ANNUAL REPORT

2017-18



Quality
We Assure

The **IBN SINA**
Pharmaceutical Industry Ltd.

AMARSTOCK



In the name of Allah
the most gracious
the most merciful

AMAR STOCK

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Annual Report

For the year ended on 30 June, 2018

The IBN SINA Pharmaceutical Industry Ltd. is committed to making sustainability an integral part to continually enable the people in good health for better life, improving the environmental and social performance through mainstream operations of health services ensuring availability of quality medicines which we commonly refer to as our corporate footprint.

The sustainability strategy articulates the company strategic commitment to sustainable development and is an integral part of our approach to a healthy life for human being as a whole.

The company priority as a good corporate citizen is to earn money in ethical manner that is both socially and ecologically responsible and of course, sustainable.

বিজ্ঞপ্তি

দি ইবনে সিনা ফার্মাসিউটিক্যাল ইন্ডাষ্ট্রি লিমিটেড

তানিন সেন্টার, ৩ আসাদগেট, মিরপুর রোড, মোহাম্মদপুর, ঢাকা-১২০৭

৩৪তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

দি ইবনে সিনা ফার্মাসিউটিক্যাল ইন্ডাষ্ট্রি লিমিটেড-এর সম্মানিত শেয়ারহোল্ডারবৃন্দকে জানানো যাচ্ছে যে, আগামী ২২ নভেম্বর ২০১৮, বৃহস্পতিবার সকাল ৯ : ৩০ টায় কোম্পানির ৩৪তম বার্ষিক সাধারণ সভা ইমানুয়েলস কনভেনশন সেন্টার, সীমান্ত স্কয়ার মার্কেট (রাইফেলস্ স্কয়ার) ৬ষ্ঠ তলা, ধানমন্ডি, ঢাকায় অনুষ্ঠিত হবে। সভায় নিম্ন বর্ণিত বিষয়সমূহ আলোচিত হবে।

আলোচ্যসূচী

১. ২০১৭-১৮ অর্থ বছরের নিরীক্ষিত হিসাব এবং তার উপর কোম্পানির পরিচালকমন্ডলী ও নিরীক্ষকের প্রতিবেদন গ্রহণ এবং অনুমোদন।
২. ২০১৭-১৮ অর্থ বছরের প্রস্তাবিত লভ্যাংশ অনুমোদন।
৩. ২০১৮-১৯ অর্থ বছরের জন্য অডিটর নিয়োগ এবং তাঁদের পারিশ্রমিক নির্ধারণ।
৪. ২০১৮-১৯ অর্থ বছরের জন্য কমপ্লায়ান্স অডিটর নিয়োগ এবং তাঁদের পারিশ্রমিক নির্ধারণ।
৫. পরিচালক নির্বাচন।

কোম্পানির শেয়ারহোল্ডারবৃন্দকে উক্ত সভায় যথাসময়ে উপস্থিত হওয়ার জন্য অনুরোধ করা যাচ্ছে।

বোর্ডের আদেশক্রমে

তারিখ
২৫ সেপ্টেম্বর, ২০১৮

(মোঃ শহীদ ফারুকী,এফসিএস)
কোম্পানি সেক্রেটারী

টীকা:

ক. রেকর্ড ডেট (Record Date) : ২২ অক্টোবর, সোমবার, ২০১৮।

খ. রেকর্ড ডেট (২২ অক্টোবর, সোমবার, ২০১৮) এ কোম্পানির শেয়ার রেজিষ্টার অথবা ডিপজিটরি রেজিষ্টারে যে সকল শেয়ারহোল্ডারবৃন্দের নাম রেকর্ডভুক্ত থাকবে তারাই কেবল বার্ষিক সাধারণ সভায় উপস্থিত হওয়া, ভোট প্রদান এবং লভ্যাংশ পাবার যোগ্য বলে বিবেচিত হবেন।

গ. সভায় অংশগ্রহণ ও ভোট প্রদানে উপযুক্ত কোন সদস্য/সদস্যা তাঁর পক্ষে অন্য কোন ব্যক্তিকে সভায় অংশগ্রহণ ও ভোটদানের জন্য প্রক্সি নিয়োগ করতে পারবেন।

ঘ. সভা অনুষ্ঠানের নির্ধারিত সময়ের অন্তত পক্ষে ৪৮ ঘন্টা পূর্বে প্রক্সি ফরম ২০.০০ টাকার রেভিনিউ স্ট্যাম্প সহকারে যথাযথভাবে পূরণ করে কোম্পানির রেজিস্টার্ড অফিসে জমা দিতে হবে।

ঙ. বার্ষিক প্রতিবেদন, হাজিরা স্লিপ ও প্রক্সি ফরম নোটিশের সাথে ডাকযোগে শেয়ারহোল্ডারবৃন্দের কাছে পাঠানো হচ্ছে। শেয়ারহোল্ডারগণ কোম্পানির রেজিস্টার্ড অফিস থেকেও প্রতিবেদন ও প্রক্সি ফরম সংগ্রহ করতে পারবেন।

চ. ৩৪তম বার্ষিক সাধারণ সভায় স্পন্সর শেয়ারহোল্ডারগণের মধ্য থেকে ২ জন পরিচালক এবং সাধারণ শেয়ারহোল্ডারদের মধ্য থেকে ১ জন পরিচালকের নির্বাচন অনুষ্ঠিত হবে। উক্ত পদে প্রতিদ্বন্দ্বিতা করতে ইচ্ছুক প্রার্থীকে সভা অনুষ্ঠানের নির্দিষ্ট তারিখ এবং সময়ের কমপক্ষে ৭দিন পূর্বে অফিস চলাকালীন সময়ে কোম্পানি সেক্রেটারীর নিকট মনোনয়ন পত্র দাখিল করতে হবে।

ছ. সভার দিন বেলা ১০.৩০ টার মধ্যে সম্মানিত শেয়ারহোল্ডারদের নাম সংশ্লিষ্ট কাউন্টারে অবশ্যই নিবন্ধন করার জন্য অনুরোধ করা হচ্ছে।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী
আসন্ন ৩৪তম বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার প্রদানের ব্যবস্থা থাকবে না।

Notice

The IBN SINA Pharmaceutical Industry Ltd.

Tanin Center, 3 Asad Gate, Mirpur Road, Mohammadpur, Dhaka-1207

NOTICE OF THE 34th ANNUAL GENERAL MEETING

Notice is hereby given that the 34th ANNUAL GENERAL MEETING of the Shareholders of The IBN SINA Pharmaceutical Industry Ltd. will be held on 22 November, Thursday, 2018 at 9 : 30 AM at Emmanuelle's Convention Center, Shimanto Square Market (Rifles Square), 5th Floor, Dhanmondi, Dhaka to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended on 30 June, 2018 together with the Auditors' Report and Directors' Report thereon.
2. To approve proposed Dividend for the year 2017-18.
3. To appoint Statutory Auditors for the financial year 2018-19 and to fix-up their remuneration.
4. To appoint Compliance Auditors for the financial year 2018-19 and to fix-up their remuneration.
5. To elect Directors.

The shareholders of the Company are requested to attend the meeting in time.

By order of the Board

(Md. Shahid Farooqui,FCS)
Company Secretary

Dated :
25 September, 2018

Notes:

a. Record Date : 22 October, Monday, 2018.

b. The shareholders whose names will appear in the Share Register of the Company or Depository Register (CDBL) on the Record Date 22 October, Monday, 2018 respectively are eligible to attend and vote in the AGM and entitled to the dividend.

c. A member entitled to attend and vote in the Annual General Meeting may appoint proxy to attend and vote in his/her stead.

d. Proxy Form must be affixed with the revenue stamp of Tk. 20.00 and should be deposited at the Registered Office of the Company at least 48 hours before the scheduled time of the meeting.

e. Annual Report, Attendance Slip, Proxy Form and Notice of the 34th Annual General Meeting are being sent to the shareholders by post. Annual Report and Proxy Form will also be available at the Registered Office of the Company.

f. An election will be held to elect two Directors from Sponsor Shareholders and One Director from General Shareholders at the 34th Annual General Meeting. Candidate willing to contest must submit his/her Nomination paper during office hours to the Company Secretary at least 7 days before the day and the time of the meeting.

g. The shareholders are requested to register their names within 10.30 am in the concerned counter at AGM date.

No arrangement of any type of gift/food will be made in the 34th AGM as per direction given by Bangladesh Securities and Exchange Commission (BSEC)

Vision

IBN SINA's vision is to become a premier specialty pharmaceutical company, with a balanced focus in complementary therapeutic areas. Our primary responsibility lies towards the people of Bangladesh and ultimate responsibility towards humanity at large.

Board-approved vision and mission statements of the company
The Board of Directors, at its 45th meeting redefined the Company's vision and mission. We are driving towards our vision.

Mission

A public limited company working for the nation as a whole with pertinacious incitement and firm determination to ensure the quality and ethical standing attributing the sustainable growth and development to serve the mankind.

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Corporate Profile

Corporate Management

Board of Directors

Shah Abdul Hannan	Chairman
Prof. Dr. A.K.M. Sadrul Islam	Managing Director
Prof. Dr. Choudhury Mahmood Hasan	Director, Technical
Prof. Dr. Shah Md. Bulbul Islam	Director, Marketing
Kazi Harun-or-Rashid	Director, Finance
Prof. A.N.M.A. Zaher	Director
Commodore (Retd.) M.A. Rahman	Director
Col. (Retd.) Prof. Dr. Zehad Khan	Director
Md. Rafiqul Islam Khan, FCA	Independent Director
Abdur Raquib M.A (Eco), DU	Independent Director

Executive Committee

Commodore (Retd.) M.A. Rahman	Chairman
Prof. Dr. A.K.M Sadrul Islam	Member
Prof. Dr. Choudhury Mahmood Hasan	Member
Prof. Dr. Shah Md. Bulbul Islam	Member
Md. Shahid Farooqui, FCS	Secretary

Audit Committee

Md. Rafiqul Islam Khan, FCA	Chairman
Kazi Harun-or-Rashid	Member
Abdur Raquib M.A (Eco), DU	Member
Col. (Retd.) Prof. Dr. Zehad Khan	Member
Md. Shahid Farooqui, FCS	Secretary

Nomination Committee

Shah Abdul Hannan	Chairman
Prof. Dr. A.K.M. Sadrul Islam	Member
Prof. Dr. Choudhury Mahmood Hasan	Member
Md. Shahid Farooqui, FCS	Secretary

Remuneration Committee

Shah Abdul Hannan	Chairman
Md. Rafiqul Islam Khan, FCA	Member
Col. (Retd.) Prof. Dr. Zehad Khan	Member
Md. Shahid Farooqui, FCS	Secretary

CSR Committee

Prof. Dr. Shah Md. Bulbul Islam	Chairman
Prof. Dr. A.K.M Sadrul Islam	Member
Kazi Harun-or-Rashid	Member
Md. Shahid Farooqui, FCS	Secretary

Company Secretary

Md. Shahid Farooqui, FCS

Chief Financial Officer

Md. Jasim Uddin, FCA

Head of Share Department

Md. Aminur Rahman Manir

Head of Internal Audit

Abdur Rakib

Auditors

S. F. AHMED & CO.
Chartered Accountants
House 51 (3rd Floor)
Road 9, Block F
Banani, Dhaka 1213
Bangladesh.

Compliance Auditors

M. Mohashin & Co.
Chartered Secretaries
218 Elephant Road (3rd Floor)
Dhaka-1205, Bangladesh.

Bankers

Islami Bank Bangladesh Ltd.
Al-Arafah Islami Bank Ltd.
Prime Bank Ltd.
First Security Islami Bank Ltd.
Shahjalal Islami Bank Ltd.
Sonali Bank Ltd.

Registered Office

Tanin Center, 3 Asad Gate
Mirpur Road, Mohammadpur
Dhaka-1207, Bangladesh.

Corporate Website

www.ibnsinapharma.com

AMARSTOCK



Chairman's Statement

Chairman's Statement

Bismillahir Rahmanir Rahim.

The Beloved Shareholders,

Assalamu Alaikum Wa Rahmatullah.

We are delighted to welcome you all at the 34th Annual General Meeting of The IBN SINA Pharmaceutical Industry Ltd. In this auspicious occasion we would furnish before you the Annual Report for the year 2017-18 showing the financial position, achievement and the notable performance of the company. In Sha Allah.

I am pleased to report to you that the company achieved sales of Tk. 4657.35 million in 2017-18 with growth record of 16.17% as compared to last year. During the year under review, IPI was able to maintain a continual development with regard to the earning per share, net operating cash flow and ensure of net profit. Notable success was achieved in the earning of export sales. Growth of export sales stood 59.67% in the year under review.

Keeping the strategic point of view, we are firmly determined to attain the targeted goal achieving the sustained sales growth and milestone of other performance indicators. We are persistently pursuing to produce the highest quality medicine in order to uphold the ethical principle in production and quality assurance so that best possible health care services could be ensured.

The company is committed to provide better therapeutic goods and healthcare service by enriching the product portfolio with innovations and by effective marketing of the products and using the latest technologies.

While we endeavor to reach country's top leading position in the Pharma sector, we are also progressively enriching into the global market. We expect that our global operation would enter into a new dimension both in production and turnover.

Corporate Head Office

The Company's Corporate Office is now being operated in a rented building, Tanin Center, 3 Asad Gate, Dhaka-1207. The construction of the company's won Head Office Tower, a 20 storied state of art building complex will be a reality in a very recent procured plot of land located at Technical Square, Darrussalam Road, Dhaka. It is now under architectural design stage and expected to resume its construction very soon.

Gain on Sale of IBBL Share

The company is striving for sustainable development of the company. Meanwhile various steps have been taken for expansion, modernization and inclusion of new projects etc. To meet up the requirement of cash liquidity, the invested shares of Islami Bank Bangladesh Ltd. (IBBL) was sold out. Since these shares were procured long before. A mentionable gain on sale of such shares has been accrued and thereby reflecting a significant impact is observed during the year under review in the financial report of the company in terms of Net Profit, EPS and NOCFPS.

This non-operative income was utilized to meet up the long term debt/loan taken from the financial institutes reducing of finance charges. It may be informed that this is an unusual income which could hardly be seen in the near future.

The Board of Directors accepts with gratitude the reviews, criticism and suggestions of our valued shareholders and consider them as a catalytic factor in attainment of the success and continued progress of the Company.

I sincerely acknowledgement the contribution made by the management and employees of all level for their untiring effort to bring this success. I also wish to thank and express my gratitude to our valued customers, well wishers, Healthcare Professionals, bankers, suppliers, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Bangladesh Securities and Exchanges Commission, Central Depository Bangladesh Ltd., Registrar of Joint Stock Companies and Firms, Tax Authorities, Government Agencies and all concerned support.

Finally I pray to Almighty Allah to bless us with success and help us in our endevour marching towards a bright future and benevolence to our people as a whole.

Ameen.

Shah Abdul Hannan
Chairman

Directors' Report

Bismillahir Rahmanir Raheem

Distinguished Shareholders,

Assalamu Alaikum Wa Rahmatullah

We have the pleasure to welcome you on behalf of the Board of Directors at the 34th Annual General Meeting of The IBN SINA Pharmaceutical Industry Ltd. and present before you the Directors' Report, Audited Accounts, Balance Sheet, Income Statement and Cash Flow Statement for the year 2017-18, for your valuable guidance, opinion and consideration. We express our gratitude to the Almighty Allah for the Company's business success in 2017-18.

Main Objective of the Company

The Company's main task was to play the role as usual offering the healthcare services of highest standard through production and marketing of Allopathic, Unani and Herbal medicines of best quality in Bangladesh and abroad.

Industrial Prospects and Future Sustainable Development

IBN SINA tried to maintain the continuity of its productivity and best ethical standard of business affairs preferring the principles of sustainable development in the year under review. Alhamdulillah.

The company has been able to retain its customer satisfaction upright providing the quality products with competitive price in the competitive business environment. The company gives the utmost importance in extending business activities through supply of products as per demand keeping in view of future challenge depending on the modern technology. The company's outlook in terms of future sustainable development has been cited in the page no 40 of the Annual Report.

Business Analysis

The year under review, there was a serious competition prevailed in the national and international business arena and being affected thereby an uncertainty and risk in overall business atmosphere was seen. In spite of forgoing situation, we have been able to maintain a progressive overall growth trend due to timely action taken by the Board of Directors, managing the finance efficiently through visionary steps and ensuring proper investment procedure.

Thus it became easy and usual to produce quality medicine and deliver the same at the door steps of customers. The company has played a significant role in applying modern technology ensuring quality control, smooth distribution and delivery of the medicine to the patients and customers.

In the year 2017-18 EPS stood Tk. 15.92 which was Tk. 8.23 in 2016-17. In the year under review Net Asset Value per share is Tk. 43.21 which was Tk. 38.90 in 2016-17 and in the year 2017-18 Net Asset Value stood Tk. 1,227,208,578 which was Tk. 1,104,963,231 over the last corresponding year. NOCFPS per share stood Tk. 6.76 in the year under review which was previously Tk. 4.38. It is mentionable that the increase in NOCFPS arose due to the increase in collection of Trade and Other Receivables in the current year.

Production Activity via Technology Utilization

Procurement of modern technology, research and training are being continued in order to enrich the production capacity of the company factory by increasing efficiency and skills in terms of quality and quantity as well. In the year under review, the overall investment was increased by launching some new sophisticated products and producing some latest medicines and equipments in both Pharma and Natural Medicine factory. These investments were funded by own sources and institutional finance keeping in view of balanced financial leverage.

Achievement of Sales Growths

The year under review the company's distribution network and marketing management were strengthen more in view of the attainment of the increased sales of products. This helped to fortify our position in the pharmaceutical market. During the year under review 16.17% Sales growth was achieved. In the year 2017-18 overall sales achievement stood at Tk. 4657.35 million which was Tk. 4009.15 million in the last year. This was attained by coordinated efforts of effective planning, production, sales and marketing.

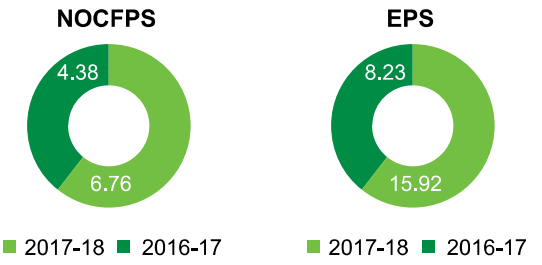
Bangladesh Pharma Market

In the year under review, the growth of pharmaceutical market of Bangladesh stood 7.71%. The IBN SINA Pharmaceutical Industry Ltd. achieved 16.17% growth which is praiseworthy.

Financial Results

The financial results of 2017-18 are summarized below:

Particulars	Amount in Taka	
	2017-18	2016-17
Profit Before Tax	561,423,618	306,468,807
Less: Income Tax	109,126,905	72,639,461
Profit After Tax	452,296,714	233,829,346
Retained Earnings (net) as per Last Accounts	486,643,752	319,044,398
Retained Earnings	938,940,466	552,873,744
Net Asset Value (NAV)	1,227,208,578	1,104,963,232
Earnings per Share (EPS) [Adjusted EPS, 2017-18]	15.92	8.23
Net Asset Value (NAV) per Share	43.21	38.90
Net Operating Cash Flow per Share	6.76	4.38



Fixed Assets

In the year under review, as per suggestion of shareholders in the last AGM and as continual achievement of last years' success, remarkable investments were made in procurement and development of landfor establishment of API industry, Industrial Park at Maona, Gazipur, factory expansion including Solid Dosage Extension Building, Cephalosporin, Natural Medicine Plant, purchase of new machineries, vehicles, power enhancement as well as other developments in respect of fixed assets for the company. The detail particular of fixed assets added during the year under review has been stated in the Annexure- A of the Financial Statement.

The Qualitative Standard of Medicine and Raw Materials

Being engaged for the welfare of the human being, IBN SINA is committed to maintain the qualitative standard of medicine. For this purpose, highest efforts are given to identify genuine sources, colleting of best quality raw materials and their proper storing and also producing prescribed standard medicine for which there is an effective Total Quality Management (TQM) system in the company. Relentless endeavor is being given to deliver the quality medicine with comparative price at the door steps of the customers through sourcing of standard and quality raw materials and producing them with state of the art machineries.

Marketing of New Medicines

Pharma Division

The IBN SINA Pharmaceutical Industry Ltd. is regularly introducing new medicines along with the existing medicines that contributed remarkably in the achievement of company's sales growth. In this consequence, The IBN SINA Pharmaceutical Industry Ltd. launched 28 new products of 22 generics in 2017-18. Among these products some are widely accepted by the doctors such as Lyovit Tablet, Coraltab & Coraltab-DX Tablet, Lograin Tablet, Buticef Capsule & Powder for Suspension, Loterex-T Eye Drops, Loterex Eye Drops and Alkurin Oral Solution.

Natural Medicine Division

The general acceptability and consumption of natural medicine is being increased progressively globally in comparison with synthetic (Allopathic) medicine. IBN SINA Natural Medicine Division has been earned the trustworthiness and credibility from the physicians as well as consumers.Since its establishment it is dedicated to marketing qualitative standard Unani, Herbal and consumer products assuring quality raw materials.

In the year 2017-18, the important and essential products marketed are Capsul Nervola, Capsul Munish, Ointment Sudha & Herbal Tablet Gingoba 120mg & Capsul Silycap 140mg. Each of the same has been appreciated by the physicians. Beside of this, 12 new sophisticated products are in pipe line to be launched and marketed meanwhile.

