



ANNUAL REPORT

2020-2021



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 2021.**

Dear Sir(s)

We are pleased to enclose the notice of the 45th Annual General Meeting, a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial position as at 30 June 2021, 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 2021 along with notes thereon of Ambee Pharmaceuticals Limited for your information and record.

Thank you.

Yours sincerely



(Md.Motiur Rahman)

Company Secretary

Date: 11 Nov 2021



AMBEE PHARMACEUTICALS LTD. 45TH ANNUAL REPORT 2020-21

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AMBEE PHARMACEUTICALS LIMITED

184/1, Tejgaon Industrial Area, Dhaka-1208

Date: November 11, 2021

NOTICE OF THE 45TH ANNUAL GENERAL MEETING

Notice is hereby given that the 45th Annual General Meeting of the Shareholders of Ambee Pharmaceuticals Limited will be held on Tuesday the **28th December 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, 2021 together with the Auditors' and Directors' Report thereon.
02. To declare the Dividend for the year ended June 30, 2021.
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 2021-2022 and to fix their remuneration.
06. To appoint Corporate Governance Compliance Auditor for the year 2021-2022 and to fix their remuneration.

By order of the Board

Md. Motiur Rahman
Company Secretary

Notes:

- i The Members whose name appeared in the Members' /Depository Register on Record Date i.e., **Sunday the 5th December 2021** will be eligible to attend/participate and vote in the Annual General Meeting through digital platform.
- 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 2020-2021 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 2020-2021 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 |
| Mrs. Kazi Tanzzina Ferdous | :Director |
| Mr. Laszlo Nemes | :Director (Medimpex) |
| Ms. Georgina Gruber | :Director (Medimpex) |
| Mr.Osman Haidar | :Independent Director |
| Dr.Shafiquel Ameen | :Independent Director |

B. AUDIT COMMITTEE:

| | |
|--|-----------|
| Mr. Osman Haidar, Independent Director | :Chairman |
| Dr.Shafiquel Ameen, Independent Director | :Member |
| Mrs. Kazi Tanzzina Ferdous,Director | :Member |

C. NOMINATION and REMUNERATION COMMITTEE:

| | |
|--|-----------|
| Mr. Osman Haidar, Independent Director | :Chairman |
| Dr.Shafiquel Ameen, Independent Director | :Member |
| Mrs. Kazi Tanzzina Ferdous,Director | :Member |

D. MANAGEMENT COMMITTEE:

| | |
|---------------------------------|-----------|
| Mrs. Naureen Aziz Mohammad Bhai | :Chairman |
| Mrs. Nurjehan Hudda | :Member |
| Mrs. Kazi Tanzzina Ferdous | :Member |
| Mr. A.K.M.Khairul Aziz | :Member |

CORPORATE OFFICIALS:

| | |
|-------------------------|-------------------------|
| Mr. A.K.M. Khairul Aziz | Chief Financial Officer |
| Mr. Md.Mizanur Rahman | General Manager, Admin. |
| Mr. Motiur Rahman | Company Secretary |
| Mr.Mizanur Rahman | Head of Internal Audit |

AUDITORS:

M/S. A Wahab & Co.
Chartered Accountants
Hotel Purbani Annex 2,(4th Floor)
1, Dilkusha ,Dhaka - 1000.

BANKERS:

Agrani Bank Limited

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

Eastern Bank Limited

Concord Richmond
68, Gulshan Avenue
Plot No. 8A, Block CES (F)
Gulshan - 1, Dhaka 1212

United Commercial Bank Limited

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

Website:

www.ambeepharma.com

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

Board of Directors



Mr. Aziz Mohammad Bhai
Chairman



Mrs. Naureen Aziz M Bhai
Managing Director



Mrs. Sakina Miraly
Director



Mrs. Nurjehan Hudda
Director



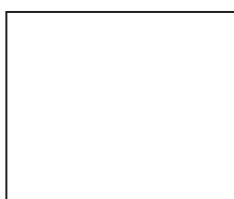
Mrs. Kazi Tanzina
Ferdous Director



Mr. Osman Haidar
Independent Director



Dr. Shafiqul Ameen
Independent Director

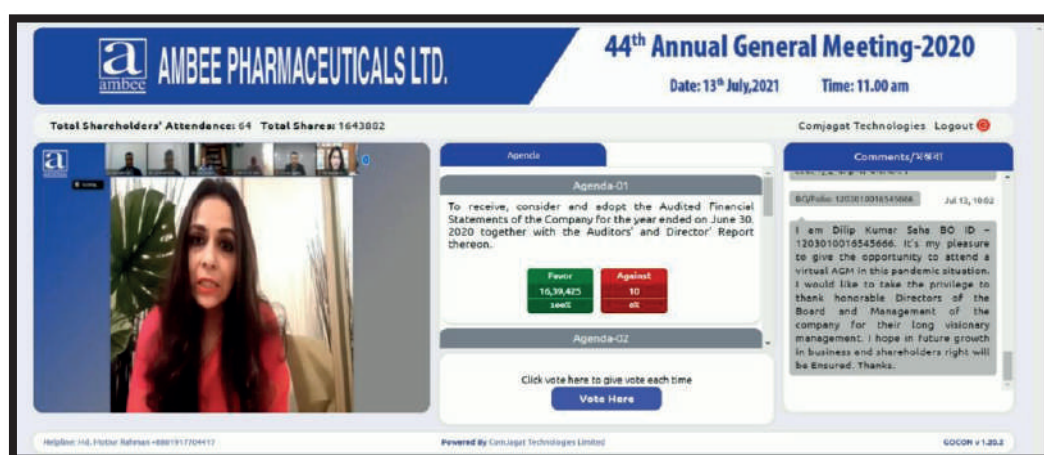
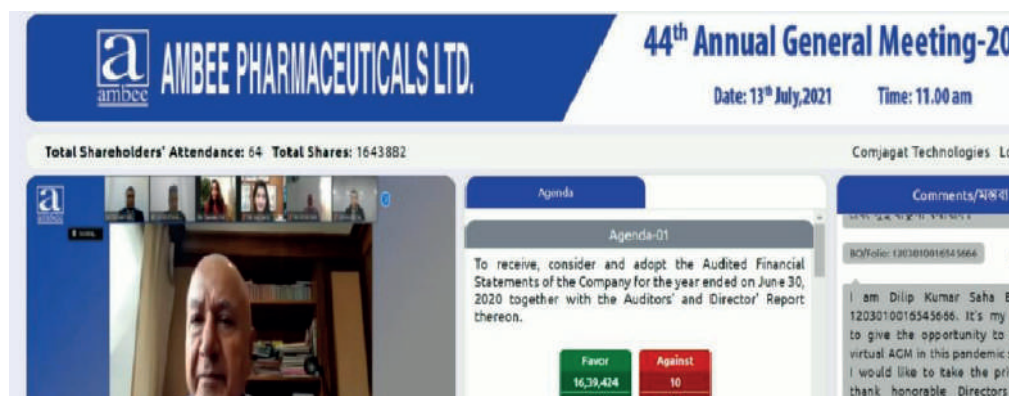


Mr. Laszlo Nemes
Director



Ms. Georgina Gruber
Director

Ambee Pharmaceuticals Limited Pictures on 44th Annual General Meeting



Chairman's Message to the Shareholders

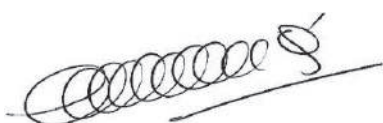
Ladies and Gentlemen,

I, on behalf of the Board of Directors of Ambee Pharmaceuticals Limited, extend a very warm welcome to you all on the occasion of 45th 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 2020-2021 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 loss i.e., Tk 1.23 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 unable 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
November 11, 2021

তারিখঃ নভেম্বর ১১, ২০২১

পরিচালক মণ্ডলীর প্রতিবেদন

বিসমিল্লাহির রাহমানির-রাহিম
সম্মানিত শেরারহোন্ডার বৃন্দ
আসসালামু আলাইকুম

আমি পরিচালনা পর্ষদের পক্ষ থেকে এমবি ফার্মাসিউটিক্যালস্ লিমিটেড এর ৪৫তম বার্ষিক সাধারণ সভায় অতি আনন্দের সাথে আপনাদেরকে স্বাগত জানাচ্ছি এবং আপনাদের কোম্পানির ৩০শে জুন ২০২১ তারিখে সমাপ্ত বৎসরের নিরীক্ষিত হিসাবপত্র আপনাদের সামনে উপস্থিত করছি।

কার্য তৎপরতা

আলোচ্য বৎসরে আপনাদের কোম্পানী বিশ্বব্যাপী কোভিড-১৯ পেভামিকে থাকা স্বত্বেও ৯.৯০ কোটি টাকার বিক্রয় করেছে যা আগের বছরের (২০১৯-২০২০) তুলনায় ৬৫.৩০% কম। কোম্পানী এ বছরে ১.০৩ কোটি টাকা নিট লোকসান করেছে। তাই শেয়ার প্রতি আয় (ইপিএস) আগের বছরের ১.৫২ টাকার বিপরীতে (৫.৫২) টাকায় দাঁড়িয়েছে। এ বছরে ব্যয় বৃদ্ধির প্রবণতা থাকার স্বত্বেও ব্যবস্থাপনা কতৃপক্ষ তাদের ক্রয়, বিক্রয়, উৎপাদন, মজুদ মাল ও অর্থনৈতিক কার্যক্রমে দক্ষ ব্যবস্থাপনার দ্বারা যুক্তিসঙ্গত পরিমাণ প্রাক-কর-পূর্ব মুনাবা অর্জন করতে পারেনি। ব্যবস্থাপনা পর্ষদ কোম্পানির বিপণন কার্যক্রমকে আরও জোরদার করার জন্য যথাসাধ্য চেষ্টা করে যাচ্ছে। যাতে কোম্পানির পণ্যের উপর ভোক্তাদের আরও আস্থা অর্জন করা যায় এবং এর ফলে ধীরে ধীরে বিক্রয় এবং লাভ বৃদ্ধি করা যায়।

দৃষ্টিভঙ্গি

এমবি ফার্মাসিউটিক্যালস্ লিমিটেড আলোচ্য বছরে সামাজিক ও পরিবেশগত দিকগুলির প্রতিকূল পরিস্থিতি স্বত্বেও টেকসই উন্নয়নের নীতিকে প্রাধান্য দিয়ে তার উৎপাদশীলতা এবং ব্যবসায়িক বিষয়ে সর্বোত্তম নৈতিক মান বজায় রাখার চেষ্টা করেছে।

ঝুঁকি ও উদ্বেগঃ

অন্য যেকোনো ব্যবসার মতো, ফার্মাসিউটিক্যালস্ শিল্পকেও যে কোনো ব্যবসায়িক লেনদেনে রাজনৈতিক, সামাজিক, প্রযুক্তিগত, পরিবেশগত এবং আইনি ঝুঁকির সম্মুখীন হতে হয়। পরিচালনা পর্ষদ ঝুঁকি সম্পর্কে সম্পূর্ণ অবগত আছে এবং ঝুঁকির যথাযথ ব্যবস্থাপনার জন্য প্রয়োজনীয় পদক্ষেপ গ্রহণ করেন। ঝুঁকির প্রকৃতি বিবেচনা করে, ব্যবস্থাপনা পর্ষদ, এ ঝুঁকি এড়াতে কার্যকর পদক্ষেপ গ্রহণ করে থাকেন। আর্থিক বিবৃতিতে বিভিন্ন আর্থিক ঝুঁকির বিস্তারিত আলোচনা করা হয়েছে।

আন্তঃ সম্পর্কিত লেনদেন সমূহ

অডিট কমিটি আন্তঃ সম্পর্কিত লেনদেন সমূহ পুঙ্খানুপুঙ্খ পরীক্ষা নিরীক্ষা করেছেন। আর্থিক বছরের বিভিন্ন পর্যায়ে যে সময় বিবরণীসমূহ তৈরি করা হয়েছে সে সময় অডিট কমিটি আন্তঃসম্পর্ক লেনদেন সমূহ গভীরভাবে পর্যালোচনা করেছেন। আর্থিক বিবরণী নোট নং ৩১ এ আন্তঃসম্পর্ক লেনদেন সমূহের বিষয় বিবরণ দেওয়া আছে।

