

Annual Report 2019-2020



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 2020

Dear sir(s)

We are pleased to enclose the notice of the 44th Annual General Meeting, a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial position as at 30 June 2020, 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 2020 along with notes thereon of Ambee Pharmaceuticals Limited for your information and record.

Thank you.

Yours sincerely,



Mohammad Amir Hossain

Company Secretary

Date: June 7, 2021



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AMBEE PHARMACEUTICALS LIMITED

184/1, Tejgaon Industrial Area, Dhaka-1208

Date: June 7, 2021

NOTICE OF THE 44TH ANNUAL GENERAL MEETING

Notice is hereby given after obtaining permission of the Honorable High Court that the 44th Annual General Meeting of the Shareholders of Ambee Pharmaceuticals Limited will be held on Tuesday the **13th July 2021 at 11.00 AM** by using Digital Platform through the link: www.ambeepharma.com to transact the following business:

AGENDA

01. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on June 30, 2020 together with the Auditors' and Directors' Report thereon.
02. To declare the Dividend for the year ended June 30, 2020.
03. To elect Directors in terms of the relevant provision of the Articles of Association
04. To approve appointment of Independent Director.
05. To appoint Auditors for the year 2020-2021 and to fix their remuneration.
06. To appoint Corporate Governance Compliance Auditor for the year 2020-2021 and to fix their remuneration.

By order of the Board

Mohammad Amir Hossain
Company Secretary**Notes:**

- i. The Members whose name appeared in the Members' /Depository Register on Record Date i.e., **Monday the 28th June 2021** will be eligible to attend/participate and vote in the Annual General Meeting through digital platform and to receive Dividend.
- ii. A Member entitled to attend/participate and vote at the meeting may appoint a proxy to attend/participate and vote in his/her stead. The scanned copy of the proxy form duly affixed with a revenue stamp of Tk 20.00 must be e-mailed to motiur.aplshare@gmail.com later than 48 hours before the day of the Annual General Meeting.
- iii. Pursuant to the Bangladesh Securities and Exchange Commission Order No. SEC/SRMIC/94-231/91 dated 31 March 2021, the AGM of the Company will be conducted through **Digital Platform**.
- iv. The link for participating in the AGM through a digital platform will be notified to the e-mail addresses provided in the Beneficiary Owners (BO) account of the respective Members held with Depository Participant (DP).
- v. Members who changed/amended their e-mail addresses or opened new e-mail addresses after the Record Date are requested to e-mail the details to motiur.aplshare@gmail.com along with full name, Folio/BO ID to receive the digital platform meeting invitation.
- vi. The soft form of Annual Report 2019-2020 will be forwarded to the e-mail addresses of the shareholders available in their Beneficiary Owners (BO) account maintained with Depository Participant (DP). The Annual Report 2019-2020 and proxy form will be available in the Company website www.ambeepharma.com.
- vii. The members will be able to submit their question/comment electronically **72** hours before the AGM.
- viii. Members are requested to notify 12-digit Taxpayer's Identification Number (E-TIN) through their respective Depository Participants.
- ix. Full login/participation process to the digital platform meeting will also be available in the Company website www.ambeepharma.com.
- x. No gift /gift coupon/food box/benefit in cash or kind shall be distributed/paid at the AGM as per Circular No. SEC/CMRRCD/2009-193/154, dated October 24, 2013



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. Lazlo Nemes	: Director (Medimpex)
Ms. Georgina Gruber	: Director (Medimpex)
Mr. A.F.M. Azim	: Independent Director
Mr. Osman Haidar	: Independent Director

B. AUDIT COMMITTEE:

Mr. A.F.M. Azim, Independent Director	: Chairman
Mr. Osman Haidar, Independent Director	: Member
Mrs. Sakina Miraly, Director	: Member

C. NOMINATION AND REMUNERATION COMMITTEE:

Mr. A.F.M. Azim, Independent Director	: Chairman
Mr. Osman Haidar, 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. Mohammad Amir Hossain	: Company Secretary
Mr. Md. Mizanur Rahman	: General Manager
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
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

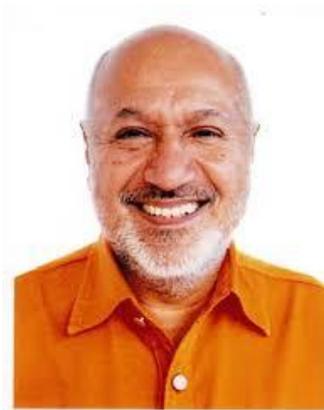
PHONE:

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



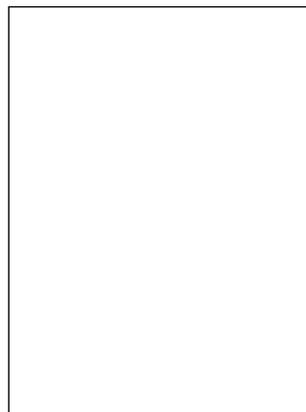
Mrs. Nurjehan Hudda
Director



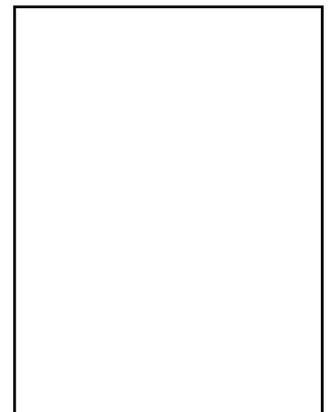
Mr. A.F.M Azim
Independent Director



Mr. Osman Haidar
Independent Director



Mr. Laszlo Nemes
Director



Ms. Georgina Gruber
Director

Ambee Pharmaceuticals Limited Pictures on 43rd Annual General Meeting



Chairman's Message to the Shareholders

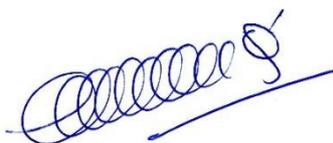
Ladies and Gentlemen,

I, on behalf of the Board of Directors of Ambee Pharmaceuticals Limited, extend a very warm welcome to you all on the occasion of 44th 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 2019-2020 was a difficult year as smooth running of business was badly due to Worldwide Covid-19 pandemic, 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 0.49 crore 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
June 7, 2021

পরিচালক মণ্ডলীর প্রতিবেদন

বিসমিল্লাহির রাহমানির-রাহিম
সম্মানিত শেয়ার হোল্ডারবৃন্দ
আসসালামু আলাইকুম

আমি পরিচালনা পর্ষদের পক্ষ থেকে এমবি ফার্মাসিউটিক্যালস লিমিটেড এর ৪৪তম বার্ষিক সাধারণ সভায় অতি আনন্দের সাথে আপনাদেরকে স্বাগত জানাচ্ছি এবং আপনাদের কোম্পানির ৩০শে জুন ২০২০ তারিখে সমাপ্ত বৎসরের নিরীক্ষিত হিসাবপত্র আপনাদের সামনে উপস্থাপন করছি।

কার্য তৎপরতা

আলোচ্য বৎসরে আপনাদের কোম্পানী বিশ্বব্যাপী কোভিড-১৯ পেভামিকে থাকা সত্ত্বেও ২৮.৫৩ কোটি টাকা বিক্রয় করেছে যা গত বৎসরের (২০১৮-২০১৯) তুলনায় ১১.১৮% কম। কোম্পানী এ বৎসর নিট মুনাফা ৩৬.৩৬ লক্ষ টাকা অর্জন করেছে যাতে প্রতি শেয়ারে অর্জন হয়েছে ১.৫২ টাকা যা গত বৎসর ছিল ১.৪০ টাকা। এ বৎসর ব্যয় বৃদ্ধির প্রবণতা থাকার সত্ত্বেও ব্যবস্থাপনা কর্তৃপক্ষ তাঁদের ক্রয় বিক্রয় উৎপাদন মজুদ মাল ও অর্থনৈতিক কার্যক্রমে দক্ষ ব্যবস্থাপনার মাধ্যমে কর্তৃপক্ষ মুনাফা ০.৪৯ কোটি টাকা অর্জন করতে সক্ষম হয়েছেন। কোম্পানির ব্যবস্থাপনা কর্তৃপক্ষ বিপণন কার্যক্রম আরও জোরদার করার জন্য যথাসাধ্য চেষ্টা করেছে যাতে কোম্পানির পণ্যগুলিতে গ্রাহকদের আরও বেশি আস্থা অর্জন করতে পারে এবং ক্রমেই বিক্রয় ও মুনাফা বাড়ানো যায়।

দৃষ্টিভঙ্গি

এমবি ফার্মাসিউটিক্যালস লিমিটেড তার উৎপাদনশীলতা অব্যাহত রাখার এবং ব্যবসায়িক বিষয়গুলির সর্বোত্তম নৈতিক মানকে আলোচ্য আর্থিক বছরের মধ্যে সামাজিক এবং পরিবেশগত দিকগুলির প্রতিকূল পরিস্থিতি সত্ত্বেও টেকসই উন্নয়নের নীতিকে অগ্রাধিকার প্রদানের চেষ্টা করেছে।

ঝুঁকি ও উদ্বেগ

অন্য যে কোনও ব্যবসায়ের মতো, ফার্মাসিউটিক্যালস শিল্পে রাজনৈতিক, সামাজিক, প্রযুক্তিগত, পরিবেশগত এবং আইনী ঝুঁকি মোকাবেলা করতে হয়, পাশাপাশি ব্যবসায়িক কার্যক্রমের ক্ষেত্রেও আর্থিক ঝুঁকির সম্মুখীন হতে হয়। পরিচালনা পর্ষদ এই ব্যাপারে সম্পূর্ণ অবগত আছেন এবং এই ঝুঁকি মোকাবেলায় যথাযথ কার্যকরী পদক্ষেপ গ্রহণেও প্রস্তুত। ব্যবসায়িক ব্যবস্থাপনার ক্ষেত্রে ঝুঁকির প্রকৃতি বিবেচনা করে, এগুলো মোকাবেলা করার জন্য উত্তম কৌশলগত সিদ্ধান্ত গ্রহণ করে থাকেন। আর্থিক বিবরণীতে বিভিন্ন রকম আর্থিক ঝুঁকির বিবরণ আলোচনা করা হয়েছে।

আন্তঃ সম্পর্কিত লেনদেন সমূহ

অডিট কমিটি আন্তঃ সম্পর্কিত লেনদেন সমূহ পুঙ্খানুপুঙ্খ ভাবে পরীক্ষা-নিরীক্ষা করেছেন। আর্থিক বৎসরের বিভিন্ন পর্যায়ে যে সময় বিবরণীসমূহ তৈরি করা হয়েছে সে সময় অডিট কমিটি আন্তঃ সম্পর্কিত লেনদেন সমূহ গভীরভাবে পর্যালোচনা করেছেন। আর্থিক বিবরণীর নোট নং ৩০ এ আন্তঃ সম্পর্কিত লেনদেন সমূহের বিষয় বর্ণনা দেওয়া আছে।

ডেবিট ব্যালেন্স আন্তঃ সম্পর্কিত কোম্পানী

বিগত ৩ (তিন) বৎসরের টাকা ৪৮,৮৪,৪০৩.০০ এবং বর্তমান বৎসরের ১১,৭১,৭৭৪.০০ টাকা বেঙ্গল স্টীল ওয়ার্কস লিমিটেড কে খরচ হিসাবে পরিচালকমণ্ডলীর অনুমতিক্রমে দেখানো হইয়াছে যাহা নোট নং-৩০ এ বিষয় বর্ণনা দেওয়া আছে।

আর্থিক ফলাফল

কোম্পানীর ৩০ শে জুন, ২০২০ সমাপ্ত বৎসরের আর্থিক ফলাফল পূর্ববর্তী বৎসরের সহিত তুলনামূলক সার-সংক্ষেপ নিম্নরূপঃ