Sales and Distribution

We have well equipped 'state of art' Sales and Distribution Department with time befitting. The manpower engaged in this department are experienced, skilled having knowledge of modern

distribution channel management technology serving diligently. There are 59 vehicles to distribute the medicine countrywide. Beside this, timely delivering the lifesaving goods at the door step of consumers is being ensured through 19 sales Depots. Smooth communication and customer service has been accelerated adding modern technology like software, automation and networking facilities. This department is ready to attain the expected sales growth by expanding 2 (two) more depots with modern facilities during this year.

Export Activities

The Company is giving utmost effort in expanding the export market. The export related performance statement for the year under review is given in the page no. 108 of the Annual Report.

Human Resources Development

The IBN SINA Pharmaceutical Industry Ltd. has been striving to establish long awaited goals and objectives of the Company. The HRD Department is endeavoring to create an emphatic balanced complimentary working environment in all sides of head office, field levels and factory through various activities like human resources planning, recruitment, training personnel evaluation, promotion etc. At present about 3782 employees with skilled and integrity are giving their diligent efforts to run the total activities of the company effectively and efficiently.

Training and Development

In order to develop skill as well as efficiency of all level of employees gradually, various professional training programmes were arranged by opening a distinct department of Training & Development. Last year, total 699 employees in different levels were taken under training programme of in-house and in different local & foreign professional training organisations. The trained staff-members are playing pivotal role in the sustainable progress of the Company. In addition, a decision has been taken to bring total manpower of the company under a common umbrella of Need-based Training by adopting an appropriate training policy.

Implementation of Corporate Governance Code

The IPI is committed to run the organisation keeping in adherence to the code of corporate governance issued by the Bangladesh Securities and Exchange Commission (BSEC). During the year under review the code applicable for IPI was followed which is reflected in the report to the shareholders of the company on compliance on the corporate governance code certified by the Compliance Auditor in the page no. 68 of the Annual Report.

It may further be informed that the newly promulgated corporate governance code (Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018) issued by the BSEC will be implemented within the stipulated time and be reflected in the next financial year's Annual Report.

Compliance to Labor Laws

In order to maintain labour friendly atmosphere in all aspects, the Company duly comply with The Bangladesh Labour Act, 2006 (As amended 2013) and other laws and regulations as applicable to the company. As per The Bangladesh Labour Rules, 2015 some committees like Participatory Committee, Safety Committee and Canteen Management Committee were formed. Besides this, Sexual Harassment Protection Committee has also been formed. These committees are serving for the wellbeing of the workers within the purview of the stipulations.

Pollution Free Environment

In order to protect from risk of human health and environment, caused by increasing manmade pollution; IBN SINA is trying its best to keep pollution free environment and follow the required laws and rules of Drug Administration and Department of Environment of the Government in the factory and its surrounding as well.

Compliance Auditors Appointment

As per 'Corporate Governance Code' issued by Bangladesh Securities and Exchange Commission (BSEC), M. Mohashin & Co., Chartered Secretaries,

compliance auditors of the company audited the compliance status of the Company for the year 2017-18. M. Mohashin & Co., Chartered Secretaries retire at this AGM. Being eligible as per 'Corporate Governance Code', the existing Auditors offered themselves for re-appointment as Compliance Auditors for the Financial Year 2018-19.

The profile of the existing Audit Firms and their service performed during the year under review was reviewed by the Board of Directors and Audit Committee and suggested to re-appoint M. Mohashin & Co., Chartered Secretaries as Compliance Auditors of the company for the next financial year. After review and discussion over the particulars of the said firm, the Board of Directors has recommended in favor of M. Mohashin & Co., Chartered Secretaries to be re-appointed as Compliance Auditors for the financial year 2018-19 with a remuneration of Taka 65,000/= only subject to approval by the Shareholders in the 34th AGM of the Company to be held on 22nd November 2018.

Disclosures from the Directors about Additional Compliance Information

The objective of Corporate Good Governance is to run the Company effectively and legitimately with a sense of accountability and transparency to the shareholders and the society as a whole. The Company is complying with the "Corporate Governance Code" in the light of directives given by Bangladesh Securities and Exchange Commission.

The Board of Directors has confirmed the standard of corporate good governance incorporating the following additional statements in the Annual Report:

(a) The industry outlook and possible future development of the company is stated in the page no. 40 of the Annual Report.

(b) The information about the segment-wise or product-wise performance is stated in the page no 140 of the Annual Report.

(c) The report regarding the risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment is stated in the page no. 64 of the Annual Report.

(d) The information about the cost of goods sold, gross profit margin and net profit margin is stated in the page no. 41 of the Annual Report.

(e) The detail discussion on the business related party transaction of the Company is stated in the page no. 155 of the Annual Report.

(f) A statement of remuneration paid to the directors including independent directors is stated in the page no. 152 of the Annual Report.

(g) The financial statements prepared by the management present fairly the state of affairs of the Company, results of its operations, cash flow and changes of equity.

(h) The Books of Accounts of the Company have been properly maintained.

(i) Principles of accounting have been followed in preparing the statement of accounts and estimates related to accounting have been made reasonably and with prudence.

(j) The International Standards of Accounting (IAS) applicable in Bangladesh have been followed in preparing the financial statements.

(k) The internal control system was proper and effective application and monitoring was confirmed.

(l) The ability of the Company as a going concern has been proved.

(m) There have been no remarkable deviations in the operational affairs as compared to the previous year.

(n) Five years' operational and financial results have been placed in page 41.

(o) The attendance in Board of Directors meetings has been described in page 74.

(p) The shareholding pattern of the Company has been presented in page 75.

(q) There is no mentionable deviation in between quarterly and annual accounts.

(r) The management discussion and analysis given by the Managing Director of the Company is stated in the page no. 38 of the Annual Report.

(s) Declaration or Certification by the Managing Director and Chief Financial Officer to the Board of Director's as required by the notification of BSEC is disclosed in the page no. 79 of the Annual Report.

(t) The report of compliance on the Corporate Governance Code audited by Compliance Auditors has been incorporated as per proforma prescribed by BSEC which is shown in page. 69-73 of Annual Report.

Implementation of BAS, BFRS and Other Applicable Laws and Regulations

The Board of Directors of the Company is entrusted to ensure the disclosure of the actual financial position and preparation and maintenance of all types of Statutory Statements as per the Bangladesh Securities and Exchange Commission (BSEC) and Companies Act-1994. The Board of Directors is absolutely responsible to prepare all types of financial reports in line with Bangladesh Accounting Standard (BAS), Bangladesh Financial Reporting Standard (BFRS) and other applicable rules and regulations. The role and responsibilities of the Directors in the presentation of the financial report has been stated in page no. 78 of the Annual Report.

Financial Report and Accountability

The Board of Directors discharged their due responsibilities through timely preparation and publication of 1st quarter, half yearly, 3rd quarter and annual financial report at the end of each financial period and the affairs of the company performed in the year under review. The Audit Committee formed by Board of Directors examined the fairness, exactness and transparency and completeness of these reports before placement of the same to the board for their approval.

The company published the report (un-audited accounts) of 1st Quarter, half yearly and 3rd quarter accounts as per notification of Bangladesh Securities and Exchange Commission (BSEC) and the listing Rule 2015 of Dhaka Stock Exchange Ltd (DSE) and Chittagong Stock Exchange (CSE) through company's website, newspapers and online news media and submitted the same timely to BSEC, DSE, CSE and other regulatory authorities.

About the Related Party Transactions

The business related party transaction of the Companyis being made based on the business principle and as per Bangladesh Accounting Standard BAS-24. During the year under review, the standard, nature and the manner of related party transactions in the ordinary course of business carried out arm's length basis at commercial rates with its related parties were reflected transparently in the financial statements which is given in the page no. 155 of the Annual Report.

Minority Shareholders' Interest Protection

During the year under review, the minority shareholders' interest has duly been protected with effective means of redress. No abusive actions either directly or indirectly with regards to the interest of controlling shareholders was observed.

Un-usual Profit & Loss

In the year 2017-18 the company sold its entire holding of IBBL share and hence realized the gain on from sale of share. This is an unusual income which could hardly be seen in the near future.

Directors' Remuneration

The Independent Directors along with other Directors except the Managing Director, Director Marketing and Director Technical do not enjoy any pecuniary benefits other than honorarium for attending in the meeting approved by the Board. Statement of remuneration taken by the said Directors has been stated in page no. 152 of the Annual Report.

Directors' Shareholding Position

Particulars of shares as against the name of the Directors of the Company have been stated in the page no 75 of the Annual Report.

Audit Committee

As per BSEC's notification no. SEC / CMRRCD / 2006-158 / 129 / Admin / 44 dated 7 August, 2012, the Audit Committee consisting of four members including two Independent Directors having prominent reputation and versatile knowledge & experience has been working effectively. The Audit

Committee had detailed discussion and analysis on its report as directed by BSEC and the Board with regards to internal audit system, preparation of annual financial report and the observations of external auditors. As there was no evidence of slightest mistakes, dissemblance or information contrary to the truth, the financial report was considered as realistic and transparent. Report of the Audit Committee is presented in the page no. 76 of the Annual Report.

Beneficiary Insider Trading Prohibition Policy

The company has outlined the Beneficiary Insider Trading Prohibition Policy regarding the trading of company's share for its' directors, employees and concerned persons. The policy is being followed accordingly.

Policy for Corporate Social Responsibility (CSR)

In view of the corporate social responsibility of the company, the Board of Directors has approved a CSR policy for implementation of good governance practice on a regular basis. A three members committee has been formed to implement this policy. The policy of CSR and the CSR activities taken by the company in the year under review has been stated in the page no. 59 of the Annual Report.

Independent Director

As per notification no-BSEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 of Bangladesh Securities and Exchange Commission (BSEC), Janab Rafiqul Islam Khan, FCA and Janab Abdur Rakib MA (Eco), DU has been performing the duties as Independent Director.

Respect to the Laws

The law of the state and other applicable rules and regulations of the company and the affairs thereon have duly been complied with highest preference and timely actions thereof have been ensured. The company is committed to abide by the rules of regulatory bodies and other legislative authorities as always.

Statutory Payments

All statutory payments in relation to the employees and the government have duly been made up to date.

Compliance to the Laws of the Capital Market

Since listing in both the Stock Exchanges, the Company strictly abides by all the laws, regulations and directions circulated time to time by Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd.(DSE) and Chittagong Stock Exchange Ltd.(CSE).

The Key Information of the Financial Statement

As per direction of the Bangladesh Securities and Exchange Commission (BSEC), the key information of the financial statement of last 5 (five) years has been stated in the page no. 41 of the Annual Report.

Welfare Activities for the company's Officers and workers

The welfare activities for the company's officers and workers taken during the year under review are briefly represented in the page no. 61 of the Annual Report.

Workers' Profit Participation and Welfare Fund

In the year under review 5% of the Company's net profit i.e. Tk. 28,184,657 will be transferred to the workers' profit participation fund and welfare fund as per Labor Law 2006 (As amended in 2013).

Consumer Project

"The IBN SINA Consumer Products Ltd." has been established keeping in view of fulfilling the demand of balanced food and nutrition of people. As preparatory action prior to commercial production the land measuring area of 2 (two) acres cited at Singair, Manikgonj area adjacent to Dhaka city has been developed. Necessary action is being carried out to establish a state-of-art factory having required standard within a reasonable time.

Internal Control

Internal control system of The IBN SINA Pharmaceutical Industry Ltd. is founded on specified code approved by the Board. The Board of Directors incorporates necessary norms and practices of internal control system for development and control. An effective internal control system is in action to ensure the transparency, highest productivity and maximum utilization of resources.

A Going Concern

By the grace of the Almighty Allah, the Board of Directors after analysis of the business trend of the Company has confirmed that the Company has

enough ability to carry on business activities in the coming days as a Going Concern and the financial statements have been prepared accordingly.

Company's Position in the Share Market

In the year under review, the market share of the company did not face ups and downs significantly in either Dhaka Stock Exchange Ltd. (DSE) or Chittagong Stock Exchange Ltd. (CSE). The shareholders had always been confident on IBN SINA shares. In the year 2017-18, The company shares were traded in the both stock exchanges at minimum of Tk. 232.50 to maximum of Tk. 276.50 as against the face value of Tk.10.

Contribution to National Exchequer

The company had made a significant contribution in the year 2017-18 towards the National Exchequer by paying Tk. 871,178,813 as Income Tax and VAT. This is equivalent to 18.17% of the sales in the year under review.

Risk Management

In order to control all matters involving risks and uncertainties, the Company has a strong risk management process. This has been described in detail in page. 64 of this Annual Report.

Code of Ethics and its Implementation

Highest emphasis is given on the implementation of code of ethics and principles so that the concerned officials and personnel can take appropriate decision complying the required laws and professional manner.

Workers-Officers Relationship

There exists devotion to work and respectful harmonious relationship among all levels of officers and employees in The IBN SINA Pharmaceutical Industry Ltd. which has accelerated the Company's progress and productivity.

Wage-Remuneration Policy

The salary and wages of the employees are usually determined considering the prevailing inflation, price index and in commensuration with the existing salary structure in other competitors' companies.

Election of Directors

Janab Shah Abdul Hannan, Commodore (Retd.) M A Rahman and Prof. Dr. Shah Md. Bulbul Islam retire in this AGM as per clause 28 of Articles of Association of the company. As per law, the retired directors are eligible to be re-elected.

Whistle Blowing Policy

IPI's Whistle Blowing Policy ensures to establish transparency in all aspects and also in terms of minimizing the risk management and detecting any forgery or embezzlement.

Post Balance Sheet Events

After the preparation of the Balance Sheet for the year 2017-18, no necessity arose for later adjustment or no subject pecuniary there to happened which is mentionable in financial statements.

Dividend Policy

The management of the company sincerely believes that at the end of yearly operation of the company, the highest benefit i.e. dividend is given to the shareholders after retaining a portion of earnings so that the company can maintain the ability to extend facilities to the shareholders in future also. Keeping this policy in mind, the company declares dividends giving importance on a balance between the present expectation of the shareholders and that of potential beneficiaries considering all relevant applicable laws and best practice in this connection.

Dividend

After evaluating the Financial Statements for the year 2017-18 of the Company, the Board of Directors proposed a stock dividend of 10% and cash dividend of 30% as against per share of Tk.10 each.

Reserve and Surplus

In the year 2017-18, Company's reserve and surplus rose to Tk. 943,332,576 which was Tk. 557,265,854 in the previous year.

Appointment of Auditors

S F Ahmed & Co., Chartered Accountants, statutory auditors of the company audited the Accounts for the year 2017-18. S F Ahmed & Co., Chartered Accountants retire at this AGM. Being eligible as per BSEC/CMRRCD/2009-193/104/Admin Dated the 27 July, 2011 notification, the existing Auditors offered themselves for re-appointment as Statutory Auditors for the Financial Year 2018-19.

The profile of the existing Audit Firms and their service performed during the year under review was reviewed by the Audit Committee and suggested to re-appoint S F Ahmed & Co., Chartered Accountants as Statutory Auditors of the company for the next financial year. After review and discussion over the particulars of the said firms, the Board of Directors has recommended in favor of S F Ahmed & Co., Chartered Accountants to be re-appointed as Statutory Auditor for the financial year 2018-19 with a remuneration of Taka 2 (two) Lac only subject to approval by the Shareholders in the 34th AGM to be held on Thursday 22nd November 2018.

Relation and Communication with the Shareholders

The Company has been arranging regular Annual General Meetings (AGM) as per Companies Act, 1994 through which shareholders are informed about the Company's progress, important activities and the development activities under taken during the year under review. As a result, the shareholders, concerned organizations and the people get various information about the Company in due time. The shareholders of the Company are able to collect all required information from our Share Department through landphone, mobile phone and e-mail service.

Recognition and Compliments

The Board of Directors extends its heart-felt gratefulness to the Ministry of Health, Directorate General of Drug Administration, respected Doctors, Chemists, Patrons and all concerned with the pharmaceutical industry for their all out support to us. The Board of Directors remembers the co-operation of Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchanges Ltd. (DSE) and Chittagong Stock Exchanges Ltd. (CSE) gratefully. The Board thanks the Financial Institutions for their support.

The Board of Directors wishes all levels of officers, employees, buyers, consumers, patrons, well wishers and all concerned for their sincere contribution towards our business success. We are also grateful to our beloved shareholders for their comprehensive support to the company.

The shareholders' trustworthiness to the Board of Directors make them confident and deeply inspired. The management and employees of all levels are committed to uphold this.

May Allah Subhanahu Wa Taa'la accept all our efforts for the development of our Company, Nation and the Country. We pray to the Almighty Allah for His blessings for continual overall progress and prosperity of our beloved country People's Republic of Bangladesh and the Company.

Allah Hafiz.

Approved by the Board of Directors and signed on its behalf.

Prof. Dr. A.K.M. Sadrul Islam	**Prof. Dr. Shah Md. Bulbul Islam**	**Md. Shahid Farooqui FCS**
Managing Director	Director	Company Secretary



Managing Director's Reflections

Bismillahir Rahmanir Rahim.

Dear Shareholders,

Assalamu Alaikum Wa Rahmatullah.

By the grace of Almighty Allah, The IBN SINA Pharmaceutical Industry Ltd. has completed its journey of 34 years with success records in Pharma business. This year, like the successful track records, we have been able to maintain revenue at a reasonable level in the financial year 2017-18. We acknowledge with gratitude the continued trust and support of our valued shareholders, patrons, physicians, regulatory authorities, and the end users of Company's products.

The management's discussion and analysis representing detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements in the year 2017-18, among others, focusing on:-

- Sales/turnover amounted to Tk.4657.35 Million increased by 16.17% over the year 2016-17;
- Earnings per share (EPS) stood Tk. 15.92 which was increased by 93.43% over the year 2016-17;
- Enriching product portfolio by introducing 33 new products with 27 generics in Pharma and 4 Natural Medicine (Harbal and Unani);
- Contribution to the National Exchequer in the form of VAT, AIT and Corporate Tax of Tk. 871.19 Million;

The accounting policies and estimation for the preparation of financial statements of the Company is mentioned in details in the page no. 133 of the Annual Report.

No changes in accounting policies and estimation which have the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes was observed in the year under and the description on the issue is stated in the page no. 134 of the Annual Report.

Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years has been explained with reasons thereof in the page no. 41 of the Annual Report.

No inflation effect is recognized in the preparation of financial report for the pharma industry as per norms and practice applicable for Bangladesh.

Comparison of financial performance or results and financial position as well as cash flows with the peer industry scenario is that the Industry growth as per IMS report 7.71%; on the other hand the Company's national growth 16.17%.

The Financial and Economic Scenario of the Bangladesh and Global Position as well is briefly placed as under:

The Bangladesh economy has an impressive track record of achieving steady growth of above 6.0% over the last six years and has entered in the growth phase of above 7.0%.

In a recent report published by the World Bank, Dhaka Office on January 11, 2018 under the title of "Economy to stay strong" that Bangladesh is among the top 17 out of 134 countries in the list of GEP (Global Economic Prospects) forecasts.

Bangladesh is strategically important for the economies of Northeast India, Nepal and Bhutan, as Bangladeshi seaports provide maritime access for these landlocked regions and countries. China also views Bangladesh as a potential gateway for its landlocked southwest, including Tibet, Sichuan and Yunnan.

Recent BIMSTEC summit in Katmandu, Nepal in fact, has reflected the strategic importance of Bangladesh in this region.

In 2018, per-capita income was estimated as per IMF data at US$ 4,561 (PPP) and US$1,754 (Nominal).

It has been projected by Bangladesh Government in its Seventh Five- Year Plan to achieve GDP growth rate of 7.4 percent in the fiscal year 2017-18.

Emerging markets and developing economies are expected to grow at 4.6%, while advanced economies are expected to grow at 2.2%. Southeast Asia however, is expected to grow by 5.1% in 2018.

The nation is marching ahead in achieving the government's Seventh Five-Year Plan, we are on strong foot steps towards the steady upward growth despite the probable challenges like natural calamities, lack of skilled workers, financial sector vulnerabilities and the slow pace of infrastructural reforms.

The risks and concerned issues related to the financial statements, explaining such risk and mitigation plan thereof is described in the page no. 141 & 156 of the Annual Report.

The Justification of Future Plan/Projection/Forecast for Company's Operation, Performances & Financial Position of the Company is explained below:

The IBN SINA Pharmaceutical Industry Ltd. has been stepping forward with a long term vision in order to achieve excellence in the manufacturing and marketing of Pharma and Herbal products and extending its business in abroad as well.

The new OSD Extension Project is now at final stage and expecting to start production at the beginning of next year with a large number of new innovative lifesaving products like Lyophilized Injection, Prefilled Syringes etc.

The API project at Govt. API Park has taken its final shape and we have started the construction works. API synthesis at R&D level started in India and in USA.

The Company's Industrial Park at Mauna, Gazipur has started its journey. The Master Plan completed and the Sterile Project including LVP and MDI has been considered in the first phase. The other important projects in the Industrial Park are Specialized OSD Projects, Biotech Project and Oncology Project.

One important point to mention here that, now the Company is an US FDA registered company. In the meanwhile registration of five OTC Products have been completed and expecting to export OTC products very soon.

Export of prescription products by third party manufacturing is also underway. In order to shift the third party manufacturing to Company's own plant, the management is going to setup a US FDA complaint and 'state of the art' plant at its Valuka project.