আর্থিক ফলাফল

কোম্পানীর ৩০শে জুন ২০২১ সমাপ্ত বছরের আর্থিক ফলাফল পূর্ববর্তী বছরের সহিত তুলনামূলক সারসংক্ষেপ নিম্নরূপ।

| বিবরণ | ২০২০-২০২১ | ২০১৯-২০২০ |
|--------------------------|--------------|-------------|
| গ্রস টার্নওভার | ১১৩,৮২৪,০৮৬ | ৩২৮,০৯৯,৯৬২ |
| নিট টার্নওভার | ৯৮,৯৭৭,৪৬৬ | ২৮৫,৩০৪,৩১৫ |
| গ্রস মুনাফা | ৩৯,০৯৭,৭০০ | ১৪৮,৫২১,৮৬৫ |
| কর পূর্ব নিট মুনাফা | (১২,২৭৮,৬৮৬) | ৪,৯৪০,৪৩৭ |
| কর বাবদ প্রভিশন | (৭৩১,১৬০) | ১,৩০৩,৭১৫ |
| কর পরবর্তী মুনাফা | (১৩,০০৯,৮৪৮) | ৩,৬৩৬,৭২৩ |
| গ্রস মার্জিন | ৩৯.৫০% | ৫২.০৬% |
| কর পূর্ব নিট মার্জিন | (১২.৪১)% | ১.৭৩% |
| কর বাদ নিট মার্জিন | (১৩.১৪)% | ১.২৭% |
| ইপিএস (আরনিং পার শেয়ার) | (৫.৪২) | ১.৫২ |

লভ্যাংশঃ

আলোচ্য সমাপ্ত বৎসর ৩০শে জুন ২০২১ইং এর সার্বিক ও আর্থিক অবস্থা বিবেচনা করে ব্যবস্থাপনা পর্ষদ ৩০ জুন, ২০২১ সালের শেষের দিকে কোম্পানির সামগ্রিক কর্মক্ষমতা বিবেচনা করে, ব্যবস্থাপনা পর্ষদ এ বছরে লভ্যাংশ ঘোষণা না করার সুপারিশ করেছে (২০১৯-২০২০ @ ১৫%)। আশা করা হচ্ছে যে পরিচালনা পর্ষদ আগামী বৎসরের জন্য একটি ভাল লভ্যাংশের সুপারিশ করবেন যা সম্মানিত শেয়ারহোল্ডার গন সাদরে গ্রহণ করবেন।

পরিচালক

কোম্পানির আর্টিকেল অব এসোসিয়েশনের ১১৯ অনুচ্ছেদ অনুযায়ী পরিচালক জনাবা নুরজাহান হুদা এবং জনাবা সাকিনা মিরালী এই সভায় অবসর গ্রহণ করেছেন এবং অনুচ্ছেদ ১২১ অনুসারে যোগ্য বিধায় তাঁরা দুইজনই পুনঃ নিয়োগের ইচ্ছা জ্ঞাপন করেছেন।

পুনঃ নিয়োগ পরিচালকদের প্রোফাইল

মিসেস নুরজাহান হুদা ২০০০ সাল থেকে এমবি ফার্মাসিউটিক্যালস্ লিমিটেডের পরিচালক হিসাবে দায়িত্ব পালন করে আসছেন। তিনি কোম্পানির প্রতিষ্ঠাতা চেয়ারম্যান মরহুম মোহাম্মদ ভাইয়ের মেয়ে। নুরজাহান হুদা ঢাকা বিশ্ববিদ্যালয় থেকে স্নাতক সম্পন্ন করেছেন। তিনি ৫টি প্রাইভেট লিমিটেড কোম্পানির পরিচালক, সে গুলো হল ম্যানটিকোর টেকনোলজি লিমিটেড, ম্যানটিকোর ইঞ্জিনিয়ারিং লিমিটেড, এমকো হোল্ডিং লিঃ, বেঙ্গল পেট্রোলিয়াম লিঃ এবং অক্সাস ইন্টারপ্রাইজ লিঃ। তাঁর ফার্মাসিউটিক্যালস্, প্রযুক্তি এবং হাউজিং পণ্যগুলিতে ২০ বছরেরও বেশি সময় ব্যবসায়িক অভিজ্ঞতা রয়েছে। তিনি প্রচুর দেশে ও বিদেশে ভ্রমণ করেছেন।

মিসেস সাকিনা মিরালি ২০০৫ সাল থেকে এমবি ফার্মাসিউটিক্যালস্ লিমিটেডের পরিচালক। তিনি কোম্পানীর প্রতিষ্ঠাতা চেয়ারম্যান মোহাম্মদ ভাইয়ের মেয়ে। সাকিনা মিরালি ঢাকা বিশ্ববিদ্যালয় থেকে স্নাতক সম্পন্ন করেছেন। তিনি ৫টি প্রাইভেট লিমিটেড কোম্পানীর পরিচালক। সে গুলো হল ম্যানটিকোর টেকনোলজি লিমিটেড, ম্যানটিকোর ইঞ্জিনিয়ারিং লিমিটেড, অ্যামকো হোল্ডিংস লিমিটেড এবং অক্সাস ইন্টারপ্রাইজ লিমিটেড। তাঁর ফার্মাসিউটিক্যালস্, প্রযুক্তি এবং হাউজিং পণ্যগুলিতে ১৫ বছরেরও বেশি সময় ব্যবসায়িক অভিজ্ঞতা রয়েছে। তিনি একজন ভাল উপদেষ্টা এবং সামাজিক কর্মী। তিনি প্রচুর দেশে ও বিদেশে ভ্রমণ করেছেন।



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স্বতন্ত্র পরিচালক

এ, এফ, এম, আজিম স্বতন্ত্র পরিচালক, তাঁর পদ থেকে এই বৎসরে (২০২০-২১) অবসর গ্রহণ করেছেন। ডাঃ শফিকুল আমিন স্বতন্ত্র পরিচালক হিসাবে এই সভায় (২০২০-২১) পরিচালক হিসাবে ১ (এক) বছর মেয়াদে নিয়োগ প্রাপ্ত হন।

নিরীক্ষকঃ

কোম্পানির বর্তমান নিরীক্ষক মেসার্স ওয়াহাব অ্যান্ড কোঃ চার্টার্ড একাউন্টেন্টস, হোটেল পূর্বানী এনেক্স ২, (চতুর্থ তলা), ১ দিলকুশা, ঢাকা -১০০০। যিনি কোম্পানীর ৪৪তম বার্ষিক সাধান সভায় কোম্পানির নিরীক্ষক হিসাবে নিয়োগ প্রাপ্ত হন। তিনি ৩০ জুন ২০২১ ইং সমাপ্ত বছরের নিরীক্ষনের দায়িত্ব পালন করেছেন এবং পুনঃ নিয়োগে আগ্রহ প্রকাশ এবং ২০২১-২০২২ অর্থ বৎসরের জন্য সম্মানি টাকাঃ ৩,৫০,০০০ (তিন লক্ষ পঞ্চাশ হাজার) এর প্রস্তাবনা পেশ করেছেন।

কর্পোরেট গভর্নেন্স কোডঃ

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

স্বীকৃতিঃ

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

K. Ferdous

(কাজী তানজিনা ফেরদৌস)
পরিচালক

N. Huda

পরিচালক মণ্ডলীর পক্ষে,
(নুরজাহান হুদা)
পরিচালক

Date: November 11, 2021

DIRECTORS' REPORT

"Bismilla-Hir-Rahmanir Rahim"

Dear Valued Shareholders

As-Salamu-Alaikum

The Board of Directors takes immense to pleasure to present all in the 45th Annual General meeting of your Company and we present before you the Annual Report of your Company for the year ended June 30, 2021.

Operating Activities:

During the year under review, due to Worldwide Covid-19 pandemic the Company attained a net sale of Tk.9.90 crores which is 65.30 % lower than that of the previous year (2019-2020). The Company has made Net Loss of Tk.1.03 crore for the year. So that Earning Per Share (EPS) stood at Tk.(5.42) against Tk.1.52 of previous year. Though costs continued to increase during the year, the management was unable to earn a reasonable amount of pre-tax profit 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.-31 to the Financial Statement provides details of the transactions with the related party.

Financial results:

Financial results of the Company for the year ended 30 June 2021 as compared to previous year are summarized hereunder:



AMBEE PHARMACEUTICALS LTD. 45TH ANNUAL REPORT 2020-21

| <u>PARTICULARS</u> | <u>2020-2021</u> | <u>2019-2020</u> |
|---------------------------|-------------------------|-------------------------|
| Gross Turnover | 113824086 | 328,099,962 |
| Net Turnover | 98977466 | 285,304,315 |
| Gross Profit | 39097700 | 148,521,865 |
| Net Profit (Before Tax) | (12278686) | 4,940,437 |
| Provision for Taxation | (731160) | 1,303,715 |
| Net Profit (After Tax) | (13009844) | 3,636,723 |
| | | |
| Gross Margin | 39.50% | 52.06% |
| Net Margin (Before Tax) | (12.41)% | 1.73% |
| Net Margin (After Tax) | (13.14)% | 1.27% |
| EPS (Earning Per Share) | (5.42) | 1.52 |

Dividend:

Considering the overall performance of the Company during the year end 30 June 2021, the Board of Directors has recommend not to pay Dividend in this year (2019-20 @ 15%). 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 for the next.

Director:

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

Directors Profile who are seeking re-appointment:

Mrs. Nurjehan Hudda is a Director of Ambee Pharmaceuticals Limited since 2000. She is the daughter of Late Mohammad Bhai, founder Chairman of the Company. Nurjehan Hudda has completed her graduation from Dhaka University. She is also Director in 5 other private Limited Companies namely Manticore Tecnology Ltd.,Mainticore Engineering Ltd.,AMCO Holdings Ltd.,Bengal Petroleum Ltd.,Oxus Enterprise Ltd. 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.

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

Independent Director:

Mr. A F M Azim, Independent Director retired in this year (2020-21) and Dr. Shafiquel Ameen 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. A Wahab & Co. Chartered Accountants, Hotel Purbani Annex 2,(4th floor),1 Dilkusha, Dhaka-1000 who were appointed as an Auditor of the Company in the 44th AGM of the Company has carried out the audit for the year ended 30 June 2021. M/S A Wahab & Co has expressed their willingness to continue as auditors of the company and being offer themselves for re-appointment for the year 2021-2022 at existing remuneration Tk.3,50,000.00 (taka three lac fifty thousand) only.

Corporate Governance Code:

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

Acknowledgements:

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

Allah Hafez.

On behalf of the Board of Directors



(Kazi Tanzzina Ferdous)
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, 2021 were as follows:

| Name of Directors | Position | Meeting held | Attended | Remarks |
|---------------------------------|----------------------|---------------------|-----------------|----------------|
| Mr. Aziz Mohammad Bhai | Chairman | 11 | 6 | Staying abroad |
| Mrs. Naureen Aziz Mohammad Bhai | Managing Director | 11 | 9 | |
| Mrs. Nurjehan Hudda | Director | 11 | 11 | |
| Mrs. Sakina Miraly | Director | 11 | 11 | |
| Mrs. Kazi Tanzzina Ferdous | Director | 11 | 11 | |
| Mr. Laszlo Nemes | Director (Medimpex) | 11 | - | |
| Ms. Georgina Gruber | Director (Medimpex) | 11 | - | |
| Mr. Osman Haidar | Independent Director | 11 | 11 | |
| Mr. A F M Azim | Independent Director | 11 | 9 | |
| Mr. Shafiqul Ameen | Independent Director | 11 | 2 | |

Mr. Aziz Mohammad Bhai attended the meeting through Digital / Virtual.