বিবরণ	২০১৯-২০২০	২০১৮-২০১৯
গ্রস টার্নওভার	৩২৮,০৯৯,৯৬২	৩৬৯,৪০২,৬০৯
নিট টার্নওভার	২৮৫,৩০৪,৩১৫	৩২১,২১৯,৬৬০
গ্রস মুনাফা	১৪৮,৫২১,৮৬৫	১৬৬,৯৮৩,৯৮৬
কর পূর্ব মুনাফা	৪,৯৪০,৪৩৭	১৩,১০৭,৩০৭
কর বাবদ প্রভিশন	১,৩০৩,৭১৫	৯,৭৪০,২৯৩
কর পরবর্তী মুনাফা	৩,৬৩৬,৭২৩	৩,৩৬৭,০১৬
গ্রস মার্জিন	৫২.০৬%	৫১.৯৮%
কর পূর্ব নিট মার্জিন	১.৭৩%	৪.০৮%
কর বাদ নিট মার্জিন	১.২৭%	১.০৫%
ইপিএস (আরনিং পার শেয়ার) (টাকা)	১.৫২	১.৪০

লভ্যাংশ

আলোচ্য সমাপ্ত বৎসর ৩০শে জুন ২০২০ ইং এর সার্বিক আর্থিক অবস্থা বিবেচনা করে ব্যবস্থাপনা পর্ষদ নগদ ১৫% লভ্যাংশ প্রদানের সুপারিশ করেছেন (২০১৮-১৯ @ ৩০%)। আশা করা যাচ্ছে যে, শেয়ারহোল্ডারদের স্বার্থ রক্ষার্থে পরিচালক মন্ডলীর এই বৎসরের সুপারিশকৃত লভ্যাংশকে শেয়ারহোল্ডারগণ আন্তরিকভাবে গ্রহণ করবেন।

পরিচালক

কোম্পানীর আর্টিকেল অব এসোসিয়েশনের ১১৯ অনুচ্ছেদ অনুযায়ী পরিচালক জনাব আজিজ মোহাম্মাদ ভাই এবং জনাবা নওরীন আজিজ মোহাম্মাদ ভাই পর্যায়ক্রমে এই সভায় অবসর গ্রহণ করেছেন এবং অনুচ্ছেদ ১২১ অনুসারে যোগ্য বিধায় তাঁরা দুইজনই পুনঃনির্বাচনের ইচ্ছা জ্ঞাপন করেছেন।

পুনঃ নিয়োগ পরিচালকদের প্রোফাইল

জনাব আজিজ মোহাম্মাদ ভাই কোম্পানীর সূচনালগ্ন থেকে এমবি ফার্মাসিউটিক্যালস্ লিমিটেড এর পরিচালক হিসাবে দায়িত্ব পালন করে আসছেন। তিনি কোম্পানীর প্রতিষ্ঠাতা মরহুম মোহাম্মাদ ভাই এর বড় ছেলে। আজিজ মোহাম্মাদ ভাই ঢাকা বিশ্ববিদ্যালয় থেকে স্নাতক ডিগ্রী অর্জন করেছেন। এছাড়াও তিনি আরও ৩টি প্রাইভেট ও পাবলিক লিমিটেড কোম্পানীর পরিচালক। সেগুল হলো অলিম্পিক ইন্ডাস্ট্রিজ লিমিটেড, বেঙ্গল স্টীল ওয়ার্কস্ লিমিটেড ও এমবি লিমিটেড। তাঁর ফার্মাসিউটিক্যালস্ প্রযুক্তি এবং হাউজিং পণ্যে ৪০ বৎসরেরও বেশি সময় এর ব্যবসায়িক অভিজ্ঞতা রয়েছে। তিনি দেশে বিদেশে ব্যাপক ভ্রমণ করেছেন।

জনাবা নওরীন আজিজ মোহাম্মাদ ভাই ২০০৭ সাল থেকে এমবি ফার্মাসিউটিক্যালস্ লিমিটেড এর পরিচালক হিসাবে দায়িত্ব পালন করে আসছেন। তিনি কোম্পানীর চেয়ারম্যান আজিজ মোহাম্মাদ ভাইয়ের স্ত্রী। তিনি লন্ডন বিশ্ববিদ্যালয় থেকে স্নাতক ডিগ্রী অর্জন করেছেন। তিনি একজন এল,এল,বি। তিনি ইহা ছাড়া আরও ২টি প্রাইভেট ও পাবলিক লিমিটেড কোম্পানীর পরিচালক। সেগুল হলো বেঙ্গল স্টীল ওয়ার্কস্ লিমিটেড ও এমবি লিমিটেড। তাঁর ফার্মাসিউটিক্যালস্ প্রযুক্তি এবং হাউজিং পণ্যে ২০ বৎসরেরও বেশি সময় এর ব্যবসায়িক অভিজ্ঞতা রয়েছে। তিনি দেশে বিদেশে ব্যাপক ভ্রমণ করেছেন।

স্বতন্ত্র পরিচালক:

জনাব রুহুল কুদ্দুস, স্বতন্ত্র পরিচালক তাঁর পদ হতে এই বছর (২০১৯-২০) অবসর গ্রহণ করেছেন এবং জনাব ওসমান হায়দার স্বতন্ত্র পরিচালক হিসাবে এই সভায় নিযুক্ত হন। পরিচালনা পর্ষদ তাকে স্বতন্ত্র পরিচালক হিসাবে এক (এক) বছর মেয়াদে নিয়োগের প্রস্তাব করেছেন।

নিরীক্ষক

কোম্পানীর বর্তমান নিরীক্ষক, মেসার্স শফিক বসাক এন্ড কোং, চার্টার্ড একাউন্টেন্টস্, বাড়ি নং-৪২ (২য় তলা), রোড নং-১, ব্লক-এ, নিকেতন, গুলশান ঢাকা-১২১২, ৪৩তম বার্ষিক সাধারণ সভায় নিরীক্ষক হিসাবে নিয়োগ প্রাপ্ত হয়েছিলেন এবং ৩০ জুন ২০২০ইং সমাপ্ত বৎসরের নিরীক্ষকের দায়িত্ব পালন করেছেন এবং অবসর গ্রহণ করেন। অতএব, ২০২০-২০২১ সালের জন্য একটি নতুন অডিটর নিয়োগ করা প্রয়োজন। অবসর গ্রহণকারী নিরীক্ষকদের পারিশ্রমিক হিসাবে ৩,৫০,০০০.০০ টাকা (তিন লাখ পঞ্চাশ হাজার টাকা) মাত্র প্রদান করা হয়েছিল।

কর্পোরেট গভর্নেন্স কোড:

কর্পোরেট ব্যবস্থাপনা হচ্ছে সূনাগরিকত্বের অনুশীলন যার মাধ্যমে কোম্পানির পরিচালনা পর্ষদ পরিচালনা করেন এবং শেয়ারহোল্ডার, শেয়ার সংশ্লিষ্ট ব্যক্তিবর্গের প্রতি জবাবদিহিতার দৃষ্টি ভঙ্গি নিয়ে আচরণ করে থাকেন। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর নোটিশ নং বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/প্রশাসন/৮০ তারিখ ০৩ জুন ২০১৮ ইং এর নিরিখে কোম্পানীর কর্পোরেট ব্যবস্থাপনা কোডের এর অবস্থা সংযুক্ত করা হয়েছে।

স্বীকৃতি

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

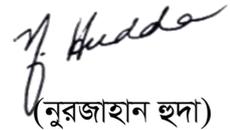
আল্লাহ হাফেজ।

পরিচালক মন্ডলীর পক্ষে,



(সাকিনা মিরালি)

পরিচালক



(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 44th Annual General meeting of your Company and we present before you the Annual Report of your Company for the year ended June 30, 2020.

Operating Activities:

During the year under review, due to Worldwide Covid-19 pandemic the Company attained a net sale of Tk.28.53 crores which is 11.18 % lower than that of the previous year (2018-2019). The Company has made Net Profit of Tk.36.36 lac for the year. So that Earning Per Share (EPS) stood at Tk.1.52 against Tk.1.40 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. 0.49 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 embedded 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.-30 to the Financial Statement provides details of the transactions with the related party.

Debit balance made to Associated Companies:

The Board of Directors have approved last 3 years balance tk. 48,84,403.00 and current year balance tk. 11,71,774.00 made to Bengal Steel Works Limited. In the explanatory Note No.-30 to the Financial Statement provides details of the transactions.

**Financial results:**

Financial results of the Company for the year ended 30 June 2020 as compared to previous year are summarized hereunder:

<u>PARTICULARS</u>	<u>2019-2020</u>	<u>2018-2019</u>
Gross Turnover	328,099,962	369,402,609
Net Turnover	285,304,315	321,219,660
Gross Profit	148,521,865	166,983,986
Net Profit (Before Tax)	4,940,437	13,107,307
Provision for Taxation	1,303,715	9,740,293
Net Profit (After Tax)	3,636,723	3,367,016
Gross Margin	52.06%	51.98%
Net Margin (Before Tax)	1.73%	4.08%
Net Margin (After Tax)	1.27%	1.05%
EPS (Earning Per Share)	1.52	1.40

Dividend:

Considering the overall performance of the Company during the year end 30 June 2020, the Board of Directors is pleased to recommend Cash Dividend @ 15% (2018-19 @ 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 Mr. Aziz Mohammad Bhai and Mrs. Naureen Aziz Mohammad Bhai 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:

Mr. Aziz Mohammad Bhai is a Director and the Present Chairman of Ambee Pharmaceuticals Limited since beginning. He is the son of Late Mohammad Bhai, founder Chairman of the Company. Aziz Mohammad Bhai has completed his graduation from Dhaka University. He is also Director in 3 other public and private Limited Companies namely Olympic Industries Ltd., Bengal Steel Works Ltd. and Ambee Limited. He has a business experience of more than 40 years in the Pharmaceuticals, Technology and housing products. He has widely travelled both home and abroad.

Mrs. Naureen Aziz Mohammad Bhai is a Director of Ambee Pharmaceuticals Limited since 2007. She is the wife of Aziz Mohammad Bhai, Chairman of the Company. Naureen Aziz Mohammad Bhai has completed her graduation from London University. She is an LLB. She is also Director in 2 other public and private Limited Company namely Bengal Steel Works Ltd and Ambee Limited. She has a business experience of more than 20 years in the Pharmaceuticals, Technology and housing products. She has widely travelled both home and abroad.

Independent Director:

Mr. Ruhul Quddus, Independent Director retired in this year (2019-20) and Mr. Osman Haidar appointed in this meeting as an Independent Director. The Board of Directors proposed his appointment for 1 (one) year term as an Independent Director.

Auditors:

The existing Auditor M/s. Shafiq Basak & Co. Chartered Accountants, House # 42(1st floor), Road #1, Block A, Niketan, Gulshan-1, Dhaka -1212 who were appointed as Auditor of the Company in the 43rd AGM of the Company has carried out the audit for the year ended 30 June 2020, completing their three consecutive years of service and retire. Therefore, a new auditor is to be appointed for the year 2020-2021. The retiring auditors were paid Tk. 3,50,000.00 (taka three lac fifty thousand) only as professional fees.

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 other Government agencies.

Allah Hafez.