I conclude by expressing my gratitude to all employees of the Company for their hard endeavor they have put during the year under review. I would like to express my sincere appreciation to you all, our valued customers, shareholders, the suppliers, bankers, business partners, the healthcare professionals and our regulatory authorities for their trust and continued support to the Company.

We pray to Almighty Allah for His blessings for the Company's bright success in future.

Prof. Dr. A.K.M. Sadrul Islam
Managing Director

IBN SINA Looks for a Bright Future

a journey towards excellence

The IBN SINA Pharmaceutical Industry Ltd. is a trusted name in the field of pharmaceutical and natural medicine in home and aboard.It works relentlessly to move forward with a clear andtargeted vision. The vision is to be the iconic model in Pharma Sector both in business volume and quality.

IBN SINA steps forward with the iconic vision in order to achieve excellence in the Manufacturing and Marketing of Pharmaceutical and Herbal Products and extending its business in aboard as well.

New projects and new products are the rhythm of life of a Pharmaceutical Company. Beyond the sphere of conventional, entering into new generation drugs and new technology is a challenge to a Pharmaceutical Entrepreneur. In fact, the fastest growth of new and lifesaving drugs has been replacing the conventional generic and dosage forms, and creating new demand for new technology and new facility by turn. IBN SINA is well aware of the adoption system and has undertaken a number of ambitious projects and business strategies to meet the challenges of 21st century.

OSD Extension Building

First Phase of the building has been completed and expecting to start production by end of December 2018. The new product categories and dosage forms which will be included in IBN SINA product list for the first time are - Lyo-Dry Vial Injection, Liquid Vial Injection, Dry Vial Injection (other than Penicillin & Cephalosporin), Prefilled Syringes, Cartridge Injection, like insulin cartridges, Effervescent Tablets, Soluble/Sublingual Tablets, R&D Scale-up facilities and production opportunities of some low volume but potent and costly products.

API Project:

API Project is one of the priority projects of IBN SINA. Lay-out Plan for R&D cum Admin Building has been approved and civil construction work started. Engineering Drawing-Design of Product Synthesis Building will be completed very soon.

Our Indian and US Consultants have been working on API synthesis and Technology Transfer.

IBN SINA Industrial Park, Mouna, Gazipur.

In order to achieve a long term sustainable growth of the IBN SINA by including new generation drugs and adapting new technology, IBN SINA has undertaken a courageous step in setting up of an Industrial Park of its own "IBN SINA Industrial Park" at Mouna, Gazipur. The Park will include eight production Projects (Units) mostly for the production of life saving drugs. Among them the major projects are: Sterile Project (including LVP, MDI, Lyophilized Injection, Insulin Products, etc.), Biotech Project, Oncology (Anti-cancer) Project and Advanced OSD Projects. Conceptual designs of sterile project has been started and civil work will be started by December, 2018.

US Activity Valuka Project: Commitment towards US Compliant Production Facility

You will be happy to know that your company is now an US-FDA registered company. IBN SINA is one of the 4-5 fortunate companies in Bangladesh who got registration in USD FDA. If you go to US FDA Web Site, you will get the IBN-SINA's name. First phase started with OTC products & then it will be continued with prescription products by third party manufacturing. In order to shift the third party manufacturing to the Company's own plant, the IBN SINA Management has undertaken a plan for most compliant and state-of the-art production facility at Valuka, Mymensing. The objective of this specialized compliant facility is to attain US FDA certification.

Key Financial Highlights

Amount in Taka

PARTICULARS	2014	2015	2015-16	2016-17	2017-18
Sales (Net)	2,678,909,367	3,162,625,108	3,490,800,000	4,009,153,501	4,657,350,011
Sales Growth (%)	21.29%	18.06%	18.90%	14.85%	16.17%
Cost of goods sold (COGS)	1,609,797,641	1,896,784,005	2,082,029,983	2,385,628,180	2,764,720,036
COGS Growth (%)	8.92	20.15	17.83	14.58	15.89
Gross Profit	1,069,111,726	1,265,841,103	1,408,770,017	1,623,525,321	1,892,629,975
Gross Profit Ratio (%)	39.91%	40.03%	40.36%	40.50%	40.64%
Net Profit before Tax	169,935,002	231,511,764	286,169,430	306,468,807	561,423,618
Net Profit after Tax	127,278,420	178,057,156	202,811,006	233,829,346	452,296,714
Net Profit Ratio	4.75%	5.63%	5.81%	5.83%	9.71%
Workers P.P. Fund & Welfare Fund	8,496,750	11,575,588	14,308,471	15,354,783	28,184,657
No. of Share holder	11,381	11,381	10,704	11,249	10,969
Return on Equity	18.74%	21.38%	23.83%	23.69%	38.79%
Current Ratio	1.03	0.81	0.77	0.89	0.81
Equity per Share (Taka)	31.77	38.95	33.67	38.90	43.21
Earning per Share (restated)	5.67	7.21	7.85	8.23	-
Earning per Share (orginal)	5.95	7.93	9.03	9.06	15.92
Price Earning Ratio (Time)	16.89	16.89	25.75	27.36	16.16
Quoted Price per Share-DSE (Year End)	100.50	100.50	232.50	247.90	257.40
Dividend per Share	30% Cash & 5% Stock	25% Cash & 10% Stock	12.50% Cash & 5% Stock	25% Cash & 10% Stock	30% Cash & 10% Stock
Reserve & Surplus (Year End)	259,286,963	362,500,119	385,182,808	557,265,854	943,332,576
Dividend Yield	3.48%	2.34%	1.51%	1.41%	1.55%
Dividend Payout Ratio	58.82%	44.14%	44.56%	38.65%	25.12%
Retained Earning	254,894,853	358,108,009	380,790,698	552,873,744	938,940,466
Retained Earning (Yearly)	52,434,420	99,470,956	124,224,806	143,455,216	338,683,522
Current Assets	412,684,597	434,659,631	451,450,553	643,644,663	859,761,961
Current Liabilities	400,948,605	534,721,516	584,750,907	726,608,044	1,062,536,232
Fixed Assets (Net)	515,907,382	870,486,005	951,723,570	1,116,332,498	1,409,800,123
NAV	679,344,704	832,945,668	869,431,627	1,104,963,231	1,227,208,578
NOCFPS	8.12	9.60	14.92	4.38	6.76

* 2015-16 figures include 06 month (from 01 July 2015 to 31 December 2015) Performance of 2015.

Corporate Governance

The objective of corporate good governance of The IBN SINA Pharmaceutical Industry Ltd. is to run the company with a sense of accountability to the shareholders and the society as a whole. The company is directed and managed under the Code of Conducts as incorporated by the Board in the light of directives given by the concerned regulatory bodies to ensure transparency and accountability on the part of management in discharging of its duties towards meeting stakeholders' rightful expectations.

The Board of the company believes in efficient and effective performance of business by meeting obligations to the shareholders and other stakeholders following the ethical manner, norms, integrity, accountability and transparency.

The stakeholders associated with the company are responsive to follow the general principles built on company's values and the ethical standards, we are proud of it. Corporate good governance structures encourage creating of values and ensuring of accountability.

The Board of Directors

The Board consists of a Chairman, four Functional Directors, three Non-Executive Directors and two Independent Directors. The Board is the supreme authority while the Executive Committee and the Audit Committee are two wings of the Board working in unison for smooth operation and development of the company. All Directors shown below have full and timely access to all pertinent information and independent professional participation and advice.

Board's Composition

The Board consists of the following ten members having versatile professional acquaintance of knowledge, skills and adequate expertise:

Shah Abdul Hannan
Chairman

Prof. Dr. A.K.M. Sadrul Islam
Managing Director

Prof. Dr. Choudhury Mahmood Hassan
Director, Technical

Prof. Dr. Shah Md. Bulbul Islam
Director, Marketing

Kazi Harun-Or-Rashid
Director, Finance

Prof. A.N.M.A. Zaher
Director

Commodore (Retd.) M.A. Rahman
Director

Colonel (Retd.) Prof. Dr. Zehad Khan
Director

Md. Rafiqul Islam Khan FCA
Independent Director

Abdur Raquib M.A (Eco.), DU
Independent Director

Md. Shahid Farooqui FCS is the Secretary to the Board. The Board Meeting is held at least once in a quarter. Number of the meetings held during the financial year 2017-18 was 10 (Ten).

Policy on Appointment of Directors

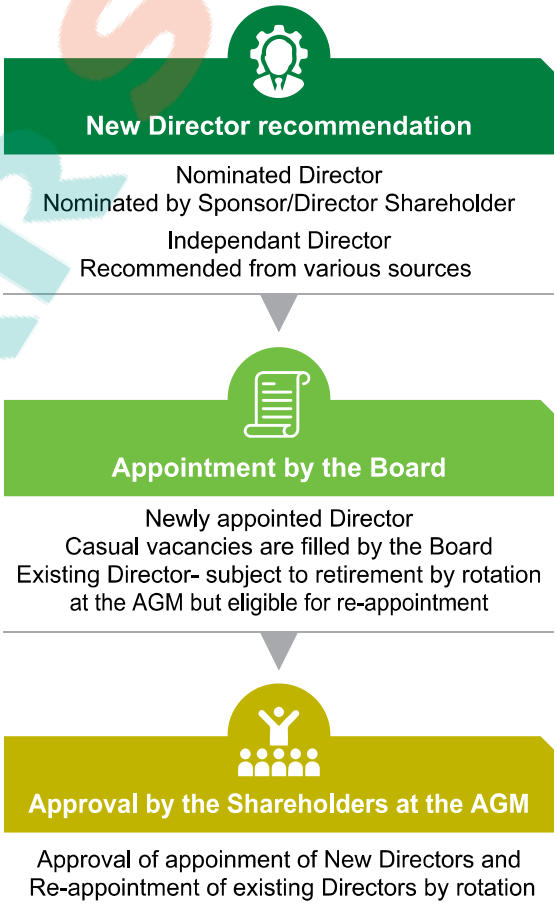
The IBN SINA Pharma does not have its own and separate policy on appointment of Directors. The Company always complies with the regulations of the regulatory authorities regarding appointment of directors. BSEC notifications and Companies Act are strictly followed in this regard. As per the Companies Act, 1994, Directors are subject to retirement. At least one-third of the Directors shall retire by rotation in every AGM. The term of an Independent Director is three years and may be lengthened by another three years. With regards to nomination, removal and casual vacancy of the Directors, the Company follows all relevant rules and regulations of the respective regulatory bodies.

The Directors of the company are:

Nominated Directors
Nominated by the Sponsor Shareholder

Elected Shareholder Directors
Elected by the Shareholders at the Annual General Meeting

Non-Executive Independent Directors
Recommendation received from various sources for highly capable and seasoned professionals.



Practice of the Board

The Board is accountable for formulation of overall planning, policies and strategies and guidelines of

the activities and implementation thereof in attainment of the goals and objectives of the company and ultimately remains accountable to the shareholders.

To pursue transparency, the Board follows the practice of the advance planning in the matter requiring discussion and decision by the Board. The Board is appraised by presentation on finance, sales, marketing, major business segments and operations of the company.

The Board of Directors of the Company has laid down a Code of Conduct of all Board members and annual compliance of the code which have been duly recorded.

In accomplishment the affairs of the company, the Board is guided by Corporate Governance Code as stipulated by BSEC and in compliance with the rules and regulations of Companies Act 1994, Labour Rules, 2015, Memorandum and Articles of Association of the Company and the Service Rule of the Company and other relevant applicable laws and regulations. The Board also remains them responsible for efficient and effective implementation of the policies and strategies adopted time to time.

Adequate Number of Non Executive Directors

With a view to improve Corporate Governance practice, the company maintains six (6) non executive directors out of the total ten (10) Directors.

Independent Directors in the Board and their Independence

As per the revised Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC), one-fifth of the total Directors of the Board shall be Independent Directors.

Thus, in compliance with the guideline, two (2) Directors out of the total ten (10) Directors are independent, having no interest in the company. Independence of the respective Independent Directors is confirmed during selection and appointment of the Directors and they remain committed to continue with such independence throughout their tenure.

Chairman of the Board

The Chairman of the Company is elected by the Board of Directors and the Board considers the Chairman being independent.

Role of the Chairman

The Chairman's primary role is to ensure that the Board is effective in its task of setting and implementing the Company's direction and strategy. The principal features of the role of the Chairman comprise the following:

- Providing leadership to the Board;
- Taking responsibility for the Board's composition and development;
- Ensuring proper information for the Board; Planning and conducting Board meetings effectively;
- Getting all Directors involved in the Board's work;
- Ensuring the Board's focus on key tasks;
- Engaging the Board in assessing and improving its performance;
- Overseeing the induction and development of Directors; and
- Supporting the Managing Director.

The Chairman of the Board and the Managing Director of the Company are different individuals

The position of the Chairman of the Board and the Managing Director of the Company are filled by the different individuals who are the members of the board. There is a clear division of responsibilities between the Chairman's functions and that of Managing Director. The Chairman is mainly responsible for presiding the Board Meeting as well as the Annual General Meeting. The respective roles and the responsibilities of the Chairman and the Managing Director are explicitly defined by the Board of Directors of the Company to enable them in discharging their responsibilities aptly and effectively.

Management Review and Responsibility

The Managing Director is the functional head of the Company. He is responsible for implementing and coordinating the Company's corporate and commercial activities to achieve the company's business objectives. He is supported by the different functional Committees, Functional Directors, Executive Directors, GMs, Managers and Executives of the Company. Under the active leadership of the Managing the Director, the Company is governed within the preview of the rules, regulations, guidelines, directions and policies as applicable for the Pharma industry and business operations.

The statement from the Managing Directors detailing the analysis of the company's position and operations along with a brief discussion of changes analysis in the financial statements, among others during the period under review is given in the page no. 38 of the Annual Report.

Annual Appraisal of the Board's Performance and Disclosure

Appraising a board's performance can clarify the individual and collective roles and responsibilities of its Directors, and provide better knowledge of what is expected of them which can help boards become more effective. Done properly, board appraisals may also improve the working relationship between a company's Board and its management

A Board is a team of knowledge workers, and to do its job, the board needs the same resources and capabilities that any other successful team of knowledge workers needs such as knowledge, information, power, motivation, and time.

Self-evaluation is not an easy issue for any group to deal with. It is particularly difficult in the case of boards because it requires board members to make judgments and decisions about themselves and about issues that affect all stakeholders.

The Board always help the company to formulate policy, guide the implementation process, review the performance of the implemented policies and give suggestion for correction wither deem necessary. In this way Board assess whether the desired outcome have been achieved and by utilizing its resources, within expected timeframe. The Board members have always taken decisions that have benefitted the Company as a whole and they have always performed their duties accordingly.

Annual Evaluation of the Managing Director by the Board

The Board of Directors evaluates the Managing Director based on the goals set for him considering the company vision and mission at the beginning of each year. The annual financial budget and other strategic objectives are discussed, reviewed and finalized by the Board at the start of the financial year. The Board considers both financial and non-financial goals during the appraisal.

Financial goal includes achievement of budgeted sales and profit and non financial goal includes development of Human Resource and utilization of other resources of the company.

Training and Development of the Board

The Board recognizes the importance of ensuring that Directors are continuously being developed to acquire or enhance the requisite knowledge and skills to discharge their duties effectively.

All new Directors appointed to the Board attend a formal induction programme to familiarize themselves with the company's strategy and aspiration, understanding of the line of businesses and corporate functions, key financial highlights, audit, compliance and risk management. The programme is conducted by the Company Sectary when they join the board.

Financial and Accounting Knowledge and Expertise of the Directors

Our Board of Directors consists of members who possess a wide variety of knowledge and experience in finance, economy, management, business administration, marketing and law. This ensures that together, they formulate the right policy for the development of the business while having the specialized skills and the ability to foresee developments across a larger perspective and with enough independence to audit the management in a balanced manner.

Among them, one Director is a Fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB), naming Mr. Md. Rafiqul Islam Khan and Mr. Kazi Harun-Or-Rashid, Director Finance, is a graduate of Accounting, from the University of Dhaka. They provide guidance in matters applicable to accounting and audit- related issues to ensure compliance and reliable financial reporting.

Board and Committee Meetings

The composition of the Board Committees as of 30 June, 2018 and the attendance of Directors at the Board and Board Committee meetings held during 2017-2018 have been disclosed detail in the Page no. 74.

Business Objectives and Areas of Business Focus

The company's Objectives and business focus have been depicted in the page no. 30.

Strategies for Achieving the Business Objectives

The company's Strategies for achieving business focus have been depicted in the page no.15.

Whistle Blowing Policy

The company Whistle Blowing Policy ensures to establish transparency in all aspects and also in terms of minimizing the risk management and detecting any forgery or embezzlement.

Remuneration of Chairman and directors

The Chairman of the company is a non executive and hence does not receive any remuneration from the company. Executive directors including the Managing Director is paid monthly remuneration recommended by the remuneration committee and approved by the board of the company. A description of remuneration paid to directors has been given in the page no. 152.

The Requisite Committees

Audit Committee

The Board has formed an Audit Committee comprising of four (4) members having adequate versatile and financial competence as specified in the Terms of Reference (TOR) prescribed by the BSEC duly approved by the Board. The Committee is empowered, among other things, to examine any matter relating to the financial affairs of the company and to review all audits, internal control and inspection programs, internal policies and adherence to compliance requirements.

The number of the meetings held during the year 2017-18 was 07 (Seven).

The details about the Audit Committee including background, composition, responsibilities, meetings, reporting and activities carried out by the Audit Committee is disclosed in the title of "Report of the Audit Committee" in the page no. 76 of the Annual Report.

Remuneration Committee

To cultivate a good governance practice in the Company, the Remuneration Committee was formed in the company in view of the corporate governance best practice in the world.

The role of the Remuneration Committee is mainly to determine and recommend to the Board about the remuneration of the Functional Directors, Executive Directors and Senior Management. It also monitors the levels and structures of remuneration of Senior Management and seeks to ensure that the remuneration arrangements are designed to attract, retain and motivate the Functional Directors, Executive Directors and Senior Management needed to run the Company successfully.

The Remuneration Committee is a sub-committee of the Board. The Committee comprises with the three Directors including one Independent Directors.

The number of the meetings held during the year 2017-18 was 04 (Four).

Nomination Committee

In order to evaluate the Board of Directors and on examining the skills and characteristics that are needed in board candidates to identify Directors to be inducted to the Board and to refresh the constitution of the Board from time to time with a view to enabling the Board of Directors to discharge their responsibilities with regard to the balance and structure of the Board.

The Committee is working as per the code approved by the Board.

Executive Committee

The Executive Committee (EC) is a committee consisting of 4 (Four) Directors duly nominated by the Board to execute the powers and functions as accorded by the Board and as per Service Rules of the company. Company Secretary is the Secretary of the Executive Committee.

Other Operational Committees

The Managing Director discharges the responsibilities with the help of the following operational committees formed with skilled and experienced officials. These committees are being directly monitored and guided by the Managing Director. The evaluation of the performance of the company critically adopts strategic action plan to achieve the targets of the company set by the Board of Directors.

The various committees are as follows:-

01. Development Plan and Monitoring Committee;
02. Quality Assurance Committee;
03. Pharma Marketing Coordination Committee;
04. Natural Medicine Coordination Committee;
05. Budget Monitoring Committee (Pharma & NMD);
06. New Product Monitoring Committee;
07. Disciplinary Committee;
08. Factory Technical Committee;
09. Purchase Committee;
10. Inventory Management Committee, Pharma;
11. Inventory Management Committee, Natural Medicine;
12. Construction Committee;
13. cGMP Compliance Committee;
14. Risk Management and Control Committee.
15. CBA Dealing Committee;

Corporate Affairs Division

The corporate affairs division is vigilant to assist the Board of Directors in discharging of its responsibilities of corporate secretarial functions ensuring the Corporate Good Governance and implementation of the Code on Corporate Governance, norms and standard under the relevant laws and other legal and statutory requirements.

Company Secretary

As part of statutory requirement the IBN SINA Pharmaceutical Industry Ltd. has appointed a qualified Company Secretary with diversified experience in various core fields. He is a Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB). The Board of Directors clearly defined the roles, responsibilities and duties of the Company Secretary.

Chief Financial Officer

The IBN SINA Pharmaceutical Industry Ltd. has a Chief Financial Officer (CFO). He is a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). He is responsible to supervise the Accounts and Financial activities of the Company. The Board of Directors clearly defined the roles, responsibilities and duties of the CFO.

Head of Internal Audit

The IBN SINA Pharmaceutical Industry Limited has a Head of Internal Audit. He has completed P-II from the Institute of Chartered Accountants of Bangladesh (ICAB). He is responsible for internal control and audit of the Company. The Board of Directors clearly defined the roles, responsibilities and duties of the Head of Internal Audit. He directly reports to the audit committee.

Internal Audit and Control

The IBN SINA Pharmaceutical Industry Ltd. considers that internal audit is one of the important regular functions of the Company. The Company has an independent internal audit department under the control of the Audit Committee, a sub-committee of the Board. The roles and responsibilities of the Audit Committee which are substantially supported by the Internal Audit and Control is given in the page no. 76-77 of this Annual Report.

Statutory Audit

S F Ahmed & Co., Chartered Accountants, House-51, Road-09, Block-F, Banani, Dhaka-1213 is the statutory auditors of the Company. They have conducted the systematic examination of the books of accounts and records of the Company and ascertain, verify and report based on the facts in connection with the financial operation and the results of the Company. In order to comply with the corporate governance code, the Company did not involve its statutory auditors to perform the services other than statutory services specified as appointed for.