- 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, 2021 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, 2021

| Particulars | Nos. shareholding | Percentage | Remark |
|---|-------------------|------------|--------|
| Parent Company | - | - | |
| Associated Companies: | - | - | |
| Directors: | | | |
| Mr. Aziz Mohammad Bhai | 1447150 | 60.30% | |
| Mrs. Naureen Aziz Mohammad Bhai | 48000 | 2% | |
| Mrs. Nurjehan Hudda | 48120 | 2.01% | |
| Mrs. Sakina Miraly | 48000 | 2% | |
| Mrs. Kazi Tanzina Ferdous | 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. MizanulIslam - Marketing Manager | - | - | |
| 4. Mr. GM Moshir Rahman -Sales Manager | - | - | |
| 5. Mr. Kabir-Un-Noor - Head of QA | | | |
| Shareholders Holding 10% or more voting right: | - | - | |
| -Mr. Aziz Mohammad Bhai | 1,447,150 | 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 2021. 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
11 November 2021

HUDA & CO
Chartered Accountants

ANNEXURE- III

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



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| 1(2)(c) | Appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM) | √ | | |
|---------------|--|---|--------------|---------------------------|
| Condition No. | Title | Compliance Status (Put √ in the appropriate column) | | Remarks (if any) |
| | | Complied | Not complied | |
| 1(2)(d) | Not remain vacant for more than 90 (ninety) days. | √ | | No such event in the year |
| 1(2)(e) | The office tenure of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only. | √ | | |
| 1.3 | Qualification of Independent Director | | | |
| 1(3)(a) | Shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to the business. | √ | | |
| 1(3)(b)(i) | Business Leader: Promoter or director of an unlisted company having minimum paid-up capital of Tk. 100 million or any listed company or a member of any national or international chamber of commerce or business association. | --- | --- | Not applicable |
| 1(3)(b)(ii) | Corporate Leader: Top level executive not lower than Chief Executive Officer /Managing Director/Deputy Managing Director/Chief Financial Officer/Head of Finance or Accounts/Company Secretary/Head of Internal Audit and Compliance/Head of Legal Service or a person with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100 million or of a listed company. | --- | --- | Do |
| 1(3)(b)(iii) | Former Govt. Official: Government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale having educational background of bachelor degree in economics or commerce or business or law. | --- | --- | Not applicable |
| 1(3)(b)(iv) | University Teacher: Having educational background in economics or commerce or business studies or law. | --- | --- | Not applicable |
| 1(3)(b)(v) | Professional: An advocate practicing in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification. | --- | --- | Not applicable |
| 1(3)(c) | Shall have at least 10 (ten) years of experiences as mentioned in clause 1(3)(b)(1) to (v). | √ | | |
| 1(3)(d) | In special cases, the above qualifications may be relaxed subject to prior approval of the Commission. | --- | --- | None |
| 1(4) | Duality of Chairperson of the Board of Directors and Managing Director | | | |
| 1(4)(a) | Chairperson of the Board and the Managing | √ | | |

| | Director of the company shall be filled by different individuals. | | | |
|---------------|--|---|--------------|--|
| Condition No. | Title | Compliance Status (Put \sqrt 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. | \sqrt | | |
| 1(4)(c) | The Chairperson of the Board shall be elected from among the non-executive directors of the company. | \sqrt | | |
| 1(4)(d) | The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director. | \sqrt | | |
| 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. | \sqrt | | |
| 1(5) | The Directors' Report to Shareholders | | | |
| 1(5)(i) | An industry outlook and possible future developments in the industry. | \sqrt | | Included in the Directors' Report |
| 1(5)(ii) | The segment-wise or product-wise performance. | \sqrt | | Company operates in a single product segment |
| 1(5)(iii) | Risks and concerns. | \sqrt | | Included in the Directors' Report |
| 1(5)(iv) | Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin. | \sqrt | | - Do - |
| 1(5)(v) | Discussion on continuity of an extraordinary activities and their implications (gain or loss). | \sqrt | | - Do - |
| 1(5)(vi) | Disclosure for related party transactions. | \sqrt | | - 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. | \sqrt | | |
| 1(5)(xi) | Fairness of financial statements. | \sqrt | | |
| 1(5)(xii) | Maintenance of proper books of accounts. | \sqrt | | |
| 1(5)(xiii) | Adoption of appropriate accounting policies and estimates. | \sqrt | | |
| 1(5)(xiv) | Followed IAS or IFRS as applicable in preparation of the financial statement and departure there from has been adequately disclosed. | \sqrt | | |
| 1(5)(xv) | Internal control system is sound in design and has been effectively implemented and monitored. | \sqrt | | |

| 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 √ 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. | √ | | |
| 1(5)(xix) | Key operating and financial data of at least preceding 5 (five) years shall be summarized. | √ | | |
| 1(5)(xx) | Reasons for non-declaration of dividend. | | | Not applicable |
| 1(5)(xxi) | No bonus share or stock dividend has been declared as interim dividend during the year. | √ | | |
| 1(5)(xxii) | Total number of Board meetings held during the year and attendance by each director. | √ | | |
| 1(5)(xxiii) | Pattern of shareholding and name wise details (disclosing aggregate number of shares) | | | |
| 1(5)(xxiii)(a) | Parent or Subsidiary or Associated Companies and other related parties. | √ | | |
| 1(5)(xxiii)(b) | Directors, MD, CS, CFO, HIA and their spouses and minor children. | √ | | |
| 1(5)(xxiii)(c) | Executives (top five (5) other than mentioned 1(5)(xxiii)(b). | √ | | |
| 1(5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest. | √ | | |
| 1(5)(xxiv) | In case of the appointment/reappointment of a director, disclose | | | |
| 1(5)(xxiv)(a) | A brief resume of the director. | √ | | |
| 1(5)(xxiv)(b) | Expertise in specific functional areas. | √ | | |
| 1(5)(xxiv)(c) | Holding the directorship and the membership of committees of the Board other than APL. | √ | | |
| 1(5)(xxv) | Management's Discussion and Analysis | | | |
| 1(5)(xxv)(a) | Accounting policies and estimation for preparation of financial statements. | √ | | |
| 1(5)(xxv)(b) | Changes in accounting policies and estimation, if any, disclose the effects on financial results and position as well cash flows. | √ | | |
| 1(5)(xxv)(c) | Comparative analysis of financial results and position as well as cash flows for current year with immediately preceding five years. | √ | | |
| 1(5)(xxv)(d) | Compare financial results and positions as well as cash flows with the peer industry. | √ | | |
| 1(5)(xxv)(e) | Discussion on financial and economic scenario of the country and the global. | √ | | |
| 1(5)(xxv)(f) | Risks and concerns issues related to the financial statements. | √ | | |
| 1(5)(xxv)(g) | Future plan or projection or forecast for company's operation, performance and financial position. | √ | | |
| 1(5)(xxvi) | Declaration on Financial Statements for the year ended on 30 June 2020 by the MD | √ | | |

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| | | | | |
|-------------|---|---|--|--|
| | and the CFO to the Board. | | | |
| 1(5)(xxvii) | The report and the certificate regarding compliance of conditions of Corporate Governance Code. | √ | | |
| 1(6) | Meetings of the Board of Directors | | | |

| Condition No. | Title | Compliance Status (Put √ 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). | √ | | |
| 1(7) | Code of Conduct (CoC) for Board of Directors | | | |
| 1(7)(a) | The Board shall lay down a code of conduct, for the Chairperson of the Board, other board members and Managing Director. | --- | --- | CoC still under preparation |
| 1(7)(b) | The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency. | --- | --- | CoC still under preparation |
| 2 | Governance of Board of Directors of Subsidiary Company | | | |
| 2(a) | The composition of the Board of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company. | --- | --- | Not applicable, since there is no subsidiary. |
| 2(b) | At least 1 (one) Independent Director on the Board of the holding company shall be a Director on the Board of the subsidiary company. | --- | --- | Not Applicable |
| 2(c) | Submission of Minutes to the holding company. | --- | --- | Not Applicable |
| 2(d) | Review of Minutes by the holding company. | --- | --- | Not Applicable |
| 2(e) | The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company. | --- | --- | Not Applicable |
| 3 | Managing Director (MD), Chief Financial Officer (CFO), Head of Internal Audit (HIA) and Company Secretary (CS) | | | |
| 3(1) | Appointment | | | |
| 3(1)(a) | The Board shall appoint a Managing Director (MD), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit (HIA). | √ | | |
| 3(1)(b) | The positions of the MD, CS, CFO, HIA shall be filled by different individuals. | √ | | |
| 3(1)(c) | The MD, CS, CFO and HIA of a listed company | √ | | |

| | shall not hold any executive position in other company. | | | |
|----------------|---|---|--------------|--------------------------|
| 3(1)(d) | The Board shall clearly define respective roles, responsibilities and duties of CFO, HIA and CS. | √ | | |
| 3(1)(e) | With Board's approval the MD, CS, CFO and HIA are removed from their position and immediate dissemination to the commission and stock exchanges. | | | No such case in the year |
| Condition No. | Title | Compliance Status (Put √ 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. | √ | | |
| 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. | √ | | |
| 3(3)(a)(ii) | These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws. | √ | | |
| 3(3)(b) | There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's code conduct for Board of Directors. | √ | | |
| 3(3)(c) | The certification of the MD and CFO shall be disclosed in the Annual Report. | √ | | |
| 4 | Board of Directors' Committee | | | |
| 4(i) | Audit Committee | √ | | |
| 4(ii) | Nomination and Remuneration Committee (NRC) | √ | | |
| 5 | Audit Committee | | | |
| 5(1) | Responsibility to the Board of Directors | | | |
| 5(1)(a) | The company shall have an Audit Committee as a sub-committee of the Board. | √ | | |
| 5(1)(b) | Assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. | √ | | |
| 5(1)(c) | Responsible to the Board and the duties of the Audit Committee shall be clearly set forth in writing. | √ | | |
| 5(2) | Constitution of the Audit Committee | | | |
| 5(2)(a) | Shall be composed of at least 3 (three) members. | √ | | |
| 5(2)(b) | The Board shall appoint members of the Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director. | √ | | |
| 5(2)(c) | All members of the audit committee | √ | | |

| | should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience. | | | |
|---------------|--|---|--------------|--------------------------|
| 5(2)(d) | Casual vacancy shall be filled by the Board not later than 1 (one) month from the date of vacancy. | --- | --- | No such case in the year |
| 5(2)(e) | The company secretary shall act as the secretary of the Committee. | √ | | |
| Condition No. | Title | Compliance Status (Put √ 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. | √ | | |
| 5(3) | Chairperson of the Audit Committee | | | |
| 5(3)(a) | The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Committee, who shall be an independent director. | √ | | |
| 5(3)(b) | In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting and the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | √ | | |
| 5(3)(c) | Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM). | √ | | |
| 5(4) | Meeting of the Audit Committee | | | |
| 5(4)(a) | The Audit Committee shall conduct at least its four meetings in a financial year. | √ | | |
| 5(4)(b) | The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must. | √ | | |
| 5(5) | Role of Audit Committee | | | |
| 5(5)(a) | Oversee the financial reporting process. | √ | | |
| 5(5)(b) | Monitor choice of accounting policies and principles. | √ | | |
| 5(5)(c) | Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report. | √ | | |
| 5(5)(d) | Oversee hiring and performance of external auditors. | √ | | |
| 5(5)(e) | Hold meeting with the statutory auditors for review of the annual financial statements before submission to the Board for approval. | √ | | |
| 5(5)(f) | Review along with the management, the annual financial statements before submission to the Board for approval. | √ | | |
| 5(5)(g) | Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval. | √ | | |
| 5(5)(h) | Review the adequacy of internal audit | √ | | |

| | function. | | | |
|----------------|---|---|--------------|--------------------------|
| 5(5)(i) | Review the Management's Discussion and Analysis before disclosing in the Annual Report. | √ | | |
| 5(5)(j) | Review all related party transactions. | √ | | |
| 5(5)(k) | Review Management Letters or Letter of Internal Control weakness issued by statutory auditors. | --- | --- | No such case in the year |
| Condition No. | Title | Compliance Status (Put √ 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. | √ | | |
| 5(5)(m) | Oversee whether IPO proceeds utilized as per the published Prospectus. | --- | --- | Not applicable |
| 5(6) | Reporting of the Audit Committee | | | |
| 5(6)(a)(i) | The Audit Committee shall report on its activities to the Board. | √ | | |
| 5(6)(a)(ii)(a) | Report on conflicts of interests. | | | Not applicable |
| 5(6)(a)(ii)(b) | Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements. | --- | --- | Not applicable |
| 5(6)(a)(ii)(c) | Report on suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations. | --- | --- | Not applicable |
| 5(6)(a)(ii)(d) | Report on any other matter deems necessary shall be disclosed to the Board immediately. | --- | --- | Not applicable |
| 5(6)(b) | Reporting to BSEC (If any material impact on the financial condition and results of operation, unreasonably ignored by the Board and management). | --- | --- | Not applicable |
| 5(7) | Reporting to the shareholders of Audit Committee activities, which shall be signed by the Chairperson of the committee and disclosed in the Annual Report. | √ | | |
| 6 | Nomination and Remuneration Committee (NRC) | | | |
| 6(1) | Responsibility to the Board of Directors | | | |
| 6(1)(a) | The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board. | √ | | |
| 6(1)(b) | Assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive. | √ | | |
| 6(1)(c) | The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing. | --- | --- | Still under preparation |
| 6(2) | Constitution of the NRC | | | |
| 6(2)(a) | The Committee shall comprise of at least three members including an independent director. | √ | | |
| 6(2)(b) | All members of the Committee shall be non-executive directors. | √ | | |

| | | | | |
|---------|--|-----|-----|--------------------------|
| 6(2)(c) | Members of the Committee shall be nominated and appointed by the Board. | √ | | |
| 6(2)(d) | The Board shall have authority to remove and appoint any member of the Committee. | √ | | |
| 6(2)(e) | Casual vacancy shall be filled by the Board within 180 days of occurring such vacancy. | --- | --- | No such case in the year |

| Condition No. | Title | Compliance Status (Put √ 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. | √ | | |
| 6(2)(h) | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director. | √ | | |
| 6(2)(i) | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company. | √ | | |
| 6(3) | Chairperson of the NRC | | | |
| 6(3)(a) | The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director. | √ | | |
| 6(3)(b) | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | √ | | No such case in the year |
| 6(3)(c) | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders. | --- | --- | Not applicable for the FY: 2018-19 |
| 6(4) | Meeting of the NRC | | | |
| 6(4)(a) | The NRC shall conduct at least one meeting in a financial year. | --- | --- | The NRC had assisted the board in formulation of the nomination criteria. |
| 6(4)(b) | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC. | --- | --- | Not applicable |
| 6(4)(c) | The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must. | --- | --- | Not yet applicable |
| 6(4)(d) | The proceedings of each meeting of the NRC | --- | --- | Not yet |

| | shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC. | | | 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. | √ | | |
| Condition No. | Title | Compliance Status (Put √ 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. | √ | | |
| 6(5)(b)(i)(b) | The relationship of remuneration to performance is clear and meets appropriate performance benchmarks. | √ | | |
| 6(5)(b)(i)(c) | Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. | √ | | |
| 6(5)(b)(ii) | Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality. | √ | | |
| 6(5)(b)(iii) | Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board. | √ | | |
| 6(5)(b)(iv) | Formulating the criteria for evaluation of performance of independent directors and the Board. | √ | | |
| 6(5)(b)(v) | Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria. | √ | | |
| 6(5)(b)(vi) | Developing, recommending and reviewing annually the company's human resources and training policies. | √ | | |
| 6(5)(c) | Disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report. | --- | --- | Still under preparation |
| 7 | External or Statutory Auditors | | | |
| 7(1)(i) | Non- engagement in appraisal or valuation services or fairness opinions. | √ | | |
| 7(1)(ii) | Non-engagement in designing and implementation of Financial Information System. | √ | | |
| 7(1)(iii) | Non-engagement in Book Keeping or other services related to the accounting records or financial statements. | √ | | |
| 7(1)(iv) | Non-engagement in Broker-Dealer services. | √ | | |
| 7(1)(v) | Non-engagement in Actuarial services. | √ | | |
| 7(1)(vi) | Non-engagement in Internal Audit or special audit services. | √ | | |
| 7(1)(vii) | Non-engagement in any other services that | √ | | |

| | | | | |
|------------|---|---|--|--|
| | the Audit Committee determines. | | | |
| 7(1)(viii) | Non-engagement in audit or certification services on compliance of Corporate Governance as required under condition no. 9(1). | √ | | |
| 7(1)(ix) | Non-engagement of any other service that creates conflict of interest. | √ | | |

| 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) | 2020-2021 | 2019-2020 | 2018-2019 | 2017-2018 | 2016-2017 |
|--|--------------------|-----------|------------|------------|------------|-----------|
| Turnover | (" " ") | 9898 | 2,853 | 3,212 | 3,494 | 3518 |
| Cost of Goods Sold | (" " ") | 599 | 1,368 | 1,542 | 1,681 | (1670.07) |
| Gross Profit | (" " ") | 391 | 1,485 | 1,670 | 1,812 | 1848 |
| Operating Expenses | (" " ") | (455.58) | (1,356.75) | (1,452.65) | (1,617.29) | (1553.69) |
| Financial Expenses | (" " ") | (58.18) | (76.45) | (79.21) | (79.18) | (190.84) |
| Operating Income | (" " ") | (122.78) | 52 | 138 | 116 | 104 |
| Net profit before WPPF | (" " ") | (122.78) | 52 | 138 | 116 | 104 |
| Contribution to WPPF | (" " ") | - | (2.60) | (6.89) | (5.79) | (5.17) |
| Net profit (BT) | (" " ") | (122.78) | 49 | 131 | 110 | 98 |
| Provision for Income-tax | (" " ") | (7.31) | (13.03) | (97.40) | (27.54) | (25.84) |
| Provision for Deferred Tax | (" " ") | 3.18 | (3.04) | (3.07) | 0.35 | (2.41) |
| Net Profit (AT) | (" " ") | (130.09) | 36 | 34 | 83 | 73 |
| Total Assets | (" " ") | 4214 | 4,281 | 4,030 | 4,439 | 4516 |
| Total Fixed Assets | (" " ") | 996 | 1,065 | 1,091 | 1,166 | 1199 |
| Total Current Assets | (" " ") | 3219 | 3,216 | 2,939 | 3,273 | 3317 |
| Total Current Liabilities | (" " ") | 3681 | 3,605 | 3,357 | 3,683 | 3750 |
| Current Ratio | (Tk.) | 1 | 1 | 1 | 1 | 1 |
| Shareholders' Equity | (Taka in lakh) | 448 | 578 | 578 | 616 | 606 |
| Earnings Per Share (EPS) | (Per value Tk. 10) | (5.42) | 1.52 | 1.40 | 3.44 | 3.02 |
| Dividend Per Share (DPS) | (Tk.) | - | 1.50 | 3 | 3 | 3 |
| MP(DSE) Year End | (Tk.) | 409.50 | 492 | 651 | 592 | 406 |
| PER (Year End) | (Tk.) | 384.50 | 324 | 465 | 172 | 134 |
| Others: | | | | | | |
| -Number of shares | (No.) | 2,400,000 | 2,400,000 | 2,400,000 | 2,400,000 | 2,400,000 |
| -Number of shareholders | (No.) | 2558 | 2,243 | 2,870 | 2,243 | 2,555 |
| -Number of Employees (including day labourers) | (No.) | 487 | 736 | 891 | 1,007 | 1015 |

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. Osman Haidar, Independent Director | Chairman of the Committee |
| 2. Dr. Shafiqul Ameen, Independent Director | Member of the Committee |
| 3. Mrs. Kazi Tazzina Ferdous, Director | Member of the Committee |

The Company Secretary, Mr. Md. Motiur Rahman 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.



(Osman Haidar)
Chairman of the Committee
November 10, 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. Osman Haidar, Independent Director | Chairman of the Committee |
| 2. Dr. Shafiqul Ameen, Independent Director | Member of the Committee |
| 3. Mrs. Kazi Tanzina Ferdous, Director | Member of the Committee |

The Company Secretary, Mr. Md. Motiur Rahman 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 execute 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.

(Osman Haidar)
Chairman of the Committee
November 10, 2021

Declaration by MD and CFO

November 11, 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 2021.

Dear Sirs,

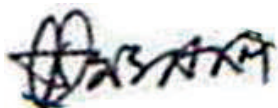
Pursuant to the condition No.1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Ambee Pharmaceuticals Limited for the year ended on 30 June 2021 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, 2021 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 handwritten signature in blue ink, appearing to read 'A.K.M. Khairul Aziz'.

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

A handwritten signature in black ink, appearing to read 'Naureen Aziz Mohammad Bhai'.

(Naureen Aziz Mohammad Bhai)
Managing Director

**Independent Auditor's Report
To the Shareholders of Ambee Pharmaceuticals Limited****Report on the Audit of the Financial Statements****Qualified Opinion**

We have audited the Financial Statements of Ambee Pharmaceuticals Limited, which comprise the Statement of Financial Position as at June 30, 2021 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at June 30, 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

1. As disclosed in note # 20.00, the company has shown Tk. 9,948,826 as liabilities for WPF & WWF which includes prior year's amount of Tk. 9,127,363 that has not been paid by the company to the Fund. As per section 234 (b) of Labour Act, 2006 the company should pay the amount to the WPF & WWF not later than nine months from the end of the respective year.
2. As disclosed in note # 18.02, the company has shown Tk. 1,916,358 as Payable to Provident Fund. The amount is carried forward from earlier years. As no financial statement of Provident Fund was made available to us, so we are not sure whether there is any forfeited fund returned to company's account from the contributory provident fund as per notification no. 179/FRC/FRM/2020/2, dated July 07, 2020 of the Financial Reporting Council (FRC).
3. As disclosed in note # 21.00, the company has shown Tk. 3,856,352 as Unclaimed Dividend. As the company has no designated bank account for dividend, so we are not sure whether the dividend was paid to the shareholders within the stipulated time as per section 28(1) of Dhaka Stock Exchange (Listing) Regulations, 2015 and in compliance with clause 3 (vii) of the Bangladesh Securities and Exchange Commission (BSEC) Directive No. BSEC/CMRRCD/2021-386/03, dated 14 January 2021.

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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

In forming our opinion on the Financial Statements, which is not modified, we considered the following matter and the fact that as per note # 10.01, the company reported an amount of Tk. 12,796,385 as cash in hand. Physical counting of cash in hand at Head Office for Tk. 13,548 and Factory for Tk. 4,357 only was done by the management at the year-end.

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.

| Risk | How the matter was addressed in our audit |
|--|--|
| Valuation of Property, Plant and Equipment (PPE) | |
| <p>The carrying value of the PPE was Tk. 97,610,328 as at 30 June, 2021. 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 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>Our audit included the following procedures:</p> <p>We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.</p> <p>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 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> |
| See Note 4.00 to the financial statements | |
| Implementation of IFRS 16 Leases | |
| <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> |
| See Note 5.00 to the financial statements | |
| Valuation of Inventory | |
| <p>The inventory of Tk. 128,888,711 as at 30 June, 2021 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 valuation, the valuation of inventory was significant to our audit.</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 net realizable value at the reporting date by comparing the sales prices of inventories subsequent to the reporting date; and 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> |
| See Note 6.00 to the financial statements | |

| | |
|--|--|
| Cash & Cash Equivalents <p>Cash & Cash Equivalents represent 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 equivalents.</p> | <ul style="list-style-type: none"> • We could not physically verify the cash in hand as our appointment was communicated on July 15, 2021 i.e., after closing of the year. However, the cash balance is duly certified by the management. The company management has physically counted cash in hand at head office and factory only. • We requested the management to send letters to banks to confirm their balances as on June 30, 2021 directly to us but no such confirmation has yet been received. |
| See Note 10.00 to the financial statements | |
| Deferred Tax Liability <p>The Deferred Tax Liability balance was Tk. 7,038,819 as at June 30, 2021.</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> |
| See Note 13.00 to the financial statements | |
| Workers Participation and Welfare Fund (WPWF): | |
| <p>Contribution to workers' profit participation fund: As per section 234(1)(b) of Bangladesh Labour Act, 2006 (as amended in 2013) 5% of the net profit, not later than nine (9) months from the close of that period, is required to be transferred to the Fund, the proportion of the payment to the Participation Fund and the Welfare Fund being 80:10. The remaining 10% of the amount of net profit shall be paid by the Company to the Workers' Welfare Foundation Fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act, 2006. Of the 80% being transferred to the participation fund, two-third has to be distributed in equal proportions to all the members (beneficiary) of the fund in cash and one-third has to be invested in accordance with the manner as stated in section 242 of that Act.</p> | <p>We have checked the adequacy of WPWF 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 no payment of Government portion have been made. However, Interest on undistributed amount has been provided in the accounts.</p> |
| See Note 20.00 to the financial statements | |

| | |
|--|--|
| <p>Revenue Recognition</p> <p>At year end the Company reported total revenue of BDT 98,977,466 (2020: BDT 285,304,315)</p> <p>Revenue recognition has a significant and wide influence on the financial statements. Revenue is recognized when the amounts and the related costs are reliably measured, and the performance obligation is complete through passing of control to the customers. Revenue from the sale of goods is recognized at the time when the goods are dispatched for delivery to the customer.</p> <p>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. |
| <p>See Note 22.00 to the financial statements</p> | |
| <p>Transactions with Related Parties</p> <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 managements' assertions that the transactions were at arm's length; • 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> |
| <p>See Note 31.00 to the financial statements</p> | |

Other Information

Management as well as Directors are 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

Management as well as Directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with 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 Company's internal control.
- ☒ 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 Company's 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 2020, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the Ambee Pharmaceuticals Limited so far as it appeared from our examination of these books;
- c) The Statements of Financial Position as at June 30, 2021 and Statements of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of accounts; and
- d) The expenditure incurred was for the purposes of the Company's business.



