanding balances. • We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including Mushak 11. In addition, we confirmed customer balances at the statement of financial position date. • Furthermore, we tested the sales transactions recognized shortly before and after the statement of financial position date, including the sales returns recorded after that date, to test whether sales transactions were recorded in the correct reporting periods. • Finally, we assessed the appropriateness and presentation of disclosures against IFRS 15 Revenue from Contracts with Customers.

Independent Auditor's Report (continued)

Earning Per Share (EPS)	
See Note 25.00 to the Financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Earning per share is usually calculated on net profit during the year after deduction of all allowable expenses and provision for tax for the related year and dividing the amount with the weighted average of the number of shares on date of financial statement.</p> <p>During the year EPS has been disclosed at Taka 1.40 per share.</p>	<p>Our observation: During the year the company charged Taka 5,586,300 as earlier year income tax which should have been charged to retained income. As a result, the net profit has been reduced by the above amount resulting reduction of EPS by Taka 2.33. If the earlier year tax and financial expenses on WPPF (ref. note no. 17 of financial statements) would have been charged properly, the EPS of the company could be raised to Taka 4.12</p> <p>This is a major point for which we have given the matter under KAM</p>

Other Information

Management is responsible for the other information. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified when it becomes available to us and include the same in our report if those are received before preparation of this report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRSs 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. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent Auditor's Report (continued)

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements 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 accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Place: Dhaka

Dated: November 27, 2019



Shafiq Basak & Co.
Chartered Accountants

AMBEE PHARMACEUTICALS LIMITED
Statement of Financial Position
As at June 30, 2019

Particulars	Notes	Amount in Taka	
		30 June 2019	30 June 2018
ASSETS			
Non-Current Assets			
Property, Plant & Equipment (at carrying amount) less accumulated depreciation	4.00	109,130,839	116,619,262
Capital Work in Progress (Plant and Machinery under Installation)		-	-
Current Assets			
Inventories	5.00	144,527,601	153,950,123
Trade Receivables	6.00	65,053,413	72,552,402
Advances, Deposits and Pre-payments	7.00	78,714,862	88,104,220
Cash & Cash Equivalents	8.00	5,568,019	12,659,158
Total Assets		402,994,734	443,885,165
EQUITY & LIABILITIES			
Equity attributable to owners of the company			
Share Capital	9.00	24,000,000	24,000,000
Tax-Holiday Reserve	10.00	5,134,154	5,134,154
Retained Earnings		28,676,075	32,509,059
Non-Current Liabilities			
Deferred Tax Liability		7,661,980	7,354,480
Lease Finance (Non-Current Portion)	11.00	1,800,136	6,615,599
Current Liabilities			
Short Term Credit Facility	12.00	96,840,876	103,575,350
Lease Finance (Current Portion)	11.00	4,303,037	8,138,494
Liabilities for Goods & Others	13.00	11,078,025	10,023,879
Liabilities for Expenses	14.00	11,251,507	10,064,390
Liabilities for Other Finance	15.00	165,151,060	185,231,059
Provision for Income Tax	16.00	35,784,917	37,524,724
Workers Profit Participation Fund	17.00	7,778,368	6,719,088
Unclaimed Dividend	18.00	3,534,598	6,994,888
Total Equity and Liabilities		402,994,734	443,885,165

The annexed notes 01 to 42 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 26-11-2019 and were signed on its behalf by:



(Sakina Miraly)
Director



(Serajul Islam)
Director



(Nurjehan Hudda)
Director



(A. K. M. Khairul Aziz)
Chief Financial Officer



(Jahangir Alam)
Company Secretary

Subject to our separate report of even date.



Shafiq Basak & Co.
Chartered Accountants

Place: Dhaka

Dated: 27 November, 2019

AMBEE PHARMACEUTICALS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2019

Particulars	Notes	Amount in Taka	
		30 June 2019	30 June 2018
Revenue	19.00	321,219,660	349,381,558
Cost of Sales	20.00	(154,235,674)	(168,135,675)
Gross Profit		166,983,986	181,245,883
Operating expenses		(145,265,565)	(161,729,251)
Administrative Expenses	21.00	(25,275,753)	(27,300,903)
Selling, Distribution & Marketing Expenses	22.00	(119,989,812)	(134,428,349)
Profit from Operations		21,718,421	19,516,631
Finance Expenses	23.00	(7,921,255)	(7,918,063)
Profit before contribution to WPPF		13,797,165	11,598,568
Contribution to WPPF	24.00	(689,858)	(579,928)
Profit Before Tax		13,107,307	11,018,640
Income Tax Expenses		(9,740,293)	(2,754,659)
For the year		(3,846,493)	(2,790,083)
Earlier Years		(5,586,300)	-
Deferred Tax		(307,500)	35,423
Profit after Tax		3,367,016	8,263,981
Other Comprehensive Income		-	-
Total Comprehensive Income		3,367,016	8,263,981
Number of Shares		2,400,000	2,400,000
Earnings per share (EPS) basic	25.00	1.40	3.44

The annexed notes 01 to 42 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 26-11-2019 and were signed on its behalf by:


(Sakina Miraly)
 Director


(Serajul Islam)
 Director


(Nurjehan Hudda)
 Director


(A. K. M. Khairul Aziz)
 Chief financial officer


(Jahangir Alam)
 Company Secretary

Subject to our separate report of even date.

Place: Dhaka
 Dated: 27 November, 2019


Shafiq Basak & Co.
 Chartered Accountants

AMBEE PHARMACEUTICALS LIMITED
Statement of Changes in Equity
For the year ended June 30, 2019

Particulars	Amount in Taka			
	Share Capital	Tax Holiday Reserve	Retained Earnings	Total Amount
Balance as at 1 July 2018	24,000,000	5,134,154	32,509,059	61,643,213
Transactions with the equity holders:				
Issue Bonus Share	-	-	-	-
Dividend for 2017- 2018	-	-	(7,200,000)	(7,200,000)
Net Profit after Tax 2018-2019	-	-	3,367,016	3,367,016
Balance as at 30 June 2019	24,000,000	5,134,154	28,676,075	57,810,229

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

Particulars	Amount in Taka			
	Share Capital	Tax Holiday Reserve	Retained Earnings	Total Amount
Balance as at 1 July 2017	24,000,000	5,134,154	31,445,078	60,579,232
Transactions with the equity holders:				
Issue Bonus Share	-	-	-	-
Dividend for 2016-2017	-	-	(7,200,000)	(7,200,000)
Net Profit after Tax 2017- 2018	-	-	8,263,981	8,263,981
Balance as at 30 June 2018	24,000,000	5,134,154	32,509,059	61,643,213

The annexed notes 01 to 42 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 26-11-2019 and were signed on its behalf by:



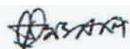
(Sakina Miraly)
Director



(Serajul Islam)
Director



(Nurjehan Hudda)
Director



(A. K. M. Khairul Aziz)
Chief financial officer



(Jahangir Alam)
Company Secretary

Subject to our separate report of even date.