Compliance Audit

In order to make sure the integrity of the corporate governance with accountability for inspiring the confidence of investors, regulators, financier and other stakeholders, the IPI Ltd. is committed to keep them compliant with the requirements of the Corporate Governance Code issued by the BSEC.

The certificate for the compliance status of IPI on the conditions of corporate governance code audited by M. Mohasin & Co., Chartered Secretaries is attached herewith on page no. 68 of this Annual Report.

Corporate Social Responsibility (CSR) Policy

To cultivate a good governance practice in the Company, a policy on the Corporate Social Responsibility (CSR) was approved by the Board in view of the corporate best practice of the world.

To conduct the Corporate Social Responsibility of the Company, The CSR Committee is hereby formed comprising of three Directors of the Company. The IBN SINA Pharmaceutical Industry Ltd. (IPI) hereby declares its "Corporate Social Responsibility Policy" as follows:

- Conducting business in a socially responsible and ethical manner;
- Protecting the environment and the safety of people;
- Supporting human rights maintaining relationship with stakeholders and employees; and
- Engaging, learning, respecting and supporting the communities and cultures with which we work.

These can be achieved through our products and spirits which enrich the quality of human life enabling people's feelings happy in the application of CSR strategy, an effective tool for business success. The core components of CSR practiced in the company are described in the page no. 59 of the Annual Report.

Corporate Social Responsibility (CSR) Activities



Free Medical Treatment Camp

To ensure day night health service to the Musullees coming from different parts of the country and abroad at Bishwa Ijtema, two Medical Camps of Pharma and Natural Medicine were operated in the Ijtema ground. This year the camp was inaugurated by Md. Zahid Ahsan Rasel, Honorable MP, Gazipur Sadar. As per record, about forty thousand Musullees availed this free treatment facility from the Camp.

Health Issues

"Publication of IBN SINA Health Magazine"

As part of CSR, a monthly IBN SINA Health Magazine sponsored by The IBN SINA Pharmaceutical Industry Ltd. is delivered to our doctors, patrons and to the people to extend awareness about the various health related matters, It may be noted here that the Magazine contains contemporary important health topics contributed by reputed specialized doctors.





Forestation

As part of the policy to protect and improve the environment we have embarked on a program of tree plantation which hopefully improve the greenery and landscape of the country. The afforestation program was taken in the territory of factory and Depots.



Donation of Medicine

We had donated good volume of medicine to the underprivileged people in the various Medical Camp and Eye Camp arranged in different areas of Bangladesh like Madaripur, Cox's Bazar and Dhaka.

Social and Environmental Responsibilities

As part of the ongoing commitment to the society and environment, the company is engaged to minimize waste generation and use of material and energy, to use renewable materials and to recycle our waste. In the previous years, the company has been involved in many charitable projects through cash or medicine donation.

CSR Activities for the Welfare of the Officers & Workers

Welfare Activities for the company's Officers and workers

Considering the overall welfare, safety and security for the officers and workers, company has formed a Provident Fund (PF), Gratuity and Superannuation Fund. Separate Trustee Board is entrusted to look after these funds. Besides of these, group insurance for workers of factory and full time health service for the workers employed in the factory are also available. Expenditure of the treatment for partial or total physical damage for accidental causes during and out of normal course of service is being endeavored from the company and also a special amount as donation is given to the deceased personnel causing accidental death during and out of normal course of action. During the year 2017-18, amount of Tk. 25,50,000/= was given to the successors of the deceased personnel in this regard.

Group Insurance

As per Section- 99 of Bangladesh Labour Laws 2006 as amended in 2013, the Company has established Group Insurance for its employees with the recognized Insurance Company.

Officers-Workers Benevolent Funds

Employees are being facilitated from "Officers-Workers Benevolent Funds"in need situation where financial assistance is required. It recognizes our employees with respect, dignity, caring each other that ensure good atmosphere of employment.



Superannuation Fund

This is a structural pension program approved by the Board for the benefit of its employees in order to mitigate the various specified problems like accidental death, disablement, serious chronic illness etc. during the period under job. During the year under review, total 29 officers and workers were facilitated paying Tk. 31,85,000/= out of which Tk. 25,50,000/= was given to the successors of the deceased members of this Fund.

Medical Expense Provided to the Insolvent Employees

The employees who are not capable of paying the expenditure incurred for their medical treatment for various diseases/accidental causes happened either during in course of service or in any other way are being taken under special consideration for payment of such medical expense. In the year 2017-18 total medical expense provided from the Company is about Taka 33 Lac.

Community Development

The IBN SINA Pharamaceutical Industry Ltd. believes that this program can be improved through a combination of supports to individual employee like matching support arrangements between the company and the employees which build team spirit particularly among the employees for participatory activities in community development.

Safety Atmosphere: Officers' Dormitory and Security Barrack

The IBN SINA Pharamaceutical Industry Ltd. is committed to provide a healthy and risk-free environment which supports employees to perform their full potential responsibility for the performance and reputation of the business.

As part of this, two separate building (8 storied officers dormitory and 6-storied security barrack) had been constructed so that officers and security personnel can reside in the territory of the factory, Shafipur in a good and healthy atmosphere.

Human Rights

We are committed to upholding the Universal Declaration of Human Rights by the UN and the core labor standards set out by the International Labor Organization and Bangladesh Labor Laws-2006 (As amended 2013).



Free Health Care Complex

A free medical center is working 5 (Five) days a week at Shafipur, Gazipur for the underprivileged people especially for Mother and Child inhabitants of the area. It may be mentioned that factory workers are being given free medical treatment by the qualified Doctors and Hakims.



Employee Training and Education Programs

The IBN SINA Pharamaceutical Industry Ltd. considers and desires the education and training as the core theme to promote employees' interest in attracting future potentiality, focuses on the "Right-to-Know" and "Partners-in-leadership" that aim to bring sustainable improvement to life of mankind.

The training and education given to the employees in the year 2017-18 in-house and abroad is shown in the page no. 32 of the Annual Report.

Internal Control, Risk Management, Risk Management Framework, Risk Management Structure and Risk Mitigation

Internal Control

The internal management control system at The IBN SINA Pharmaceutical Industry Ltd. is based primarily on annual operational planning, ongoing management accounting and control, quarterly management meetings as well as regular Board meetings. Annual planning defines budget on the basis of macroeconomic analyses, its assessment of market conditions and cost targets. From this, specific targets are derived for individual operating units, which are used as the basis of detailed planning for the individual departments and setting of targets.

At the management meetings, the Management committee discusses business developments, including target achievement along with the outlook for the relevant year and any measures that need to be taken.

Risk Management

Organizations face a wide range of uncertainty on internal and external factors that may affect the achievement of their objectives, whether they are strategic, operational, or financial. The effect of this uncertainty on their objectives can be a positive risk (opportunities) or a negative risk (threats). Risk management focuses on identifying threats and opportunities, while internal control helps counter threats and take advantage of opportunities.

IBN SINA'S Risk Management

The IBN SINA Pharmaceutical Industries Ltd. works to manage risks in order to capitalize the opportunities and improve its performance through achieving excellence in risk management. The Company's risk management is built on clear goals and strategies, policies and guidelines, efficient operating structure and transparent reporting. Throughout its 34 year history, risk management has always been a priority for the Company. In 2017-18, major progress has been made to anticipate and to meet big challenges faced against a constantly shifting economic, social and regulatory background.

The Company is focused on building the future through a forward-looking management of all risks while safeguarding the present through a robust control environment. The basis of efficient risk management and a good risk-adjusted return is a strong, consistent risk culture with delegated responsibility and decision-making authority.

Risk Management framework

The IBN SINA Pharmaceutical Industry Ltd. risk management framework consists of the following three key elements:

i) Risk Governance
ii) Risk Appetite
iii) Risk Management Technique

i) Risk Governance

The IBN SINA Pharmaceutical Industry Ltd. risk management governances structure begins with oversight by the Board of Directors, either directly or through its committees to ensure that decision-making is aligned with the IPI's risk appetite. The Board receives regular updates on the key risks of the company include a comprehensive summary of IPI's risk profile. The Board also approves key risk policies, limits, strategies and risk appetite. IPI's Audit and Inspection Department report independently to the Board (through the Audit Committee) on the effectiveness of the risk governance structure and risk management framework.

ii) Risk Appetite

The IBN SINA Pharmaceutical Industry Ltd. has clear articulation on it's risk appetite and how the

company's risk profile will be managed in relation to that appetite. IPI's Risk Appetite Framework consists of four components and combines qualitative as well as quantitative terms of reference to guide the company in determining the amount and types of risk it wishes to prudently undertake. The components are: Risk management principles, Strategic policies, Governing financial objectives, Risk appetite measures.

iii) Risk Management Techniques

The IBN SINA Pharmaceutical Industry Ltd. risk management techniques are guided by the company's Risk Appetite Framework integrated with the Banks strategies and business planning processes. The risk management technique includes: measurement, monitoring and reporting of risk; providing strategies, policies and setting up limits; introducing guidelines and processes.

Risk Management Structure

Two separate sub-committees of the Board namely: Executive Committee and Audit Committee are responsible for risk management and operations of the Company.

Executive Committee

The Executive Committee can take all necessary decisions or can approve cases within the power delegated by the Board of Directors. However, all decisions taken by the Executive Committee should be ratified by the Board.

Audit Committee

The Audit Committee assists the Board in fulfilling its oversight responsibilities. The Committee reviews the financial reporting process, the system of internal control and management of financial risks, the supervision of the audit process and the Company's process for monitoring compliance with laws and regulations.

Risk and Mitigation of Risk

Principally, risks are defined as uncertainties that might result in adverse variations in profitability or in losses, financial or otherwise. The core risk areas of the business operations comprise Industry Risk, Market Risk, Technology Related Risk, Potential or Existing Government Regulations, Interest rate risks, Exchange rate risks, Customers Demand related risks, Operational Risk, Credit Risk, Distribution risks and Liquidity Risk. Some of these risks and their mitigation measures/plans are discussed as follows:

Industry Risk

The company has witnessed challenges such as intellectual property rights and material cost increase across the globe. It stands as one of the most challenging and dynamic industries to operate as on date. Fortunately, Bangladesh is only least developed country who demonstrates significant competencies in the pharmaceutical industry and it requires huge medicine for its populations.

Mitigation

As the per capita income and per person consumption of medicine has been increasing over the years, management is optimistic about growth opportunities of the pharmaceutical industry in Bangladesh. The Company is trying to adopt sophisticated state of the arts cutting edge technology driven manufacturing facilities and making efforts to catch the opportunity of the regulated global market.

Market Risk

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the Company. Mostly, the risk arises from falling demand for the pharmaceutical products which would harm the performance of the Company. On the other hand, strong marketing and brand management system would help the Company to increase its customer and market base.

Mitigation

The products of pharmaceutical's industry are of basic nature and have a wider market as they are given a good market share to The IBN SINA Pharmaceutical Industry Ltd. at present. Hence, it will hardly be the case that there will be a lack of demand for the products. Moreover, as explained earlier, the pharmaceutical's industry is only increasing year-on-year basis and IPI is following full-proof scientific integrated marketing policy hence, has a marginal probability for shrinkage of the market share.

Technology Related Risk

The pharmaceutical industry is dynamic in nature and heavily driven by technology. Hence, technology always plays a vital role here. Adaptation of better technology can help to gain remarkable core competencies that certainly create competitive advantages like increased productivity; reduce costs, better perception of customers. Firms are exposed to technology risks when there are better technologies available in the market than the one used by the Company which may cause operational inefficiency.

Mitigation

As one of the leading pharmaceutical firms in the

country, there is clear intent regarding the adaptation of the latest technology in the Company here and the management is aware of technological changes and always trying to adopt new technology according to its needs. Furthermore, routine and proper preventive maintenance of the equipment carried out by the Company ensures longer service life for the existing equipment and facilities.

Exchange rate risk

Exchange rate risk relates to the core business of IPI since it mostly imports materials from abroad in foreign currency. The Company imports raw materials against payment of foreign currency and the price of raw material in the international market are relatively volatile. Unfavorable volatility or currency fluctuation may affect the profitability of the Company.

Mitigation

The volatility of Taka against Dollar and the recent trend of local currency devaluation may expose foreign currency risk. However, IPI can significantly reduce the foreign currency risk and price escalation risk through forwarding bookings if it is justifiable in terms of cost-benefit analysis. The company also maintains Economic Order Quantity (EOQ) for its material imports, which provides a considerable cushion against an adverse movement of the exchange rate and price in the international market.

Operational Risk

IPI relies on suppliers for ingredients and various third parties for certain manufacturing-related services to produce material that meets appropriate content, quality, and stability standards of the company products and after approval, it is being released for commercial distribution. IPI may not be able to produce its drug substance or drug product to appropriate standards without the required support from its suppliers and vendors.

Mitigation

IPI has a good number of vendors and for each and every ingredient and service, the Company has more than one approved vendor. It uses to conduct Vendor audit and its concerned professionals are very conscious regarding the vendor issue. Further, none of the suppliers accounts for the significant amount of total purchases.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk helps users of Financial Statements asses the credit quality of the entity's financial assets and level and sources of impairment loss. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis.

Mitigation

To mitigate the credit risk the management of the Company follows robust credit control and collection policies. The Company has dedicated credit collections team who is responsible for any dues and they have been remarkable performances in collecting receivables as per Company's credit and collection policy.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (Cash and Cash equivalents) is to ensure as far as possible, that it will always ha-e sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or bringing damage to the Company's reputation.

Mitigation

Effective liquidity risk management requires both a top-down and a bottom-up approach. Strategy, principles, and objectives are set at Board and Management levels. IPI conducts liquidity management in a manner that maintains stability and flexibility in day-to-day funding activities. Our liquidity risk management starts by managing daily payment of cheque, daily cash inflow, and outflow, the maturity of deposit and our access to other sources of funding as and when required.

Conclusion

The above mitigation measures/plans are to establish for a sound system of risk management supervision and internal control to identify, assess, monitor and manage material risks related to the conduct of IPI's activities. The aims are to constantly improve the management of risk; better understand the reward-to-risk balance, and reduce the risks to an acceptable level.


standard
strategy
practices
policy
laws
Compliance
rules
risks
mitigation
control
audit
requirements
regulations

M. MOHASHIN & CO.
chartered secretaries in practice
(A Firm recognized by ICSB
formed under an act of parliament)

COMPLIANCE REPORT

Annexure -B

[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholder of The IBN SINA Pharmaceutical Industry Limited on compliance on the Corporate Governance Code.

We have examined the compliance status to the Corporate Governance Code by The IBN SINA Pharmaceutical Industry Ltd. for the year ended on 30 June 2018. This Code relates to the Notification No.SEC/CMRRCD/2006-158/207/Admin/80, dated 3 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 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 Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC) vides Notification No. BSEC/CMRRCD/2006- 158/134/Admin/44 dated 7th August 2012; While the Company confirmed us that the conditions according to the Notification No.BSEC/CMRRCD/2006- 158/207/Admin/80, dated 3 June 2018, issued under Section 2CC of the Securities and Exchange Ordinance, 1969 will be complied within the stipulated time i.e. by 31December 2018.

(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;

Place: Dhaka
Date: 10 October, 2018

M. MOHASHIN & CO.
Chartered Secretaries

Shahera Tropical (3rd floor), Room # 4, 218 Elephant Road, Dhaka-1205, Bangladesh. Phone: 02-9127148, 01815583682, 01711846470

The IBN SINA Pharmaceutical Industry Ltd.

Status report on compliance

(Report under condition No. 7.00)

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/ Admin/44 dated 7th August, 2012 issued under section 2CC of Securities and Exchange Ordinance 1969

Condition No.	Title	Compliance Status	Remarks (if any)
1.1	Board Size (number of Directors-minimum 5 and maximum 20)	Complied	
1.2	**Independent Directors :**		
1.2(i)	At least one fifth of Directors shall be Independent Directors;	Complied	
1.2(ii)a)	Independent Director does not hold any share or holds less than 1% shares of the total paid-up capital;	Complied	
1.2(ii)b)	Non connectivity with the company's sponsor or director or shareholder who holds 1% or more shares on the basis of family relationship.;	Complied	
1.2(ii)c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	Complied	
1.2(ii)d)	Not a member, director or officer of any member of stock exchange;	Complied	
1.2(ii)e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	Complied	
1.2(ii)f)	Not is or was a partner or an executive during the preceding 3 years of the company's statutory audit firm.;	Complied	
1.2(ii)g)	Shall not be an Independent Director in more than 3 listed companies;	Complied	
1.2(ii)h)	Non convicted by court of competent jurisdiction for defaulting any loan payment to a bank/ non bank financial institution.;	Complied	
1.2(ii)i)	Non convicted for a criminal offence involving moral turpitude;	Complied	
1.2(iii)	Appointment of Independent Directors shall be by board of directors and subsequently approved by shareholders in the AGM;	Complied	
1.2(iv)	The post of Independent Director(s) can not remain vacant for more than 90 (ninety) days.	Not Applicable	
1.2(v)	Code of conduct for all Board members and compliance matter;	Complied	
1.2(vi)	Tenure of office of an Independent Director (for a period of 3 years, may be extended for 1 term only);	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
1.3	**Qualification of Independent Director:**		
1.3 (i)	Shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business;	Complied	
1.3 (ii)	Should be a Business/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. Must have at least 12 (twelve) years of corporate management/ professional experiences;	Complied	
1.3 (iii)	Relaxation of qualifications of Independent Directors subject to prior approval of the Commission.	Not Applicable	
1.4	Chairman of the Board and Chief Executive Office shall be different individual with clearly defined respective roles and responsibilities.	Complied	
1.5	**The Director's Report to shareholders:**		
1.5 (i)	Industry outlook and possible future developments in the industry;	Complied	
1.5 (ii)	Segment-wise or product-wise performance;	Complied	
1.5 (iii)	Risks and concerns	Complied	
1.5 (vi)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin;	Complied	
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss;	Complied	
1.5 (vi)	Disclosure on related party transactions;	Complied	
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any other instruments;	Not Applicable	
1.5 (viii)	Explanation if the financial results deteriorate after going for IPO, RPO, Rights Offer, Direct Listing, etc.;	Not Applicable	
1.5 (ix)	Significant variance between Quarterly Financial performance and Annual Financial Statements and explanation thereon	Not Applicable	
1.5 (x)	Remuneration to directors including independent directors;	Complied	
1.5 (xi)	Fairness of financial statements;	Complied	
1.5 (xii)	Maintenance of proper books of account;	Complied	
1.5 (xiii)	Application of appropriate accounting policies and estimates;	Complied	
1.5 (xiv)	Application of International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS);	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
1.5 (xv)	Efficiency of Internal control system;	Complied	
1.5 (xvi)	Going concerns (ability to continue as going concern);	Complied	
1.5 (xvii)	Deviations in Operating Results ((highlighting significant deviations from last year in operating result);	Complied	
1.5 (xviii)	Key operating and financial data (summarized financial data of at least preceding 5 years);	Complied	
1.5 (xix)	Reasons for non declaration of dividend;	Not Applicable	
1.5 (xx)	Disclosure of number of Board Meetings (no. of Board Meetings held and attendance by each director)	Complied	
1.5 (xxi)	**The pattern of shareholding**		
1.5 (xxi) a	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	Complied	
1.5 (xxi) b	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	Complied	
1.5 (xxi) c	Executives;	Complied	
1.5 (xxi) d	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	Complied	
1.5 (xxii)	**Brief resume of Director in case of the appointment/re-appointment:**		
1.5 (xxii) a	Brief resume of the director;	Complied	
1.5 (xxii) b	Nature of his/her expertise in specific functional areas;	Complied	
1.5 (xxii) c	Name of companies in which the person also holds the directorship and the membership of committees of the board.	Complied	
2	**Chief Financial Officer (CFO), Head of Internal Audit (HIA) and Company Secretary (CS)**		
2.1	Appointment of CFO, HIA & CS and define respective roles, responsibilities and duties of CFO, HIA and CS;	Complied	
2.2	Presence of the CFO and CS in the Board meeting;	Complied	
3	**Audit Committee**		
3.(i)	Shall have an audit committee as a sub-committee of the Board of Directors;	Complied	
3.(ii)	Assisting Board of Directors in ensuring true and fair presentation of financial statements and also to monitor system;	Complied	
3.(iii)	Reporting and duties of the Audit Committee	Complied	
3.1	**Constitution of the Audit Committee**		
3.1 (i)	The Audit Committee shall be composed of at least 3 members;	Complied	
3.1 (ii)	Audit Committee Members Appointment (members should appointed by the Board with at least one independent Director);	Complied	
3.1 (iii)	Financially literacy of committee members (members should be financially literate);	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
3.1 (iv)	Terms of Service of Audit Committee (Board to ensure continuity of minimum prescribed number of members);	Complied	
3.1 (v)	Secretary of the committee.	Complied	
3.1 (vi)	Quorum of the Audit Committee meeting (at least 1 (one) Independent Director must present).	Complied	
3.2	**Chairman of the Audit Committee:**		
3.2 (i)	Chairman of Audit Committee (Board to select Chairman from audit committee who shall be an Independent Director);	Complied	
3.2 (ii)	Presence of Chairman of the audit committee in the Annual General Meeting.	Complied	
3.3	**Role of the Audit Committee:**		
3.3 (i)	Oversee the financial reporting process;	Complied	
3.3 (ii)	Monitor choice of accounting policies and principles;	Complied	
3.3 (iii)	Monitor internal control risk management process;	Complied	
3.3 (iv)	Oversee hiring and performance of external auditors;	Complied	
3.3 (v)	Review of annual financial statements before submission to the board;	Complied	
3.3 (vi)	Review of quarterly and half yearly financial statement before submission to the board;	Complied	
3.3 (vii)	Review the adequacy of internal audit function;	Complied	
3.3 (viii)	Review statement of significant related party transactions submitted by the management;	Complied	
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors;	Complied	
3.3 (x)	Reporting utilization of money raised through Initial Public Offering, Repeat Public Offering/Rights Issue in the quarterly financial statements and also to disclose statement of fund utilization for the purpose other than those stated in the offer documents/prospectus.	Not Applicable	
3.4	**Reporting of the Audit Committee:**		
3.4.1 (i)	Reporting to the Board of Directors;	Complied	
3.4.1 (ii)a	Report on Conflict of Interest;	Not Applicable	
3.4.1 (ii)b	Report on defect in the Internal Control System to the Board of Directors;	Complied	
3.4.1 (ii)c	Suspected Infringement of Laws to the Board of Directors;	Not Applicable	
3.4.1 (ii)d	Any Other Matter (out of the above, a-c).	Not Applicable	
3.4.2	Reporting to the Authorities-BSEC (if any material impact on the financial condition & results of operation, unreasonably ignored by the management).	Not Applicable	