On behalf of the Board of Directors



(Sakina Miraly)
Director



(Nurjehan Hudda)
Director

ANNEXURE-1

The Directors also report that:

- The financial statement of the Company presents 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, 2020 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	4	
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	9	
Mr. Ruhul Quddus	Independent Director	9	8	

- 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, 2020 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, 2020

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. Md. Mizanul Islam - Marketing Manager	-	-	
4. Mr. Saifuzzaman -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 2020. This Code relates to the Notification No. BSEC/CMRRCD/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
17 November 2020

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 \sqrt 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).	\sqrt		
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors.	\sqrt		
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.	\sqrt		
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.	\sqrt		
1(2)(b)(iii)	Not been an executive of the company in immediately preceding 2 (two) financial years.	\sqrt		
1(2)(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company/subsidiary/associated companies.	\sqrt		
1(2)(b)(v)	Not a member or TREC holder, director or officer of any stock exchange.	\sqrt		
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.	\sqrt		
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.	\sqrt		
1(2)(b)(viii)	Not be an independent director in more than 5 (five) listed companies.	\sqrt		
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.	\sqrt		
1(2)(b)(X)	Not been convicted for a criminal offence involving moral turpitude.	\sqrt		
1(2)(c)	Appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	\sqrt		

Condition No.	Title	Compliance Status (Put \sqrt in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(2)(d)	Not remain vacant for more than 90 (ninety) days.	\sqrt		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.	\sqrt		
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.	\sqrt		
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).	\sqrt		
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.	\sqrt		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 control system is sound in design and has been effectively implemented and monitored.	√		
1(5)(xvi)	The interest of the minority shareholders has been duly protected.	√		
1(5)(xvii)	Going concern (ability to continue as a going concern).	√		

Condition No.	Title	Compliance Status (Put \sqrt in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xviii)	Highlighted and explain significant deviations from the last year's operating results.	\sqrt		
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	\sqrt		
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.	\sqrt		
1(5)(xxii)	Total number of Board meetings held during the year and attendance by each director.	\sqrt		
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.	\sqrt		
1(5)(xxiii)(b)	Directors, MD, CS, CFO, HIA and their spouses and minor children.	\sqrt		
1(5)(xxiii)(c)	Executives (top five (5) other than mentioned 1(5)(xxiii)(b).	\sqrt		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest.	\sqrt		
1(5)(xxiv)	In case of the appointment/reappointment of a director, disclose			
1(5)(xxiv)(a)	A brief resume of the director.	\sqrt		
1(5)(xxiv)(b)	Expertise in specific functional areas.	\sqrt		
1(5)(xxiv)(c)	Holding the directorship and the membership of committees of the Board other than APL.	\sqrt		
1(5)(xxv)	Management's Discussion and Analysis			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	\sqrt		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, disclose the effects on financial results and position as well cash flows.	\sqrt		
1(5)(xxv)(c)	Comparative analysis of financial results and position as well as cash flows for current year with immediately preceding five years.	\sqrt		
1(5)(xxv)(d)	Compare financial results and positions as well as cash flows with the peer industry.	\sqrt		
1(5)(xxv)(e)	Discussion on financial and economic scenario of the country and the global.	\sqrt		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements.	\sqrt		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position.	\sqrt		
1(5)(xxvi)	Declaration on Financial Statements for the year ended on 30 June 2020 by the MD and the CFO to the Board.	\sqrt		
1(5)(xxvii)	The report and the certificate regarding compliance of conditions of Corporate Governance Code.	\sqrt		
1(6)	Meetings of the Board of Directors			

Condition No.	Title	Compliance Status (Put \sqrt in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	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).	\sqrt		
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).	\sqrt		
3(1)(b)	The positions of the MD, CS, CFO, HIA shall be filled by different individuals.	\sqrt		
3(1)(c)	The MD, CS, CFO and HIA of a listed company shall not hold any executive position in other company.	\sqrt		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of CFO, HIA and CS.	\sqrt		
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

Condition No.	Title	Compliance Status (Put \sqrt in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	\sqrt		
3(3)(a)	The MD and CFO shall certify to the board that they have reviewed financial statements for the year 2019-2020 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.	\sqrt		
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.	\sqrt		
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.	\sqrt		
3(3)(c)	The certification of the MD and CFO shall be disclosed in the Annual Report.	\sqrt		
4	Board of Directors' Committee			
4(i)	Audit Committee	\sqrt		
4(ii)	Nomination and Remuneration Committee (NRC)	\sqrt		
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.	\sqrt		
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.	\sqrt		
5(1)(c)	Responsible to the Board and the duties of the Audit Committee shall be clearly set forth in writing.	\sqrt		
5(2)	Constitution of the Audit Committee			
5(2)(a)	Shall be composed of at least 3 (three) members.	\sqrt		
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.	\sqrt		
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.	\sqrt		
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.	\sqrt		

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(2)(f)	The quorum of the Committee meeting shall not constitute without at least 1 (one) independent director.	\checkmark		
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.	\checkmark		
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.	\checkmark		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	\checkmark		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	\checkmark		
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.	\checkmark		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process.	\checkmark		
5(5)(b)	Monitor choice of accounting policies and principles.	\checkmark		
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.	\checkmark		
5(5)(d)	Oversee hiring and performance of external auditors.	\checkmark		
5(5)(e)	Hold meeting with the statutory auditors for review of the annual financial statements before submission to the Board for approval.	\checkmark		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval.	\checkmark		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.	\checkmark		
5(5)(h)	Review the adequacy of internal audit function.	\checkmark		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report.	\checkmark		
5(5)(j)	Review all related party transactions.	\checkmark		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	---	---	No such case in the year

Condition No.	Title	Compliance Status (Put \sqrt in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	\sqrt		
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.	\sqrt		
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.	\sqrt		
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.	\sqrt		
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.	\sqrt		
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.	\sqrt		
6(2)(b)	All members of the Committee shall be non-executive directors.	\sqrt		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	\sqrt		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee.	\sqrt		
6(2)(e)	Casual vacancy shall be filled by the Board within 180 days of occurring such vacancy.	---	---	No such case in the year

Condition No.	Title	Compliance Status (Put \sqrt in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	\sqrt		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.	\sqrt		
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.	\sqrt		
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.	\sqrt		
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.	\sqrt		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.	\sqrt		

Condition No.	Title	Compliance Status (Put \sqrt in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	\sqrt		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	\sqrt		
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.	\sqrt		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.	\sqrt		
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.	\sqrt		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board.	\sqrt		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.	\sqrt		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies.	\sqrt		
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.	\sqrt		
7(1)(ii)	Non-engagement in designing and implementation of Financial Information System.	\sqrt		
7(1)(iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements.	\sqrt		
7(1)(iv)	Non-engagement in Broker-Dealer services.	\sqrt		
7(1)(v)	Non-engagement in Actuarial services.	\sqrt		
7(1)(vi)	Non-engagement in Internal Audit or special audit services.	\sqrt		
7(1)(vii)	Non-engagement in any other services that the Audit Committee determines.	\sqrt		
7(1)(viii)	Non-engagement in audit or certification services on compliance of Corporate Governance as required under condition no. 9(1).	\sqrt		
7(1)(ix)	Non-engagement of any other service that creates conflict of interest.	\sqrt		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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)	2019-2020	2018-2019	2017-2018	2016-2017	2015-30 Jun'16 (18 months)
Turnover	(" " ")	2,853	3,212	3,494	3,518	5,120
Cost of Goods Sold	(" " ")	1,368	1,542	1,681	(1,670.07)	(2,448.91)
Gross Profit	(" " ")	1,485	1,670	1,812	1,848	2,671
Operating Expenses	(" " ")	(1,356.75)	(1,452.65)	(1,617.29)	(1,553.69)	(2,311.08)
Financial Expenses	(" " ")	(76.45)	(79.21)	(79.18)	(190.84)	(273.38)
Operating Income	(" " ")	52	138	116	104	103
Net profit before WPPF	(" " ")	52	138	116	104	103
Contribution to WPPF	(" " ")	(2.60)	(6.89)	(5.79)	(5.17)	(5.15)
Net profit (BT)	(" " ")	49	131	110	98	98
Provision for Income-tax	(" " ")	(13.03)	(97.40)	(27.54)	(25.84)	(15.97)
Provision for Deferred Tax	(" " ")	(3.04)	(3.07)	0.35	(2.41)	(11.70)
Net Profit (AT)	(" " ")	36	34	83	73	82
Total Assets	(" " ")	4,281	4,030	4,439	4,516	4,222
Total Fixed Assets	(" " ")	1,065	1,091	1,166	1,199	952
Total Current Assets	(" " ")	3,216	2,939	3,273	3,317	3,270
Total Current Liabilities	(" " ")	3,605	3,357	3,683	3,750	3,554
Current Ratio	(Tk.)	1	1	1	1	1
Shareholders' Equity	(Taka in lakh)	578	578	616	606	596
Earnings Per Share (EPS)	(Per value Tk. 10)	1.52	1.40	3.44	3.02	3.41
Dividend Per Share (DPS)	(Tk.)	1.50	3	3	3	3
MP(DSE) Year End	(Tk.)	492	651	592	406	289
PER (Year End)	(Tk.)	324	465	172	134	85
Others:						
-Number of shares	(No.)	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
-Number of shareholders	(No.)	2,243	2,870	2,243	2,555	2,799
-Number of Employees (including day labourers)	(No.)	736	891	1,007	1,015	850

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.

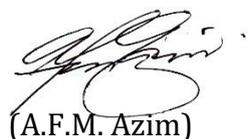
The Composition of present Audit Committee is as Under:

- | | |
|---|-------------|
| 1. Mr. A.F.M. Azim, Independent Director | Chairperson |
| 2. Mr. Osman Haidar, Independent Director | Member |
| 3. Mrs. Sakina Miraly, Director | Member |

The Company Secretary, Mr. Mohammad Amir Hossain 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 handwritten signature in black ink, appearing to read 'A.F.M. Azim'.

(A.F.M. Azim)
Chairman of the Committee
June 6, 2021

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. Osman Haidar, Independent Director | Member |
| 3. Mrs. Sakina Miraly, Director | Member |

The Company Secretary, Mr. Mohammad Amir Hossain 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 executive 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

June 6, 2021

Ambee Pharmaceuticals Limited

Declaration by MD and CFO

June 07, 2021

To
THE BOARD OF DIRECTORS
Ambee pharmaceuticals Ltd.
184/1, Tejgaon Industrial Area
Tejgaon, Dhaka-1208

Sub: Declaration on Financial Statements for the year ended on 30 June 2020.

Dear Sirs,

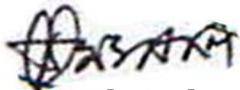
Pursuant to the condition No.1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Ambee Pharmaceuticals Limited for the year ended on 30 June 2020 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, 2020 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 (the "Company"), which comprise the Statement of Financial Position as at 30 June 2020 and 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.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

The Company has not disclosed BDT 18,000,000 as VAT payable in their VAT return.

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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements and 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 judgment, 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 Property, Plant and Equipment (PPE)	
See Note 4.00 to the financial statements	
The key audit matter	How the matter was addressed in our audit
The carrying value of the PPE was Tk. 103,220,685 as at 30 June, 2020. Expenditures are capitalized if they create new assets or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the assets or its	Our audit included the following procedures: We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. We obtained a listing of capital expenditures incurred during the year and on a sample basis, checked whether the items were procured based on internal purchase order that had been

<p>significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.</p> <p>The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements and that there is significant measurement uncertainty involved in this valuation.</p>	<p>properly approved by the responsible individuals.</p> <p>We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate.</p> <p>We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.</p> <p>We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with the date of the act of completion of the work.</p>
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Implementation of IFRS 16 Leases	
See Note 5.00 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use (ROU) on the leased assets and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the Company, at inception of the lease, the lessee receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate.</p> <p>All leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are appropriate.</p>	<p>We reviewed appropriateness of management's application of IFRS 16 and assessment of the impact on the financial statements. Our audit procedures included testing classification and measurement of right-of-use assets and lease liabilities in accordance with IFRS 16. We checked the present value calculation for lease. We reviewed loan agreements and made calculation to ascertain the appropriateness of the incremental borrowing rate used. We also examined the accuracy and appropriateness of accounting adjustments in the financial statements arising from the adoption of IFRS 16 as well as verified the sufficiency and appropriateness of disclosures in the financial statements.</p>

Valuation of Inventory	
See Note 6.00 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The inventory of Tk. 160,254,507 as at 30 June, 2020 held in factory, depots and outlets.</p> <p>Inventories are carried at the lower of cost and net realizable value.</p> <p>Since the value of Inventory is significant to the Financial Statements and there is significant measurement uncertainty involved in this</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory by:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the factory, depots and outlets; • Evaluating, on a sample basis, whether inventories were stated at the lower of cost or

<p>valuation, the valuation of inventory was significant to our audit.</p>	<p>net realizable value at the reporting date by comparing the sales prices of inventories subsequent to the reporting date; and</p> <ul style="list-style-type: none"> Assessing whether some of the inventory became slow-moving or obsolete due to the pandemic situation caused by COVID-19 and assessing the need for an inventory provisioning. <p>Evaluating the adequacy of financial statement disclosure as per IAS - 2.</p>
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Cash & Cash Equivalent

See Note 9.00 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>Cash & Cash Equivalent represents Cash in Hand and Cash with banks at the close of business of the company which can be used without any obligation.</p> <p>As those are liquid funds, as per practice it is important to confirm and verify the actual balances of cash & cash equivalent.</p>	<ul style="list-style-type: none"> Due to recent pandemic, we could not physically verify the cash in hand at branches except that of Head Office. However, the cash balance is duly certified by the management. We requested the management to send letters to banks to confirm their balances as on 30th June, 2020 directly to us but no such confirmation has yet been received.