FOR A. WAHAB & CO.
CHARTERED ACCOUNTANTS
Md. Showkat Hossain, FCA
Partner
Enrolment No.-196
DVC: 2111140196AS130500

Dated: Dhaka, November 14, 2021

Ambee Pharmaceuticals Limited
Statement of Financial Position
As at June 30, 2021

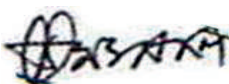
| Particulars | Notes | 30-06-2021 | 30-06-2020 |
|--|-------|--------------------|--------------------|
| ASSETS | | | |
| Non-Current Assets | | 99,564,836 | 106,483,632 |
| Property, Plant & Equipment | 4.00 | 97,610,328 | 103,220,685 |
| Right-of-Use Asset | 5.00 | 1,954,507 | 3,262,947 |
| Current Assets | | 321,854,650 | 321,567,075 |
| Inventories | 6.00 | 128,888,711 | 160,254,507 |
| Accounts Receivable and Others | 7.00 | 92,227,940 | 69,147,724 |
| Advance Income Tax | 8.00 | 48,643,968 | 47,594,323 |
| Advances, Deposits and Pre-payments | 9.00 | 37,000,181 | 33,454,687 |
| Cash & Cash Equivalents | 10.00 | 15,093,850 | 11,115,834 |
| Total Assets | | 421,419,486 | 428,050,707 |
| EQUITY & LIABILITIES | | | |
| Shareholders' Equity | | 44,837,107 | 57,846,951 |
| Share Capital | 11.00 | 24,000,000 | 24,000,000 |
| Tax-Holiday Reserve | 12.00 | 5,134,154 | 5,134,154 |
| Retained Earnings | | 15,702,953 | 28,712,797 |
| Non-Current Liabilities | | 8,463,743 | 9,691,981 |
| Deferred Tax Liability | 13.00 | 7,038,819 | 7,357,304 |
| Lease Finance (Non-Current Portion) | 14.00 | 1,424,924 | 2,334,677 |
| Current Liabilities and Provision | | 368,118,636 | 360,511,775 |
| Short Term Borrowings | 15.00 | 115,580,518 | 114,052,433 |
| Lease Finance (Current Portion) | 14.00 | 2,746,762 | 2,702,832 |
| Creditors for Goods & Others | 16.00 | 7,215,020 | 10,055,589 |
| Liabilities for Expenses | 17.00 | 6,733,562 | 9,546,351 |
| Liabilities for Other Finance | 18.00 | 183,594,643 | 173,451,060 |
| Provision for Income Tax | 19.00 | 38,442,953 | 37,393,308 |
| Workers Participation and Welfare Fund | 20.00 | 9,948,826 | 9,127,363 |
| Unclaimed Dividend | 21.00 | 3,856,352 | 4,182,839 |
| Total Equity and Liabilities | | 421,419,486 | 428,050,707 |
| Net Asset Value (NAV) Per Share | 29.00 | 18.68 | 24.10 |


The annexed notes 01 to 40 form an integral part of these financial statements.


(Naureen Aziz Mohammad Bhai)
Mananaging Director



(Kazi Tanzina Ferdous)
Director


(Nurjehan Hudda)
Director


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


(Md. Motiur Rahman)
Company Secretary

Subject to our separate report of even date.


(A. WAHAB & CO.)
Chartered Accountants
Signed By: Md. Showkat Hossain, FCA
Enrolment No.-196
DVC: 2111140196AS130500

Dated: Dhaka, November 14, 2021

AMBEE PHARMACEUTICALS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2021

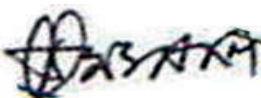
| Particulars | Notes | 30-06-2021 | 30-06-2020 |
|--|-------|---------------------|----------------------|
| Revenue (Net) | 22.00 | 98,977,466 | 285,304,315 |
| Cost of Goods Sold | 23.00 | (59,879,766) | (136,782,450) |
| Gross Profit | | 39,097,700 | 148,521,865 |
| Operating Expenses | | (45,558,277) | (135,675,064) |
| Administrative Expenses | 24.00 | (14,971,963) | (24,670,664) |
| Selling, Distribution & Marketing Expenses | 25.00 | (30,586,314) | (111,004,400) |
| Profit/(Loss) from Operations | | (6,460,577) | 12,846,801 |
| Finance Expenses | 26.00 | (5,818,109) | (7,646,341) |
| Profit/(Loss) before contribution to WPWF | | (12,278,686) | 5,200,460 |
| Contribution to WPWF | 27.00 | - | (260,023) |
| Profit/(Loss) Before Tax | | (12,278,686) | 4,940,436 |
| Income Tax Expenses | | (731,160) | (1,303,716) |
| Income Tax | | (1,049,645) | (1,608,391) |
| Deferred Tax Income | | 318,485 | 304,676 |
| Profit/(Loss) After Tax | | (13,009,844) | 3,636,723 |
| Other Comprehensive Income | | - | - |
| Total Comprehensive Income | | (13,009,844) | 3,636,723 |
| Earnings Per Share (EPS) Basic | 28.00 | (5.42) | 1.52 |

The annexed notes 01 to 40 form an integral part of these financial statements.


 (Naureen Aziz Mohammad Bhai)
 Mananaging Director


 (Kazi Tanzzina Ferdous)
 Director


 (Nurjehan Hudda)
 Director


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


 (Md. Motiur Rahman)
 Company Secretary

Subject to our separate report of even date.



(A. WAHAB & CO.)
 Chartered Accountants
 Signed By: Md. Showkat Hossain, FCA
 Enrollment No.-196
 DVC: 2111140196AS130500

Dated: Dhaka, November 14, 2021

AMBEE PHARMACEUTICALS LIMITED
Statement of Changes in Equity
For the year ended June 30, 2021

| Particulars | Share Capital | Tax Holiday Reserve | Retained Earnings | Total |
|---|-------------------|---------------------|-------------------|-------------------|
| Balance as on 01 July 2019 | 24,000,000 | 5,134,154 | 28,676,075 | 57,810,229 |
| Cash Dividend for the year 2019-2020 | - | - | (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 |
| Balance as on 01 July 2020 | 24,000,000 | 5,134,154 | 28,712,798 | 57,846,952 |
| Cash Dividend for the year 2019-2020 | - | - | 3,600,000 | 3,600,000 |
| Prior year adjustment Cash Dividend 2019-2020 | - | - | (3,600,000) | (3,600,000) |
| Net Profit/(Loss) for the year after Tax | - | - | (13,009,844) | (13,009,844) |
| Balance as on 30 June 2021 | 24,000,000 | 5,134,154 | 15,702,953 | 44,837,107 |

The annexed notes 01 to 40 form an integral part of these financial statements.



(Naureen Aziz Mohammad Bhai)
Managing Director



(Kazi Tanzina Ferdous)
Director



(Nurjehan Hudda)
Director



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



(Md. Motiur Rahman)
Company Secretary

Subject to our separate report of even date.



(A. WAHAB & CO.)
Chartered Accountants
Signed By: Md. Showkat Hossain, FCA
Enrolment No.-196
DVC: 2111140196AS130500

Dated: Dhaka, November 14, 2021

AMBEE PHARMACEUTICALS LIMITED
**Statement of Cash Flows
For the year ended June 30, 2021**


| Particulars | Notes | 30-06-2021 | 30-06-2020 |
|---|-------|---------------------|---------------------|
| A) Cash Flows From Operating Activities: | | | |
| Cash Receipts from Customers & Others | | 75,897,250 | 281,210,004 |
| Payments for Costs, Expenses & Others | | (106,651,377) | (282,298,720) |
| Cash Generated from Operating Activities | | (30,754,127) | (1,088,716) |
| Finance Expenses | | (5,818,109) | (7,646,341) |
| Income Tax Paid | | 31,120,539 | (3,236,315) |
| Net Cash Generated from Operating Activities | 30.01 | (5,451,696) | (11,971,372) |
| B) Cash Flows From Investing Activities: | | | |
| Purchase of Property, Plant & Equipment | | - | (712,000) |
| Right-of-Use Asset | | - | (3,262,947) |
| Net Cash (Used in)/Generated from Investing Activities | | - | (3,974,947) |
| C) Cash Flows from Financing Activities: | | | |
| Other Finance | | 9,093,937 | 8,300,000 |
| Short Term Loan | | 1,528,085 | 17,211,557 |
| Lease Finance | | (865,823) | (1,065,664) |
| Dividend Paid | | (326,487) | (2,951,759) |
| Net Cash Used in Financing Activities | | 9,429,712 | 21,494,134 |
| D) Net Change in Cash and Cash Equivalents (A+B+C) | | 3,978,016 | 5,547,815 |
| E) Opening Cash and Cash Equivalents | | 11,115,834 | 5,568,019 |
| F) Closing Cash and Cash Equivalents (D+E) | 10.00 | 15,093,850 | 11,115,834 |
| Net Operating Cash Flow Per Share | 30.00 | (2.27) | (4.99) |

The annexed notes 01 to 40 form an integral part of these financial statements.


(Naureen Aziz Mohammad Bhai)
Managing Director


(Kazi Tanzina Ferdous)
Director


(Nurjehan Hudda)
Director


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


(Md. Motiur Rahman)
Company Secretary

Subject to our separate report of even date.



(A. WAHAB & CO.)
Chartered Accountants
Signed By: Md. Showkat Hossain, FCA
Enrolment No.-196
DVC: 2111140196AS130500

Dated: Dhaka, November 07, 2021

AMBEE PHARMACEUTICALS LIMITED**Notes to the Financial Statements****For the year ended June 30, 2021****1.00 Background and Introduction****1.01 Incorporation and Legal Status**

The Ambee Pharmaceuticals Limited was incorporated in Bangladesh as a public company on 4th February, 1976 vide Certificate of Incorporation No. C47.14/132 of 1975-1976. 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 and the manufacturing plant of the company is located at 184/1, Tejgaon I/A, Dhaka – 1208.

1.02 Nature of Business

The nature of business of the company is to manufacture, buy, sell, export, or otherwise deal in all kinds of drugs, medicines, Pharmaceuticals, chemicals, medical or any other preparations and to refine, manipulate or treat all such substances used in pharmaceutical industry and to do all such acts necessary in connection with any business or chemists, druggists, chemical and medicine manufacturers, pharmacists etc.

2.00 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, 2020;
- 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 Labour Law, 2006 with subsequent amendments in 2013; and
- Others as applicable.

2.02.01 Compliance with International Financial Reporting Standards:

| IAS | Title | Remarks |
|---------|--|----------|
| IAS 1 | Presentation of Financial Statements | Complied |
| IAS 2 | Inventory | Complied |
| IAS 7 | Statement of Cash Flows | Complied |
| IAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors | Complied |
| IAS 10 | Events after the Reporting Period | Complied |
| IAS 12 | Income Taxes | Complied |
| IAS 16 | Property, Plant and Equipment | Complied |
| IAS 17 | Leases | Complied |
| IAS 19 | Employee Benefits | Complied |
| IAS 20 | Accounting for Government Grants and Disclosure of Government Assistance | N/A |
| IAS 21 | The Effects of Changes in Foreign Exchange Rates | N/A |
| IAS 23 | Borrowing Costs | Complied |
| IAS 24 | Related Party Disclosures | Complied |
| IAS 26 | Accounting and Reporting by Retirement Benefit Plans | N/A |
| IAS 27 | Separate Financial Statements | N/A |
| IAS 28 | Investments in Associates and Joint Ventures | N/A |
| IAS 31 | Interests in Joint Ventures | N/A |
| IAS 32 | Financial Instruments: Presentation | Complied |
| IAS 33 | Earnings per Share | Complied |
| IAS 34 | Interim Financial Reporting | Complied |
| IAS 36 | Impairment of Assets | Complied |
| IAS 37 | Provisions, Contingent Liabilities and Contingent Assets | Complied |
| IAS 38 | Intangible Assets | Complied |
| IAS 39 | Financial Instruments: Recognition and Measurement | Complied |
| IAS 40 | Investment Property | N/A |
| IAS 41 | Agriculture | N/A |
| IFRS 1 | First Time Adoption | N/A |
| IFRS 2 | Share Based Payment | N/A |
| IFRS 3 | Business Combinations | N/A |
| IFRS 4 | Insurance Contracts | N/A |
| IFRS 5 | Non-Current Assets Held for Sale and Discontinued Operations | N/A |
| IFRS 6 | Exploration for and Evaluation of Mineral Resources | N/A |
| IFRS 7 | Financial Instruments : Disclosures | Complied |
| IFRS 8 | Operating Segments | N/A |
| IFRS 10 | Consolidated Financial Statements | N/A |
| IFRS 11 | Joint Arrangements | N/A |
| IFRS 12 | Disclosure of Interests in Other Entities | Complied |
| IFRS 13 | Fair Value Measurement | Complied |
| IFRS 14 | Regulatory Deferral Accounts | N/A |
| IFRS 15 | Revenue from contracts with customers | Complied |
| IFRS 16 | Leases | Complied |

2.03 Reporting Period

The financial statements cover for the period of 12 months from July 01, 2020 to June 30, 2021.

2.04 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.

2.05 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 year.

2.06 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.

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 PPE, 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>30-06-2021</u> | <u>30-06-2020</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 PPE, 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

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 Capital Work-in-Progress

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 are 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 realisability.

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)

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' Participation and Welfare Fund

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' Participation and Welfare Fund. The trustee of the fund manages the distribution of the WPWF according to the guidelines of the Labour Law, 2006 with subsequent amendments.

3.08 Revenue Recognition

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 are 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).

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 (ROU)

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 recognised and lease payments made at or before the commencement date.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises 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 recognised 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 recognised 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 is applied based on the enacted tax rates in the relevant Finance Acts.

(b) Deferred Tax

Deferred tax is provided 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 tax.

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 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 cash flows from operating activities making adjustments for non-cash items, non-operating and net changes in operating accruals has been provided in note 30.01.