Condition No.	Title	Compliance Status	Remarks (if any)
3.5	Reporting to the Shareholders (disclosure of activities of the audit committee in the annual report).	Complied	
4	**External/Statutory Auditors:**		
4 (i)	Appraisal or Valuation Services (none by the external/statutory auditors);	Complied	
4 (ii)	Financial Information System (none by the external/statutory auditors);	Complied	
4 (iii)	Book Keeping or Other Services (none by the external/statutory auditors);	Complied	
4 (iv)	Broker-dealer Services (none by the external/statutory auditors);	Complied	
4 (v)	Actuarial Services (none by the external/statutory auditors);	Complied	
4 (vi)	Internal Audit Services (none by the external/statutory auditors);	Complied	
4 (vii)	Any other Services (none by the external/statutory auditors);	Complied	
4 (viii)	Not to possess any share of the company (none by the external/statutory auditors)	Complied	
4 (vii)	**Subsidiary Company:**		
5 (i)	Composition of the Board of Directors of the subsidiary company;	Not Applicable	
5 (ii)	Presence of Independent Director of holding company in the Board of subsidiary company;	Not Applicable	
5 (iii)	Review the Board meeting minutes of subsidiary company in the Board meeting of the holding company;	Not Applicable	
5 (iv)	Reflection in the holding company's Board meeting minutes about review of the affairs of subsidiary company;	Not Applicable	
5 (v)	Review the financial statements of subsidiary company, in particular the investments made by the subsidiary company.	Not Applicable	
6	**Certification of CEO and CFO to the Board:**		
6 (i) a	Financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	Complied	
6 (i) b	Financial statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	Complied	
6 (ii)	No transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	Complied	
7	**Reporting and Compliance of Corporate Governance:**		
7 (i)	Certification on compliance of condition of Corporate Governance Guideline of BSEC and reporting to the shareholders;	Complied	
7 (ii)	Directors' report shall state about the compliance with the conditions of the Corporate Governance Guideline of the Commission	Complied	

Attendance At Board Meeting

for the preiod from 01 July, 2017 to 30 June, 2018

Name of Directors	Position	No. of Board Meetings Held	No. of Meetings Attended
Shah Abdul Hannan	Director	10	10
Prof. Dr. A.K.M. Sadrul Islam	Director	10	10
Prof. Dr. Choudhury Mahmood Hasan	Director	10	10
Prof. Dr. Shah Md. Bulbul Islam	Director	10	09
Kazi Harun-or-Rashid	Director	10	10
Prof. A. N. M. A. Zaher	Director	10	0
Commodore (Retd.) M. A. Rahman	Director	10	10
Col. (Retd.) Prof. Dr. Zehad Khan	Director	07	07
Brig. Gen. (Retd.) Prof. Dr. Sk. Md. Bahar Hossain	Director	03	03
Rafiqul Islam Khan, FCA	Independent Director	10	09
Abdur Raquib M.A (Eco), DU	Independent Director	10	05

Leave of absence was duly granted

In Attendance

Md. Shahid Farooqui, FCS	Company Secretary	10	10
Md. Jasim Uddin, FCA	Chief Financial Officer	10	10

Audit Committee (AC) Meeting and Attendance During the Year Under Review

Name of the Audit Committee Members'	Position	No. of Board Meetings Held	No. of Meetings Attended
Rafiqul Islam Khan, FCA	Chairman	07	06
Kazi Harun-or-Rashid	Member	07	05
Abdur Raquib M.A (Eco), DU	Member	07	06
Col. (Retd.) Prof. Dr. Zehad Khan	Member	07	05
Brig. Gen. (Retd.) Prof. Dr. Sk. Md. Bahar Hossain	Member	07	02
Md. Shahid Farooqui, FCS	Secretary	07	07

Mr. Kazi Harun-Or-Rashid and Prof. Col. (Retd.) Dr. Zehad Khan newly selected as a member of the Audit Committee as per decision of the 248th Board meeting held on January 20, 2018 and Brig. Gen. (Retd.) Prof. Dr. Sk Md. Bahar Hussain retired as per rule. Leave of absence was duly granted to those who were unable to attend in the meeting.

Pattern of Shareholdings

As on June 30, 2018

Particulars		No. of shares held	Percentage
Shares held by :			
(a) Parents / Subsidiary / Associated companies other related parties :		N/A	-
(b) i) Shares held by Directors	**Representative**		
IBN SINA Trust		12,448,469	43.8276
Shah Abdul Hannan	Rep. IBN SINA Trust		
Commodore (Retd.) M. A. Rahman	Rep. IBN SINA Trust		
Prof. A. N. M. A. Zaher	Rep. IBN SINA Trust		
Prof. Dr. A. K. M. Sadrul Islam	Rep. IBN SINA Trust		
Prof. Dr. Choudhury Mahmood Hasan	Rep. IBN SINA Trust		
Kazi Harun-or-Rashid	Rep. IBN SINA Trust		
Prof. Dr. Shah Md. Bulbul Islam	self	9,610	0.0339
Col. (Retd.) Prof. Dr. Zehad Khan	self	1,100	0.0039
Abdur Raquib M.A.(Eco) DU (Independent Director)	self	612	0.0022
Md. Rafiqul Islam Khan, FCA (Independent Director)	self	Nil	-

(b) ii) Shares held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses		No. of shares held	Percentage
Shah Abdul Hannan	Chairman	self	1,245	0.0044
Prof. Dr. A.K.M. Sadrul Islam	Managing Director	self	2,514	0.0089
Commodore (Retd.) M. A. Rahman	Director	self	66,163	0.2330
Prof. Dr. Choudhury Mahmood Hasan	Director	self	6,309	0.0223
Kazi Harun-or-Rashid	Director	self	94,266	0.3319
Prof. Dr. Shah Md. Bulbul Islam	Director	self	9,610	0.0339
Col. (Retd.) Prof. Dr. Zehad Khan	Director	self	1,100	0.0039
Abdur Raquib M.A.(Eco) DU (Independent Director)		self	612	0.0022
Md. Rafiqul Islam Khan, FCA (Independent Director)		self	Nil	-
Company Secretary, his Spouse and minor children		self	Nil	-
Chief Financial Officer, his Spouse and minor children		self	Nil	-
Head of Internal Audit (HIA), his spouse and minor children		self	Nil	-

(c) Shares held by top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses

Dr. Md. Rafiqul Huq	self	50	0.0002
Md. Nurullah	self	Nil	-
Md. Abdul Khaleque	self	305	0.0011
Md. Hemayet Hossain	self	134	0.0005
Md. Parvez Kabir	self	Nill	

(d) Shareholders holding 10% or more voting right : N/A -

Note : Total 12,448,469 no. of shares are registered against the name of Seven trustees nominated by the IBN SINA Trust. None of the individual Director/Shareholder holds more than 10% share.

Report of the Audit Committee

Dear Shareholder(s)

Assalamu Alaikum Wa-Rahmatullah

The Audit Committee is a sub-committee of the Board of Directors of The IBN SINA Pharmaceutical Industry Ltd. for independent oversight of Company's corporate governance, regulatory compliance and internal controls. The Committee monitors the decisions and processes designed to ensure the integrity of financial and corporate reporting and ensures that robust systems of internal control and risk management process. The duties and responsibilities of the Audit Committee are clearly set forth in writing by the Board in the Audit Committee Charter.

Constitution of the Audit Committee

The Audit Committee was last re-constituted by the Board of Directors in its 248th meeting held on January 20, 2018. The Committee consists of four Directors including two Independent Directors. Md. Rafiqul Islam Khan FCA, Chairman of the Committee and Mr. Abdur Raquib, are two Independent Director. Mr. Md Kazi Harun-Or-Rashid, Prof. Col. (Retd.) Dr. Zehad Khan, are other two Members of the Committee. Md. Shahid Farooqui FCS, the Company Secretary acts as the Secretary of the Committee, who is responsible for effective implementation of action plans approved in the meeting. All the members of the Committee have business acumen and are knowledgeable individuals with integrity who are able to ensure compliance with financial, regulatory and corporate laws with the meaningful contribution to business as well.

Charter of the Audit Committee

The Audit Committee constituted by the Board of Directors for the primary purpose of assisting the Board in:

- Overseeing the integrity of the company's financial statement.
- Overseeing the improvement of corporate governance standard of the company.
- Overseeing the Company's system of disclosure, internal controls and procedure.
- Overseeing the Company's internal control over financial reporting.
- Overseeing the Company's compliance with the ethical standards adopted by the company.
- Overseeing the Rules and Regulations, Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC) and other regulatory bodies for ensuring Corporate good Governance of the Company.
- Making reports and recommendations to the Board.

Meeting and Attendance of the Audit Committee

During the year 2017-18, Seven (7) meetings of the Audit Committee were held. The Managing Director and the marketing Directors attended the meeting on invitation when needed. Besides, Chief Financial Officer (CFO) and Head of Internal Audit (HIA) always attended the meeting to meet instant queries of the Audit Committee. In addition, Heads of different Departments whose audit reports were placed to the Audit Committee were also present in the meetings to respond the issues raised in the reports of Internal Control and Compliance Division. The number of Audit Committee meetings held and the attendance by each member during the year 2017-18 are given as follows:

Name of Directors	Position	Number of meetings held while a member	Number of meetings attended
Mr. Md. Rafiqul Islam Khan FCA	Independent Director and Chairman of the Committee	07	06
Mr. Kazi Harun-or-Rashid	Director and Member of the Committee	05	05
Mr. Abdur Raquib	Independent Director and Member of the Committee	07	06
Prof. Col. (Retd.) Dr. Zehad Khan	Director and Member of the Committee	05	05
Brig. Gen. (Retd.) Prof. Dr. Sk Md. Bahar Hussain	Director and Member of the Committee	02	02
Mr. Md. Shahid Farooqui FCS	Company Secretary and Secretary of the Committee	07	07

Mr. Kazi Harun-Or-Rashid and Prof. Col. (Retd.) Dr. Zehad Khan newly selected as a member of the Audit Committee as per decision of the 248th Board meeting held on January 20, 2018 and Brig. Gen. (Retd.) Prof. Dr. Sk Md. Bahar Hussain retired as per rule. Leave of absence was duly granted to those who were unable to attend in the meeting.

Reporting to the Authorities

The Minutes of the Audit Committee Meetings with the observations and the recommendations of the Audit Committee were circulated among the Members of the Committee and to the Board of Directors of the Company for their information and necessary action. It is also required to report the Bangladesh Securities and Exchange Commission (BSEC) about anything which has a material impact on the financial condition and result of operation of the Company. But such reporting was not arise in 2017-18 as no such thing occurred in the Company during the year 2017-18.

Statutory Auditor

The Committee reviewed auditors findings, observation and the management's response and was satisfied that the external auditors remain independent. The Committee also reviewed the scope of the services provided by the external auditors and no non-audit services by the external auditors was found. The Committee also arranged a meeting with the representatives of the External Auditors on September 25, 2018 for review of the annual financial statement 2017-18 before submission to the Board for approval or adoption.

Internal Audit

Internal audit is regarded as one of the four pillars of corporate governance. Internal Audit is conducted under the supervision of Head of Internal Audit in accordance with the approved Audit Committee Charter and corporate governance guidelines/best practice.

Evaluation of Quarterly Report

As per the BSEC Guideline ref no. SEC/ CMRRCD/2006-158/134/ Admin/44 dated August 07, 2012, the Audit Committee reviewed quarterly and half-yearly financial statements of the Company and found that these statements reflected true and fair view of the state of affairs of the Company.

Activities during the year 2017-18

The role of the Audit Committee is to assist the Board in discharging its duties and responsibilities for financial reporting, corporate governance, internal control, environmental and climate change risks and effective mitigations there of. In accordance with the Terms of Reference (TOR) of the Audit Committee, the Committee worked and evaluated the following issues:

a) Oversee the financial reporting process;

b) Monitored Internal Control Risk Management process;

c) Oversee the hiring and performance of external auditors;

d) Reviewed the Management Letter issued by the statutory auditors for the year 2017-18 together with Management Response to the findings;

e) Reviewed the annual Financial Statements 2017-18 and recommended to the Board for consideration after holding meeting with the representatives of the external auditors;

f) Approved audit plan and resource allocation for the Internal Audit Services;

g) Reviewed the adequacy of Internal Audit activities carried out during the year;

h) Reviewed the Internal Audit Reports and monitored implementation of Audit recommendations to improve Internal Control Systems;

i) Statement of significantly related party transactions submitted by statutory auditors;

j) Reviewing the effectiveness of the internal financial controls and the procedures, financial statements and external audit report;

k) Discussing and giving an opinion on the status of the Risk Management Process (RMP) and the Company's business Continuation as a going concern;

Furthermore, the Committee dealt with the annual audit plan 2017-18 of Internal Audit Department. The major issues of Audit Plan 2017-18 were Depot audit, physical stock taking, Factory audit, (Pharma Division and Natural Medicine Division), Financial Statements audit (Quarterly, half-yearly, annually), Transport Section Audit, Price/Rate Verification, Field leaders expense with team tracker audit, Overtime and Refreshment Audit, HR Audit, Bank reconciliation statement audit, and conduct special investigation as per instruction of the Authority.

Appreciation

The Audit Committee expressed their sincere thanks to the members of the Board, Management, statutory and internal auditors for their support in carrying out its duties and responsibilities effectively.

On behalf of the Audit Committee



Md. Rafiqul Islam Khan FCA
Chairman, Audit Committee
Monday, September 24, 2018

Statement of Directors' Responsibilities for Financial Report

The Directors are responsible for ensuring that the Company keeps proper books of accounts of all the transactions and the financial statements for the period from 01 July, 2017 to 30 June, 2018 and gives a true and fair view of the state of affairs and profit for the year.

The Directors also ensure that the financial statements have been prepared and presented in accordance with the International Accounting Standards (IAS) and IFRS, as applicable in Bangladesh, the Generally Accepted Accounting Principles (GAAP) and in accordance with the Bangladesh Accounting Standards (BAS) as adopted by the Institute of Chartered Accountants of Bangladesh and provide the information as required by the Companies Act 1994, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Commission Rules 1987 and the regulations of the Dhaka Stock Exchange (DSE) and Chittangong Stock Exchanges (CSE).

It ensures that the estimates and judgments relating to the financial statements were made on a prudent and reasonable basis, so that they reflect in a true and fair manner and reasonably present the Company's true state of affairs.

The Company has taken proper and sufficient care in installing a system of internal control, which is reviewed, evaluated and updated on regular basis. To augment those objectives the Board of Directors has formed an Audit Committee as per guidelines of Bangladesh Securities and Exchange Commission (BSEC). They have performed their responsibilities without any undue interference from any of the Directors.

Internal Audit Department of the Company conducts periodic audits to provide reasonable assurance that the established policies and procedures of the Company are consistently followed.

The Company has adequate resources to continue operational existence for the foreseeable future and therefore, has continued to adopt the going concern basis in preparing the Accounts.

The Board of Directors confirms that International Accounting Standards, as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, have been adhered to, subject to any material departure being disclosed and explained in the notes to the accounts.

The Directors also confirm that the annual reports together with Directors' Report and the Financial Statements have been prepared in compliance with the law, rules and regulatory guidance.

The Auditors of the Company, S. F. AHMED & CO., Chartered Accountants, had carried out the Annual Audit to review on the system of internal controls, as they consider appropriate and necessary, for expressing their opinion on the financial statements. They have also examined the financial statements made available by the management together with all the financial records, related data and Minutes of the Board, relevant policies and expressed opinion there on.

Prof. Dr. A.K.M. Sadrul Islam
Managing Director

Md. Shahid Farooqui, FCS
Company Secretary

Statement on the Duties of Managing Director and Chief Financial Officer

In accordance with the notification of Bangladesh Securities and Exchange Commission No. SEC/CMRRCD/2006-158/134/Admin/44 Dated 07 August 2012, we the undersigned hereby certify to the Board that-

i) We have reviewed the Financial Statements for the year 2017-18 and that to the best of our knowledge and belief:

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

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

ii) There are, to the best our knowledge and belief, no transactions entered into by the Company during the year 2017-18 which are fraudulent, illegal or violation of the Company's code of conduct.

Prof. Dr. A.K.M. Sadrul Islam
Managing Director

Md. Jasim Uddin FCA
Chief Financial Officer

Directors' Profile



Shah Abdul Hannan
Chairman

Brief Resume

Shah Abdul Hannan was born in 1939 in Mymensingh. He took his Masters from Dhaka University in 1961. He joined Pakistan Superior Service in 1963. He retired from service in 1998 when he was Secretary of the Government and Chairman, National Board of Revenue. During his tenure he held important positions like Deputy Governor of Bangladesh Bank, Director General, Bureau of Anti-Corruption, Secretary, Social Welfare Ministry and Secretary Banking Division of the Ministry of Finance. He has been serving as Director of The IBN SINA Pharmaceutical Industry Ltd. (IPI) since 1983.

Currently he is the Chairman, Center for Strategic and Peace Studies; Chairman, Islamic Economics and Research Bureau; Chairman, Bangladesh Institute of Islamic Thought Trust; Advisor, International Islamic University Chittagong; Chairman, Manarat International University Trust; and Member of the Darul Ihsan Trust.

He has several books on Economics, Islamic law, International Relations and Islamic issues. He writes regular column in the national newspapers.

Nature of expertise in specific functional areas.	Chairman, National Board of Revenue (NBR); Deputy Governor of Bangladesh Bank, Director General, Bureau of Anti-Corruption; Secretary, Social Welfare Ministry and Secretary, Ministry of Finance. He played pioneer role to introduce Value Added Tax (VAT) in Bangladesh and reform
Names of companies in which the person also holds the directorship and the membership of committees of the board.	Not Applicable

Directors' Profile



Prof. Dr. A.K.M. Sadrul Islam
Managing Director

Brief Resume

Prof A.K.M. Sadrul Islam was born on 7th April 1955 in Jessore. He did Ph.D in Mechanical Engineering from London University, U.K. in 1988. He served BUET and Islamic University of Technology (a subsidiary organ of OIC) for 36 years as Professor and Head of Department from 1980 to 2016. He was also a Visiting Professor of University Technology Malaysia; a Guest Professor of Institute of Ocean Energy, Saga University, Japan.

Prof. Islam is also Ex- Chairman, Mechanical Engineering Division, Institution of Engineers Bangladesh (IEB); Secretary General, Bangladesh Society of Mechanical Engineers (BSME).

He has been serving IPI in different levels as Director, since 2003; Member, Executive Committee since 2005; Director, Finance since 2010 and formerly Chairman, Audit Committee from 2007 to 2011 and Managing Director from 2014 to till now.

About 40 years of versatile experience in the field of administration and management in different organizations like government, semi government and also private sectors.	Nature of expertise in specific functional areas.
Director, IBN SINA Hospital Sylhet Ltd. Director, The IBN SINA Consumer Products Ltd. Director, IBN SINA Diagnostic Center, Lalbag Ltd.	Names of the companies in which the person also holds the directorship and the membership of committees of the board.

Directors' Profile



Dr. Shah Md. Bulbul Islam
FCPS, FICS
Director, Marketing

Brief Resume

Dr. Shah Md. Bulbul Islam, Prof. of Ophthalmology was born on 19th May-1950. He received FICS from International College of Surgeon, Illinois, USA and FCPS from Bangladesh College of Physicians & Surgeons. Prior to that Dr. Islam graduated from Chittagong Medical College in 1976.

Associated Organizations in the past:

Prof. of Ophthalmology, Dhaka National Medical College, Director cum Chief Consultant, Lions Eye Institute & Hospital, Associate Prof. of Ophthalmology, Z.H Sikder Wonmen's Medical College, Consultant Ophthalmologist-(i) Al-Magribi Eye Hospital (ii) King Faisal Hospital, Taif, Saudi Arabia, Specialist Ophthalmologist, National Institute of Ophthalmology, Assistant Register, Chittagong Medical College, Visiting Professor, National Institute of Ophthalmology, Lions Eye Institute and Islamia Eye Institute.

Membership:

Fellow: Bangladesh College of Physicians & Surgeons, Int. College of Surgeons, Illinois, USA.

Life Member : Ophthalmologic Society of Bangladesh, American Medical Society, Vienna, Austria, Diabetic Association of Bangladesh, Bangladesh Medical Association, Bangladesh Academy of Ophthalmology, Bangladesh Glaucoma Society, Bangladesh Uvea Society.