Place: Dhaka

Dated: 27 November, 2019



Shafiq Basak & Co.
Chartered Accountants

AMBEE PHARMACEUTICALS LIMITED
Statement of Cash Flows
For the year ended June 30, 2019

Particulars	Amount in Taka	
	30 June 2019	30 June 2018
A) Cash Flows From Operating Activities:		
Cash receipts from customers & others	328,718,649	346,871,702
Payments for costs, expenses & others	(275,738,341)	(314,475,376)
Cash Generated from operating activities	52,980,307	32,396,326
Finance Expenses	(7,921,255)	(7,918,063)
Income tax paid	(5,657,659)	(5,852,211)
Net cash Generated from operating activities	39,401,393	18,626,052
B) Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(366,850)	(5,771,000)
Plant and Machinery under Installation	-	-
Net cash (used in)/generated from investing activities	(366,850)	(5,771,000)
C) Cash Flows From Financing Activities:		
Other Finance	(20,079,999)	77,913,393
Short Term Loan	(6,734,474)	(85,055,273)
Lease Finance	(8,650,920)	(1,556,070)
Dividend paid	(10,660,290)	(5,068,694)
Net cash used in financing activities	(46,125,682)	(13,766,644)
D) Net change in Cash and Cash Equivalents (A+B+C)	(7,091,139)	(911,593)
E) Opening Cash and Cash Equivalents	12,659,158	13,570,751
F) Closing Cash and Cash Equivalents (D+E)	5,568,019	12,659,158
Net Operating Cash Flow Per Share (Note -27.00)	16.42	7.76

The annexed notes 01 to 42 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 26-11-2019 and were signed on its behalf by:


(Sakina Miraly)
Director


(Serajul Islam)
Director


(Nurjehan Hudda)
Director


(A. K. M. Khairul Aziz)
Chief Financial Officer


(Jahangir Alam)
Company Secretary

Subject to our separate report of even date.


Shafiq Basak & Co.
Chartered Accountants

Place: Dhaka
Dated: 27 November, 2019

AMBEE PHARMACEUTICALS LIMITED
Accounting Policy and Explanatory Notes to the Financial Statements
For the year ended June 30, 2019

1.00 The Background and Activities of the Company**1.01 Status of the Company**

The Ambee Pharmaceuticals Limited (the “Company”), was incorporated in Bangladesh as a public company on 4th February, 1976. It commenced commercial operation in 1978 and went for public issue of shares in 1986. The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges of Bangladesh.

The registered office of the company is located at 184/1, Tejgaon I/A, Dhaka - 1208 and the manufacturing plant is located at same place at 184/1, Tejgaon I/A, Dhaka - 1208.

1.02 Principal Activities

The principal activities of the company were manufacturing of pharmaceuticals drugs and medicines and sales thereof.

2.00 Bases of Financial Statements-Its Preparation and Presentation**2.01 Measurement Bases**

The financial statements have been prepared on the Historical Cost convention. The financial statements therefore, do not take into consideration the effect of inflation.

2.02 Reporting Framework and Compliance thereof

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws and regulations as applicable and in accordance with the applicable International Financial Reporting Standards (IFRSs) in accordance with International Accounting Standards (IASs) and other existing laws.

2.03 Presentation of Financial Statements

The presentation of these financial statements is made in accordance with the guidelines provided by IAS 1: Presentation of Financial Statements.

The financial statements comprises of:

- (a) Statement of Financial Position as at June 30,2019;
- (b) Statement of Profit or Loss and Other Comprehensive Income for the Year ended June 30, 2019;
- (c) Statement of Changes in Equity as at June 30, 2019;
- (d) Statement of Cash Flows for the Year ended June 30, 2019 ; and
- (e) Notes to the financial statements comprising summary of significant accounting policies and explanatory information.

2.04 Reporting Period

The financial statements cover for the period of 12 months from July 01, 2018 to June 30, 2019.

2.05 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 26-11-2019.

2.06 Functional and Presentation Currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the company operates (“the functional currency”). These financial statements are presented in Bangladesh Taka (Taka/Tk./BDT) which is also the functional currency of the company. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.07 Comparative Information

Comparative information has been disclosed in respect of the year 2018 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 have been re-arranged wherever considered necessary to ensure better comparability with the current period.

2.08 Use of Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following notes:

Note: 3.8	Income tax expense
Note: 3.2.3	Depreciation on Fixed Assets
Note: 3.6	Inventories
Note: 14	Liabilities for Expenses

3.00 Significant Accounting Policies

The accounting principles and policies in respect of material items of financial statements set out below have been applied consistently to all periods presented in these financial statements.

3.01 Revenue Recognition

In compliance with the requirements of IFRS 15: Revenue, revenue receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risk and rewards 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, and there is no continuing management involvement with the goods.

3.01.1 Turnover

Turnover for the year comprises local sales only.

3.02 Property, Plant and Equipment

3.02.1 Recognition and Measurement

This has been stated at cost less accumulated depreciation in compliance with the requirements of IFRS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.02.2 Subsequent Expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the statement of profit or loss and other comprehensive income account as expenses if incurred. All upgradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

3.02.3 Depreciation on Fixed Assets (Note-4.00)

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IFRS 16: Property, Plant and Equipment. Depreciation is provided at the following rates on reducing balance basis:

Particulars	Rate
Factory Building	2.50%
Plant & Machinery	7.00%
Deep Tube Well	15.00%
Diesel Generating Set	15.00%
Loose Tools	15.00%
Laboratory Equipment	10.00%
Electrical Installation	10.00%
Laboratory Glassware	15.00%
Production Equipment	10.00%
Transport and Vehicles	20.00%
Motor Cycle	20.00%
Furniture and Fixtures	10.00%
Office Equipment	15.00%
Office By-cycles	20.00%
Books	15.00%

3.02.4 Leases

A finance lease is a lease that transfer substantially all the risks and rewards incidental to ownership of an asset. Title may or may not be transferred eventually. Financial lease are capitalized at the commencement of the lease term at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

Asset under finance leases are recognized in the statement of financial position and the future lease payments are recognized as lease liability. Expenses for the period correspond to depreciation of the leased assets and interest cost for the lease finance are charged in the statement of comprehensive income.

3.02.5 Disposal of Fixed Assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.

3.02.6 Capital Work-In-Progress

Amount paid for acquiring of fixed assets and the cost of assets not put to use at the year-end are disclosed under capital work-in-progress.

3.03 Financial Instruments

Non-derivative financial instruments comprise investment in shares, accounts and other receivables, cash and cash equivalents, borrowings and other payables.

3.03.1 Financial Assets

Financial assets of the company include cash and cash equivalents, accounts receivable and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transactions. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

3.3.1(a) Trade Receivable (Note- 6.00)

Trade receivables are created at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account aging, previous experience and general economic conditions. When an accounts receivable is determined to be uncollected it is written off, firstly against any provision available and then to the profit and loss account. Subsequent recoveries of amounts previously provided for, are credited to the profit and loss account.

3.3.1(b) Cash and Cash Equivalents (Note- 8.00)

Cash and cash equivalents include cash in hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.3.1(c) Advances and Deposits (Note- 7.00)

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

Deposits are measured at payment value.

3.04 Financial Liability

Financial liabilities are recognized initially 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 its contractual obligations are discharged or cancelled or expire.

Finance liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

3.05 Impairment

(a) Financial Assets

Trade receivable and other receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset, that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy etc.

(b) Non-Financial Assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in statement of profit or loss and other comprehensive income unless the asset is carried at revalued amount.

3.06 Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by IFRS 2: Inventories. Cost is determined on weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

3.07 Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

3.08 Income Tax Expense

Income tax expenses comprise current, earlier year and deferred taxes. Income tax expenses are recognized in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

(a) Current Tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rate used for the reporting periods is as follows:

Year	Tax rate
2017	25.00%
2018	25.00%
2019 (1st July, 2018 to 30 June, 2019)	25.00%

The company qualifies as a "Publicly Traded Company"; hence the applicable Tax Rate is 25.00%.

(b) Earlier Year Tax

This represents the taxes imposed by the Tax Department after completion of tax assessment of previous years which were under appeal. The company provided the tax liability of previous years and charged as earlier year tax.