4.00 Property, Plant & Equipment:

This is made-up as follows-

| Particulars | 30-06-2021 | 30-06-2020 |
|-------------------------------------|--------------------|--------------------|
| A) Cost : | 228,332,209 | 228,332,209 |
| Opening Balance | 228,332,209 | 227,620,209 |
| Add: Charge during the year | - | 712,000 |
| Less: Adjustment during the year | - | - |
| B) Accumulated Depreciation: | 130,721,881 | 125,111,523 |
| Opening Balance | 125,111,523 | 118,489,370 |
| Add: Charge during the year | 5,610,358 | 6,622,153 |
| Less: Adjustment during the year | - | - |
| Written Down Value | 97,610,328 | 103,220,686 |

Details of Property Plant & Equipments are shown in Annexure-A.

5.00 Right of Use Asset (ROU), Net

This is made-up as follows-

| Particulars | 30-06-2021 | 30-06-2020 |
|--|------------------|------------------|
| Opening Balance | 3,262,947 | 4,571,387 |
| Add: Addition during the year | - | - |
| | 3,262,947 | 4,571,387 |
| Less: Depreciation charged during the year | 1,308,440 | 1,308,440 |
| Closing Balance | 1,954,507 | 3,262,947 |

6.00 Inventories

This is made-up as follows-

| Particulars | 30-06-2021 | 30-06-2020 |
|------------------------|--------------------|--------------------|
| Raw materials | 19,976,650 | 58,842,258 |
| Packing materials | 27,987,893 | 30,838,162 |
| Promotional materials | 880,630 | 756,542 |
| Work-in-process | 2,245,635 | 4,777,545 |
| Finished goods | 77,797,903 | 64,768,000 |
| Materials-in-transit | - | 272,000 |
| Closing Balance | 128,888,711 | 160,254,507 |

7.00 Accounts Receivables and Others

7.01 The details given as follows:

| Particulars | 30-06-2021 | 30-06-2020 |
|--------------------------------|-------------------|-------------------|
| Opening Balance | 42,852,308 | 16,814,663 |
| Add: Addition during the year | 49,375,632 | 26,037,645 |
| | 92,227,940 | 42,852,308 |
| Less: Received during the year | - | - |
| Closing Balance | 92,227,940 | 42,852,308 |

7.02 This is made-up as follows-

| Particulars | 30-06-2021 | 30-06-2020 |
|------------------|-------------------|-------------------|
| Above Six months | 42,852,308 | 32,568,770 |
| Below Six months | 49,375,632 | 36,578,954 |
| Total: | 92,227,940 | 69,147,724 |

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

8.00 Advance Income Tax

This is made-up as follows-

| Particulars | 30-06-2021 | 30-06-2020 |
|----------------------------------|-------------------|-------------------|
| Opening Balance | 47,594,323 | 78,714,862 |
| Add: Addition during the year | 1,049,645 | 2,334,148 |
| | 48,643,968 | 81,049,010 |
| Less: Adjustment during the year | - | 33,454,687 |
| Closing Balance | 48,643,968 | 47,594,323 |

9.00 Advances, Deposits and Prepayments

This is made-up as follows-

| Particulars | 30-06-2021 | 30-06-2020 |
|--------------------------------|-------------------|-------------------|
| Advances | 35,663,001 | 31,845,506 |
| Advances to Staff | 1,616,603 | 1,542,581 |
| Advance Rent | 118,000 | 118,000 |
| Against Purchases and Expenses | 13,056,322 | 9,756,354 |
| Bengal Steel Works Limited | 20,774,090 | 20,330,585 |
| Ambee Films Limited | 97,986 | 97,986 |
| Deposits | 1,312,180 | 1,584,180 |
| L/C Margin | - | 272,000 |
| Guarantee Margin | 20,715 | 20,715 |
| Other Deposits | 1,291,465 | 1,291,465 |
| Prepayments | 25,000 | 25,000 |
| WASA | 25,000 | 25,000 |
| Total: | 37,000,181 | 33,454,687 |

10.00 Cash and Cash Equivalents

This is made-up as follows-

| Particulars | Notes | 30-06-2021 | 30-06-2020 |
|-----------------------|-------|-------------------|-------------------|
| Cash in Hand | 10.01 | 12,796,385 | 10,273,942 |
| Cash at Bank | 10.02 | 2,215,950 | 760,377 |
| In-Operative Accounts | 10.03 | 81,515 | 81,515 |
| Total: | | 15,093,850 | 11,115,834 |

10.01 Cash in Hand:

This is made-up as follows-

| Particulars | 30-06-2021 | 30-06-2020 |
|---------------|-------------------|-------------------|
| Head Office | 13,548 | 17,856 |
| Factory | 4,357 | 1,165 |
| DASC | 300,925 | 645,682 |
| DBSC | 577,417 | 385,756 |
| MNSC | 1,133,656 | 853,652 |
| BGSC | 1,356,883 | 1,056,850 |
| RJSC | 1,288,752 | 888,752 |
| RNSC | 1,328,722 | 928,705 |
| BLSC | 1,489,523 | 1,088,520 |
| KLSC | 1,174,076 | 914,526 |
| CMSC | 1,455,360 | 858,632 |
| CGSC | 1,214,903 | 1,289,264 |
| SLSC | 1,458,263 | 1,344,582 |
| Total: | 12,796,385 | 10,273,942 |

10.02 Cash at Bank:

This is made up as follows:

| Name of Bank | 30-06-2021 | 30-06-2020 |
|--|------------------|----------------|
| Easteran Bank Ltd., Gulshan Branch Dhaka, A/C # 104-107-0000-139 | 31,602 | - |
| Easteran Bank Ltd., Gulshan Branch Dhaka, A/C # 104-107-0004854 | 5,819 | - |
| Sonali Bank Ltd., Gulshan Branch Dhaka, A/C # 33004754 | 213,504 | - |
| Sonali Bank Ltd., Gulshan New North Circle Branch, A/C # 011633002105 | 49,732 | 460,077 |
| Agrani Bank Ltd, Amin Court Branch, CD A/C # 0004263 | 58,950 | - |
| Agrani Bank Ltd, Amin Court Branch, Dividend A/C # 0001724 | 89,457 | - |
| United Commercial Bank Ltd., CD A/C # 0951101000002665 | 237,979 | - |
| United Commercial Bank Ltd., Tejgaon Branch, CD A/C # 1041101000000972 | 64,587 | - |
| United Commercial Bank Ltd., Tejgaon Branch, CD A/C # 1041101000001319 | 1,464,320 | - |
| Others Bank | - | 300,300 |
| Total: | 2,215,950 | 760,377 |

The above balance have been confirmed and reconciled with the respective bank statement balances.



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13.00 Deferred Tax Liability

This is made up as follows:

| Particulars | Notes | 30-06-2021 | 30-06-2020 |
|--|------------|-------------------|-------------------|
| Carrying value of depreciable PPE | Annexure-A | 47,360,787 | 52,971,144 |
| Tax Base Value | Annexure-C | (19,137,129) | (23,516,354) |
| | | 28,223,658 | 29,454,790 |
| Temporary difference for IFRS 16: Lease | 13.01 | (68,383) | (25,574) |
| Tax Base Value | | - | - |
| | | (68,383) | (25,574) |
| Net taxable temporary difference- Liabilities | | 28,155,275 | 29,429,216 |
| Tax Rate | | 25.00% | 25.00% |
| Deferred Tax Liability - Closing | | 7,038,819 | 7,357,304 |
| Deferred Tax Liability- Opening | | 7,357,304 | 7,661,980 |
| Deferred Tax (Expenses)/Income for the year | | 318,485 | 304,676 |

13.01 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. The details are as follows:

14.00 Lease Finance

14.01 This is made up as follows:

| Particulars | 30-06-2021 | 30-06-2020 |
|---|------------------|------------------|
| Loan from GSP Finance With Pricipal & Overdue | 2,148,796 | 1,800,136 |
| Less: Current Portion of long term loan being payable within one year | (1,764,399) | (1,217,181) |
| | 384,397 | 582,955 |
| Obligation Under Finance Leases | | |
| Gross Finance Lease- minimum lease liability | | |
| Within one year | 1,764,399 | 1,395,462 |
| After one year | 384,397 | 614,460 |
| Total: | 2,148,796 | 2,009,922 |
| Less: Future finance charges on finance lease liability | - | 209,786 |
| Present Value of Finance Lease liability | 2,148,796 | 1,800,136 |
| This consist of as follows: | | |
| Within one year | 1,764,399 | 1,217,181 |
| Within two to five years | 384,397 | 582,955 |
| Total Present Value of Finance Lease liability | 2,148,796 | 1,800,136 |

14.02 Leases

This is made-up as follows-

| Particulars | 30-06-2021 | 30-06-2020 |
|--|------------------|------------------|
| Opening Balance as at 1st July, 2020 | 3,237,373 | 4,347,387 |
| Add: Interest Accrued | 251,245 | 320,866 |
| | 3,488,618 | 4,668,253 |
| Less: Payments | 1,465,728 | 1,430,880 |
| Closing Balance as at 30 June, 2021 | 2,022,890 | 3,237,373 |
| Lease Liabilities Recognized in Statement of Financial Position | | |
| Lease Liability - Net off Current Maturity | 1,040,527 | 1,751,722 |
| Lease Liability - Current Maturity | 982,363 | 1,485,651 |
| Total: | 2,022,890 | 3,237,373 |

14.03 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

15.00 Short Term Borrowings

This is made up as follows:

| Particulars | 30-06-2021 | 30-06-2020 |
|--|--------------------|--------------------|
| United Commercial Bank Ltd, Tejgaon Branch, A/C- No. 104174900000115 (Overdraft Facilities) | 56,845,787 | 52,182,317 |
| United Commercial Bank Ltd, Tejgaon Branch, A/C- No. 104174900000115 (Letter of Trust Receipt) | 58,734,731 | 61,870,116 |
| Total: | 115,580,518 | 114,052,433 |

The above balance have been confirmed and reconciled with the respective bank statement balances.

16.00 Creditors for Goods & Others

This represents amounts due to various suppliers of raw, packing and stores materials, the ageing of which liability is as follows:

| Particulars | 30-06-2021 | 30-06-2020 |
|------------------|------------------|-------------------|
| Above six months | - | - |
| Below six months | 7,215,020 | 10,055,589 |
| Total: | 7,215,020 | 10,055,589 |

17.00 Liabilities for Expenses

This represents provision for various expenses (e.g. remuneration and allowances, salaries and wages, utilities bills etc.), which have fallen due as on 30th June, 2021, ageing of which liability is as follows

| Particulars | 30-06-2021 | 30-06-2020 |
|------------------|------------------|------------------|
| Above six months | - | - |
| Below six months | 6,733,562 | 9,546,351 |
| Total: | 6,733,562 | 9,546,351 |

Details of above balance are given below:

| | | |
|---------------------------|------------------|------------------|
| Salary, wages & Allowance | 5,097,778 | 7,278,235 |
| Postage Expenses | - | 2,578 |
| Director Remuneration | - | 500,000 |
| Electricity, Gas & Water | 906,858 | 590,775 |
| Audit Fees | 402,500 | 402,500 |
| Telephone Bill | 145,863 | 296,583 |
| TA/DA & Other | 180,563 | 475,681 |
| Total: | 6,733,562 | 9,546,352 |

18.00 Liabilities for other Finance

18.01 This is made up as follows:

| Particulars | 30-06-2021 | 30-06-2020 |
|-----------------------------------|--------------------|--------------------|
| Opening Balance | 173,451,060 | 165,151,060 |
| Add. Addition during the year | 30,000,000 | 18,000,000 |
| VAT Payable | - | 18,000,000 |
| Loan from Aziz Mohammad Bhai | 30,000,000 | - |
| Less: Adjustment during the year | (19,856,417) | (9,700,000) |
| VAT Paid | (1,300,000) | (700,000) |
| Loan Refund to Aziz Mohammad Bhai | (18,556,417) | (9,000,000) |
| Closing balance | 183,594,643 | 173,451,060 |

18.02 Details of above balance are given below:

| Particulars | Notes | 30-06-2021 | 30-06-2020 |
|------------------------------------|-------|--------------------|--------------------|
| Employees Income Tax | | 701,137 | 701,137 |
| Refund Warrant Payable | | 13,000 | 13,000 |
| Share Application Money | | 500 | 500 |
| Vat Payable | | 40,436,732 | 41,736,732 |
| Income Tax Deduction from Supplier | | 431,369 | 431,369 |
| Provident Fund Payable | | 1,916,358 | 1,916,358 |
| Loan from Mr. Aziz Mohammad Bhai | 18.03 | 120,093,891 | 108,650,308 |
| Balance of provision for Interest | | 20,001,655 | 20,001,655 |
| Total: | | 183,594,643 | 173,451,060 |

18.03 Out of total balance of Tk 183,594,643 an amount of Tk 120,093,891 is payable to Aziz Mohammad Bhai, Chairman of the Company as disclosed at Note # 30 "Related party transactions" During the year Taka 18,556,417 has been paid/adjusted with the balance payable to him for payment towards salary and others of his personal staff. Interest payable amounting to Taka 20,001,655 was available which is coming from previous years.