Deferred Tax Liability

See Note 12.00 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Deferred Tax Liability balance was Tk. 7,357,304 as at 30 June, 2020.</p> <p>Significant management judgment is required in relation to deferred tax Liability as it is dependent on forecasts of future profitability over a number of years.</p> <p>There is significant measurement uncertainty involved in this valuation and therefore it was significant to our audit.</p>	<p>We carried out the following substantive testing to address the related risk:</p> <ul style="list-style-type: none"> We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax Liability assumptions used in estimating the Company's future taxable income. We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. We assessed key assumptions, controls, recognition and measurement of Deferred Tax Liability. <p>We also assessed the appropriateness of presentation of disclosure against IAS-12 Income Taxes.</p>

Workers Profit Participation Fund:

See Note 19.00 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>Contribution to workers' profit participation fund:</p> <p>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</p>	<p>We have checked the adequacy of WPPF fund provision and distribution thereof and observed that, the requirement of the Labour Act 2006 (as amended in 2013) not followed properly.</p> <p>During the year, no distribution among the members and payment of government portion</p>

<p>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>have been made. However, Interest on undistributed amount has been provided in the accounts.</p>
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Revenue Recognition

See Note 21.00 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 285,304,315 (2019: BDT 321,219,660) 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>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue 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. • 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.

Transactions with Related Parties

See Note 30.00 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>We considered the related party transactions to be significant to the audit due to the risk that if these transactions are not conducted at arm's length, and/or the accounting treatment of the rights and obligations of these transactions are not correct, it could influence the results of the financial statement.</p> <p>Furthermore, for financial reporting purposes, IAS 24 related party disclosure, requires complete and appropriate disclosure of transactions with related parties.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the process for identifying related party transactions; • We verified that the transactions are approved in accordance with internal procedures including involvement of key personnel at the appropriate level; • We checked the acquisitions to supporting documents including external valuations around the acquisition date to evaluate the

	<p>managements’ assertions that the transactions were at arm’s length;</p> <ul style="list-style-type: none"> • We evaluated the business rationale of the transactions; • We evaluated the rights and obligations per the terms and conditions of the agreements and assessed whether the transactions were recorded appropriately; and <p>We determined whether the directors have disclosed relationships and transactions in accordance with IAS 24.</p>
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Contingent Liabilities

See Note 36.00 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company is subject to a number of significant claims and litigations. The amounts of claims are significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment. These claims and regulatory matters are uncertain in timing of resolutions and amount or consequences.</p> <p>These claims and litigation matters were a key audit matter due to the amounts involved, potential consequences and the inherent difficulty in assessing the outcome. The assessment of whether or not a liability should be recognized involves judgment from management.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company’s key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of the litigation. We enquired of the Company’s internal legal counsel for the litigation and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Company’s provisions and contingent liabilities disclosure.</p>

Contingent Liabilities

The key audit matter	How the matter was addressed in our audit
<p>Our audit procedures have a focus on information technology systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Company’s IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (Logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Company’s periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>

Other Information

Balance Confirmation of Accounts Receivable & Sundry Creditors:

- a) As no detail list & address of above accounts could not be provided to us, no request letter could be sent to such parties confirming their balances directly to us on 30th June, 2020.
- b) As such we are unable to express our opinion as to the correctness of such balances.

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements 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 above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on such work we perform, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

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 financial statements of the Company in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 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 International Standards on Auditing (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 financial statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company.
- 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 financial statements, including the disclosures, and whether the 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, The Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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 those books;
- c) The Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by this report are in agreement with the books of accounts and;



- d) The expenditures incurred and payment made were for the purpose of the Company's business for the year.

The engagement partner on the audit resulting in this independent auditor's report is Sarwar Mahmood FCA.

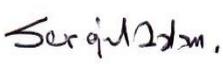
Shafiq Basak & Co.
Chartered Accountants
DVC-2106100239AS841658

Dhaka
Dated: June 9, 2021

AMBEE PHARMACEUTICALS LIMITED
Statement of Financial Position
As at June 30, 2020

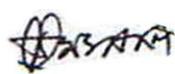
PARTICULARS	Notes	30-Jun-20 Taka	30-Jun-19 Taka
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	4.00	106,483,632	109,130,839
Right of Use of Assets	5.00	103,220,685	109,130,839
		3,262,947	-
Current Assets:			
Inventories	6.00	321,567,075	293,863,895
Accounts receivable and others	7.00	160,254,507	144,527,601
Advances, Deposits and Pre-payments	8.00	69,147,724	65,053,413
Cash & Cash Equivalents	9.00	81,049,010	78,714,862
		11,115,834	5,568,019
Total Assets:		428,050,708	402,994,734
EQUITY & LIABILITIES			
Shareholders' Equity			
Share Capital	10.00	57,846,952	57,810,229
Tax-Holiday Reserve	11.00	24,000,000	24,000,000
Retained Earnings		5,134,154	5,134,154
		28,712,798	28,676,075
Non-Current Liabilities			
Deferred Tax Liability	12.00	9,691,981	9,462,116
Lease Finance (Non-Current Portion)	13.00	7,357,304	7,661,980
		2,334,677	1,800,136
Current Liabilities and Provision			
Short Term Borrowings	14.00	360,511,775	335,722,389
Lease Finance (Current Portion)	13.00	114,052,433	96,840,876
Creditors for Goods & Others	15.00	2,702,832	4,303,037
Liabilities for Expenses	16.00	10,055,589	11,078,025
Liabilities for Other Finance	17.00	9,546,351	11,251,507
Provision for Income Tax	18.00	173,451,060	165,151,060
Workers Profit Participation Fund	19.00	37,393,308	35,784,917
Unclaimed Dividend	20.00	9,127,363	7,778,368
		4,182,839	3,534,598
Total Equity and Liabilities		428,050,708	402,994,734
Net Asset Value (NAV) Per Share	28.00	24.10	24.09

The annexed notes 01 to 39 from an integral part of these financial statements. These financial statements were approved by the Board of Directors on 07.06.2021 and signed on its behalf by:


(Serajul Islam)
Alternate Director
In place of Managing Director


(Sakina Miraly)
Director


(Nurjehan Hudda)
Director


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


(Mohammad Amir Hossain)
Company Secretary

Signed in terms of our separate report of even date annexed

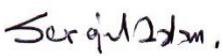
Place: Dhaka
Dated: June 9, 2021


Shafiq Basak & Co.
Chartered Accountants
DVC-2106100239AS841658

AMBEE PHARMACEUTICALS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2020

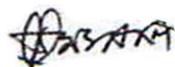
PARTICULARS	Notes	30-Jun-20 Taka	30-Jun-19 Taka
Revenue (Net)	21.00	285,304,315	321,219,660
Cost of Goods Sold	22.00	(136,782,450)	(154,235,674)
Gross Profit		148,521,865	166,983,986
Operating expenses		(135,675,064)	(145,265,565)
Administrative Expenses	23.00	(24,670,664)	(25,275,753)
Selling, Distribution & Marketing Expenses	24.00	(111,004,400)	(119,989,812)
Profit from Operations		12,846,801	21,718,421
Finance Expenses	25.00	(7,646,341)	(7,921,255)
Profit before contribution to WPPF		5,200,460	13,797,165
Contribution to WPPF	26.00	(260,023)	(689,858)
Profit Before Tax		4,940,437	13,107,307
Income Tax Expenses		(1,303,715)	(9,740,293)
For the year		(1,608,391)	(3,846,493)
Earlier Years		-	(5,586,300)
Deferred Tax		304,676	(307,500)
Profit after Tax		3,636,723	3,367,016
Other Comprehensive Income		-	-
Total Comprehensive Income		3,636,723	3,367,016
Number of Shares		2,400,000	2,400,000
Earnings per share (EPS) basic	27.00	1.52	1.40

The annexed notes 01 to 39 from an integral part of these financial statements. These financial statements were approved by the Board of Directors on 07.06.2021 and signed on its behalf by:


(Serajul Islam)
 Alternate Director
 In place of Managing Director


(Sakina Miraly)
 Director


(Nurjehan Hudda)
 Director


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


(Mohammad Amir Hossain)
 Company Secretary

Signed in terms of our separate report of even date annexed

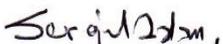
Place: Dhaka
 Dated: June 9, 2021


Shafiq Basak & Co.
 Chartered Accountants
 DVC-2106100239AS841658

AMBEE PHARMACEUTICALS LIMITED
Statement of Changes in Equity
For the year ended June 30, 2020

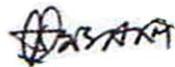
PARTICULARS	Share Capital	Tax Holiday Reserve	Retained Earnings	Total
Balance as on 01 July 2018	24,000,000	5,134,154	32,509,059	61,643,213
Cash Dividend for the year 2017-18	-	-	(7,200,000)	(7,200,000)
Net Profit for the Year after Tax	-	-	3,367,016	3,367,016
Balance as on 30 June 2019	24,000,000	5,134,154	28,676,075	57,810,229
Balance as on 01 July 2019	24,000,000	5,134,154	28,676,075	57,810,229
Cash Dividend for the year 2018-19	-	-	(3,600,000)	(3,600,000)
Net Profit for the Year after Tax	-	-	3,636,723	3,636,723
Balance as on 30 June 2020	24,000,000	5,134,154	28,712,798	57,846,952

The annexed notes 01 to 39 from an integral part of these financial statements. These financial statements were approved by the Board of Directors on 07.06.2021 and signed on its behalf by:


 (Serajul Islam)
 Alternate Director
 In place of Managing Director


 (Sakina Miraly)
 Director


 (Nurjehan Hudda)
 Director


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


 (Mohammad Amir Hossain)
 Company Secretary

Signed in terms of our separate report of even date annexed

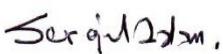
Place: Dhaka
 Dated: June 9, 2021


Shafiq Basak & Co.
 Chartered Accountants
 DVC-2106100239AS841658

AMBEE PHARMACEUTICALS LIMITED
Statement of Cash Flows
For the year ended June 30, 2020

PARTICULARS	Amount in Taka	
	30 June 2020	30 June 2019
A) Cash Flows from Operating Activities:		
Cash receipts from customers & others	281,210,004	328,718,649
Payments for costs, expenses & others	(282,298,720)	(275,738,341)
Cash Generated from operating activities	(1,088,716)	52,980,307
Finance Expenses	(7,646,341)	(7,921,255)
Income tax paid	(3,236,315)	(5,657,659)
Net cash Generated from operating activities	(11,971,372)	39,401,393
B) Cash Flows from Investing Activities:		
Purchase of Fixed Assets	(712,000)	(366,850)
Right-of-Use Asset	(3,262,947)	-
Net cash (used in)/generated from investing activities	(3,974,947)	(366,850)
C) Cash Flows from Financing Activities:		
Other Finance	8,300,000	(20,079,999)
Short Term Loan	17,211,557	(6,734,474)
Lease Finance	(1,065,664)	(8,650,920)
Dividend paid	(2,951,759)	(10,660,290)
Net cash used in financing activities	21,494,134	(46,125,682)
D) Net change in Cash and Cash Equivalents (A+B+C)	5,547,815	(7,091,139)
E) Opening Cash and Cash Equivalents	5,568,019	12,659,158
F) Closing Cash and Cash Equivalents (D+E)	11,115,834	5,568,019
Net Operating Cash Flow Per Share (Note -)	(4.99)	16.42

The annexed notes 01 to 39 from an integral part of these financial statements. These financial statements were approved by the Board of Directors on 07.06.2021 and signed on its behalf by:


(Serajul Islam)
 Alternate Director
 In place of Managing Director


(Sakina Miraly)
 Director


(Nurjehan Hudda)
 Director


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


(Mohammad Amir Hossain)
 Company Secretary

Signed in terms of our separate report of even date annexed

Place: Dhaka
 Dated: June 9, 2021


Shafiq Basak & Co.
 Chartered Accountants
 DVC-2106100239AS841658

AMBEE PHARMACEUTICALS LIMITED
Accounting Policy and Explanatory Notes to the Financial Statements
For the year ended June 30, 2020

1.0 Background and Introduction

1.01 Incorporation and legal status

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 Nature of business

The nature of the company was manufacturing of pharmaceuticals drugs and medicines and sales thereof.