(c) Deferred Tax

The company has recognized deferred tax using balance sheet method in compliance with the provisions of IFRS 12: Income Taxes. The company's policy of recognition of deferred tax assets/ liabilities is based on temporary differences (Taxable or deductible) between the carrying amount (Book value) of assets and liabilities for financial reporting purpose and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and earnings per shares (EPS).

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available, against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.09 Borrowing Cost

Borrowing costs are recognized as expenses in the period in which they are incurred unless capitalization of such is allowed under IFRS 23 : Borrowing Costs.

3.10 Segment Report

The Company has no reportable operating segments as per IFRS-8. The Company operates in a single product segment as such no segment reporting is felt necessary.

3.11 Employee Benefits

The Company operates a contributory provident fund for its Staff. Assets of provident fund are held in a separate trustee who administrated fund as per the relevant rules and is funded by payments from employees and by the Company at pre-determined rates. The Company's contribution to the provident fund is charged off as revenue expenditure in the period to which the contributions relate.

3.12 Contribution to Workers' Profit Participation and Welfare Funds

This represents 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labor Law, 2006 and is payable to workers as defined in the said law.

3.13 Proposed Dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to the financial statements along with dividend per share in accordance with the requirements of the Para 125 of Bangladesh Accounting Standard (IFRS) 1: Presentation of Financial Statements. Also, the proposed dividend has not been considered as "Liability" in accordance with the requirements of the Para 12 & 13 of Bangladesh Accounting Standard (IFRS) 10: Events After The Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board of Directors.

Dividend proposed by the board of directors for the year under review shall be accounted for after the approval of the shareholders in the annual general meeting.

3.14 Earnings per Share (EPS)

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period.

Basic earnings

This represents earnings for the year 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 Share Outstanding during the period

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days the specific shares are outstanding as a production of the total number of days in the period.

Diluted Earnings per Share

No diluted EPS is required to be calculated for the period as there was no scope for dilution.

3.15 Foreign Currency Transactions

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date. The monetary assets and liabilities, if any, denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Any gain or loss due to exchange differences are recognized as revenue income/expense in compliance with the provisions of IFRS 21: The Effects of Changes in Foreign Exchange Rates. There is no export and loan which are dominated the financial statements in this financial year.

3.16 Statement of Cash Flows

The Statement of cash Flows has been prepared in accordance with the requirements of IFRS 7: Statement of Cash Flows. The Cash generated from operating activities has been reported using the Direct Method as prescribed by the Security and Exchange Rules,1987 and as the benchmark treatment of IFRS 7,whereby major classes of gross cash payments from operating activities are disclosed.

3.17 Event after Reporting Period

Event after reporting period that provide additional information about the company's position at the date of statement of Financial Position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3.18 Other regulatory compliance

As required, Ambee Pharmaceuticals Limited also complies with the following major regulatory provisions in addition to the Companies Act 1994, the Securities and Exchange rules 1987 and other applicable laws and regulations:

The Income Tax Ordinance 1984
The Income Tax Rules 1984
The Securities and Exchange Commission Ordinance 1969
The Securities and Exchange Commission Act 1993
The Value Added Tax Act 1991
The Value Added Tax Rules 1991
The Labour Law 2006

3.19 Going concern

The company has adequate resources to be in operation for a foreseeable future and the directors continue to adopt going concern basis in preparing the financial statements. The current resources of the company provide sufficient fund to meet the present requirements of its existing business.

Note Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
04.00	Property Plant & Equipment			
	A) Cost:			
	Opening Balance		227,253,359	221,482,359
	Add: Addition during the year		366,850	5,771,000
	Less: Adjustment during the year		-	-
	Closing Balance (A)		227,620,208	227,253,359
	(B) Accumulated Depreciation			
	Opening Balance		110,634,097	101,579,762
	Add: Addition during the year		7,855,272	9,054,335
	Less: Adjustment during the year		-	-
	Closing Balance (B)		118,489,369	110,634,097
	Written Down Value(A-B)		109,130,839	116,619,262
	Details of Property Plant & Equipment are shown in Annexure-A			
5.00	Inventories			
	Raw materials		53,359,376	62,233,624
	Packing materials		24,694,796	34,888,311
	Promotional materials		763,559	922,244
	Work-in-process		5,554,308	6,798,986
	Finished goods		59,323,562	47,854,958
	Materials-in-transit		832,000	1,252,000
			144,527,601	153,950,123
6.00	Trade Receivables			
	a) Trade Receivables of Tk. 65,053,413 (June 30,2018 - 72,552,402) is considered good in respect of which the company holds no security other than the debtors personal security.			
	b) No amount was due by the directors (including Managing director), managing agents, managers and other officers of the company and any of them severally or jointly with any other person.			
	c) Debtors outstanding for a period			
	Above six months		29,887,781	31,923,763
	Below six months		35,165,632	40,628,639
			65,053,413	72,552,402
7.00	Advances, Deposits & Pre-payments:			
	a) Advances	Note-7.01	75,211,715	84,505,859
	b) Deposit and Prepayments	Note-7.02	3,503,147	3,598,361
			78,714,862	88,104,220
7.01	Advances			
	Advances to staff		1,701,090	3,228,194
	Advance Rent		341,000	1,325,600
	Income tax		44,358,008	49,872,949
	Against purchases and expenses		9,554,820	12,374,475
	Associated Undertaking		19,256,797	17,704,641
	Sub total		75,211,715	84,505,859



Note Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
7.02	Deposit and Prepayments			
	VAT deposit		1,333,967	1,009,181
	L/C Margin		832,000	1,252,000
	Guarantee Margin		20,715	20,715
	Other Deposits		1,291,465	1,291,465
	Pre-payments		25,000	25,000
	Sub total		3,503,147	3,598,361
8.00	Cash & Cash Equivalents			
	In hand		3,939,711	9,545,752
	At banks:		1,628,308	3,113,406
	In current account		1,546,793	3,031,891
	In in-operative account		81,515	81,515
			5,568,019	12,659,158
09.00	Share Capital			
	Authorised Capital			
	2,500,000 Ordinary Shares of Tk. 10 each		25,000,000	25,000,000
	Issued, Subscribed and paid-up Capital			
	By Cash			
	1,821,008 Ordinary Shares of Tk. 10 each fully paid up in cash.		18,210,080	18,210,080
	Other than Cash			
	178,992 Ordinary Shares of Tk. 10 each paid-up in full for consideration other-wise than cash.		1,789,920	1,789,920
	By issue of Bonus Share			
	400,000 Bonus Shares of Tk.10 each Issued for the year 2013		4,000,000	4,000,000
			24,000,000	24,000,000

a) The break-up of share-holding is given below :

Particulars	2018-2019		2017-2018	
	No of Shares	%	No of Shares	%
Sponsors, Directors & Associates	1,591,329	66.31	1,591,330	66.31
ICB & Institutions	83,520	3.48	172,003	7.16
Foreign Investors	214,790	8.95	214,790	8.95
General Public	510,361	21.26	421,877	17.58
	2,400,000	100	2,400,000	100

b) The distribution schedule showing the number of shareholders' and their shareholdings in Percentage has been disclosed as a requirement of the "Listing Regulation" of Dhaka and Chittagong Stock Exchanges as on 30 June, 2019.