He is also International Councilor of International Ocular Inflammation Society. He has several publications in Ophthalmology at home and abroad.

Nature of expertise in specific functional areas.	About 30 years of versatile experience in the field of administration and management in different organizations like government, semi government and also private sectors.
Names of the companies in which the person also holds the directorship and the membership of committees of the board.	The IBN SINA Consumer Products Ltd.

Directors' Profile



Prof. Dr. Choudhury Mahmood Hasan
Director, Technical

Brief Resume

Dr. Choudhury Mahmood Hasan was born on 31st August 1953, in Chittagong District of Bangladesh. He obtained B. Pharm.(Hons) and M. Pharm. (Thesis group) degree from the Dhaka University, securing First position in First Class in both the examinations. He received his Ph.D. in 1982 from the Dept. of Pharmaceutical Chemistry at the University of Strathclyde, Glasgow, United Kingdom. He was awarded Commonwealth Scholarship for doing Ph.D. (1978-1981) in the Univ. of Strathclyde, Glasgow, Commonwealth Academic Staff Fellowship (1990-1991) to work as a visiting scientist in the same university.

Dr. Hasan joined the Department of Pharmacy, DU, in January, 1978 and progressed through the ranks to Professor in the same department in March, 1992. He was the Chairman of this Dept. from 1992 to 1993. He was the Director of Drug Administration, Ministry of Health and Family Welfare, from July 1993 to January 1997. He was elected as the Dean of the Faculty of Pharmacy for two terms from 1999 to 2003. He was the Chairman of BCSIR (Bangladesh Council of Scientific and Industrial Research) from 11th August 2005 to 10th August 2008. He was the Vice-Chancellor of Manarat International University for four years from 13th October, 2012 to 12th October, 2016.

Dr. Hasan, as a member of expert committee, played the pivotal role for the inclusion of "herbal drugs" in the National Drug Policy 2005 and which later on incorporated in the Drug Ordinance 2005.

He is the main/co-author of 265 papers published in different international and local peer-reviewed scientific journals. He was the chairman/ co-chairman/ plenary lecturer/ presenter/ participator in 66 international seminars/symposia held in 23 countries of the world. For his outstanding contribution in medicinal plant research and in biological science he was awarded Habibur Rahman Gold Medal 2003, Bangladesh Academy of Science Gold Medal 2006 (senior group), Chandrabati Gold Medal 2007 and Atish Dipankar Gold Medal 2008.

Dr. Hasan is a Fellow of the Royal Society of Chemistry (FRSC) and Bangladesh Academy of Sciences (FBAS).

He was a Director of Essential Drug Company Ltd (EDCL) owned by Govt. of Bangladesh. (1993-1997). Dr. Hasan has been serving as Director of The IBN SINA Pharmaceutical Industry Ltd. since 2013 and currently he is serving as Director, Technical.

Teaching spectroscopy in Dhaka University and other private Universities.	Nature of expertise in specific functional areas.
Director, IBN SINA Group Investment Co. Ltd. Director, The IBN SINA Consumer Products Ltd.	Names of companies in which the person also holds the directorship and the membership of committees of the board.

Directors' Profile



Kazi Harun-or-Rashid
Director, Finance

Brief Resume

Mr. Kazi Harun-or-Rashid came from a noble family in 1st April, 1950. He is an M. Com. in Accounting. He did his graduation from the University of Dhaka.

Mr. Rashid has been serving The IBN SINA Pharmaceutical Industry Ltd. as Director from September 2016.

Formerly Chairman, Board of Directors of The Islami Bank Bangladesh Ltd.(IBBL), Chairman, Audit Committee and Chairman, Audit Committee, Islami Bank Foundation.

Nature of Expertise in Specific Areas:	About 35 years diversified experience in the field of business, finance and administration.
Names of Companies in which the person also holds the directorship and the membership of committees of the board.	The IBN SINA Consumer Products Ltd. Kazi Trading Corporation Harun Textile; Member, Board of Trustees, The IBN SINA Trust.

Directors' Profile



Commodore (Retd.) M. A. Rahman
Director

Brief Resume

Commodore (Retd.) M. A. Rahman came of a Muslim noble family on 18th Octorber-1926 at Provakardi village of Narayangonj. He did his Bachelor of Engineering in 1949 from Bengal Engineering College, Calcata, India, and Post Graduate in Marine Engineering from Manadon Plymouth, UK in Calcutta 1951. He was the founder Managing Director of The IBN SINA Pharmaceutical Industry Ltd. He has been serving as Director of The IBN SINA Pharmaceutical Industry Ltd. (IPI) since 1983.

Naval Sea Service: Sub-Lt, Royal Navy of Pakistan, 1950-1956, Frigate & Destroyer, 1951-1956, Flotilla Engineer Officer, 1960-1961, Diplomatic Service: Deputy Naval Advisor of Pakistan in London, 1956-1960, Shore Service in Navy: MPP (Manager, Planning & Production) of Naval Dockyard, Karachi, 1961-1962, Training Commander in Karsaz, Karachi, 1962-1964, Deputy Director General, Defense Purchase, 1966-1968, Director, Naval Engineering & Director, ships Repair & maintenance.

Civil Service: Chairman, Bangladesh Inland Water Transport Corporation (BIWTC), Chairman, Chalna Port Authority, Chairman, Trading Corporation of Bangladesh (TCB), Chairman, Tariff Commission, Chairman, Islami Bank Bangladesh ltd.,

Social Attachment: Founder & Chairman, International School, College & University. Founder & Chairman, Faisal Investment Foundation, Founder Member, IBN SINA Trust, Founder Director, IBN SINA Group Investment Companies Ltd., Founder, Consultative Committee of Public Enterprises, Founder & Chairman, Bangladesh Association of Banks (BAB), Founder Chairman, Weekly Palabadal, Founder Chairman, Center for Strategic & Peace Studies, Founder Chairman & Managing Director, Business & Management Co., Founder Chairman, Association of the Private Universities of Bangladesh, Rotarian & President of Rotary Club of Dhaka, Founder, Moittri Samity, Founder Chairman, Diganta Media Corporation and Chairman of Abacia Investment Co. Ltd.

About 50 years of versatile experience in the field of administration and management in different organizations like government, semi government and also private sectors.	Nature of expertise in specific functional areas.
Chairman, Abacia Investment Co. Ltd.;	Names of companies in which the person also holds the directorship and the membership of committees of the board.

Directors' Profile



Prof. Abu Nasser Muhammad Abduz Zaher
Director

Brief Resume

Abu Nasser Muhammad Abduz Zaher was born in a respectable Muslim family of Companygonj, Noakhali in the year 1948.

Prof. Zaher has been serving as Director of The IBN SINA Pharmaceutical Industry Ltd. since 1983.

He achieved his Masters Degree in English literature. He started his professional life with teaching at Khandaker Mosharrof Hossain Degree College in the early seventies. Later he joined at the Royal Embassy of Kingdom of Saudi Arabia in Dhaka, Bangladesh as the Secretary of the Embassy and Ambassador and performed duties for about 13 years. He joined The Ibn Sina Pharmaceutical Industry Ltd. in 1989 as Managing Director of the company.

Prof. Abu Nasser Muhammad Abduz Zaher was Chairman of Islamic Bank Bangladesh Ltd., Chairman of Islamic Banks Consultative Forum (IBCF), Vice Chairman of Bangladesh Association of Banks and Board Member of General Council for Islamic Banks & Financial Institutions (CIBAFI). He was a member of the Advisory Committee of the Bangladesh Association of Pharmaceutical Industries (BAPI).

Nature of expertise in specific functional areas.	About 38 years of experience over the Pharma industry, health service sectors, banking and financial institutions.
Names of companies in which the person also holds the directorship and the membership of committees of the board.	Not Applicable

Directors' Profile

Brief Resume

Dr. Zehad Khan, Professor Colonel (Retd.) was born in a noble family in the district of Kishoreganjin the year 1957. He secured 21st position in SSC examination from Dhaka Board in 1976. He admitted in Dhaka Medical College in 1978. Professor Colonel (Retd.) Khan was awarded the scholarship of ex. Soviet Union and obtained MD degree from Abu Ali IBN SINA Medical College, Tajikistan in 1986.

Dr.Khan received MCPS in 1997 and FCPS in 1998. After studying at Cardiology Department in Combined Military Hospital (CMH), Dhaka for three years, he went to Germany for one and half year. He completed advanced training in Interventional Cardiology under renowned Professor KH KOOK there. Due to his significant contribution in medical treatment, he received FRCP from Royal College of Physicians and Surgeons (Glasgow) and FACC from College of Cardiology, England.

Dr.Khanjoined in Bangladesh Army Medical Core in 1988. He worked in different Combined Military Hospital (CMH), Chittagong Hill Tracts and United Nation's Hospital in Ivory Coast. He also worked as a teacher in Armed Forces Medical College, Dhaka.

Dr.Khanretired from Bangladesh Army in 2014. Now, heis working as a Senior Consultant, Cardiology in IBN SINA Cardiac Center. He is also working as a visiting Professor in Abdul Hamid Medical College and as an honorary Professor in IBN SINA Medical College.



Col. (Retd.) Prof. Dr. Zehad Khan
MD (USSR), MCPS, FCPS (Glasgow), FACC (USA)
Director

Dr.Khan introduced Transdermal Intervention (Angiogram and Stenting with the help of blood vessel of hand) in Combined Military Hospital (CMH), Dhaka. He also introduced Electrophysiology Department in Combined Military Hospital (CMH) along with the successful treatment of arrhythmia.	Nature of expertise in specific functional areas.
Member, Cardiac Interventional Society, Bangladesh Chairman, various Social Welfare Associations like AAN Foundation, PRAC and Charity Society of Bangladeshi Doctors.	Names of companies in which the person also holds the directorship and the membership of committees of the board.

Directors' Profile



Mr. Rafiqul Islam Khan, FCA
Independent Director

Brief Resume

Janab Rafiqul Islam Khan FCA was born on 25th March, 1952 in a noble muslim family. He qualified as Chartered Accountant from The Institute of Chartered Accountants of Bangladesh (ICAB) in the year 1978 and also awarded as fellow member of ICAB in the year 1986. He took Bachelor of Commerce from University of Dhaka in 1970. He was director of Dhaka Chamber of Commerce and Industry (DCCI) and was a councilor of the Institute of Chartered Accountants of Bangladesh (ICAB). He has been serving as Independent Director of The Ibn Sina Pharmaceutical Industry Ltd. from 5th December 2016 to till now.

Nature of Expertise in Specific Areas:	Mr. Khan was the Chief Officer (Finance & Accounts) of Trading Corporation of Bangladesh (TCB) for six years and General Manager, Desh Group for five years. He has about 38 years of experience in the arena of Auditing, Taxation, Project Consultancy, Investment and Foreign Investment Promotion etc.
Names of companies in which the person also holds the directorship and the membership of committees of the board.	Managing Partner of M. M. Rahman & Co., Chartered Accountants; Managing Director, Sun Cherry Body Fashion MFTY Ltd.; Member National Council, Diabetic Association of Bangladesh (BADAS); Member, Board of Management, BIRDEM; Member, Board of Management, Bangladesh Institute of Health Services (BIHS).

Directors' Profile

Brief Resume

Serving as Independent Director in the Board and also advising in different strategic and technical issues of The IBN SINA Pharmaceutical Industry Ltd. Mr. Abdur Raquib was born in Bancharampur, Brahmanbaria on 2nd January 1942 in a noble family.

He has been serving as Independent Director of The IBN SINA Pharmaceutical Industry Ltd. since 2013.

Associated Organizations in Past:

Former Executive President, Islami Bank Bangladesh Limited; Executive Director, Bangladesh Bank; Project Director; Small Enterprises Development Project (SEDP); Director Bangladesh Institute of Bank Management (BIBM), Director, BASIC Bank, Employment Bank, Deputy Managing Director of The IBN SINA Pharmaceutical Industry Ltd.

Professional Education and Experience: Diploma in Association, Institute of Bankers of Pakistan, Overseas Fellow of Economic Development, Institute of World Bank; Financial Programming and Analysis Course, IMF.

He completed Masters in Development Economics from Australian National University, Australia, Master in Economics with B.A. (Hons.) in Economics from University of Dhaka.



Md. Abdur Raquib
Independent Director

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36 years of experience in the field of Finance, Economics and Banking

Nature of Expertise in Specific Areas:

Not applicable

Names of companies in which the person also holds the directorship and the membership of committees of the board.

Health, Safety and Environment

The importance of health, safety and the environment (HSE) in a pharmaceutical industry deserves keen attention of the entrepreneurs in response to the importance, The IBN SINA Pharmaceutical Industry Ltd. maintain a long-standing HSE commitment and assure the highest standard for the Health & Safety of our employees, customers, neighbors as well as to the protection of the environment in the areas in which we live and work.

The company is aware of its responsibility of caring for the environment and the importance of reducing environmental effects of manufacturing activities to a practical minimum. The IBN SINA Pharmaceutical Industry Ltd. is committed to a green operation and its facilities are carefully designed and operated to prevent all forms of pollution.

The Corporate Executive Team is responsible for fostering and supporting a culture of health, productivity and resilience and ensuring the health, safety and well-being of employees at work. Managers are responsible for implementing the principles and practices embedded in this policy. Employees are responsible for workplace health within the scope of their job and are encouraged to take responsibility for their own health and well-being.

Written Standard Operating Procedures (SOP) have been prepared to ensure that the environment is taken care of. A state of the art Effluent Treatment Plant (ETP) is also operating for controlling of water pollution and this is examined on regular interval by the officials of the Department of Environment (DOE), Government of Bangladesh. Now the company has been working to ensure zero discharge plan in IPI factory.

In fact, The IBN SINA Pharmaceutical Industry Ltd. HSE program includes workers ergonomics issues, air quality and work place safety that could affect the health of the employees and the environment. Though "quality first" is required for ethical drug manufacturing, the slogan "safety first" and "quality first" are strictly followed side by side.





The Financial Statements

S F AHMED & CO.
CHARTERED ACCOUNTANTS
.....Since 1958
Member Firm of HLB International

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INDEPENDENT AUDITORS' REPORT
TO
THE SHAREHOLDERS OF THE IBN SINA PHARMACEUTICAL INDUSTRY LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of **THE IBN SINA PHARMACEUTICAL INDUSTRY LTD.**, which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The IBN SINA Pharmaceutical Industry Ltd. as at 30 June 2018 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

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

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
c) the statement of financial position and statement of profit or loss and other comprehensive income along with the annexed notes 1 to 49 dealt with by the report are in agreement with the books of account; and
d) the expenditure incurred and payments were made for the purposes of the company's business.

S. F. Ahmed & Co.

S. F. Ahmed & Co.
Chartered Accountants

Dated, Dhaka;
25 September, 2018

THE IBN SINA PHARMACEUTICAL INDUSTRY LTD.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Notes	AMOUNT IN TAKA	
		30 June 2018	30 June 2017
Assets			
Non-current assets			
Property, plant and equipment	4	1,409,800,123	1,116,332,498
Capital work-in-progress	5	152,905,373	26,614,186
Investment in marketable securities	6	4,415,580	359,107,400
Investment in associate	7	14,853,620	9,123,147
Total non current assets		**1,581,974,696**	**1,511,177,231**
Current assets			
Inventories	8	465,017,832	264,194,238
Trade and other receivables	9	18,050,445	14,642,851
Advances, deposits & prepayments	10	206,679,519	167,384,398
Cash and cash equivalents	11	170,014,165	197,423,176
Total current assets		**859,761,961**	**643,644,663**
Total assets		**2,441,736,657**	**2,154,821,894**
Equity and liabilities			
Shareholders' equity			
Share capital	12	284,032,980	258,211,800
Tax holiday reserve	13	4,392,110	4,392,110
Unrealised gain on marketable securities	14	(156,978)	289,485,578
Retained earnings	15	938,940,466	552,873,744
Total shareholders' equity		**1,227,208,578**	**1,104,963,231**
Liabilities			
Non-current liabilities			
Long term finance	16	81,245,727	229,495,947
Retirement benefit obligations	17	17,252,564	13,241,445
Deferred tax liability	18	53,493,557	80,513,227
Total non-current liabilities		**151,991,847**	**323,250,619**
Current liabilities			
Short term finance	20	552,022,978	280,421,753
Current portion of long term finance	21	14,786,265	46,389,442
Trade and other payable	22	346,935,910	285,641,665
Provision for corporate tax	23	148,791,079	114,155,184
Total current liabilities		**1,062,536,232**	**726,608,044**
Total equity and liabilities		**2,441,736,657**	**2,154,821,894**
Net Assets Value (NAV) Per Share		**43.21**	**38.90**

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

Chairman | **Managing Director** | **Director** | **Company Secretary** | **Chief Financial Officer**

Signed in terms of our report of even date annexed

Dated, Dhaka;
25 September, 2018

S. F. Ahmed & Co.
Chartered Accountants

THE IBN SINA PHARMACEUTICAL INDUSTRY LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Notes	AMOUNT IN TAKA	
		01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
Revenue	24	4,657,350,011	4,009,153,501
Cost of goods sold	25	(2,764,720,036)	(2,385,628,180)
Gross profit		**1,892,629,975**	**1,623,525,321**
Operating expenses		**(1,486,797,324)**	**(1,289,883,397)**
Administrative expenses	27	(119,348,734)	(99,268,891)
Selling and distribution expenses	28	(1,367,448,590)	(1,190,614,506)
Operating profit		**405,832,651**	**333,641,925**
Financial charges		(35,856,327)	(23,263,612)
Other income	29	221,901,479	12,072,130
Net profit from operation		**591,877,802**	**322,450,442**
Workers' profit participation fund and welfare fund	30	(28,184,657)	(15,354,783)
Share of associate profit/(loss)		(2,269,527)	(626,853)
Profit before tax		**561,423,618**	**306,468,807**
Income tax expenses		**(109,126,905)**	**(72,639,461)**
Current tax expenses	31	(103,964,069)	(63,769,496)
Deferred tax income/(expense)	19	(5,162,835)	(8,869,965)
Net profit after tax		**452,296,714**	**233,829,346**
Other comprehensive income		**(156,978)**	**29,768,758**
Change in fair value of marketable securities	32	(174,420)	33,076,398
Deferred tax		17,442	(3,307,640)
Total comprehensive income for the year		**452,139,736**	**263,598,104**
Earnings Per Share (EPS) (adjusted EPS of 2016-17)	33	**15.92**	**8.23**
Number of Shares used to Compute EPS		**28,403,298**	**28,403,298**

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

Chairman **Managing Director** **Director** **Company Secretary** **Chief Financial Officer**

Signed in terms of our report of even date annexed

Dated, Dhaka;
25 September, 2018

S. F. Ahmed & Co.
Chartered Accountants

THE IBN SINA PHARMACEUTICAL INDUSTRY LTD.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

Amount in Taka

Particulars	Paid up Capital	Tax Holiday Reserve	Unrealised gain on marketable securities	Retained Earnings	Total
Balance as at 1 July 2017	**258,211,800**	**4,392,110**	**289,485,578**	**552,873,744**	**1,104,963,232**
Reclasification adjustment			(289,485,578)	24,144,138	(265,341,440)
Total Comprehensive Income/(Loss)-2017-2018	-	-	(156,978)	452,296,714	452,139,736
Dividend for the period 30th June, 2017 (Cash -25%)	-	-	-	(64,552,950)	(64,552,950)
Dividend for the period 30th June, 2017 (Stock -10%)	25,821,180	-	-	(25,821,180)	-
Balance as at 30 June 2018	**284,032,980**	**4,392,110**	**(156,978)**	**938,940,466**	**1,227,208,578**
Balance as at 1 July 2016	**224,532,000**	**4,392,110**	**259,716,820**	**380,790,698**	**869,431,628**
Total comprehensive income/(loss)-2016-17	-	-	29,768,758	233,829,346	263,598,104
Dividend for the year 2016 (Cash -12.50%)	-	-	-	(28,066,500)	(28,066,500)
Dividend for the year, 2016 (Stock -15%)	33,679,800	-	-	(33,679,800)	-
Balance as at 30th June, 2017	**258,211,800**	**4,392,110**	**289,485,578**	**552,873,744**	**1,104,963,232**

Chairman **Managing Director** **Director** **Company Secretary** **Chief Financial Officer**

Signed in terms of our report of even date annexed

Dated, Dhaka;
25 September, 2018

S. F. Ahmed & Co.
Chartered Accountants

THE IBN SINA PHARMACEUTICAL INDUSTRY LTD.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

	AMOUNT IN TAKA	
	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
Cash flows from operating activities		
Received from revenue and others	4,652,515,092	3,993,422,039
Payment for operating expenses & others	(4,337,886,475)	(3,786,299,601)
Miscellaneous income	37,875	427,875
Cash generated from operations	**314,666,493**	**207,550,313**
Cash payment for income tax	(86,775,565)	(59,926,857)
Payment for financial charges	(35,856,327)	(23,263,612)
Net cash provided by operating activities	**192,034,601**	**124,359,844**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(532,619,231)	(284,236,164)
Proceeds from sales of motor vehicles	2,703,300	1,322,500
Investment	276,598,589	(8,000,000)
Dividend received	-	11,013,991
Received from bank deposits	2,861,176	651,205
Net cash used in investing activities	**(250,456,167)**	**(279,248,468)**
Cash flows from financing activities		
Payment of dividend	(60,735,273)	(50,331,384)
Long term finance received	(148,250,220)	34,120,730
Short term finance received	239,998,048	199,216,550
Net cash provided by financing activities	**31,012,554**	**183,005,895**
Increase/(decrease) in cash and cash equivalents	(27,409,011)	28,117,271
Cash and cash equivalents at the beginning of the year	197,423,176	169,305,904
Cash and cash equivalents at the end of the year	**170,014,165**	**197,423,176**
Net operating cash flows per share (NOCFPS)	**6.76**	**4.38**

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

Chairman **Managing Director** **Director** **Company Secretary** **Chief Financial Officer**

Signed in terms of our report of even date annexed

Dated, Dhaka;
25 September, 2018

S. F. Ahmed & Co.
Chartered Accountants

1. Reporting entity

1.1 The Company

The IBN SINA Pharmaceutical Industry Ltd. (the "Company") was incorporated in Bangladesh on 22 December 1983 under the Companies Act, 1913 (replaced by the Companies Act 1994) and it was converted into a Public Limited Company in 1989.