2.0 Basis of preparation of financial statements

2.01 Basis of measurement

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 Statement of compliance

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as listed entities.

As the FRS is yet to be issued by FRC hence as per the provisions of the FRA (section-69), the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

The Company also complied with the requirements of following laws and regulations from various Government bodies:

Bangladesh Securities and Exchange Rules, 1987;
The Income Tax Ordinance, 1984 with subsequent amendments;
The Income Tax Rules, 1984 with subsequent amendments;
The Value Added Tax Act, 2012 with subsequent amendments;
The Value Added Tax Rules, 2012 with subsequent amendments;
The Labor Law, 2006 with subsequent amendments in 2013; and Others as applicable.

2.03 Reporting Period

The financial statements cover for the period of 12 months from July 01, 2019 to June 30, 2020.

2.04 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on June 07, 2021.

2.05 Functional and presentation currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the Company's functional currency. Figures have been rounded off to the nearest Taka except where indicated otherwise.

2.06 Comparative information

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.

Comparative information has been rearranged wherever considered necessary to ensure better presentation and comparability with the current period.

2.07 Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRSs) including International Accounting Standards (IASs) require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision of accounting estimates is recognized in the period in which the estimate is revised and in any future periods affected.

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 include depreciation, inventory valuation, current and deferred taxes, accrued expenses and other payables.

3.00 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements. IFRS 16 Lease has been effective from this year.

3.01 Property, plant and equipment**3.1.1 Recognition and measurement**

Items of property, plant and equipment excluding land are measured at cost less accumulated depreciation in compliance with the requirements of IAS 16: "Property, Plant and Equipment".

The cost of acquisition of an asset comprises of its purchase price and directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.1.2 Maintenance activities

The Company incurs maintenance costs for all its major items of property, plant and equipment. Repair and maintenance costs are charged as expenses when incurred. In the 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.

3.1.3 Depreciation

Land is held on freehold basis and is not depreciated considering the infinite life. In respect of all other fixed assets, depreciation is charged using reducing balance method. Full month depreciation is charged on assets from when the assets are available for use while no

depreciation is charged in the month of disposal. The Company reviews the non-current assets' useful life every year and there is no change in the estimated useful life.

The depreciation rates for the current and the previous year are as follows:

<u>Particulars</u>	<u>Depreciation Rate</u>	<u>Depreciation Rate</u>
	<u>30-Jun-20</u>	<u>30-Jun-19</u>
Factory Building	2.50%	2.50%
Plant & Machinery	7.00%	7.00%
Deep Tube Well	15.00%	15.00%
Diesel Generating Set	15.00%	15.00%
Loose Tools	15.00%	15.00%
Laboratory Equipment	10.00%	10.00%
Electrical Installation	10.00%	10.00%
Laboratory Glassware	15.00%	15.00%
Production Equipment	10.00%	10.00%
Transport and Vehicles	20.00%	20.00%
Motor Cycle	20.00%	20.00%
Furniture and Fixtures	10.00%	10.00%
Office Equipment	15.00%	15.00%
Office By-cycles	20.00%	20.00%
Books	15.00%	15.00%

3.1.4 Retirements and disposals

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 sale proceeds or realized amount.

3.1.5 Impairment

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 and impairment loss is recognized in the statement of profit or loss and other comprehensive income. There is no impairment loss during the year under review.

3.1.6 The non-current assets which are not ready for use at the year end, are shown as capital work-in-progress and subsequently those assets would have to be transferred to property, plant and equipment when all the necessary works are completed.

3.02 Right of Use Asset (ROU)

All leasing arrangements except those having less than 12 months of useful life and underlying asset values of less than Taka 425,000 when new, have been capitalized as "right-of-use" asset with a corresponding financial liability on the financial position.

Leased assets are capitalized from the start date of the lease agreement at the present value of the future lease payments, based on the rate of interest entered in the asset master data. Low value (<Taka 425,000) and short-term leases (<12months) have been excluded from the recognition requirements and charged to statement of profit or loss as rental costs. Lease reassessment and lease modification to increase/decrease the value of an asset depending on a change in scope of lease agreement can be made if necessary.

The asset is written off on a straight-line basis over the tenure of the lease agreements. Hence, the useful life of any lease assets depends on the periods the assets can be used. The useful life of such assets is dependent on individual agreement and can vary from one agreement to another.

3.03 Borrowing Cost

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

3.04 Accounts receivable and others

Accounts Receivable are initially recognized at invoice amounts which is the fair value of the consideration given in return.

Provisions for doubtful debts are made where there is evidence of a risk of non-payment, taking into account aging, previous experience as well as general economic conditions and ultimately the prospects of realizability.

3.05 Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: "Inventories". Cost is determined on a weighted average cost basis. Net realizable value of the finished goods is determined at selling price in the ordinary course of business less costs to sell, while raw and packing materials as well as accessories and components are valued at cost including expenses incurred for acquiring the inventories.

3.06 Provisions

A provision is recognized in the financial statements 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 amount to be required to settle the present obligation at the date of statement of financial position.

3.07 Employee benefits

The Company operates a defined contributory provident fund and gratuity plans for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in respective deeds. The details of employee benefits are as under:

(a) Provident fund (Defined Contribution Plan)

The Company has a recognized provident fund scheme (Defined Contribution Plan) for employees of the Company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute a certain percentage of their basic salary to the provident fund and the Company also makes equal contribution.

The Company recognizes contribution to defined contribution plan as an expense when an employee has rendered services against such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

(b) Contribution to workers' profit participation / welfare funds

This represents 5% of net profit before tax contributed by the Company as per provisions of the Labour Law, 2006 with subsequent amendments and is transferred to Ambee Pharmaceuticals Limited Workers' Welfare Fund (the Fund). The trustee of the fund manages the distribution of the WPPF according to the guidelines of the Labour Law, 2006 with subsequent amendments.

3.08 Revenue recognition

(a) The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled to receive in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard (IFRS 15) establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised goods to a customer. Goods is considered as transfer when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net off returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

(b) Cash dividend income on investment in shares is recognized on approval of said dividend in the Annual General Meeting. Stock dividend is accounted for at zero value.

(c) Interest income is recognized on cash basis.

3.09 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-Use Assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized and

lease payments made at or before the commencement date.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

iii) Short-Term Leases and Leases of Low-Value Assets

The Company does not apply the recognition and measurement requirements of IFRS 16 to short-term leases (leases of less than 12 months maximum duration). It also does not apply the recognition and measurement requirements of IFRS 16 to leases for which the underlying assets are low value (i.e., less than Taka 425,000 when new). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

3.10 Income Tax Expense

(a) Current tax

Income tax expense for current year is recognized on the basis of Company's computation based on the best estimated assessable profit for the year at the applicable tax rate pursuant to provisions of Income Tax Ordinance, 1984. The tax rates for the period are applied based on the enacted tax rates in the relevant Finance Acts.

(b) Deferred tax

Deferred tax is provided in full, using the balance sheet method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements in accordance with the provisions of IAS 12: "Income Taxes". Current ruling tax rate is used in the determination of deferred income tax.

No deferred tax was accounted for in these financial statements for the export unit as no temporary difference arises due to the fact that tax deducted at source from export collection is considered to be the final discharge of tax liability as per prevailing tax law.

3.11 Earnings per share (EPS)

This has been calculated in compliance with the requirements of IAS 33: "Earnings per share". Earnings per share equals the basic earnings divided by the weighted average number of ordinary shares outstanding during the period.

3.12 Foreign currency transactions

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

The monetary assets and liabilities, denominated in foreign currencies at the financial position date are translated at the applicable rates of exchange ruling at that date. Exchange differences are treated as revenue/expense in compliance with the provisions of IAS 21: "The Effects of Changes in Foreign Exchange Rates".

3.13 Proposed dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to accounts along with dividend per share in accordance with the requirements of IAS 1: "Presentation of Financial Statements". Also, the proposed dividend has not been considered as "Liability" in accordance with the requirements of IAS 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 period under review shall be accounted for after the approval of shareholders in the Annual General Meeting and in the period of such approval.

3.14 Events after reporting period

Events after reporting period that provide additional information about the Company's position at the date of statement of financial position are reflected in the financial statements. Events after reporting period that are not adjusting events are disclosed in the notes, when material.

3.15 Statement of Cash Flows

The statement of cash flows has been prepared in accordance with the requirements of IAS 7: "Statement of Cash Flows". The cash generated from operating activities has been reported using the direct method as prescribed by the Securities and Exchange Rules, 1987 and

following the benchmark treatment of IAS 7, whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

In accordance with the gazette notification dated 08 August 2018 from Bangladesh Securities and Exchange Commission, an additional disclosure on reconciliation of net profit with cash flows from operating activities making adjustments for non-cash items, non-operating and net changes in operating accruals has been provided under note 35 in the notes to the accompanying financial statements.

**4.00 Property, Plant and Equipment
(A) Cost:**

	Amount in Taka	
	30 June 2020	30 June 2019
Opening Balance	227,620,209	227,253,359
Add: Addition during the year	712,000	366,850
Less: Adjustment during the year	-	-
Closing balance (A)	228,332,209	227,620,209

(B) Accumulated Depreciation:

Opening Balance	118,489,370	110,634,097
Add: Addition during the year	6,622,154	7,855,272
Less: Adjustment during the year	-	-
Closing Balance (B)	125,111,524	118,489,370
Written Down Value (A-B)	103,220,686	109,130,839

Details of Property Plant & equipment Schedule are shown in annexure - A

5.00 Right of Use Assets (ROU), Net

Balance as at 1st July, 2019	4,571,387	-
Add: Addition During the Year	-	-
Less: Depreciation Charged During the Year	1,308,440	-
Written Down Value as at 30th June, 2020	3,262,947	-

5.01 Leases

Opening Balance as at 1st July, 2019	4,347,387	-
Add: Interest Accrued	320,866	-
Less: Payments	1,430,880	-
Closing Balance as at 30 June, 2020	3,237,373	-

Lease Liabilities Recognized in Statement of Financial Position

Lease Liability - Net off Current Maturity	1,751,722	-
Lease Liability - Current Maturity	1,485,651	-
	3,237,373	-

6.00 Inventories

Raw materials	58,842,258	53,359,376
Packing materials	30,838,162	24,694,796
Promotional materials	756,542	763,559
Work-in-process	4,777,545	5,554,308
Finished goods	64,768,000	59,323,562
Materials-in-transit	272,000	832,000
	160,254,507	144,527,601

7.00 Account Receivables and Others

Aging of the Accounts Receivable is given below:

Above six months	32,568,770	29,887,781
Below six months	36,578,954	35,165,632

Accounts Receivable is considered good in terms of security and previous collection history. Party wise balance of receivable was not available.