19.00 Provision for Income Tax

This is made up as follows:

| Particulars | Notes | 30-06-2021 | 30-06-2020 |
|------------------------|-------|-------------------|-------------------|
| Opening Balance | | 37,393,308 | 35,784,917 |
| Provision for the year | 19.01 | 1,049,645 | 1,608,391 |
| Closing balance | | 38,442,953 | 37,393,308 |

19.01 Income Tax Expenses:

The calculation of profit for income tax for the year is as follows:

| | 30-06-2021 | 30-06-2020 |
|--|------------------|------------------|
| a) On net profit | - | 1,235,109 |
| b) On gross receipt (Section-82C 2 & 3) @ 0.6% | 593,865 | 1,711,826 |
| c) Advance Income Tax (deduction & advanced payment) | 1,049,645 | 1,608,391 |
| Whichever is Higher (a,b,c) | 1,049,645 | 1,711,826 |

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, 2019-2020 are finalized and in appeal. Income tax assessment for the year 2020-2021 is filed for assessment.

20.00 Workers Participation and Welfare Fund (WPF)

This is made up as follows:

| Particulars | 30-06-2021 | 30-06-2020 |
|---|------------------|------------------|
| Opening Balance | 9,127,363 | 7,778,368 |
| Add: Provision for the year | - | 260,023 |
| Add: Interest during the year @ 9% | 821,463 | 1,088,972 |
| | 9,948,826 | 9,127,363 |
| Less: Adjustment/ payment during the year | - | - |
| Closing Balance | 9,948,826 | 9,127,363 |

21.00 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 turn up to collect their respective warrants.

| | | |
|--------------------|------------------|------------------|
| Unclaimed Dividend | 3,856,352 | 4,182,839 |
| | 3,856,352 | 4,182,839 |

22.00 Revenue

This is made up as follows:

| Particulars | 30-06-2021 | 30-06-2020 |
|---------------|-------------------|--------------------|
| Local Sales | 98,977,466 | 285,304,315 |
| Total: | 98,977,466 | 285,304,315 |

22.01 Sales Quantity:

This is made up as follows:

| Particulars | UOM | Qty. | 30-06-2021 | 30-06-2020 |
|---------------|---------|-------------------|-------------------|--------------------|
| Tablet | Pcs. | 47,510,846 | 76,176,793 | 209,146,572 |
| Capsules | Pcs. | 3,807,150 | 15,247,768 | 43,817,669 |
| Liquids | Bottles | 49,119 | 1,401,347 | 23,030,762 |
| Ointment | Pcs. | 843 | 17,813 | 1,181,366 |
| Injection | Ampoule | 78,118 | 6,133,744 | 8,127,946 |
| Total: | | 51,446,076 | 98,977,466 | 285,304,315 |

23.00 Cost of Goods Sold

This is made up as follows:

| Particulars | Notes | 30-06-2021 | 30-06-2020 |
|-----------------------------------|------------|-------------------|--------------------|
| Work-in-process (Opening) | | 4,777,545 | 5,554,308 |
| Raw materials consumed | 23.01 | 48,488,710 | 73,252,120 |
| Packing materials consumed | 23.02 | 8,409,161 | 33,906,587 |
| Promotional materials consumed | 23.03 | 930,692 | 3,052,639 |
| Factory overhead | 23.04 | 11,647,927 | 30,439,124 |
| Depreciation | Annexure-A | 1,756,607 | 1,854,993 |
| Work-in-process (Closing) | | (2,245,635) | (4,777,545) |
| Cost of production | | 73,765,007 | 143,282,226 |
| Stock of finished goods (Opening) | | 64,768,000 | 59,323,562 |
| Stock of finished goods (Closing) | | (77,797,903) | (64,768,000) |
| Cost of free samples | | (855,338) | (1,055,338) |
| Total: | | 59,879,766 | 136,782,450 |

23.01 Raw Materials Consumption

This is made up as follows:

| Particulars | Active Ingredients (KG) | Excipients (KG) | E.H.G. Capsules (PCS) | 30-06-2021 | 30-06-2020 |
|---------------|-------------------------|-----------------|-----------------------|-------------------|-------------------|
| Opening Stock | 2,944 | 12,409 | 2,888,700 | 58,842,258 | 53,359,376 |
| Purchase | 1,962 | 5,845 | 5,000 | 9,623,102 | 78,735,002 |
| Closing Stock | 2,353 | 10,436 | 2,816,700 | (19,976,650) | (58,842,258) |
| Total: | 2,553 | 7,818 | 77,000 | 48,488,710 | 73,252,120 |

Raw materials consumption is 27.41.% imported.

23.02 Packing Materials Consumed

This is made up as follows:

| Particulars | 30-06-2021 | 30-06-2020 |
|---------------|------------------|-------------------|
| Opening Stock | 30,838,162 | 24,694,796 |
| Purchase | 5,558,892 | 40,049,953 |
| Closing Stock | (27,987,893) | (30,838,162) |
| Total: | 8,409,161 | 33,906,587 |

Packing materials consumed is 0% 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.

23.03 Promotional Materials Consumed

This is made up as follows:

| Particulars | 30-06-2021 | 30-06-2020 |
|---------------|----------------|------------------|
| Opening Stock | 756,542 | 763,559 |
| Purchase | 1,054,780 | 3,045,622 |
| Closing Stock | (880,630) | (756,542) |
| Total: | 930,692 | 3,052,639 |

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

23.04 Factory Overhead

This is made up as follows:

| Particulars | 30-06-2021 | 30-06-2020 |
|------------------------------|-------------------|-------------------|
| Salary, wages and allowances | 7,469,162 | 25,739,597 |
| Overtime allowances | 116,945 | 135,010 |
| Car Expenses | 360,059 | 487,213 |
| Electricity, Gas and Water | 2,771,911 | 2,881,447 |
| Conveyance | 23,780 | 29,755 |
| Entertainment | 34,276 | 49,972 |
| Printing and Stationery | 38,612 | 34,391 |
| Repairs and maintenance | 529,342 | 612,875 |
| Telephone | 69,545 | 82,317 |
| Indirect materials-Packing | 177,574 | 324,699 |
| Fees and Commissions | 11,150 | 18,750 |
| Uniform | 5,722 | 10,621 |
| General Expenses | 32,616 | - |
| Washing & Laundry Expenses | 733 | - |
| Power & Fuel | 6,500 | 32,477 |
| Total: | 11,647,927 | 30,439,124 |

24.00 Administrative Expenses

This is made up as follows:

| Particulars | Notes | 30-06-2021 | 30-06-2020 |
|--------------------------------|-------|------------|------------|
| Salary and Allowances | | 7,056,322 | 8,683,266 |
| Directors' Remuneration | | - | 6,000,000 |
| Car Expenses | | 69,371 | 480,000 |
| Bank Charges | | 57,841 | 92,859 |
| Conveyance | | 65,065 | 93,664 |
| Entertainment | | 280,325 | 390,610 |
| Postage Expenses | | - | 11,360 |
| Printing and Stationery | | 38,259 | 57,750 |
| Electricity, Gas and Water | | 692,978 | 722,998 |
| Repairs and Maintenance | | 62,470 | 160,440 |
| Telephone | | 275,080 | 517,016 |
| Fees and Commissions | | 187,500 | 320,645 |
| Membership Subscription | | 160,882 | 191,882 |
| Audit Fees (Statutory) | | 402,500 | 402,500 |
| Insurance Premium | | 72,322 | 83,061 |
| Legal and Professional Charges | | 66,500 | 250,000 |
| AGM Expenses | | 322,360 | 121,513 |

| | | | |
|------------------------------------|------------|-------------------|-------------------|
| Advertisement & Publicity | | - | 15,500 |
| Depreciation | Annexure A | 3,853,748 | 4,767,160 |
| Depreciation on Right of Use Asset | 5.00 | 1,308,440 | 1,308,440 |
| Total: | | 14,971,963 | 24,670,664 |

25.00 Selling, Distribution and Marketing Expenses

This is made up as follows:

| Particulars | 30-06-2021 | 30-06-2020 |
|--------------------------------------|-------------------|--------------------|
| Salary and Allowances | 17,891,513 | 85,100,700 |
| Rent, Rates and Taxes | 1,496,500 | 1,134,560 |
| Car Expenses | - | 210,000 |
| Bank charges | 77,059 | 26,198 |
| Conveyance | 102,382 | 156,422 |
| Entertainment | 11,935 | 13,775 |
| Postage expenses | 9,164 | 25,632 |
| Printing and Stationery | 163,437 | 288,006 |
| Repairs and maintenance | 111,846 | 143,415 |
| Telephone | 484,916 | 1,179,531 |
| Electricity, Gas and Water | 131,713 | 199,459 |
| Fees and commissions | - | 70,000 |
| TA/DA of MR and others | 3,957,300 | 7,476,310 |
| General expenses | - | 9,292 |
| Meeting/Conference/Training expenses | 242,991 | 736,908 |
| Delivery Van expenses | 19,260 | 25,342 |
| Delivery expenses | 4,265,946 | 12,358,218 |
| Free Sample | 1,620,352 | 1,850,632 |
| Total: | 30,586,314 | 111,004,400 |

26.00 Financial Expenses

This is made up as follows:

| Particulars | 30-06-2021 | 30-06-2020 |
|---------------------------|-------------------|-------------------|
| Interest on Overdraft | 4,996,646 | 5,661,529 |
| Interest on Lease Finance | - | 895,840 |
| Interest on WPWF | 821,463 | 1,088,972 |
| Total: | 5,818,109 | 7,646,341 |

27.00 Contribution to Workers Participation and Welfare Fund

Contribution during the year

| | | |
|--|---|---------|
| | - | 260,023 |
|--|---|---------|

| | | |
|---------------|----------|----------------|
| Total: | - | 260,023 |
|---------------|----------|----------------|

28.00 Basic Earnings Per Share

This is made up as follows:

| Particulars | 30-06-2021 | 30-06-2020 |
|---|-------------------|-------------------|
| Earning attributable to the Ordinary Shareholders (Net Profit/Loss after tax) | (13,009,844) | 3,636,723 |
| Weighted average number of Ordinary shares outstanding during the year | 2,400,000 | 2,400,000 |
| | (5.42) | 1.52 |

29.00 Net Asset Value

This is made up as follows :

| Particulars | 30-06-2021 | 30-06-2020 |
|---------------------------|-------------------|-------------------|
| Non-Current Assets | 99,564,836 | 106,483,632 |
| Current Assets | 321,854,650 | 321,567,075 |
| Non-Current Liabilities | 8,463,743 | 9,691,981 |
| Current Liabilities | 368,118,636 | 360,511,775 |
| Total: | 44,837,108 | 57,846,951 |
| Number of Ordinary Shares | 2,400,000 | 2,400,000 |
| NAV - Per Share | 18.68 | 24.10 |

30.00 Net Operating Cash Flow per Share

This is made up as follows :

| | 30-06-2021 | 30-06-2020 |
|---|-------------------|-------------------|
| Cash flows from net operating activities as per statement of cash flows | (5,451,696) | (11,971,372) |
| Weighted average number of ordinary shares outstanding during the year | 2,400,000 | 2,400,000 |
| Net Operating Cash Flow Per Share | (2.27) | (4.99) |

30.01 Reconciliation of Net Cash flows from Operating Activities:

This is made up as follows :

| Particulars | 30-06-2021 | 30-06-2020 |
|---|--------------------|---------------------|
| Net Profit after Tax | (13,009,844) | 3,636,723 |
| Adjustments | 6,600,309 | 7,625,917 |
| Depreciation on Property, Plant & Equipment | 5,610,354 | 6,622,153 |
| Depreciation on Right of Use Asset | 1,308,440 | 1,308,440 |
| Deferred Tax | (318,485) | (304,676) |
| Changes in Working Capital | 957,839 | (23,234,012) |
| Increase in Inventories | 31,365,796 | 15,726,906 |
| Increase in Accounts Receivable & Others | (23,080,216) | 4,094,311 |
| Increase in Advances, Deposits & Prepayments | (3,545,495) | 2,553,617 |
| Decrease in Creditor for Goods | (2,840,569) | (1,022,436) |
| Decrease in Liabilities for Expenses | (2,812,785) | (1,705,155) |
| Increase in Provision for Income Tax | 1,049,645 | 1,608,391 |
| Increase in Worker Profit Participation Fund | 821,463 | 260,023 |
| Net Cash Generated from Operating Activities | (5,451,696) | (11,971,372) |
| Net Operating Cash Flow per share | (2.27) | (4.99) |

31.00 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 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 2021 were as follows:

| Name of the Party | Relationship | Nature of Transaction | Notes | Opening Balance | Addition during the year | Adjustment during the year | Closing Balance |
|----------------------------|---------------|--------------------------------|-------|--------------------|--------------------------|----------------------------|--------------------|
| Aziz Mohammad Bhai | Chairman | Inter company Loan/ Receivable | 18.01 | 108,650,308 | 30,000,000 | 18,556,417 | 120,093,891 |
| Bengal Steel Works Limited | Group Concern | Inter company Loan/ Receivable | 9.00 | 20,330,585 | 443,505 | - | 20,774,090 |
| Ambee Films Limited | Group Concern | Inter company Loan/ Receivable | 9.00 | 97,986 | - | - | 97,986 |
| Total: | | | | 129,078,879 | 30,443,505 | 18,556,417 | 140,965,967 |

Note: Out of total amount of Tk. 20,774,090 of Bengal Steel Works Ltd from the above table, The amount of Tk. 443,505 is included from the running year 2021. Company will take permission from the share holders in the next Annual General Meeting for Tk. 443,505.