The registered office of the company is at Tanin Center, 3 Asad Gate, Mirpur Road, Mohammadpur, Dhaka-1207.The Company is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE).

1.2 Nature of Business

The Company involves in production of pharmaceutical drugs and natural medicines and selling them in both local and international market.

1.3 Associate companies

The IBN SINA Consumer Products Ltd

The IBN SINA Consumer Products Ltd. was incorporated in Bangladesh on 14th January, 2016 under the Company Act, 1994. The Company involves in production, processing, storing and other related activities of consumer and agricultural products.

2. Basis of preparation of financial statements

2.1 Statement on compliance

The financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) and Bangladesh Accounting Standards (BASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Financial Reporting Standards (IFRS) and International Accounting Standard (IAS), the Companies Act, 1994, Securities and Exchange Rules, 1987 and other relevant laws as applicable.

2.2 Other regulatory compliances

The Company is also required to comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

The Income Tax Ordinance 1984
The Income Tax Rules 1984
The Value Added Tax Act 1991
The Value Added Tax Rules 1991
The Drugs Act 1940 and the Drug Rules 1946
The Drugs (Control) Ordinance 1982
The Customs Act 1969
The Stamp Act 1899
The Bangladesh Securities and Exchange Commission Act 1993
The Bangladesh Securities and Exchange Commission Rules 1987
DSE/CSE Rules
Listing Regulations,2015
Bangladesh Labour Act, 2006(as amended to 2013)

2.3 Authorization for issue

The financial statements were authorized for issue by the Board of Directors in its meeting held on 25 September 2018 for publication.

2.4 Basis of measurement

The financial statements have been prepared on historical cost basis except for certain assets which are stated either at revalued amount or fair market value as explained in the accompanying notes.

2.5 Accrual basis of Accounting

The IBN SINA Pharmaceutical Industry Limited prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the BFRS conceptual Framework.

2.6 Presentations of financial statements

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

(a) Statement of Financial Position as at 30 June 2018

(b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018

(c) Statement of Changes in Equity for the year ended 30 June 2018

(d) Statement of Cash Flow for the year ended 30 June 2018

(e) Notes, comprising summary of significant accounting policies and other explanatory information.

2.7 Functional and presentation currency

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

2.8 Use of Estimates and Judgments

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses 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. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by BAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

2.9 Investment in associates

An entity in which an investor has significant influence but which is neither a subsidiary nor an interest in a joint venture is classified as Investment in Associates. Equity Method accounting has been followed to recognize and measure the investment in associates in accordance with Bangladesh Accounting Standard (BAS) 28 "Investments in Associates. The IBN SINA Pharmaceuticals holds 40% of its associate's (The IBN SINA Consumer Product Limited) equity shares as at year end.

2.10 Materiality, aggregation and off setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the year.

2.11 Going concern assumption

The financial statements are prepared on the basis of going concern assumption. As per management assessment there is no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

2.12 Reporting period

The reporting period of the company covers 12 (twelve) months from 01st July 2017 to 30th June 2018.

2.13 Comparative information

Comparative information has been disclosed in respect of 2016-2017 in accordance with BAS-1 "Presentation of Financial Statements" for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year figure has been re arranged wherever considered necessary to ensure comparability with the current period.

3. Significant accounting policies

3.1 Property, plant and equipment

Recognition and measurement

An item shall be recognized as property, plant and equipment's if, and only it is probable that future economic benefits associated with the item will flow to the entry, and the cost of the item can be measured reliably.

Items of property, plant and equipment's are measured at cost less accumulated depreciation as per BAS 16: Property, Plant and Equipment.

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/ Implementation of the PPE, if the recognition criteria are met.

The cost of self-constructed assets includes the cost of material and direct labor and other costs directly attributable to bringing the assets to a working condition inclusive of inward freight, duties and non-refundable taxes for their intended use.

Subsequent costs

The subsequent expenditure is only capitalized as part of assets when the useful life or economic benefit or both of that asset is increased provided that it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of day to day servicing of property, plant and equipments are recognized in the Statement of Profit or loss and other comprehensive income as 'Repair and Maintenance' when it is incurred.

Depreciation on Non-Current Assets

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provision of BAS 16 "Property, Plant and Equipment". Depreciation is charged on additions made during the year from the month in which those assets are put into ready for use. Depreciation is charged on all the fixed assets except land and land development on reducing balance method at the following rates.

Particular of Assets	Rate of Depreciation
Building	2.5%
Plant & Machinery	10%
Internal Road	10%
Installations	10%
Equipment	10%
Computers	30%
Furniture & Fixtures	10%
Motor vehicles	20%
Spare & Loose Tools	20%
Library Books	10%
Temporary Construction	20%

Depreciation methods, useful lives and residual values are reviewed after each reporting period. No estimate in respect of Property, Plant and equipment was revised during the year.

Impairment

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated to determine the extent of the impairment loss, if any. Impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience.

Disposal of Property, Plant and Equipment

An item of Property, Plant and Equipment is removed from the statement of financial position when it is dispose off or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal off an item of Property, Plant and Equipment is included in the statement of income of the period in which the de-recognition occurs.

Capital Work in Progress

Property, plant and equipment under construction / acquisition have been accounted for as capital work-in-progress until construction / acquisition is completed and measured at cost.

3.2 Intangible assets and research and development expenditures

Intangible assets are stated at cost less provisions for amortization and impairments, if any. License, patents, know-how and marketing rights acquired are amortized over their estimated useful lives, using the straight line basis, from the time they are available for use. The cost of acquiring and developing computer software for internal use and internet sites for external use are capitalized as intangible assets where the software or site supports a significant business system and the expenditure leads to the creation of a durable asset.

In compliance with the requirements of BAS 38 "Intangible Assets", research, development and experimental costs are usually absorbed as revenue charges as and when incurred. However, the research and development expenditures that is definite to yield benefit to the Company and is material in the Company's and/ local context, are capitalized as per BAS-38.

3.3 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they

occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as per BAS 23: Borrowing Costs.

3.4 Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer from different sales depots usually on delivery of the goods.

Profit on bank deposits

Profit on bank deposits have been accounted on accrual basis.

Dividends

Revenue is recognised when the company's right to receive the payment is established, which is generally the date when shareholders approve the dividend.

3.5 Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.5.1 Financial assets

The company classifies non-derivative financial assets into financial assets 'at fair value through profit or loss' (FVTPL), 'held to maturity investments', 'loans and recevables' and 'available for sale financial assets.'

The company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the company is recognised as a separate financial asset or liability.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

i. Financial assets at amortized cost

A financial asset shall be measured at amortized cost if the financial asset is held with a objective to collect contractual cash flows and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments or principal and interest on the principal amount outstanding.

Loans and receivables are financial assets with fixed and determinable payments that are not quoted in the active market.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. This is the most relevant category of financial asset to the company and includes trade and other receivables. Trade receivables with no stated interest rate are recognised at the original invoice amount when the impact of discounting is not material.

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than those which are initially recognized as FV through profit or loss, available for sale and loans and reciavables. As at the date of statement of financial position the company had no held to maturity financial assets.

ii. Financial assets that are available for sale

A financial asset shall be designated as available for sale , if the financial assets is held with a objective to collect contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, they are measured at fair value and changes there in, other than impairment losses and foreign currency differences on instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

As at the date of statement of financial position the company had investment in marketable security which is designated as financial assets that are available for sale.

iii. Financial assets at fair value through profit or loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income and if it is classified as held-for-trading or designated as such on initial recognition. A financial asset is designated as fair value through profit or loss if the company manages such investments and make purchase and sale decisions based on their fair value in accordance with company's documented risk management or investment strategy. Financial assets at fair value through profit or loss are measured at fair value and changes there in, which takes into account any dividend income, are recognised in the profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. Company's financial liabilities mainly include trade and other payables, loans and borrowings.

i. Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by BAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in BAS 39 are satisfied.

Financial liabilities at fair value through profit or loss (FVTPL) are subsequently measured at fair value with gains or losses arising on re-measurement are recognised in profit or loss. The company has not designated any financial liabilities as at fair value through profit or loss.

ii. Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Other financial liabilities include loans and borrowings, trade and other payables.

3.5.3 Equity instruments

An equity instrument is any contract that gives rise to a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

3.6 Impairment

(a) Financial assets

A financial asset, not classified as fair value through profit or loss, is assessed at each reporting date to determine whether there is an objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets, and the loss event(s) had an impact on the estimated future cash flows of that assets that can be estimated reliably.

i. Financial assets measured at amortised cost

The company considers evidence of impairment for financial assets (loans and receivables and held-to-maturity investment securities) at both a specific asset and collective asset level. All individually significant receivables and held-to-maturity investment securities are assessed for specific

impairment. All individually significant loans and receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and receivables and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment, the company uses historical trend of probability of default, timing of recoveries and amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the profit or loss and reflected in the allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired assets continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii. Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of reversal recognised in profit or loss.

(b) Non-financial assets

The carrying amounts of the company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.7 Inventories

Inventories consisting of raw materials, work in progress, finished goods are valued at lower of cost and net realisable value. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realisable value. Net realisable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.8 Cash and cash equivalents

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

3.9 Earnings Per Share (EPS)

Earnings Per Share (EPS) are calculated in accordance with the Bangladesh Accounting Standard BAS- 33 "Earnings Per Share".

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares outstanding during the year. The basic EPS of previous year has been restated to adjust the effect of bonus issue of shares during the year.

Diluted earnings per share

For the purpose of calculating diluted earnings per shares, an entity adjusts profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares. Diluted EPS is only calculated where the company has commitment to issue ordinary share in future at reporting date. No such commitment is hold by company at reporting date.

3.10 Foreign currency transactions

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period in compliance with the provision of BAS 21: The Effects of Changes in Foreign Exchange Rates.

a) Foreign currency monetary items are translated using the closing rate.

b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.

c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

Amount in FCAD ERQ Account and any other foreign currency balance have been translated into taka at the reporting date at the exchange rate prevailing on that date and gain/(loss) have been accounted for as other income/(loss) in statement of profit or loss and comprehensive income.

3.11 Employee benefits

The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective trust deeds and rules. Both of the plans are funded and are recognised/approved under Income Tax Ordinance 1984.

(a) Defined contribution plan (provident fund)

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contribution to defined contribution plans are recognised as an employee benefit expense in profit or loss in the period during which related services are rendered by employees. Advance contributions are recognised as an asset to the extent that a cash refund or a reduction in future payment is available.

The IBN Sina Pharmaceutical Industry Ltd. has a separate recognised provident fund scheme. All permanent employees of The IBN Sina Pharmaceutical Industry Ltd. contribute 10% of their basic salary to the provident fund and the company makes matching contributions.

The company recognises contribution to defined contribution plan as an expense when an employee has rendered related services in exchange for such contribution. The legal and constructive obligation is limited to the amount The IBN Sina Pharmaceutical Industry Ltd. agrees to contribute to the fund.

(b) Defined benefit plan (gratuity)

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The employee gratuity plan is considered as defined benefit plan as it meets the recognition criteria. The company's obligation is to provide the agreed benefits to current and former employees. The net

defined benefit liability (asset) in respect of a defined benefit plan is recognised in the statement of financial position.

Current service cost, past service cost and gain/loss on settlement and net interest on the net defined benefit liability (asset) are recognised in profit or loss.

Service cost and gain/loss on settlement are classified as personnel expense and net interest on the net defined benefit liability (asset) is classified as financial expense.

The gratuity is calculated for all the employees prescribed by the rates as per Labor Act 2006 (as amended to 2013) for their service with the company. The gratuity fund is administered by the Board of Trustees.

Superannuation Fund

The company has established a Superannuation Fund in the year 2013 to extend financial help to the employees and their family members as per rules in case of severe diseases, physical disability, death and retirement. During the year from 1st July 2017 to 30th June 2018 Company contributed an amount of Tk.1,500,000 (Fifteen Lacs) to the Fund and will continue its support in the coming days.

Workers' Profit Participation Fund (WPPF)

The Company provides 5% of its profit before Tax after charging contribution to WPPF in accordance with Bangladesh Labour Act, 2006 (as amended to 2013)

(c) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

3.12 Accruals, provisions and contingencies

(a) Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of trade and other payables.

(b) Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. During the reporting year the company has made sufficient provisions where applicable.

(c) Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. At the reporting date the company does not have any contingent asset.

Contingent liabilities and assets are not recognised in the statement of financial position of the company.

3.13 Operating Segments

No geographical segment reporting is applicable for the Company as required by BFRS 08: Operating Segments, as the Company operates in a single geographical area and has a single business line of product i.e. manufacturing and selling of medicine.

3.14 Statement of cash flows

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

3.15 Related party disclosures

As per Bangladesh Accounting Standards BAS-24: 'Related Party Disclosures', parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note 36.

3.16 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity in accordance with BAS 12: Income Tax.

(a) Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rate used for the reporting period was 25% as a publicly traded company.

(b) Deferred tax

Deferred tax is recognised as income or an expense amount within the tax charge, and included in the net profit or loss for the period. Deferred tax relating to items dealt with other comprehensive income is recognised as tax relating to other comprehensive income within the statement of profit or loss and other comprehensive income.

Taxable Temporary difference

A deferred tax liability is recognised for all taxable differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Revaluations to fair value-Investment in merketable securities

The revaluation does not affect taxable profits in the period of revaluation and consequently, the tax base of the asset is not adjusted. Hence a temporary difference arises. This is provided for in full based on the difference between carrying amount and tax base. An upward revaluation is therefore give rise to a deferred tax liability.

Deductible temporary difference

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

3.17 Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements as per Bangladesh Accounting Standards BAS-10: 'Events after the Reporting Period'.

All material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed.

3.18 Risk exposure

Interest rate risk

Interest rate risk is the risk that Company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management perception

The Company maintains low debt/ equity ratio; and accordingly, adverse impact of interest rate fluctuation is insignificant.

Exchange rate risk

Exchange rate risk occurs due to changes in exchange rates. As the Company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company. If exchange rate increases against local currency, opportunity arises for generating more profit.

Management Perception

The products of the company are sold mostly in local currency. Therefore, volatility of exchange rate will have no impact on profitability of the Company.

Industry risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management perception

Management is optimistic about growth opportunity in pharmaceutical sector in Bangladesh. Furthermore, there is untapped international market.

Market risks

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

Management perception

Management is fully aware of the market risk, and act accordingly. Market for pharmaceuticals, drugs and medicines in Bangladesh is growing at an exponential rate. Moreover the company has a strong marketing and brand management to increase the customer base and customer loyalty.

Operational risks

Non-availabilities of materials/equipment/services may affect the smooth operational activities of The Company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management perception

The company perceives that allocation of its resources properly can reduce this risk factor to great extent. The Company hedges such risks in costs and prices and also takes preventive measures therefore.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

Management perception

The Company's approach to managing liquidity 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, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash 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.

3.19 Compliance with Financial Reporting Standards as applicable in Bangladesh:

The Company as per Para-12 of Securities & Exchange Rule-1987, with the following Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No.	BAS No.	BAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	Not Applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Not Applicable
10	18	Revenues	Complied
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
13	21	The Effects of Changes in Foreign Exchange Rates	Complied
14	23	Borrowing Cost	Complied
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
17	27	Separate Financial Statements	Not Applicable
18	28	Investments in Associates and joint ventures	Complied
19	29	Financial Reporting in Hyperinflationary Economics	Not Applicable
20	31	Interest in Joint Ventures	Not Applicable
21	32	Financial Instruments: Presentation	Complied
22	33	Earnings per Share	Complied
23	34	Interim Financial Reporting	Complied
24	36	Impairment of Assets	Complied
25	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
26	38	Intangible Assets	Complied
27	39	Financial Instruments: Recognition and Measurement	Complied
28	40	Investment Property	Not Applicable
29	41	Agriculture	Not Applicable

FAIR STOCK

Sl. No.	BFRS No.	BFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance Contracts	Not Applicable
5	5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral Resources	Not Applicable
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	Complied
9	10	Consolidated Financial Statements	Not Applicable
10	11	Joint Arrangements	Not Applicable
11	12	Disclosure of Interests in other Entities	Complied
12	13	Fair Value Measurement	Complied

AMAR STOCK

	AMOUNT IN TAKA	
4. Property, plant and equipment	**30 June 2018**	**30 June 2017**
Cost/Revaluation		
Opening balance	1,606,348,997	1,352,403,379
Addition during the year	406,328,044	257,621,978
Disposal/adjustment during the year	(6,122,286)	(3,676,360)
Closing balance	**2,006,554,756**	**1,606,348,997**
Accumulated depreciation		
Opening balance	490,016,499	400,679,809
Charged during the year	112,239,130	92,504,198
Disposal/adjustment during the year	(5,500,997)	(3,167,508)
Closing balance	**596,754,632**	**490,016,499**
Closing balance of written down value (WDV)	**1,409,800,123**	**1,116,332,498**

Details of fixed assets have been shown in **Annexure - A.**

5. Capital work-in-progress		
Opening Balance	26,614,186	-
Add: Addition during the year		
Building-Construction work-in-progress	18,162,372	26,614,186
Machinery in transit	108,128,815	-
	152,905,373	**26,614,186**

A new building is being constructed in the factory premises located in Shafipur Gazipur to increase the overall production capacity of The IBN SINA Pharmaceutical Industry Ltd. The amount in machinery in transit represents the amount for oepning the LC for the procurement of Factory machineries for newly constructed factory building and increasing production capacity of existing factory which are not received yet by the company.

6. Investment in marketable securities		
Islami Bank Bangladesh Ltd. (IBBL)-in shares	-	354,650,510
Islami Bank Bangladesh Ltd. (IBBL)-in MPB	4,415,580	4,456,890
	4,415,580	**359,107,400**

The above investment in marketable securities are designated as available for sale (AFS) by the management. These are measured at fair value and presented as non-current asset. Unrealized gain/(loss) from the above investment were recognized in other comprehensive income. Investment in securities of Islami Bank Bangladesh Ltd. which was classified as available for Sale Financial Assets is disposed off in current year. The cumulative gain previously recognised in other comprehensive income is reclassified from equity to profit or loss in current year as a reclassification adjustment.

Details of investment in marketable securities have been shown in Anexure-A

7. Investment in associate		
Opening balance	9,750,000	1,750,000
Add: Addition during the year	8,000,000	8,000,000
Less: Share of associate profit /(loss)	17,750,000	9,750,000
Opening Balance	(626,853)	(626,853)
Current Year	(2,269,527)	
Closing value of investment	**14,853,620**	**9,123,147**

	AMOUNT IN TAKA	
	30 June 2018	30 June 2017
08. Inventories		
Raw materials	116,704,856	88,563,456
Packing materials	88,525,184	68,253,484
Work-in-process	53,384,884	43,928,563
Finished goods	97,791,850	61,978,640
Physicians' samples	2,012,359	911,349
Pad & literature	1,282,397	279,987
Spares & stores	104,937	4,723
Indirect materials	173,749	73,518
Printing & stationery	166,982	156,958
Laboratory chemicals	143,811	43,560
Material in Transit	104,726,823	-
	465,017,832	**264,194,238**
09. Trade and other receivables	17,652,951	14,642,851
Trade receivables	397,494	-
Other receivable	**18,050,445**	**14,642,851**

Trade receivables amounts are receivables from customers mainly different hospitals, medical colleges, clinics, diagnostic centers. No amount was due by the directors (including the Managing Director), managers and other officers of the company or any of them either severally or jointly with any other person.