Range of Holdings	Number of Shareholders	No. of Shares	% of Shares Holdings
01 to 500 shares	2645	228,627	9.53%
501 to 5,000 shares	213	262,774	10.95%
5,001 to 10,000 shares	3	26,153	1.09%
10,001 to 20,000 shares	3	47,580	1.98%
20,001 to 30,000 shares	1	28,807	1.20%
30,001 to 40,000 shares	0	-	0.00%
40,001 to 50,000 shares	3	144,120	6.01%
50,001 to 100,000 shares	0	-	0.00%
100,001 to 1,000,000 shares	1	214,790	8.95%
Over 1,000,000 shares	1	1,447,149	60.30%
	2,870	2,400,000	100.0%

Note Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
	c) Market Price :			
	The shares are listed in the Dhaka and Chittagong Stock Exchanges. On 30.06.2019 each share was quoted at Tk. 651.20(on 30.06.2018 - Tk. 591.70) in the Dhaka Stock Exchange Ltd. and Tk. 640.50 (on 30.06. 2018 - Tk. 590.70) in the Chittagong Stock Exchange Ltd.			
	d) Option on unissued shares :			
	There is no option regarding authorised capital not yet issued but can be used to increase the issued, subscribed and paid-up capital through the issuance of new shares against cash contributions and bonus.			
	10.00 Tax-Holiday Reserve			
	This was created out of Tax-Holiday Profit to invest in the same undertaking or in any new industrial undertaking or in stocks and shares of a public company or in government bonds or securities or for other purposes as specified in this respect as one of the condition of granting Tax Holiday.			
	11.00 Lease Finance			
	Loan from GSP Finance		6,103,173	14,754,093
	Less: Current Portion of long term loan being payable within one year		(4,303,037)	(8,138,494)
			<u>1,800,136</u>	<u>6,615,599</u>
	<u>Obligation Under Finance Leases</u>			
	Gross Finance Lease- minimum lease liability			
	Within one year		4,878,040	9,723,408
	After one year		2,009,922	7,996,623
	Total		<u>6,887,962</u>	<u>17,720,031</u>
	Less: Future finance charges on finance lease liability		784,789	2,965,938
	Present Value of Finance Lease liability		<u>6,103,173</u>	<u>14,754,093</u>
	This consist of as follows:			
	Within one year		4,303,037	8,138,494
	Within two to five years		1,800,136	6,615,599
	Total Present Value of Finance Lease liability		<u>6,103,173</u>	<u>14,754,093</u>
	Effective interest rate for the said loan was as follows:			
	October 03,2016 to August 30,2019 @ 16% per annum			
	November 09,2016 to October 05,2019 @ 16% per annum			
	February 15,2017 to January 15,2020 @ 16% per annum			
	February 05,2017 to November 05,2020 @ 16% per annum			
	12.00 Short Term Credit Facility			
	Secured Overdraft			
	Overdraft Facilities		51,041,391	72,516,719
	Letter of Trust Receipt		45,799,485	31,058,631
			<u>96,840,876</u>	<u>103,575,350</u>
	13.00 Liabilities for Goods & Others			
	This represents amounts due to various suppliers of raw, packing and stores materials, the ageing of which liability is as follows:			
	Above six months		11,078,025	10,023,879
	Below six months		<u>11,078,025</u>	<u>10,023,879</u>



Note Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018

14.00 Liabilities for Expenses

This represents provision for various expenses (e.g. remuneration and allowances, salaries and wages, utilities bills etc.) which have fallen due as on 30th June, 2019, ageing of which liability is as follows

Above six months	-	
Below six months	11,251,507	10,064,390
	<u>11,251,507</u>	<u>10,064,390</u>

Details of above balance are given below:

Salary, wages & Allowance	8,864,384	8,096,278
Postage Expenses	3,250	2,044
Director Remuneration	500,000	500,000
Electricity, Gas & Water	576,637	335,351
Audit Fees	402,500	402,500
Telephone Bill	280,341	143,821
TA/DA & Other	624,394	584,395
	<u>11,251,506</u>	<u>10,064,389</u>

15.00 Liabilities for other Finance

Opening Balance	185,231,059	107,317,666
Add. Addition during the year	-	124,547,070
Vat payable	-	4,420,550
Loan from Aziz Mohammad Bhai	-	120,126,520
Less: Adjustment during the year	(20,080,000)	(46,633,677)
Vat Paid	(12,080,000)	-
Interest paid	-	(32,419,876)
Loan from Aziz Mohammad Bhai	(8,000,000)	(14,213,801)
	<u>165,151,059</u>	<u>185,231,059</u>

Details of above balance are given below:

Employees Income Tax	701,137	701,137
Refund Warrant Payable	13,000	13,000
Share Application Money	500	500
Vat Payable	24,436,732	36,516,732
Income Tax deduction from Supplier	431,369	431,369
Provident Fund Payable	1,916,358	1,916,358
Loan from Mr. Aziz Mohammad Bhai	117,650,308	125,650,308
Interest Payable	20,001,655	20,001,655
	<u>165,151,060</u>	<u>185,231,059</u>

Out of total balance of Tk.165,151,060 an amount of Tk 117,650,308 is payable to Aziz Mohammad Bhai, Chairman of the Company as disclosed at Note # 35 "Related party transactions"

16.00 Provision for Income Tax

Opening Balance	37,524,724	34,734,641
Provision for the year	3,846,493	2,790,083
Adjustment for the year 2012 and 2014	(5,586,300)	-
	<u>35,784,917</u>	<u>37,524,724</u>

Income tax assessment up to 2008 and 2012, 2014 are completed. Assessment for the years 2009, 2010, 2011, 2013, 2015-2016, 2016-2017, 2017 -2018 are finalized and in appeal. Income tax assessment for the year 2018-2019 is filed for assessment.

Note Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
17.00	Workers Profit Participation Fund (WPPF)			
	Opening Balance		6,719,088	5,011,559
	Provision for the year		689,858	579,928
	Interest during the year		940,672	1,127,601
	Less: Adjustment/ payment during the year		(571,250)	-
			<u>7,778,368</u>	<u>6,719,088</u>

18.00 Unclaimed Dividend

The following figures represent the dividends for which the warrants are either lying with the shareholders and have not been presented as yet by them to the bank for encashment or have been returned to the company undelivered due to change of address of those shareholders and their new address have not yet been communicated to the company. Under instruction from SEC , press advertisements were made to collect the past dividend warrants but many shareholders are yet to turn up to collect their respective warrants.

			3,534,598	6,994,888
			<u>3,534,598</u>	<u>6,994,888</u>
19.00	Revenue			
	Local Sales		321,219,660	349,381,558
			<u>321,219,660</u>	<u>349,381,558</u>
	Sales Quantity :			
	Tablet	66,587,541 Pcs.	233,871,914	242,310,391
	Capsules	11,469,200 Pcs.	37,830,932	79,364,425
	Liquids	489,011 Philes	12,738,500	12,582,631
	Ointment	57,881 Pcs.	1,106,024	236,265
	Injection	7,884,894 Ampoule	35,672,290	14,887,846
20.00	Cost of Sales			
	Work-in-process (Opening)		6,798,986	5,490,659
	Raw materials consumed	Notes-20.01	77,826,982	76,620,335
	Packing materials consumed	Notes-20.02	50,134,749	53,531,282
	Promotional materials consumed	Notes-20.03	3,580,567	3,695,756
	Factory overhead	Notes-20.04	32,514,750	32,238,598
	Depreciation		1,976,748	2,095,628
	Work-in-process (Closing)		(5,554,308)	(6,798,986)
	Cost of production		<u>167,278,474</u>	<u>166,873,272</u>
	Stock of finished goods (Opening)		47,854,958	51,614,104
	Stock of finished goods (Closing)		(59,323,562)	(47,854,958)
	Cost of free samples		(1,574,196)	(2,496,743)
			<u>154,235,674</u>	<u>168,135,675</u>

20.01 Raw Materials Consumed

	Active Ingredients (kg)	Excipients (kg)	E.H.G. Capsules (pcs)		
Opening Stock	5,411	43,448	7,910,630	62,233,624	65,913,118
Purchase	17,480	57,312	7,521,000	68,952,734	72,940,841
Closing Stock	3,296	28,579	4,918,700	(53,359,376)	(62,233,624)
	<u>19,595</u>	<u>72,181</u>	<u>10,512,930</u>	<u>77,826,982</u>	<u>76,620,335</u>

Raw materials consumed is 86.17% imported.