8.00 Advances, Deposits and Prepayments

Advances	79,439,830	75,211,715
Advances to staff	1,542,581	1,701,090
Advance Rent	118,000	341,000
Income tax	47,594,323	44,358,008
Against Purchases and Expenses	9,756,354	9,554,820
Associated Undertaking	20,428,571	19,256,797
Deposit and Prepayments	1,609,180	3,503,147
VAT deposit	-	1,333,967
L/C Margin	272,000	832,000
Guarantee Margin	20,715	20,715
Other Deposits	1,291,465	1,291,465
Pre-payments	25,000	25,000
	81,049,010	78,714,862

9.00 Cash and Cash Equivalents

Cash in hand	10,273,942	3,939,711
Cash at banks:	841,892	1,628,308
In current account	760,377	1,546,793
In in-operative account	81,515	81,515
	11,115,834	5,568,019

10.00 Share Capital

Authorized	25,000,000	25,000,000
2,500,000 Ordinary shares of Taka 10 each		
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) Composition of Shareholdings

	30-June-2020		30-June-2019	
	No of Shares	%	No of Shares	%
Sponsors, Directors & Associates	1,591,329	66.31	1,591,329	66.31
ICB & Institutions	132,601	5.53	83,520	3.48
Foreign Investors	214,790	8.95	214,790	8.95
General Public	461,280	19.22	510,361	21.26
	2,400,000	100	2,400,000	100

(b) The distribution schedule of the shares as at 30 June 2020 is given below:

Range of Holdings	Number of		
	Shareholders	No. of Shares	Holdings (%)
01 to 500 shares	2635	222,843	9.29%
501 to 5,000 shares	216	250,057	10.42%
5,001 to 10,000 shares	2	10,539	0.44%
10,001 to 20,000 shares	4	54,807	2.28%
20,001 to 30,000 shares	2	55,695	2.32%
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%
	2,864	2,400,000	100.00%

11.00 Tax Holiday Reserve

5,134,154 **5,134,154**

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 conditions of granting Tax Holiday. But no such investment has been made.

12.00 Deferred Tax Liability

Carrying value of depreciable fixed assets	52,971,144	60,097,101
Tax Base Value	(23,516,354)	(29,449,182)
	29,454,790	30,647,919
Temporary difference for IFRS 16: Lease (Note-12.01)	(25,574)	-
Tax Base Value	-	-
	(25,574)	-
Net taxable temporary difference- Liabilities	29,429,216	30,647,919
Tax Rate	25.00%	25.00%
Deferred Tax Liability - Closing	7,357,304	7,661,980
Deferred Tax Liability- Opening	7,661,980	7,354,480
Deferred Tax Expenses (Income) for the year	304,676	(307,500)

12.01 The temporary difference figure has been computed by deducting ROU Assets from Lease liabilities and multiply by 25% tax rate thereon in order to calculate deferred tax (assets)/ liability value.

13.00 Lease Finance

Loan from GSP Finance	1,800,136	6,103,173
Less: Current Portion of long-term loan being payable within one year	<u>(1,217,181)</u>	<u>(4,303,037)</u>
	<u>582,955</u>	<u>1,800,136</u>

Obligation Under Finance Leases

Gross Finance Lease- minimum lease liability		
Within one year	1,395,462	4,878,040
After one year	614,460	2,009,922
Total	<u>2,009,922</u>	<u>6,887,962</u>
Less: Future finance charges on finance lease liability	<u>209,786</u>	<u>784,789</u>
Present Value of Finance Lease liability	<u>1,800,136</u>	<u>6,103,173</u>
This consist of as follows:		
Within one year	1,217,181	4,303,037
Within two to five years	582,955	1,800,136
Total Present Value of Finance Lease liability	<u>1,800,136</u>	<u>6,103,173</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

14.00 Short Term Borrowings

Overdraft Facilities	52,182,317	51,041,391
Letter of Trust Receipt	<u>61,870,116</u>	<u>45,799,485</u>
	<u>114,052,433</u>	<u>96,840,876</u>

15.00 Creditors for Goods and 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	-	-
Below six months	10,055,589	11,078,025
	<u>10,055,589</u>	<u>11,078,025</u>

Party wise details are not made available.

16.00 Liabilities for Expenses

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

Above six months	-	-
Below six months	9,546,351	11,251,506
	<u>9,546,351</u>	<u>11,251,506</u>

Details of above balance are given below:

Salary, wages & Allowance	7,278,235	8,864,384
Postage Expenses	2,578	3,250

Director Remuneration	500,000	500,000
Electricity, Gas & Water	590,775	576,637
Audit Fees	402,500	402,500
Telephone Bill	296,583	280,341
TA/DA & Other	475,681	624,394
	9,546,352	11,251,506

17.00 Liabilities for Other Finance

Opening Balance	165,151,060	185,231,059
Add. Addition during the year	18,000,000	-
Vat payable	18,000,000	-
Loan from Aziz Mohammad Bhai	-	-
Less: Adjustment during the year	(9,700,000)	(20,080,000)
Vat Paid	(700,000)	(12,080,000)
Interest paid	-	-
Loan Refund to Aziz Mohammad Bhai	(9,000,000)	(8,000,000)
	173,451,060	165,151,060

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	41,736,732	24,436,732
Income Tax deduction from Supplier	431,369	431,369
Provident Fund Payable	1,916,358	1,916,358
Loan from Mr. Aziz Mohammad Bhai	108,650,308	117,650,308
Interest Payable	20,001,655	20,001,655
	173,451,060	165,151,060

Out of total balance of Tk 173,451,060.00 an amount of Tk 108,451,060.00 is payable to Aziz Mohammad Bhai, Chairman of the Company as disclosed at Note # 32 "Related party transactions" During the year Taka 9,000,000 has been paid/adjusted with the balance payable to him for payment towards salary and others of his personal staff. No details of interest payable amounting to Taka 20,001,655 were available which is coming from previous years.

18.00 Provision for Income Tax

Opening Balance	35,784,917	37,524,724
Provision for the year	1,608,391	3,846,493
Adjustment for the year 2012 and 2014	-	(5,586,300)
	37,393,308	35,784,917

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, 2018-2019 are finalized and in appeal. Income tax assessment for the year 2019-2020 is filed for assessment.

19.00 Workers Profit Participation Fund (WPPF)

Opening Balance	7,778,368	6,719,088
Provision for the year	260,023	689,858
Interest during the year	1,088,972	940,672
Less: Adjustment/ payment during the year	-	(571,250)
	9,127,363	7,778,368

20.00 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.

4,182,839	3,534,598
4,182,839	3,534,598

21.00 Revenue

Local Sales	285,304,315	321,219,660
	285,304,315	321,219,660

Sales Quantity:

Tablet	63,137,670	Pcs.	209,146,572	233,871,914
Capsules	7,860,534	Pcs.	43,817,669	37,830,932
Liquids	943,860	Bottles	23,030,762	12,738,500
Ointment	84,022	Pcs.	1,181,366	1,106,024
Injection	497,472	Ampoule	8,127,946	35,672,290

22.00 Cost of Goods Sold

Work-in-process (Opening)		5,554,308	6,798,986
Raw materials consumed	Notes-22.01	73,252,120	77,826,982
Packing materials consumed	Notes-22.02	33,906,587	50,134,749
Promotional materials consumed	Notes-22.03	3,052,639	3,580,567
Factory overhead	Notes-22.04	30,439,124	32,514,750
Depreciation	(Annexure-A)	1,854,993	1,976,748
Work-in-process (Closing)		<u>(4,777,545)</u>	<u>(5,554,308)</u>
Cost of production		143,282,226	167,278,474
Stock of finished goods (Opening)		59,323,562	47,854,958
Stock of finished goods (Closing)		(64,768,000)	(59,323,562)
Cost of free samples		(1,055,338)	(1,574,196)
Work-in-process (Opening)		<u>5,554,308</u>	<u>6,798,986</u>
		136,782,450	154,235,674

22.01 Raw Materials Consumption

	Active Ingredients (kg)	Excipients (kg)	E.H.G. Capsules (pcs)		
Opening Stock	3,296	28,579	4,918,700	53,359,376	62,233,624
Purchase	17,754	10,539	2,700,120	78,735,002	68,952,734
Closing Stock	2,944	12,409	2,888,700	(58,842,258)	(53,359,376)
	18,105	26,708	4,730,120	73,252,120	77,826,982

Raw materials consumed is 70.89% imported

22.02 Packing Materials Consumed

Opening Stock	24,694,796	34,888,311
Purchase	40,049,953	39,941,234
Closing Stock	(30,838,162)	(24,694,796)
	<u>33,906,587</u>	<u>50,134,749</u>

Packing materials consumed is 11.58% 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.

22.03 Promotional Materials Consumed

Opening Stock	763,559	922,244
Purchase	3,045,622	3,421,882
Closing Stock	(756,542)	(763,559)
	<u>3,052,639</u>	<u>3,580,567</u>

Particulars in respect of quantity of each promotional material 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.

22.04 Factory Overhead

Salary, wages and allowances	25,739,597	25,672,965
Overtime allowances	135,010	177,430
Car Expenses	487,213	760,155
Electricity, Gas and Water	2,881,447	4,135,753
Conveyance	29,755	49,475
Entertainment	49,972	33,838
Printing and Stationery	34,391	43,040
Repairs and maintenance	612,875	665,502
Telephone	82,317	68,614
Indirect materials-Packing	324,699	831,187
Fees and Commissions	18,750	-
Uniform	10,621	8,041
Power & Fuel	32,477	68,750
	<u>30,439,124</u>	<u>32,514,750</u>

23.00 Administrative Expenses

Salary and allowances	8,683,266	8,134,858
Directors' Remuneration	6,000,000	6,000,000
Car expenses	480,000	480,000
Conveyance	92,859	30,703
Entertainment	93,664	126,186
Travelling Expenses	390,610	354,516
Postage expenses	-	503,811
Printing and Stationery	11,360	16,840
Electricity, Gas and Water	57,750	279,687
Repairs and maintenance	722,998	1,033,037
Telephone	160,440	91,748
Fees and commissions	517,016	811,318
Membership subscription	320,645	392,503
Audit fees (Statutory)	191,882	184,000
Insurance premium	83,061	73,755
Legal and professional charges	250,000	213,000



AGM expenses	121,513	149,687
Advertisement & Publicity	15,500	119,079
Depreciation (<i>Annexure A</i>)	4,767,160	5,878,525
Depreciation on Right-of-Use Asset (<i>Note-5.00</i>)	1,308,440	-
	<u>24,670,664</u>	<u>25,275,753</u>
24.00 Selling, Distribution and Marketing Expenses		
Salary and allowances	85,100,700	83,588,252
Incentive Bonus	-	1,212,740
Rent, rates and taxes	1,134,560	4,217,953
Car expenses	210,000	100,338
Bank charges	26,198	47,389
Conveyance	156,422	262,097
Entertainment	13,775	130,983
Postage expenses	25,632	16,255
Printing and Stationery	288,006	376,038
Repairs and maintenance	143,415	338,745
Telephone	1,179,531	1,370,462
Electricity, Gas and Water	199,459	431,769
Fees and commissions	70,000	-
TA/DA of MR and others	7,476,310	7,095,481
General expenses	9,292	2,550
Meeting/Conference/Training expenses	736,908	1,271,610
Delivery Van expenses	25,342	341,621
Delivery expenses	12,358,218	16,379,451
Free Sample	1,850,632	2,806,078
	<u>111,004,400</u>	<u>119,989,812</u>
25.00 Financial Expenses		
Interest on Overdraft	5,661,529	5,280,553
Interest on Lease Finance	895,840	1,700,030
Interest on WPPF	1,088,972	940,672
	<u>7,646,341</u>	<u>7,921,255</u>
26.00 Contribution to Workers Profit Participation Fund		
Workers Profit Participation Fund	260,023	689,858
	<u>260,023</u>	<u>689,858</u>
<p>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. No distribution has been made during the year which is required as per law.</p>		
27.00 Basic Earnings per Share		
This is made up as follows:		
Earning attributable to the Ordinary Shareholders (Net profit after tax)	3,636,723	3,367,016
Weighted average number of Ordinary shares outstanding during the year	2,400,000	2,400,000
	<u>1.52</u>	<u>1.40</u>

28.00 Net Asset Value

Non-Current Assets	106,483,632	109,130,838
Current Assets	321,567,075	293,863,895
Non-Current Liabilities	9,691,981	9,462,116
Current Liabilities	360,511,775	335,722,387
	<u>57,846,951</u>	<u>57,810,229</u>
Number of Ordinary Shares of Taka 10 each at Balance Sheet Date	2,400,000	2,400,000
NAV - Per Share at Balance Sheet Date	<u>24.10</u>	<u>24.09</u>