31.01 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 | - | - |
| Post- Employment Benefits | - | - |
| Other Long-Term Benefits | - | - |
| Termination Benefits | - | - |
| Others | - | - |
| Total: | - | - |

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

31.02 Directors Remuneration :

During the year total remuneration paid to directors amounting to Tk. Nil

32.00 Number of Employees

Total number of employees of the Company was 487 as on 30 June, 2021.
Total number of employees of the Company was 736 as on 30 June, 2020.

33.00 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 | 30-06-2021 | 30-06-2020 |
|------------------------------|-------|--------------------|-------------------|
| Accounts Receivable & Others | 7.00 | 92,227,940 | 69,147,724 |
| Cash & Cash Equivalents | 10.00 | 15,093,850 | 11,115,834 |
| Total: | | 107,321,790 | 80,263,558 |

The aging of trade receivables at the reporting date was:

| Particulars | 30-06-2021 | 30-06-2020 |
|---------------------|-------------------|-------------------|
| Dues below 6 months | 49,375,632 | 36,578,954 |
| Dues over 6 months | 42,852,308 | 32,568,770 |
| Total: | 92,227,940 | 69,147,724 |

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.

34.00 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- |

35.00 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, 2021.

36.00 Contingent liabilities

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

37.00 Payments made in Foreign Currency

| Particulars | 30-06-2021 | 30-06-2020 |
|----------------------------|------------|------------------|
| Import of Raw material | - | 2,638,542 |
| Import of Packing material | - | - |
| Total: | - | 2,638,542 |

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

38.00 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.

39.00 Events after the Reporting Period

Subsequent to the date of financial statement, the Board of Directors in its meeting held on November 11, 2021 has not proposed any dividend which will be 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.

40.00 Approval of the Financial Statements

These financial statements were authorized for issue in accordance with the resolution of the Company's Board of Directors in its meeting held on November 11, 2021.



(Naureen Aziz Mohammad Bhai)
Mananaging Director



(Kazi Tanzina Ferdous)
Director



(Nurjehan Hudda)
Director



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



(Md. Motiur Rahman)
Company Secretary

Dated: Dhaka, November 14, 2021

AMBEE PHARMACEUTICALS LIMITED
Schedule of Property, Plant & Equipment
For the year ended June 30, 2021

| Particulars | Cost | | | | Rate % | Depreciation | | | Written Down Value as on 30.06.2021 |
|-------------------------------------|---------------------|--------------------------------|----------------------------------|---------------------|-----------|---------------------|----------------------------------|-------------------------------|---|
| | As on 01.07.2020 | Addition During the Year | Adjustment the during year | As on 30.06.2021 | | As on 01.07.2020 | Adjustment during the year | Charged During the Year | |
| Existing Units -1 | | | | | | | | | |
| Land | 49,033,738 | - | - | 49,033,738 | - | - | - | - | 49,033,738 |
| Leasehold Land | 1,215,803 | - | - | 1,215,803 | - | - | - | - | 1,215,803 |
| Factory Building | 25,453,974 | - | - | 25,453,974 | 2.5 | 14,243,414 | - | 280,264 | 14,523,678 |
| Plant and Machinery | 62,248,702 | - | - | 62,248,702 | 7 | 47,462,643 | - | 1,035,024 | 48,497,668 |
| Deep Tube Well | 1,368,000 | - | - | 1,368,000 | 15 | 1,141,956 | - | 33,907 | 1,175,863 |
| Diesel Generating Set | 446,500 | - | - | 446,500 | 15 | 363,128 | - | 12,506 | 375,634 |
| Loose Tools | 98,001 | - | - | 98,001 | 15 | 94,753 | - | 487 | 95,240 |
| Laboratory Equipment | 3,200,156 | - | - | 3,200,156 | 10 | 2,367,885 | - | 83,227 | 2,451,112 |
| Electrical Installation | 556,455 | - | - | 556,455 | 10 | 259,319 | - | 29,714 | 289,033 |
| Laboratory Glassware | 41,626 | - | - | 41,626 | 15 | 41,507 | - | 18 | 41,525 |
| Production Equipment | 1,220,541 | - | - | 1,220,541 | 10 | 846,162 | - | 37,438 | 883,600 |
| Transport and Vehicles | 12,530,135 | - | - | 12,530,135 | 20 | 9,840,636 | - | 537,900 | 10,376,536 |
| Motor Cycle | 38,662,774 | - | - | 38,662,774 | 20 | 24,416,648 | - | 2,849,225 | 27,265,873 |
| Furniture and Fixtures | 3,510,681 | - | - | 3,510,681 | 10 | 2,690,972 | - | 81,971 | 2,772,943 |
| Office Equipment | 12,535,336 | - | - | 12,535,336 | 15 | 9,978,212 | - | 383,569 | 10,361,781 |
| Office By-cycles | 15,962 | - | - | 15,962 | 20 | 15,729 | - | 47 | 15,775 |
| Books | 98,060 | - | - | 98,060 | 15 | 91,156 | - | 1,036 | 92,191 |
| Sub Total | 212,236,443 | - | - | 212,236,443 | | 113,854,121 | - | 5,366,331 | 119,220,453 |
| Injectable (Ampoule) Unit -2 | | | | | | | | | |
| Factory Building | 3,627,409 | - | - | 3,627,409 | 2.5 | 1,307,942 | - | 57,987 | 1,365,928 |
| Plant and Machinery | 9,221,953 | - | - | 9,221,953 | 7 | 6,896,280 | - | 162,797 | 7,059,077 |
| Production Equipment | 80,500 | - | - | 80,500 | 10 | 66,092 | - | 1,441 | 67,532 |
| Transport and Vehicles | 2,235,000 | - | - | 2,235,000 | 20 | 2,195,826 | - | 7,835 | 2,203,661 |
| Furniture and Fixture | 930,903 | - | - | 930,903 | 10 | 791,264 | - | 13,964 | 805,228 |
| Sub Total | 16,095,764 | - | - | 16,095,764 | | 11,257,403 | - | 244,023 | 11,501,426 |
| 30-Jun-21 | 228,332,208 | - | - | 228,332,207 | | 125,111,524 | - | 5,610,358 | 130,721,879 |
| 30-Jun-20 | 227,620,209 | 712,000 | - | 228,332,209 | | 118,489,370 | - | 6,622,153 | 125,111,523 |

Note : Depreciation Charged to :

- (a) Cost of Goods Sold (Note - 23.00)
 (b) Administrative Expenses (Note - 24.00)

| | 30-06-2021 | 30-06-2020 |
|------------|------------------|------------------|
| | 1,756,607 | 1,854,993 |
| | 3,853,748 | 4,767,160 |
| Tk. | 5,610,354 | 6,622,152 |

AMBEE PHARMACEUTICALS LIMITED
Computation of Deferred Tax
For the year Ended June 30, 2021

Annexure-B

| Particulars | 30-06-2021 | 20-06-2020 |
|---|-------------------|-------------------|
| Carrying value of depreciable PPE | 47,360,787 | 52,971,144 |
| Tax base Value | (19,137,129) | (23,516,354) |
| Net taxable temporary difference- Liabilities | 28,223,659 | 29,454,790 |
| Temporary difference for IFRS 16: Lease (Note-13.01) | (68,383) | (25,574) |
| Tax Base Value | - | - |
| Net taxable temporary difference- Liabilities | 28,155,276 | 29,429,216 |
| Tax Rate | 25% | 25% |
| Deferred Tax Liability - Closing | 7,038,819 | 7,357,304 |
| Deferred Tax Liability- Opening | 7,357,304 | 7,661,980 |
| Deferred Tax Income for the year | 318,485 | 304,676 |



AMBEE PHARMACEUTICALS LTD. 45TH ANNUAL REPORT 2020-21

AMBEE PHARMACEUTICALS LIMITED Property, Plant & Equipment Depreciation Schedule as per Income Tax For the year ended June 30, 2021

Annexure-C

| Particulars | WDV As on 01.07.2020 | Addition during year | Adjustment during year | As on 30.06.2021 | Rate % | Depreciation | WDV As on 30.06.2021 |
|-------------------------------------|-------------------------|----------------------------|---------------------------|---------------------|-----------|------------------|-------------------------|
| Existing Units -1 | | | | | | | |
| Land | - | | - | - | - | - | - |
| Leasehold Land | - | | - | - | - | - | - |
| Factory Building | 361,133 | | - | 361,133 | 20 | 72,227 | 288,907 |
| Plant and Machinery | 2,060,599 | - | - | 2,060,599 | 20 | 412,120 | 1,648,479 |
| Loose Tools | 633 | - | - | 633 | 20 | 127 | 506 |
| Laboratory Equipment | 1,290,703 | | - | 1,290,703 | 20 | 258,141 | 1,032,563 |
| Electrical Installation | 88,031 | | - | 88,031 | 20 | 17,606 | 70,425 |
| Laboratory Glass Ware | 496 | - | - | 496 | 20 | 99 | 397 |
| Production Equipment | 71,308 | - | - | 71,308 | 20 | 14,262 | 57,046 |
| Transport and Vehicles | 2,291,598 | | - | 2,291,598 | 20 | 458,320 | 1,833,278 |
| Motorcycle | 13,911,084 | | - | 13,911,084 | 20 | 2,782,217 | 11,128,867 |
| Furniture and Fixtures | 700,950 | | - | 700,950 | 10 | 70,095 | 630,855 |
| Office Equipment | 2,426,460 | - | - | 2,426,460 | 10 | 242,646 | 2,183,814 |
| Office By-cycles | 68 | | - | 68 | 20 | 14 | 54 |
| Books | 1,955 | - | - | 1,955 | 20 | 391 | 1,564 |
| Sub Total | 23,205,018 | - | - | 23,205,018 | | 4,328,263 | 18,876,755 |
| Injectable (Ampoule) Unit -2 | | | | | | | |
| Factory Building | 44,298 | - | | 44,298 | 20 | 8,860 | 35,439 |
| Plant and Machinery | 136,529 | - | - | 136,529 | 20 | 27,306 | 109,223 |
| Production Equipment | 1,754 | - | - | 1,754 | 20 | 351 | 1,404 |
| Transport and Vehicles | 15,709 | - | - | 15,709 | 20 | 3,142 | 12,567 |
| Furniture and Fixture | 113,045 | - | - | 113,045 | 10 | 11,305 | 101,741 |
| Sub Total | 311,336 | - | | 311,336 | - | 50,963 | 260,373 |
| Grand Total | 23,516,354 | - | - | 23,516,354 | - | 4,379,225 | 19,137,129 |



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 |
| Cerenin | Tablet | Vinpocetine | 5 mg |
| Diphedan | Tablet | Phenytoin | 100 mg |
| Dopegyt | Tablet | Methyldopa | 250 mg |
| Folac | Tablet | Folic Acid | 5 mg |
| Hiflox | Tablet | Ciprofloxacin | 500 mg |
| Hiflox | Tablet | Ciprofloxacin | 750 mg |
| 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 | Spironolactone | 25 mg |
| Verospiron Plus | Tablet | Spironolactone + 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 | Phenytion | 100 ml |
| Fluxin DS | Liquid | Flucloxacillin | 100 ml |
| Hiflox PS | Liquid | Ciprofloxacin | 60 ml |
| Klion | Liquid | Benzoyl 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 acetonide | 5 gm |
| Fungakil | Oint | Fluocinolone acetonide | 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 | Fruzemide | 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@ambeepharmaceuticals.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@ambeepharmaceuticals.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@ambeepharmaceuticals.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@ambeepharmaceuticals.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@ambeepharmaceuticals.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@ambeepharmaceuticals.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@ambeepharmaceuticals.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@ambeepharmaceuticals.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@ambeepharmaceuticals.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 45th Annual General Meeting of the Company to held on
December 28, 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 45th Annual General Meeting of Ambee Pharmaceuticals Limited on
December 28, 2021, Name of Shareholder-----

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

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

Signature of Proxy-----