Note Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
20.02	Packing Materials Consumed			
	Opening Stock		34,888,311	39,378,472
	Purchase		39,941,234	49,041,121
	Closing Stock		(24,694,796)	(34,888,311)
			<u>50,134,749</u>	<u>53,531,282</u>

Packing materials consumed is 35.16% imported.

Particulars in respect of quantity of each packing materials as well as value of each class of packing materials are not given as number of items as well as classes of items are large.

20.03 Promotional Materials Consumed

	Opening Stock		922,244	1,018,281
	Purchase		3,421,882	3,599,719
	Closing Stock		(763,559)	(922,244)
			<u>3,580,567</u>	<u>3,695,756</u>

Particulars in respect of quantity of each promotional materials as well as value of each class of promotional materials are not given as number of items as well as classes of items are large.

20.04 FACTORY OVERHEAD

	Salary, wages and allowances		25,672,965	24,903,230
	Overtime allowances		177,430	274,700
	Car Expenses		760,155	266,613
	Electricity, Gas and Water		4,135,753	3,929,072
	Conveyance		49,475	29,392
	Entertainment		33,838	81,923
	Printing and Stationery		43,040	43,260
	Repairs and maintenance		665,502	946,791
	Telephone		68,614	108,558
	Indirect materials-Packing		831,187	1,110,807
	Fees and Commissions		-	140,675
	Newspaper and periodicals		-	3,400
	Uniform		8,041	88,935
	General Expenses		-	72,435
	Washing and laundry expenses		-	420
	Power & Fuel		68,750	238,387
			<u>32,514,750</u>	<u>32,238,598</u>

21.00 ADMINISTRATIVE EXPENSES

	Salary and allowances		8,134,858	9,053,520
	Directors' Remuneration		6,000,000	6,000,000
	Car expenses		480,000	270,780
	Bank Charges		30,703	38,957
	Conveyance		126,186	129,500
	Entertainment		354,516	450,322
	Travelling Expenses		503,811	705,972
	Postage expenses		16,840	18,931
	Printing and Stationery		279,687	190,065
	Electricity, Gas and Water		1,033,037	982,267

Note Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
	Repairs and maintenance		91,748	180,871
	Telephone		811,318	802,898
	Fees and commissions		392,503	421,060
	Membership subscription		184,000	143,882
	Audit fees (Statutory)		402,500	402,500
	Insurance premium		73,755	78,820
	Legal and professional charges		213,000	205,500
	AGM expenses		149,687	126,096
	Advertisement & Publicity		119,079	140,254
	Depreciation		5,878,525	6,958,708
			25,275,753	27,300,903

22.00 SELLING, DISTRIBUTION AND MARKETING EXPENSES

Salary and allowances	83,588,252	86,588,252
Incentive Bonus	1,212,740	1,020,070
Rent, rates and taxes	4,217,953	5,603,762
Car expenses	100,338	249,418
Bank charges	47,389	253,250
Conveyance	262,097	264,855
Entertainment	130,983	284,513
Postage expenses	16,255	21,741
Printing and Stationery	376,038	375,860
Repairs and maintenance	338,745	503,240
Telephone	1,370,462	1,350,775
Electricity, Gas and Water	431,769	618,876
Fees and commissions	-	70,838
Insurance premium	-	349,881
TA/DA of MR and others	7,095,481	9,071,470
General expenses	2,550	57,920
Meeting/Conference/Training expenses	1,271,610	1,604,670
Delivery Van expenses	341,621	804,576
Delivery expenses	16,379,451	21,014,052
Free Sample	2,806,078	4,320,330
	119,989,812	134,428,349

23.00 FINANCIAL EXPENSES

Interest on Overdraft	5,280,553	4,416,734
Interest on Lease Finance	1,700,030	2,373,728
Interest on WPPF	940,672	1,127,601
	7,921,255	7,918,063

24.00 CONTRIBUTION TO WORKERS PROFIT PARTICIPATION FUND

Workers Profit Participation Fund	689,858	579,928
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This represents 5% of net profit before charging the contribution for the year provided as per provisions of the Companies Profit (Workers Participation) Act, 1968 and is payable to workers as defined in the said Act.



Note Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
25.00	EARNING PER SHARE (EPS)			
	This is made up as follows :			
	Earning attributable to the Ordinary Shareholders (Net profit after tax)		3,367,016	8,263,981
	Weighted average number of Ordinary shares outstanding during the year		2,400,000	2,400,000
			<u>1.40</u>	<u>3.44</u>

Earning per Share (EPS) decreased by Tk. 2.04 due to profit after tax decreased by Tk. 4,896,965 this year than last year. During the year earlier year income taxes of Taka 5,586,300 and interest on WPPF Fund of Taka 940,672 which relates to previous year have been charged as expense for the year resulting decrease of EPS.

26.00 NET ASSETS VALUE (NAV)

Net Assets	57,810,229	61,643,213
Weighted average number of Ordinary shares-outstanding during the year	2,400,000	2,400,000
	<u>24.09</u>	<u>25.68</u>

27.00 NET OPERATING CASH FLOW PER SHARE

Cash flows from net operating activities as per Statement of Cash flows	39,401,393	18,626,052
Weighted average number of Ordinary shares outstanding during the year	2,400,000	2,400,000
	<u>16.42</u>	<u>7.76</u>

Net Operating Cash Flows per Share (NOCPS) increased in this year by Tk. 8.66 due to increase of collection against sales by 3.05% than last year and decrease of operating expenses against sales in this year by 1.07 % than last year.

28.00 APPROPRIATION DURING THE YEAR

In accordance with IFRSs 1 "Presentation of Financial Statements", the appropriations for the period other than dividend for 2017- 2018 are reflected in the statement of changes in equity.

The net profit for the year carried forward in the balance sheet will be applied for payment of this year's dividend proposed by the board of directors @ 30% (Thirty percent) cash dividend i.e. Taka 3.00 (Taka three) per fully paid Ordinary Shares of Taka 10.00 each and will be accounted for in the accounts as and when approved by the shareholders in the Annual General Meeting.

29.00 Key Management Personnel Compensation.

During the year , the amount of compensation paid to Key Management Personnel including Board of Directors is as under (As Para 17 of IAS 24 Related Party Disclosures):

Short Term Employee Benefits	15,581,250	-
Post- Employment Benefits	-	-
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Others	-	-
	<u>15,581,250</u>	<u>-</u>

There is no other benefits provided by the company to it's employees other than a contributory Provident Fund Scheme.

Note Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018

30.00 NATURE OF SECURITY OF SHORT TERM CREDIT FACILITY

The loan is secured against hypothecation on stocks, fixed assets, land and all other usual charge documents.

31.00 PLANT CAPACITY AND CAPACITY UTILISATION

Products	On single shift basis		Remarks
	Production capacity	Actual production	
Tablet group (Pcs)	1,200,000	1,100,000	As per market demand
Capsule group (Pcs)	384,000	288,000	As per market demand
Suspension group (Philes)	8,000	7,000	-do-
Injectable (Ampoules)	35,000	30,000	-do-
Tube	7,500	5,000	-do-

32.00 Credit Facility - Others

There was no general nature of credit facilities available to the company under any contract, other than trade credit available in the ordinary course of business and not availed of as on 30-06-2019.

33.00 Capital Expenditure Commitment

There was capital expenditure contracted and incurred or provided for at June 30, 2019.