29.00 Net Operating Cash Flow per Share

Cash flows from net operating activities as per Statement of Cash flows	(11,971,372)	39,401,393
Weighted average number of Ordinary shares outstanding during the year	2,400,000	2,400,000
Net Operating Cash Flow - Per Share on Shares at Balance Sheet Date	<u>(4.99)</u>	<u>16.42</u>

29.01 Reconciliation of Net Profit with Cash Flows from Operating Activities

Net Profit after Tax	3,636,723	3,367,016
Adjustments	7,625,917	8,162,772
Depreciation on Property, Plant & Equipment	6,622,153	7,855,272
Depreciation on Right of Use Asset	1,308,440	-
Deferred Tax	(304,676)	307,500
Changes in Working Capital	(23,234,012)	27,871,605
Increase in Inventories	15,726,906	(9,422,522)
Increase in Accounts Receivable & Others	4,094,311	(7,498,989)
Increase in Advances, Deposits & Prepayments	2,553,617	(9,759,053)
Decrease in Creditor for Goods	(1,022,436)	1,054,146
Decrease in Liabilities for Expenses	(1,705,155)	1,187,117
Increase in Provision for Income Tax	1,608,391	(1,739,807)
Increase in Worker Profit Participation Fund	260,023	689,585
Net Cash Generated from Operating Activities	<u>(11,971,372)</u>	<u>39,401,393</u>
Net Operating Cash Flow per share	<u>(4.99)</u>	<u>16.42</u>

30.00 Related Party Transactions - Disclosure Under IAS 24

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 the 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 2020 were as follows:

Name of the Party	Relation-ship	Nature of Transaction	Opening Balance	Addition During the year	Adjustment during the year	Closing Balance
Aziz Mohammad Bhai	Chairman	Intercompany Loan/ Receivable	117,650,308	-	9,000,000	108,650,308
Olympic Industries Limited	Group Concern	Intercompany Loan/ Receivable	1,085,671	-	-	1,085,670
Bengal Steel Works Limited	Group Concern	Intercompany Loan/ Receivable	19,158,811	1,172,950	-	20,331,761
Ambee Films Limited	Group Concern	Intercompany Loan/ Receivable	97,986	-	-	97,986
Total			137,992,776	1,172,950	9,000,000	130,165,726

Note: Out of total amount of TK. 20,331,761.00 of Bengal Steel Works Ltd from the above table, the amount of TK. 4,884,403.00 is included from the year 2016 to 2019 whereas the amount of TK. 1,172,950.00 is also included from the running year 2020. Company will take permission from the shareholders in the next Annual General Meeting for TK. 4,884,403.00 as well as TK. 1,172,950.00

30.01 Salaries / Perquisites to Directors & Officers

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	-	-
	-	15,581,250

There are no other benefits provided by the company to its employees other than a contributory Provident Fund Scheme.

30.02 Directors Remuneration:

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

31.00 Number of Employees

Total number of employees of the Company was 736 as on 30 June, 2020.

Total number of employees of the Company was 891 as on 30 June, 2019.

32.00 Financial Risk Management

(a) 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. Risk exposures from other financial assets, i.e., cash at bank and other external receivables are nominal.

Exposure to credit risk

Particulars	Note	30-June-2020	30-June-2019
Accounts Receivable & Others	7.00	69,147,724	65,053,413
Cash & Cash Equivalents	9.00	11,115,834	5,568,019
		80,263,558	70,621,432

The aging of trade receivables at the reporting date was:

Particulars	30-June-2020	30-June-2019
Dues below 6 months	36,578,954	29,887,781
Dues over 6 months	32,568,770	35,165,632
	69,147,724	65,053,413

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when 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 equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on 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.

(c) 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 of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

i) 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.

ii) Interest Rate Risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no foreign currency loan which 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.

33.00 Production Capacity & Capacity Utilization

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 (Bottles)	8,000	7,000	-do-
Injectable (Ampoules)	35,000	30,000	-do-
Tube	7,500	5,000	-do-

34.00 Capital Expenditure Commitment

The Board of Directors of the company adopted the following decisions with regard to Capital Expenditures:

There was no material capital expenditure authorized by the Board but not contracted for at June 30, 2020.

35.00 Contingent liabilities

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

36.00 Payments made in Foreign Currency

Import of Raw Materials	55,816,421	59,413,636
Import of Packing Materials	4,636,525	14,043,629

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

37.00 Going Concern

The financial statements of the Company are prepared on a going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon Company's ability to continue as a going concern. The management do not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any other material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern, which is most unlikely though yet considering overall perspectives.

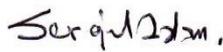
38.00 Events after the Reporting Period

Subsequent to the balance sheet date, the Board of Directors has proposed 15% cash dividend i.e., Taka 1.50 per share which will be recognized in the accounts as and when approved by the shareholders in the annual general meeting.

Excepting to that, no circumstances have arisen since the date of statement of financial position which would require adjustment to, or disclosure in, the financial statements or notes thereto.

39.00 Approval of the Financial Statements

These financial statements were authorized for issue in accordance with a resolution of the Company's Board of Directors meeting on June 07, 2021.

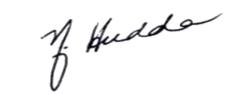


(Serajul Islam)

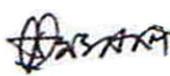
Alternate Director
In place of Managing Director



(Sakina Miraly)
Director



(Nurjehan Hudda)
Director



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



(Mohammad Amir Hossain)
Company Secretary

AMBEE PHARMACEUTICALS LIMITED
Schedule of Property Plant & equipment
For the year ended June 30, 2020

Annexure - A

Particulars	Cost			Rate %	Depreciation			Written Down Value as on 30.06.2020
	As on 01.07.2019	Addition During the Year	Adjustment the during year		As on 30.06.2020	Adjustment during the year	Charged 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	13,955,963	287,450	14,243,414	11,210,561
Plant and Machinery	61,668,702	580,000	-	7	46,378,818	1,083,825	47,462,643	14,786,059
Deep Tube Well	1,368,000	-	-	15	1,102,066	39,890	1,141,956	226,044
Diesel Generating Set	446,500	-	-	15	348,415	14,713	363,128	83,372
Loose Tools	98,001	-	-	15	94,179	573	94,753	3,248
Laboratory Equipment	3,200,156	-	-	10	2,275,411	92,475	2,367,885	832,271
Electrical Installation	556,455	-	-	10	226,304	33,015	259,319	297,135
Laboratory Glass Ware	41,626	-	-	15	41,486	21	41,507	119
Production Equipment	1,220,541	-	-	10	804,565	41,598	846,162	374,379
Transport and Vehicles	12,530,135	-	-	20	9,168,261	672,375	9,840,636	2,689,499
Motorcycle	38,662,774	-	-	20	20,855,116	3,561,532	24,416,648	14,246,127
Furniture and Fixtures	3,510,681	-	-	10	2,599,894	91,079	2,690,972	819,709
Office Equipment	12,403,336	132,000	-	15	9,537,314	440,897.23	9,978,212	2,557,124
Office By-cycles	15,962	-	-	20	15,670	58	15,729	233
Books	98,060	-	-	15	89,937	1,218	91,156	6,904
Sub Total	211,524,444	712,000	-		107,493,401	6,360,719	113,854,121	98,382,323
Injectable (Ampoule) Unit-2								
Factory Building	3,627,409	-	-	2.5	1,248,468	59,474	1,307,942	2,319,467
Plant and Machinery	9,221,953	-	-	7	6,721,228	175,051	6,896,279	2,325,674
Production Equipment	80,500	-	-	10	64,490	1,601	66,091	14,409
Transport and Vehicles	2,235,000	-	-	20	2,186,032	9,794	2,195,826	39,174
Furniture and Fixture	930,903	-	-	10	775,750	15,515	791,265	139,638
Sub Total	16,095,765	-	-		10,995,968	261,434	11,257,402	4,838,363
June 30, 2020 Tk.	227,620,208	712,000	-		118,489,369	6,622,153	125,111,522	103,220,685
June 30, 2019 Tk.	227,253,359	366,850	-		110,634,097	7,855,272	118,489,369	109,130,838

Note : Depreciation Charged to :

(a) Cost of Goods Sold (Note - 22.00)

(b) Administrative Expenses (Note - 23.00)

30-06-2020	30-06-2019
1,854,993	1,976,748
4,767,160	5,878,525
6,622,153	7,855,272

Tk.

AMBEE PHARMACEUTICALS LIMITED
 Computation of Deferred Tax
For the year Ended June 30, 2020

Particulars	Annexure-B Amount in Taka	
	30-June-2020	30-June-2019
Carrying value of depreciable fixed assets	52,971,144	60,097,101
Tax base Value	(23,516,354)	(29,449,182)
Net taxable temporary difference- Liabilities	29,454,790	30,647,919
Temporary difference for IFRS 16: Lease (Note-12.01)	(25,574)	-
Tax Base Value	-	-
Net Taxable Temporary Difference- Liabilities	29,429,216	30,647,919
Tax Rate	25.00%	25.00%
Deferred Tax Liability - Closing	7,357,304	7,661,980
Deferred Tax Liability- Opening	7,661,980	7,354,480
Deferred Tax Expenses for the year	304,676	(307,500)

AMBEE PHARMACEUTICALS LIMITED
184/1, Tejgaon Industrial Area, Dhaka-1208
Income Tax Provision
For the year Ended June 30, 2020

Annexure-C

Particulars	Amount in Taka	
	30-June-2020	30-June-2019
Income Tax Provision		
Opening balance	35,784,917	37,524,724
Provision Made during the year **	1,608,391	3,846,493
	37,393,308	41,371,217
Net Profit before Tax	4,940,437	13,107,307
Depreciation as per Audited Accounts	6,622,153	7,855,272
Depreciation as Income Tax	(5,429,025)	(6,576,608)
Other Disallowances (Approx.)	300,000	1,000,000
Taxable Profit	6,433,565	15,385,971
Applicable Tax Rate	0.25	0.25
Income Tax Provision**	1,608,391	3,846,493

AMBEE PHARMACEUTICALS LIMITED
Property, Plant & Equipment
Depreciation Schedule As per Income Tax
For the year Ended June 30,2020

Annexure-D

Particulars	WDV as on 01.07. 2019	Addition during year	Adjustment During year	As on 30.06.2020	Rate %	Depreciation	WDV as on 30.06. 2020
<u>Existing Units -1</u>							
Land	-	-	-	-	-	-	-
Leasehold Land	-	-	-	-	-	-	-
Factory Building	451,417	-	-	451,417	20	90,283	361,133
Plant and Machinery	1,995,749	580,000	-	2,575,749	20	515,150	2,060,599
Loose Tools	791	-	-	791	20	158	633
Laboratory Equipment	1,613,379	-	-	1,613,379	20	322,676	1,290,703
Electrical Installation	110,039	-	-	110,039	20	22,008	88,031
Laboratory Glass Ware	620	-	-	620	20	124	496
Production Equipment	89,135	-	-	89,135	20	17,827	71,308
Transport and Vehicles	2,864,497	-	-	2,864,497	20	572,899	2,291,598
Motorcycle	17,388,855	-	-	17,388,855	20	3,477,771	13,911,084
Furniture and Fixtures	778,833	-	-	778,833	10	77,883	700,950
Office Equipment	2,564,067	132,000	-	2,696,067	10	269,607	2,426,460
Office By-cycles	85	-	-	85	20	17	68
Books	2,444	-	-	2,444	20	489	1,955
Sub Total	27,859,910	712,000	-	28,571,910		5,366,892	23,205,018
<u>Injectable (Ampoule) Unit -2</u>							
Factory Building	55,373	-	-	55,373	20	11,075	44,298
Plant and Machinery	170,661	-	-	170,661	20	34,132	136,529
Production Equipment	2,193	-	-	2,193	20	439	1,754
Transport and Vehicles	19,636	-	-	19,636	20	3,927	15,709
Furniture and Fixture	125,606	-	-	125,606	10	12,561	113,045
Sub Total	373,469	-	-	373,469	-	62,133	311,336
Grand Total	28,233,379	712,000	-	28,945,379	-	5,429,025	23,516,354



Product List of Ambee Pharmaceuticals Ltd.