There was no material capital expenditure authorised by the Board but not contracted for at June 30,2019.

34.00 Payments made in Foreign currency

Import of Raw material	59,413,636	67,944,393
Import of Packing material	14,043,629	20,523,709

No other expenses including royalty, technical expert and professional advisory fees, interest etc. was incurred or paid in foreign currencies except as stated above.

35.00 Related Party Transactions - Disclosure under IAS 24 "Related Party Disclosure"

The Company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures". The Company opines that terms of related party transactions do not significantly differ from those that could have been obtained from third parties. Total transactions of the significant related parties as at 30 June 2019 were as follows:

Name of the Party	Relationship	Nature of Transaction	Opening Balance	Addition during the year	Adjustment during the year	Closing Balance
Aziz Mohammad Bhai	Chairman	Inter company Loan/ Receivable	125,650,308	-	8,000,000	117,650,308
Olympic Industries Limited	Group Concern	Inter company Loan/ Receivable	1,274,471	324,520	513,320	1,085,671
Bengal Steel Works Limited	Group Concern	Inter company Loan/ Receivable	17,606,655	1,552,156	-	19,158,811
Ambee Films Limited	Group Concern	Inter company Loan/ Receivable	97,986	-	-	97,986
Total			144,629,420	1,876,676	8,513,320	137,992,776

Note Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
36.00	Comparative Figures			
	Certain comparative figures have been reclassified from statements previously presented to conform to the presentation adopted during the period ended June 30, 2019.			
37.00	Approval of the Financial Statements			
	These financial statements were authorized for issue in accordance with a resolution of the Company's board of directors on 26-11-2019.			
38.00	Post Closing Events			
	Following events have occurred since the balance sheet date:			
	(a) Subsequent to the balance sheet date, the Board of Directors recommended 30% (Thirty percent) cash dividend i.e. Taka 3.00 (Taka three) per fully paid ordinary shares of taka 10.00 each which will be accounted for as and when approved by the shareholders in the Annual General Meeting.			
	(b) Except the fact stated above, no circumstances have arisen since the balance sheet date which would require adjustment to, or disclosure in, the financial statements or notes thereto.			
39.00	Effect of exchange rate changes on cash and cash equivalents			
	As per the Paragraph 28 of IFRS 21 "The Effects of Changes in Foreign Exchange Rates" - The Company has no Export/Foreign investment for the financial year 2018-2019, so it is not applicable in the Statement of Cash Flows for the year ended on 30 June 2019.			
40.00	Financial Risk Management			
	The management of company has overall responsibility 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 risks for its use of financial instruments.			
	Credit risk			
	Liquidity risk			
	Market risk			
40.01	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 is monitored on an ongoing basis. As at 30 June 2019 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.			
40.02	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 obligations 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.			

Note Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018

40.03 Market Risk

Market risk is the risk that any change 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 purchases such as import of raw & packing materials, machineries and equipment. Majority of the Company's foreign currency transactions are denominated in USD and relate to procurement of raw & packing 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 rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

41.00 General:
41.01 Contingent Liabilities

There may arise contingent liability for unassessed income tax cases pending with Tax Department.

41.02 Claims not Acknowledged:

There is no claim against the company not acknowledged as on 30.06.2019

41.03 Directors Responsibility Statements:

The board of Directors takes the responsibility for the preparation and presentation of these financial statements.

41.04 Directors Remuneration :

During the year total remuneration paid to directors amounting to Tk. 6,000,000.

41.05 Employee Details:

At the end of the period there were 891 employees in the company.

41.06 Amounts appearing in these financial statements have been rounded off to the nearest Taka.
42.00 Disclosure of Interests in other Entities

As per International Financial Reporting Standard (IFRS)12: The Company have no any associate, subsidiary or joint venture organization which interest impact on Company's interest.



(Sakina Miraly)
Director



(Serajul Islam)
Director



(Nurjehan Hudda)
Director



(A. K. M. Khairul Aziz)
Chief financial officer



(Jahangir Alam)
Company Secretary

Annexure-A

4.00 PROPERTY, PLANT & EQUIPMENT :

Particulars	C O S T			Rate %	D E P R E C I A T I O N				Net Book Value as on 30.06.2019
	As on 01.07.2018	Addition during the year	Adjustment during the year		As on 30.06.2019	As on 01.07.2018	Adjustment during the year	During the year	
Existing Units -1									
Land	49,033,738	-	-	-	-	-	-	-	49,033,738
Leasehold Land	1,215,803	-	-	-	-	-	-	-	1,215,803
Factory Building	25,453,974	-	-	2.5	13,661,142	-	294,821	13,955,963	11,498,011
Plant and Machinery	61,668,702	-	-	7	45,227,966	-	1,150,851.49	46,378,818	15,289,884
Deep Tube Well	1,368,000	-	-	15	1,055,136	-	46,930	1,102,066	265,934
Diesel Generating Set	446,500	-	-	15	331,106	-	17,309.10	348,415	98,085
Loose Tools	98,001	-	-	15	93,505	-	674	94,179	3,822
Laboratory Equipment	3,200,156	-	-	10	2,172,661	-	102,750	2,275,411	924,746
Electrical Installation	556,455	-	-	10	189,621	-	36,683	226,304	330,151
Laboratory Glass Ware	41,626	-	-	15	41,461	-	25	41,486	140
Production Equipment	1,220,541	-	-	10	758,345	-	46,220	804,565	415,976
Transport and Vehicles	12,530,135	-	-	20	8,327,793	-	840,468.40	9,168,261	3,361,874
Motorcycle	38,662,774	-	-	20	16,403,201	-	4,451,914.51	20,855,116	17,807,658
Furniture and Fixtures	3,510,681	-	-	10	2,498,695	-	101,198.60	2,599,894	910,787
Office Equipment	12,036,486	366,850	-	15	9,053,877	-	483,436.28	9,537,314	2,866,022
Office By-cycles	15,962	-	-	20	15,597	-	73	15,670	292
Books	98,060	-	-	15	88,504	-	1,433	89,937	8,123
Sub Total	211,157,594	366,850	-		99,918,613	-	7,574,787	107,493,401	104,031,044
Infectable (Ampoule) Unit-2									
Factory Building	3,627,409	-	-	2.5	1,187,470	-	60,998	1,248,468	2,378,941
Plant and Machinery	9,221,953	-	-	7	6,533,002	-	188,227	6,721,229	2,500,724
Production Equipment	80,500	-	-	10	62,712	-	1,779	64,491	16,009
Transport and Vehicles	2,235,000	-	-	20	2,173,790	-	12,242	2,186,032	48,968
Furniture and Fixture	930,903	-	-	10	758,510	-	17,239	775,749	155,154
Sub Total	16,095,765	-	-		10,715,484	-	280,485	10,995,969	5,099,796
June 30, 2019 Tk.	227,253,359	366,850	-		110,634,097	-	7,855,272	118,489,370	109,130,839
June 30, 2018 Tk.	221,482,359	5,771,000	-		101,579,761	-	9,054,335	110,634,097	116,619,262

Note : Depreciation Charged to :

	30-06-2019	30-06-2018
Cost of Goods Sold (Note - 20)	1,976,748	2,095,628
Administrative Expenses (Note - 21)	5,878,525	6,958,708
Tk.	7,855,272	9,054,335

AMBEE PHARMACEUTICALS LIMITED
Computation of Deferred Tax
For the year ended June 30, 2019

Annexure-B

Particulars	Amount in Taka	
	30 June 2019	30 June 2018
Carrying value of depreciable fixed assets	60,097,101	67,585,524
Tax base Value	(29,449,182)	(38,167,603)
Net taxable temporary difference- Liabilities	30,647,919	29,417,921
Tax Rate	25.00%	25.00%
Deferred Tax Liability - Closing	7,661,980	7,354,480
Deferred Tax Liability- Opening	7,354,480	7,389,903
Deferred Tax Expenses for the year	<u>(307,500)</u>	<u>35,423</u>

AMBEE PHARMACEUTICALS LIMITED
 184/1, Tejgaon Industrial Area, Dhaka-1208
Income Tax Provision
For the year ended June 30, 2019

Annexure-C

Particulars	Amount in Taka	
	30 June 2019	30 June 2018
Income Tax Provision		
Opening balance	37,524,724	-
Provision Made during the year **	3,846,493	-
	<u>41,371,217</u>	<u>-</u>
		-
Net Profit before Tax	<u>13,107,307</u>	<u>-</u>
Depreciation as per Audited Accounts	7,855,272	-
Depreciation as per Income Tax	(6,576,608)	-
Other Disallowances	1,000,000	-
Taxable Profit	<u>15,385,972</u>	<u>-</u>
Applicable Tax Rate	<u>25%</u>	<u>-</u>
Income Tax Provision**	<u>3,846,493</u>	<u>2,790,083</u>



Product List of Ambee Pharmaceuticals Ltd.

Brand name	Dosage form	Generic name & strength	
Tablet			
ACES PLUS	TABLET	Antioxydent Vitamin plus multimenaral	
ACT	TABLET	PARACETAMOL	500 mg
ACT PLUS	TABLET	PARACETAMOL + CAFFEINE	500 + 65 mg
ACTIZEN	TABLET	CETIRIZINE	10 mg
ADOREX	TABLET	DOMPERIDONE MALEATE	10 mg
AFUVIN	TABLET	GRISEOFULVIN	500 mg
AMASON	TABLET	DEXAMETHASONE	0.5mg
AMBEECAL	TABLET	CALCIUM CARBONATE	500mg
AMBEECAL - D	TABLET	Calcium carbonate + Vitamin D3	
AMETROL-DS	TABLET	METRONIDAZOLE	800 mg
AMETROL-VT	TABLET	Metronidazole + Miconazole Nitrate	100 mg
AMINOPHYLLINE	TABLET	AMINOPHYLLINE	100 mg
ANETOL	TABLET	ATENOLOL	50 mg
ANTAC	TABLET	RANITIDINE	150 mg
A-ROX	TABLET	ROXITHROMYCIN	150 mg
A-ROX	TABLET	ROXITHROMYCIN	300 mg
AROLAK	TABLET	Ketorolac Tromethamine	10 mg
CALCITATE	TABLET	CALCIUM LACTATE	
C-BON	TABLET	ASCORBIC ACID	250 mg
CERENIN	TABLET	VINPOCETINE	5 mg
DIPHEDAN	TABLET	PHENYTOIN	100 mg
DOPEGYT	TABLET	METHYLDOPA	250 mg
FOLAC	TABLET	FOLIC ACID	5 mg
HIFLOX	TABLET	CIPROFLOXACIN	500 mg
HIFLOX	TABLET	CIPROFLOXACIN	750 mg
HITFLAM	TABLET	DICLOFENAC SODIUM	50 mg
HITFLAM SR	TABLET	DICLOFENAC SODIUM	100 mg
KLION	TABLET	METRONIDAZOLE	200 mg
KLION	TABLET	METRONIDAZOLE	400 mg
LEXLO	TABLET	LEVOFLOXACIN Hemihydrate	500 mg
LEXLO	TABLET	LEVOFLOXACIN Hemihydrate	250 mg
LOVATIN	TABLET	LOVASTATIN	20 mg
LOTAS	TABLET	LOSARTAN POTASSIUM	50 mg
LOTAS PLUS	TABLET	Losartan Potassium + Hydrochlorothiazide	50 +12.5mg
MESPA	TABLET	MEBEVERINE Hydrochloride	135 mg
MYCIN	TABLET	ERYTHROMYCIN ESTOLATE	500 mg
MYZID	TABLET	AZITHROMYCIN	500 mg
MYZID	TABLET	AZITHROMYCIN	250 mg
NALIDEX	TABLET	NALIDIXIC ACID	500 mg
NAPROXIN	TABLET	NAPROXEN	250 mg
NAPROXIN	TABLET	NAPROXEN	500 mg
NOCTIN	TABLET	NITRAZEPAM	5 mg
NOMIGRAN	TABLET	SUMATRIPTAN SUCCINATE	50 mg
NOMIGRAN	TABLET	SUMATRIPTAN SUCCINATE	100 mg
NOP	TABLET	LISINAPRIL DIHYDRATE	5 mg
NO-SPA	TABLET	DROTAVERINE	40 mg
NOSTIS	TABLET	Glucosamine + Chondroitin Sulphate	250+200mg
PEROL	TABLET	HALOPERIDOL	5 mg
PREDNISOLONE	TABLET	PREDNISOLONE	5 mg
REM	TABLET	BROMAZEPAM	3 mg
SEDUXEN	TABLET	DIAZEPAM	5 mg
SOMA-DS	TABLET	CO-TRIMOXAZOLE	960 mg
STOMACID	TABLET	ANTACID	650 mg
SURAL	TABLET	ETHAMBUTOL	400 mg
SERA	TABLET	SERTRALINE HCl	50 mg
TRIBEN	TABLET	ALBENDAZOLE	400 mg
TROFURIT	TABLET	FRUSEMIDE	40 mg
VEROSPIRON	TABLET	SPIRONOLACTONE	25 mg
VEROSPIRON PLUS	TABLET	SPIRONOLACTONE + Frusemide	50 +20 mg
VITEX-M	TABLET	MULTI VITAMIN with Minerals	
VITEX GOLD	TABLET	Multivitamin +Multimineral (A-Z)	
VITEX GOLD	TABLET	Multivitamin +Multimineral (A-Z)	
Tube			
CINON	CREAM	HALCINONIDE	5 gm
FUNGAKIL	CREAM	FLUOCINOLONE ACETONIDE	5 gm
FUNGAKIL	OINT.	FLUOCINOLONE ACETONIDE	5 gm
HITFLAM	GEL	DICLOFENAC SODIUM	10 gm