BRAND NAME	DOSAGE FORM	GENERIC NAME & STRENGTH	
TABLET			
Aces Plus	Tablet	Antioxidant Vitamin Plus Multimineral	
Act	Tablet	Paracetamol	500 mg
Act Plus	Tablet	Paracetamol + Caffeine	500 mg + 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-VT	Tablet	Metronidazole + Miconazole Nitrate	100 mg
Aminophylline	Tablet	Aminophylline	100 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	300 mg
C-Bon	Tablet	Ascorbic Acid	250 mg
Cerenid	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
Hiflox -XR	Tablet	Ciprofloxacin	1000 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
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 Dihydrate	250 mg
Myzid	Tablet	Azithromycin Dihydrate	500 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	Lisinopril 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
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	Spirolactone	25 mg
Verospiron Plus	Tablet	Spirolactone + Frusemide	50 + 20 mg
Perol	Tablet	Haloperidol	5 mg
Vitex-M	Tablet	Multi Vitamin with Minerals	
Vitex Gold	Tablet	Multivitamin + Multimineral (A-Z)	
Vitex Gold	Tablet	Multivitamin + Multimineral (A-Z)	
CAPSULE			
Afluzole	Capsule	Fluconazole	150 mg
Afluzole	Capsule	Fluconazole	50 mg
Aluctin	Capsule	Flurazepam	30 mg
Ambeeclox	Capsule	Cloxacillin	500 mg
Ambeexin	Capsule	Amoxycillin	250 mg

BRAND NAME	DOSAGE FORM	GENERIC NAME & STRENGTH	
Doxilin	Capsule	Doxycycline	100 mg
Ferritin-TR	Capsule	Ferrous sulphate + Folic Acid	150mg+500mcg
Fluxin	Capsule	Flucloxacillin	250 mg
Fluxin	Capsule	Flucloxacillin	500 mg
Lap	Capsule	Lansoprazole Pellets 8.5%	30 mg
Mycef	Capsule	Cephadrine BP/USP	500 mg
Om	Capsule	Omeprazole BP	20 mg.
Om	Capsule	Omeprazole BP	40 mg.
Tricef	Capsule	Cefixime Compacted	200 mg
Tetram	Capsule	Tetracycline Hcl	250 mg
Vitex	Capsule	Vitamin B-complex	
LIQUID			
Act PD	Liquid	Paracetamol (Micro.)	80 mg
Act	Liquid	Paracetamol	60 ml
Actizen	Liquid	Cetirizine Dihydrochloride	60 ml
Adorex PD	Liquid	Domperidone	15 ml
Adorex	Liquid	Domperidone	100 ml
Adorex	Liquid	Domperidone	60 ml
Afluzole	Liquid	Fluconazole	50 mg
Ambeexin DS	Liquid	Amoxycillin	100 ml
Ambeexin PD	Liquid	Amoxycillin	15 ml
Antac	Liquid	Ranitidine HCl	75mg
A-Rox PS	Liquid	Roxithromycin BP	50 mg
Codex	Liquid	Cough Syrup	100 ml
Dextromethorphan ELX.	Liquid	Dextromethorphan	100 ml
Diphedan	Liquid	Phenytoin	100 ml
Fluxin DS	Liquid	Flucloxacillin	100 ml
Hiflox PS	Liquid	Ciprofloxacin	60 ml
Klion	Liquid	Benzoil Metronidazole	60 ml
Mycef	Liquid	Cephadrine BP/USP	15 ml
Mycef	Liquid	Cephadrine BP/USP	100 ml
Mycef DS	Liquid	Cephadrine BP/USP	100 ml
Mycin	Liquid	Erythromycin Ethyl Succinate	125mg
Nalidex	Liquid	Nalidixic Acid	50 ml
Nilkof	Liquid	Dextromethorphan Hydrobromide +Pseudoephedrine +Triprolidine Hcl	100 ml
Progan Elixir	Liquid	Promethazine	100 ml
Stomacid Suspension	Liquid	Antacid	200 ml
Sumetrolim Suspension	Liquid	Co-Trimoxazole	60 ml
Triben Suspension	Liquid	Albendazole	10 ml
Tricef Suspension	Liquid	Cefixime micronized	100 mg
Vitex Syrup	Liquid	Vitamin B-Complex	100 ml
Vitex Syrup	Liquid	Vitamin B-Complex	200 ml
Zinc -S Syrup	Liquid	Zinc Sulphate Monohydrate	100 ml
TUBE			
Cinon	Cream	Halcinonide	5 gm
Fungakil	Cream	Fluocinolone acetionide	5 gm
Fungakil	Oint	Fluocinolone acetionide	5 gm
Hitflam gel	Gel	Diclofenac sodium	10 gm
INJECTION			
Aminophylline	Injection	Aminophylline	125 mg
Antac injection	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	Injection	Vitamin B-Complex	

Depot Address

1	Depot Name : Dhaka Sales Center & Narayangonj Sales Center Depot in Charge : Mr. Amir Uddin Mobile : 01888814601; 01912016669 Email Address : depo_njsd@ambeepharma.com Depot Address : 322/ block-C Khilgaon, PO+PS-Khilgaon, Dhaka-1229
2	Depot Name : Khulna Sales Center Depot in Charge : Md. Arifuzzaman Mobile : 01888814606 Email Address : depo_klsd@ambeepharma.com Depot Address : 47 Khanjahan Ali Road, Khulna
3	Depot Name : Barishal Sales Center Depot in Charge : Khalilur Rahman Mobile : 01888814607 Email Address : depo_blsd@ambeepharma.com Depot Address : 885 Monikunjo C&B Road, Halem Ali collage, Chowmatha, Barisal
4	Depot Name : Rangpur Sales Center Depot in Charge : Selim Khan Mobile : 01888814609 Email Address : depo_rnsd@ambeepharma.com Depot Address : 39/01, Cant. Road, Lalkutir Mour, Dhap, Rangpur
5	Depot Name : Bogura Sales Center Depot in Charge : Md. Ariful Islam Mobile : 01888814603 Email Address : depo_bgsd@ambeepharma.com Depot Address : Holding # 442, Ward # 07, Banomali Deb Lane, Joleswaritola, Bogura.
6	Depot Name : Sylhet Sales Center Depot in Charge : Nazmul Hassan Mobile : 01888814604, Email Address : depo_slsd@ambeepharma.com Depot Address : House No- 24/1, Jalalabad R/A, Amborkhana, Sylhet
7	Depot Name : Mymensingh Sales Center Depot in Charge : AHM Shamsul Alam Mobile : 01888814602 Email Address : depo_mnsd@ambeepharma.com Depot Address : Sumsun Nahar Villa, 37 Kachari Road, Mymensingh.
8	Depot Name : Comilla Sales Center Depot in Charge : Mowdud Ahammad Mobile : 01888814605 Email Address : depo_cmsd@ambeepharma.com Depot Address : 211/12 Hazi Shahidur Rahman Manjil, West Bagichagaon, Main Road, Station Road, Nelay Society, Comilla.
9	Depot Name : Chittagong Sales Center Depot in Charge : Md. Shakhawat Hossain Mobile : 01888814608 Email Address : depo_cgasd@ambeepharma.com Depot Address : House No #113, Paira Road No# 10, O/R Nizam Residence Area, Chittagong.



**AMBEE PHARMACEUTICALS LIMITED.
FORM OF PROXY**

I/We-----of-----
-----being a shareholder
of Ambee Pharmaceuticals Limited hereby appointed Mr./Mrs./Miss-----

-----another member of the Company as my/our proxy to attend and
vote for me/us and on my/our behalf at the 44th Annual General Meeting of the Company to held on July
13, 2021 and at any adjournment of the meeting or any poll that may be taken in consequence thereof.

As witness my/our hand this -----day of -----2021

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.

This instrument appointing a proxy should be signed by the member or by his attorney duly authorized 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 notarial 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

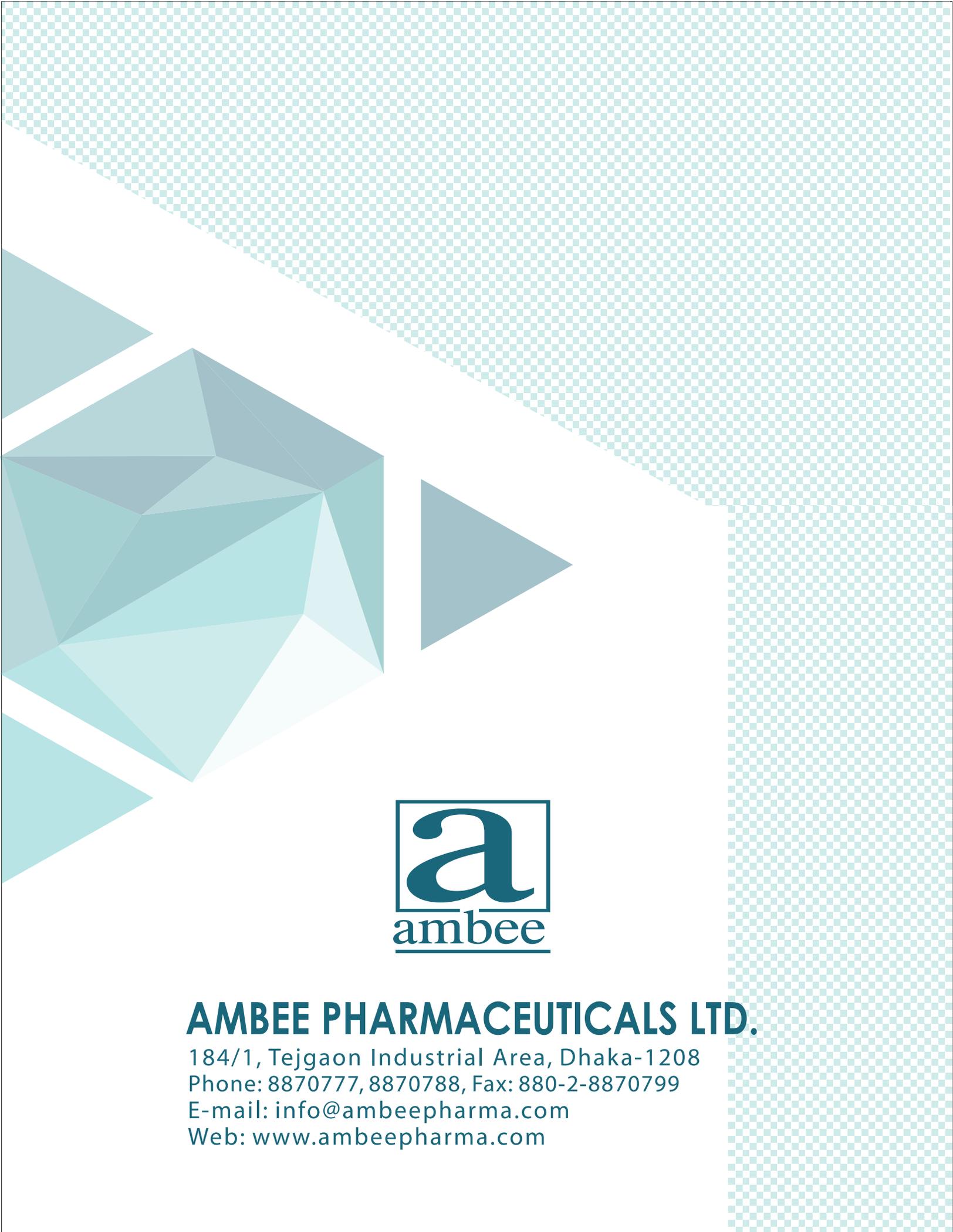
SHAREHOLDER'S ATTENDANCE SLIP

I hereby record my presence at the 44th Annual General Meeting of Ambee Pharmaceuticals Limited on
July 13, 2021, Name of Shareholder -----

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

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

Signature of Proxy-----



AMBEE PHARMACEUTICALS LTD.

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