Brand name	Dosage form	Generic name & strength	
Liquid			
ACT PAEDIATRIC DROP	Paediatric Drop	PARACETAMOL (MICRO.)	15 ml
ACT SUSPENSION	Suspension	PARACETAMOL	60 ml
ACTIZEN SYRUP	Syrup	CETIRIZINE Dihydrochloride	60 ml
ADOREX PAEDIATRIC DROP	Paediatric Drop	DOMPERIDONE	15 ml
ADOREX SUSPENSION	Suspension	DOMPERIDONE	100 ml
ADOREX SUSPENSION	Suspension	DOMPERIDONE	60 ml
AFLUZOLE SUSPENSION	Suspension	FLUCONAZOLE	35ml
AMBEEIN DRY SYRUP	Dry Syrup	AMOXYCILLIN	100 ml
AMBEEIN PAEDIATRIC DROP	Paediatric Drop	AMOXYCILLIN	15 ml
ANTAC SYRUP	Syrup	RANITIDINE HCl	100 ml
A-ROX POWDER FOR Suspension	Suspension	ROXITHROMYCIN BP	50 ml
CODEX SYRUP	Syrup	COUGH SYRUP	100 ml
DEXTROMETHORPHAN ELX.	Elixir	DEXTROMETHORPHAN	100 ml
DIPHEDAN SUSPENSION	Suspension	PHENYTOIN	100 ml
FLUXIN DRY SYRUP	Suspension	FLUCLOXACILLIN	100 ml
HIFLOX POWDER FOR Suspension	Suspension	CIPROFLOXACIN	60 ml
KLION SUSPENSION	Suspension	BENZOYL METRONIDAZOLE	60 ml
MYCEF PAEDIATRIC DROP	Paediatric Drop	CEPHRADINE BP/USP	15 ml
MYCEF POWDER FOR SUSP.	Suspension	CEPHRADINE BP/USP	100 ml
MYCIN SUSPENSION	Suspension	Erythromycin Ethyl Succinate	100 ml
NALIDEX SUSPENSION	Suspension	NALIDIXIC ACID	50 ml
NILKOF SYRUP	Syrup	Dextromethorphan Hydrobromide +Pseudoephedrine +Triprolidine Hcl	100 ml
PROGAN ELIXIR	Elixir	PROMETHAZINE	100 ml
STOMACID SUSPENSION	Suspension	ANTACID	200 ml
TRIBEN SUSPENSION	Suspension	ALBENDAZOLE	10 ml
TRICEF SUSPENSION	Suspension	CEFIXIME MICRONISED	50 ml
VITEX SYRUP	Syrup	VITAMIN B-COMPLEX	100 ml
VITEX SYRUP	Syrup	VITAMIN B-COMPLEX	200 ml
ZINC -S SYRUP	Syrup	ZINC SULPHAT Monohydrate	100 ml
Capsule			
AFLUZOLE	CAPSULE	FLUCONAZOLE	150 mg
AFLUZOLE	CAPSULE	FLUCONAZOLE	50 mg
ALUCTIN	CAPSULE	FLURAZEPAM	30 mg
AMBEECLOX	CAPSULE	CLOXACILLIN	500 mg
AMBEEIN	CAPSULE	AMOXYCILLIN	250 mg
DOXILIN	CAPSULE	DOXYCYCLINE	100 mg
FERRITIN-TR	CAPSULE	Ferrous Sulphate + Folic Acid	50mg+500mc
FLUXIN	CAPSULE	FLUCLOXACILLIN	250 mg
FLUXIN	CAPSULE	FLUCLOXACILLIN	500 mg
LAP	CAPSULE	LANSOPRAZOLE Pellets 8.5%	30 mg
MYCEF	CAPSULE	CEPHRADINE BP/USP	500 mg
OM	CAPSULE	OMEPRAZOLE BP	20 mg.
OM	CAPSULE	OMEPRAZOLE BP	40 mg.
TRICEF	CAPSULE	CEFIXIME COMPECTED	200 mg
VITEX	CAPSULE	VITAMIN B-COMPLEX	
Injection			
AMINOPHYLLINE	INJECTION	AMINOPHYLLINE	125 mg
ANTAC	INJECTION	RANITIDINE	50 mg
AROLAK	INJECTION	Ketorolac Tromethamine	30 mg
AROLAK	INJECTION	Ketorolac Tromethamine	10 mg
CALCIUM AMBEE	INJECTION	CALCIUM GLUCONATE	500 mg
HITFLAM	INJECTION	DICLOFENAC SODIUM	75 mg
NO-SPA	INJECTION	DROTAVERINE	40 mg
PEROL	INJECTION	HALOPERIDOL	5 mg
SEDUXEN	INJECTION	DIAZEPAM	10 mg
TROFURIT	INJECTION	FRUSEMIDE	20 mg
VITEX	INJECTION	VITAMIN B-COMPLEX	

Depot address

1	<p>Depot Name: Dhaka Sales Center & Narayangonj Sales Center DIC: Mr. Amir Uddin Mob: 01888814601, 01912016669 Email address: depo_njsd@ambeepharma.com Address: 322/C Khilgaon, PO+PS-Khilgaon, Dhaka-1229</p>
02	<p>Depot Name: Khulna Sales Center DIC: Mr. Sharifuzzaman Mob: 01888814606, 01912131769 Email Address: depo_klsd@ambeepharma.com Address: 47 Khanjahan Ali Road, Khulna</p>
03	<p>Depot Name: Barishal Sales Center DIC: Mr. Khalilur Rahman Mob: 01888814607, 01912131705 Email Address: depo_blsd@ambeepharma.com Address: 885 Monikunjo C&B Road, Halem Ali collage, Chowmatha, Barishal</p>
04	<p>Depot Name: Rangpur Sales Center DIC: Mr. Selim Khan Mob: 01888814609, 01912131789 Email Address: depo_rnsd@ambeepharma.com Address: 39/01, Cant. Road, Lalkutir Mour, Dhap, Rangpur</p>
05	<p>Depot Name: Bogura Sales Center DIC : Md. Kamrul Islam Milon Mob: 01888814603, 01912131702 Email Address: depo_bgsd@ambeepharma.com Address: Holding no -442, Ward no-07 Banomali Deb Lane, Joleswaritola Bogura.</p>
06	<p>Depot Name: Sylhet Sales Center DIC: Mr. Ariful Islam Mob: 01888814604, 01912131706 Email Address: depo_slsd@ambeepharma.com Address: House No- 24/1, Jalalabad R/A, Amborkhana, Sylhet</p>
07	<p>Depot Name: Mymensingh Sales Center DIC : Mr. AHM Shamsul Alam Mob: 01888814602, 01912131970 Email Address: depo_mnsd@ambeepharma.com Address: Sumsun Nahar Villa, 37 Kachari Road, Mymensingh.</p>
08	<p>Depot Name: Comilla Sales Center DIC: Mr. Mowdud Ahammad Mob: 01888814605, 01912016667 Email Address: depo_cmsd@ambeepharma.com Address: 247, Fatema Zaman Srity Nir, West Bagichagaon, Comilla</p>
09	<p>Depot Name: Chittagong Sales Center DIC : Md. Chhayful Islam Mob: 01888814608, 01912131402 Email Address: depo_cgasd@ambeepharma.com Address: House No #105, Road No# 09, O/R Nizam Residence Area, Chittagaong.</p>



**AMBEE PHARMACEUTICALS LIMITED.
FORM OF PROXY**

I/We.....of.....being
.....being
a shareholder of *Ambee Pharmaceuticals Limited* hereby appoint Mr./Mrs/Miss.....of
.....of
.....of

another member of the Company as my/our proxy to attend and vote for me/us and on my/our behalf at the **43rd Annual General Meeting** of the Company to be held on 31st **December 2019** and at any adjournment of the meeting or any poll that may be taken in consequence thereof.

As witness my/our hand this.....day of2019

Signature of Proxy

Signature of Shareholder.....

Shareholder's Folio.....

Affix Revenue Stamp (Tk. 20.00)

NOTES :

A member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him. No person shall act as a proxy (except for a Corporation) unless he is entitled to be present and vote in his own right.

The instrument appointing a proxy should be signed by the member or by his attorney duly authorised in writing. If the member is a corporation its common seal (if any) should be affixed to the instrument.

The instrument appointing a proxy together with the power of Attorney (if any) under which it is signed or a notarially certified copy thereof should be deposited at the Registered Office not less than 48 hours before the time of holding of the meeting.

**AMBEE PHARMACEUTICALS LIMITED
SHAREHOLDER'S ATTENDANCE SLIP**

I hereby record my presence at the 43rd *Annual General Meeting* of *Ambee Pharmaceuticals Limited* on 31st December 2019.

Name of Shareholder.....

Shareholder's Folio/BOID No.....Signature.....

Name of Proxy (in block letters).....

Signature of Proxy.....



AMBEE PHARMACEUTICALS LTD.

184/1, Tejgaon Industrial Area, Dhaka-1208

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E-mail: info@ambee-pharma.com

Web: www.ambee-pharma.com