10. Advances, deposits & prepayments

a. Advances against		
Salary	3,354,298	2,104,138
Expenses/works/others	5,778,044	4,964,944
Depot rent	8,476,125	9,036,110
Motor cycles-to employees	7,440,710	5,649,951
Income tax	140,561,229	123,113,838
Head office rent	11,661,000	7,965,000
Others	318,874	247,492
	177,590,280	**153,081,473**
b. Deposits		
Security money	**12,691,203**	**12,727,278**
c. Pre payments		
Value Added Tax	16,114,765	1,009,106
Insurance premium	283,271	566,541
	16,398,036	**1,575,647**
	206,679,519	**167,384,398**

		AMOUNT IN TAKA	
11. Cash & cash equivalents		**30 June 2018**	**30 June 2017**
a. Cash in hand		2,002,096	2,515,231
b. Cash at banks	Note: 11.1	161,089,296	189,317,945
c. Imprest cash		6,902,773	5,590,000
		170,014,165	**197,423,176**
11.1 Cash at banks with			
Islami Bank Bangladesh Ltd.			
In SND Accounts		94,754,908	74,581,624
In MSA Accounts		652,984	23,348,326
In FCAD ERQ Accounts		2,119,091	1,454,616
Al-Arafah Islami Bank Ltd. in SND Accounts		9,719,329	52,525,940
Prime Bank Ltd. in Current Account (Islamic banking branch)		31,235	31,235
Shimanto Bank Ltd. in SND Account		19,425	-
Shahjalal Islami Bank Ltd. in Current Account		9,916	9,916
First Security Islami Bank Ltd. in SND Accounts		19,404,430	16,803,087
Sonali Bank Ltd.			
In STD Account		34,019,634	20,563,201
In ERQ Account		358,344	
		161,089,296	**189,317,945**
12. Share capital			
Authorized capital			
50,000,000 ordinary shares of Tk. 10 each		**500,000,000**	**500,000,000**
Issued, subscribed & paid-up			
28,403,298 ordinary shares as on 30 June 2018 and 25,821,180 ordinary shares as on 30 June 2017 of Tk. 10 each fully paid up in cash.		**284,032,980**	**258,211,800**

Categories of shareholders	Number of shareholders	Number of shares	2017-18 holding %	2016-17 holding %
Sponsors	1	12,448,469	43.83%	43.83%
Institutions	185	4,938,831	17.39%	18.83%
General Public	10,783	11,015,998	38.78%	37.34%
	10,969	**28,403,298**	**100.00%**	**100.00%**

The distribution schedule showing the number of share holders and their share holdings as on 30.06.2018 are as follows:

Range of holdings	No. of Holders	Total Holdings	Percentage
Less than 500 shares	7,990	1,730,367	6.09%
500 to 5,000 shares	2,541	3,635,696	12.80%
5,001 to 10,000 shares	234	1,634,340	5.75%
10,001 to 20,000 shares	118	1,672,910	5.89%
20,001 to 30,000 shares	27	668,471	2.35%
30,001 to 40,000 shares	27	945,780	3.33%
40,001 to 50,000 shares	7	319,339	1.12%
Above 50,000 shares	25	17,796,395	62.66%
	10,969	**28,403,298**	**100.00%**

The shares are listed with the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The shares were quoted at Tk.257.40 in the Dhaka Stock Exchange Limited on 28.06.2018 and at Tk.258.10 in the Chittagong Stock Exchange Limited on 28.06.2018 respectively.

		AMOUNT IN TAKA	
		30 June 2018	30 June 2017
13. Tax holiday reserve		**4,392,110**	**4,392,110**

This represents provision made out of profit of Tax Holiday period in accordance with section 45 (2B) and section 46A (2) of Income Tax Ordinance 1984.

14. Unrealised gain on marketable securities			
Closing market value of marketable securities		4,415,580	359,107,400
Less: Cost of marketable securities		4,590,000	37,456,758
Unrealised gain before adjustment of deferred tax		**(174,420)**	**321,650,642**
Less: Deferred tax on unrealised gain (loss)		(17,442)	32,165,064
Net unrealised gain/(loss) on marketable securities		**(156,978)**	**289,485,578**
15. Retained earnings			
Opening Balance		552,873,744	380,790,698
Reclassification adjustment		24,144,138	-
Dividend paid		(90,374,130)	(61,746,300)
Net profit during the year		452,296,714	233,829,346
		938,940,466	**552,873,744**
16. Long term finance			
Al-Arafah Islami Bank Ltd.		96,031,992	275,885,389
Less: Current maturity transferred to current liability	Note -21	(14,786,265)	(46,389,442)
		81,245,727	**229,495,947**

Loan amount represent the amounts which would be due for repayment after 12 (twelve) months from the date of statement of financial position @ 13.50% of profit. The loan was taken from Al-Arafah Islami Bank Ltd. against mortgage of 803 decimal land and 63, 811 square feet factory building located at Shafipur, Gazipur to import capital machinery and motor vehicle under Hire Purchase Shirkatul Melk.

17. Retirement benefit obligations		
Opening balance	13,241,445	21,772,882
Add: Provision made during the year	41,254,812	43,486,239
Less: Paid during the year	(37,243,693)	(52,017,676)
	17,252,564	**13,241,445**

18. Deferred tax liability

Deferred tax assets and liabilities have been recognised and measured in accordance with the provisions of BAS 12 Income Taxes. Related deferred tax (expense)/income have been disclosed in note 19. The components of deferred tax assets and liabilities are given below:

Particulars	Carrying amount	Tax base value	Taxable (deductable) temporary difference	Applicable tax rate	Deferred tax liability
Property, plant and equipment	1,409,800,123	1,172,662,174	237,137,949	25%	59,284,487
Gratuity	60,337,648	37,243,693	(23,093,955)	25%	(5,773,489)
Unrealised gain on marketable securities	(174,420)	-	(174,420)	10%	(17,442)
For the year 2017-18	**1,469,963,351**	**1,209,905,867**	**213,869,575**		**53,493,557**
Property, plant and equipment	1,116,332,498	903,857,010	212,475,488	25%	53,118,872
Gratuity	71,100,512	52,017,676	(19,082,836)	25%	(4,770,709)
Unrealised gain on marketable securities	321,650,642		321,650,642	10%	32,165,064
For the year 2016-17	**1,509,083,652**	**955,874,686**	**515,043,294**		**80,513,227**

	AMOUNT IN TAKA	
	30 June 2018	30 June 2017
19. Deferred tax (expenses)/income		
Closing balance of deferred tax liability	53,493,557	80,513,227
Opening balance of deferred tax liabilities	80,513,227	68,335,622
Total deferred tax expenses/(income)	**(27,019,671)**	**12,177,605**
Less: Deferred tax expenses related to other comprehensive income	(32,182,506)	3,307,640
	5,162,835	**8,869,965**
20. Short term finance	552,022,978	280,421,753
A. From Al-Arafah Islami Bank Ltd. - Secured	**552,022,978**	**280,421,753**

Loan amount represent the amounts which would be due for repayment within 12 (twelve) months from the date of statement of financial position @ 13.5% of profit and .25% commission per quarter. The loan was taken from Al-Arafah Islami Bank Ltd. against mortgage of 803 decimal land and 63, 811 square feet factory building located at Shafipur, Gazipur to import Pharmaceuticals raw materials, imported goods and to purchase business items from local market under Composite facilities LC/MPI/MPI TR/UPAS/Baimuajjal agreement.

21. Current portion of long term finance		
Al-Arafah Islami Bank Ltd.	14,786,265	46,389,442
Balance as at 30th June	**14,786,265**	**46,389,442**

The amounts represent current maturity of long term finance obtained from Al-Arafah Islami Bank Ltd. which are repayable within next 12 (Twelve) months from the date of Balance Sheet.

22. Trade and other payable		
Payable to suppliers	171,872,571	141,010,095
Accrued expenses	99,222,546	85,580,582
Deposits from different parties	8,753,025	7,183,446
Others payable	67,087,768	51,867,542
	346,935,910	**285,641,665**

22.1 Others payable		
Unclaimed dividend	38,903,111	35,085,434
Advance against sales	-	657,987
Workers' profit participation fund & welfare fund	28,184,657	15,354,783
Medical Expense for employees	-	769,338
	67,087,768	**51,867,542**
23. Provision for corporate tax		
Opening balance	114,155,184	50,385,688
Current tax expense	103,964,069	63,769,496
	218,119,253	**114,155,184**
Adjusted during the year	(69,328,174)	-
	148,791,079	**114,155,184**

24. Revenue

	AMOUNT IN TAKA	
	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
Local revenue	4,590,402,113	3,967,224,376
Export revenue	66,947,898	41,929,125
	4,657,350,011	**4,009,153,501**

The above sales represent the following :

Product Group	Unit	2017-2018		2016-2017	
		Quantity	Amount	Quantity	Amount
Tablet	Pcs	886,124,346	1,659,816,576	1,222,309,920	1,795,700,021
Capsule	Pcs	198,144,688	1,132,496,056	157,283,360	523,487,120
Dry Syrup / ORS	Bottle	17,989,346	276,976,947	20,306,420	480,549,720
Liquid Bottles	Bottle	18,347,438	774,374,864	17,269,520	441,748,800
Drops	Pcs	5,291,726	278,116,722	8,303,820	497,963,400
Ointment	Pcs	3,754,112	131,830,897	6,305,640	184,664,040
Injection	Pcs	3,896,046	403,737,950	5,040,840	85,040,400
Total Value			**4,657,350,011**		**4,009,153,501**

25. Cost of goods sold

Raw materials consumed	Note-25.1	1,433,349,053	1,239,847,635
Packing materials consumed	Note-25.2	804,571,783	689,792,700
		2,237,920,836	**1,929,640,335**
Opening work-in-process		43,928,563	28,472,242
Closing work-in-process		(53,384,884)	(43,928,563)
Total Consumption		**2,228,464,515**	**1,914,184,014**
Manufacturing expenses	Note-26	592,219,113	505,725,363
Cost of Production		**2,820,683,628**	**2,419,909,377**
Opening finished goods		61,978,640	45,165,430
Closing finished goods		(97,791,850)	(61,978,640)
		2,784,870,418	**2,403,096,167**
Cost of physicians' samples		(20,150,382)	(17,467,987)
		2,764,720,036	**2,385,628,180**

25.1 Raw materials consumed

Opening stock	88,563,456	63,422,056
Purchases	1,461,490,453	1,264,989,035
Closing stock	(116,704,856)	(88,563,456)
	1,433,349,053	**1,239,847,635**

25.2 Packing materials consumed

Opening stock	68,253,484	45,417,891
Purchases	824,843,483	712,628,293
Closing stock	(88,525,184)	(68,253,484)
	804,571,783	**689,792,700**

	AMOUNT IN TAKA	
	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017

26. Manufacturing expenses

Salary, wages & allowances	297,249,847	260,192,586
Travelling & conveyance	2,522,650	2,634,472
Printing & stationery	1,975,771	1,485,965
Repairs & maintenance-building	8,400,721	6,253,561
Repairs & maintenance- machinery & equipment	34,336,520	30,787,239
Repairs & maintenance-vehicle & others	6,833,725	6,608,626
House Rent	3,018,997	2,874,047
Medical expenses	1,893,249	1,658,524
Power & fuel	92,869,788	76,507,685
Training expenses	715,025	150,392
Insurance premium	5,507,447	5,524,352
Entertainment	1,095,090	1,252,697
Staff welfare	23,148,223	18,885,506
Telephone, fax, etc.	759,951	859,059
Fees & charges	3,450,227	2,234,140
Donation & subscription	70,000	16,705.00
Advertisement	298,220	176,601
News paper & periodicals	152,374	40,061
Staff uniform	1,447,337	2,959,666
Laboratory chemicals & stores	6,253,106	2,718,453
Indirect materials	5,264,261	4,207,106
Depreciation	94,931,278	77,585,520
Sundry expenses	25,307	112,400
	592,219,113	**505,725,363**

27. Administrative expenses

	AMOUNT IN TAKA	
	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
Salary, wages & allowances	57,211,507	48,942,116
Directors' remuneration	7,920,000	4,823,000
Directors' meeting fee	1,246,458	768,000
Travelling & conveyance	3,684,424	2,260,825
Repairs & maintenance-building & equipment	3,289,911	3,031,035
Repairs & maintenance-vehicle & others	2,887,631	2,620,164
Audit fees	201,250	150,000
Head office rent	16,250,650	12,501,075
Medical expenses	11,234	22,938
Postage & stamp	136,380	159,067
Training expenses	246,700	221,600
Insurance premium	354,704	255,200
Entertainment	2,382,012	1,957,359
Staff uniform	7,160	114,708
Staff welfare	2,640,077	1,584,552
Telephone, fax, etc.	874,413	1,200,743
Fees & charges	2,928,891	2,016,732
Bank Charge	1,195,409	1,208,207
Donation & subscription	24,500	485,200
Advertisement	1,670,287	2,141,494
News paper & periodicals	161,422	141,825
Printing & stationery	1,036,793	975,777
Water, electricity & gas	1,940,103	1,332,248
Annual general meeting expenses	2,417,937	2,607,160
Expenses relating to dividend	135,297	328,731
Depreciation	6,914,391	5,663,098
Sundry expenses	79,193	222,969
Loss on sale of vehicle	-	533,069
Expenses relating to CSR	1,500,000	1,000,000
	119,348,734	**99,268,891**

28. Selling & distribution expenses

	AMOUNT IN TAKA	
	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
Salary, wages & allowances	852,473,093	733,220,128
Travelling & conveyance	5,099,089	4,204,549
Head office & sales centres rent	31,381,984	24,107,048
Printing & stationery	7,872,910	6,557,573
Repairs & maintenance-building & equipment	4,305,242	3,449,234
Repairs & maintenance-vehicle & others	18,035,173	13,876,756
Medical expenses	1,379,360	1,512,792
Water, electricity & gas	1,810,873	1,227,906
Postage & stamp	416,760	336,915
Field forces conference expenses	12,117,232	8,533,567
Insurance premium	2,040,614	1,909,920
Entertainment	1,489,775	1,328,023
Training expenses	2,061,960	4,036,131
Staff welfare	2,083,777	1,780,645
Telephone, fax, etc.	3,838,160	1,952,999
Fees & charges	223,096	68,967
Donation & subscription	15,000	36,500
Advertisement	1,475,830	1,833,240
Incentive	32,471,653	25,624,831
Sales representatives conference	3,000,177	2,234,300
Detailing bag & brief case	495,976	817,082
Field personnel expenses	160,585,111	141,438,016
Product development expenses	366,314	111,575
Product pad & literature	31,304,504	30,152,796
Other promotional expenses	22,747,806	19,545,768
Physicians' samples	24,277,569	21,045,768
Market survey & research	2,853,497	2,741,392
Export expenses	4,233,395	7,455,943
Delivery expenses	126,351,723	119,805,678
Depreciation	10,393,460	9,255,580
Sundry expenses	5,244	119,380
Loss on sale of vehicle	132,794	15,500
Staff uniform	107,811	22,585
Bad debts	1,628	255,420
	1,367,448,590	**1,190,614,506**

	AMOUNT IN TAKA	
	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017

29. Other income

Dividend income	397,494	11,013,991
Profit on bank deposits	2,861,176	651,205
Gain on sale of Motor Vehicles	2,082,011	813,648
Foreign Exchange Fluctuation Gain/(Loss) on FCAD ERQ Accounts	(774,317)	(834,589)
Gain on sale of share	217,297,240	-
Miscellaneous income	37,875	427,875
	221,901,479	**12,072,130**

During the year the entire investment is share of IBBL was sold out through DSE. The total amount received from sale of share was utilized to pay long term loan of the company.

30. Workers' profit participation fund & welfare fund

	28,184,657	**15,354,783**

This represents 5% of net profit before tax after charging the contribution as per provision of the Bangladesh Labour Act, 2006 and is payable to workers as defined in the said Act.

31. Current tax

	103,964,069	**63,769,496**

32. Change in fair value of marketable securities

Closing value of marketable securities	4,415,580	359,107,400
Opening value of marketable securities	4,590,000	326,031,002
	(174,420)	**33,076,398**

Disposal of shares of IBBL results in only marketable securities held by the company is IBBL- MPB.

33. Earnings per share (EPS)

Basic earnings per share has been calculated as follows :

Earnings attributable to the Ordinary Shareholders (Net profit after tax)	452,296,714	233,829,346
Divided by number of Ordinary Shares outstanding during the year	28,403,298	28,403,298
Earnings Per Share (EPS) (Adjusted EPS of 2016-17)	**15.92**	**8.23**

Earning Per Share (EPS)

Earning Per Share (EPS) increased during the year 2017-18 due to disposal of investment in shares held under available for sale assets. Accordingly the cumulative gain previously recognised in other comprehensive income is reclassified from equity to profit or loss in current year as a reclassification adjustment.

34. Value of imports on CIF basis

	(amount in thousand)	
Materials (raw & packing)	989,467	857,532
Components & spare parts	4,731	413
Capital goods	193,477	160,399
	1,187,675	**1,018,344**

35. Installed capacity, actual production on single shift basis and reasons for short-fall during the year ended 30 June 2018

Quantity in Thousand

Product Group	Unit	2017-2018		2016-2017	
		Installed	Actual production	Installed	Actual production
Tablet	Pcs	769,392	888,543	820,872	926,655
Capsule	Pcs	207,870	221,747	265,200	169,708
Dry Syrup / ORS	Bottle	27,112	13,719	28,657	15,113
Liquid	Bottle	23,192	22,593	19,034	15,577
Drops	Pcs	4,224	5,858	8,580	4,420
Ointment	Pcs	5,332	3,903	6,732	4,098
Injection	Pcs	16,224	4,248	18,798	3,626

Production was made keeping in view market demand.

36. Related party transactions

During the year, the company carried out transactions with related parties in the normal course of business and on an arm's length basis. The name of related parties, relationship, types of transaction and their total value have been set out in accordance with the provisions of BAS 24 "Related Party Disclosures". Transaction with related parties are executed on the same terms as those of other customers of similar credentials and do not involve more than a normal risk.

Name of Related Parties	Relationship	Type of Transaction	Value of Transaction
The IBN SINA Trust	Sponsor shareholder holding 43.83% shares	Dividend payment	25,462,784
The IBN SINA Consumer Products Ltd.	Associate	Acquisition of Share Capital	17,750,000

37. Commitment and Contingency

There was no contract for Capital Expenditure remaining to be executed and not provided for at 30 June 2018.

38. Credit facilities not availed

There was no general nature of credit facilities available to the company under any contract other than trade credit available in the ordinary course of business and not availed of as on 30.06.2018.

39. Brokerage or commission

No brokerage or discount other than usual trade discount against sales was paid during the year.
As there was no sales agent, commission therefore was not paid.

40. Payment for export

During the year under review USD 160,100.00 equivalent to Tk. 13,341,962.00 have been paid for registration fees for export purpose.

41. Remittance of dividend

As there was no non-resident shareholder, no dividend was remitted to or reveived from abroad.

42. Foreign earnings

During the year the company (a) earned foreign exchange of USD 829,971.82 equivalent to Tk. 66,947,898.00 on account of export sale, (b) but did not earn or receive any income in respect of royalty, technical know-how, professional & advisory fees, interest & dividend.

43. Acknowledgement of claim

There were aggregating claims of Tk. 36,336,634 in respect of assessment years 1997-98 , 2000-2001, 2002-2003, 2003-2004, 2004-2005, 2007-2008, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016 and 2016-2017 respectively against the Company for Income Tax and there were aggregating refund of Tk. 9,946,383 in favor of the company for Income Tax in different years but no asset or liability was recognized for the claims are refundables. The Company filed Income Tax Reference case with High Court Division of the Supreme Court & Appeals remained pending and have applied for adjustment for remaining cases.

44. Contingent Liability

There was no contingent liability other than letters of credit outstanding for importation of raw & packing materials, capital goods as on 30.06.2018.

45. Director'sf responsibility statement

The Board of Directors take the responsibility for the preparation and presentation of these financial statments.

46. Rounding off

Amounts appearing in these financial statements have been rounding off to the nearest taka and, wherever considered necessary.

47. Rearrange of last year figures

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged or reclassified whenever considered necessary to conform to current year presentation.

48. Financial risk management

The company management has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activates. The company has exposure to the following risks from its use of financial instruments.

(a) Credit Risk (b) Liquidity Risk (c) Market Risk

48.1 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 the exposure to credit risk is monitored on an ongoing basis. As at 30th June 2018, substantial part of the receivables are as follows and subject to insignificant credit risk. Risk exposures from other financial assets, i.e. Cash at bank and other external receivables are also nominal.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting data was:

	AMOUNT IN TAKA	
	30 June 2018	**30 June 2017**
Accounts receivable:		
Advance to employees	3,354,298	2,104,138
Advance to supplies	5,778,044	4,964,944
Trade receivable	17,652,951	14,642,851
Other receivables	16,235,709	14,933,552
Security deposit	12,691,203	12,727,278
Imprest cash	6,902,773	5,590,000
Cash at bank	161,089,296	189,317,945
	223,704,274	**244,280,708**

The aging of trade receivables at the reporting date is as follows:

Trade receivables		
Not past due	17,652,951	14,642,851
Past due 1-180 days	-	-
Past due more than 180 days	-	-

To mitigate the credit risk against trade receivables, the company has a system of specific credit line period to the customers. This outstanding period and amount are regularly monitored. The company endeavors to cover the credit risks on all other receivables, where possible, by restricting credit facility and stringent monitoring.

48.2 Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash 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.

The carrying amount of financial liabilities represent the maximum exposure to liquidity risk. The maximum exposure to liquidity risk as at 31st December was:

	Amount in Taka	
	30 June 2018	**30 June 2017**
Trade and other payables	171,872,571	141,010,095
Security money received from employees	8,753,025	7,183,446
Other current liabilities	67,087,768	51,867,542
	247,713,364	**200,061,083**

48.3 Market Risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates 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) Interest Rate Risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Exposure to fair value movement relates to fixed rate instrument subject to fair value accounting and exposure to cash flow fluctuation relates to variable rate instruments. The Company is primarily exposed to cash flow fluctuation arising from variable rate borrowings. The object of interest rate management for The IBN SINA Pharmaceutical Industry Ltd. is to reduce financial cost and ensure predictability.

(ii) Currency risk

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw material, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of raw materials, machineries and equipment from abroad.

49. Events after the reporting period

The Board of Directors at its meeting no.258, held on 25.09.18 recommended to the shareholders 30% cash dividend 10% stock dividend for the year ended 30th June, 2018 which will be considered for approval by the shareholders at the 34th Annual General Meeting.

Schedule of Property, Plant and Equipment
as at 30 June 2018

Annexure-A
Amount in Taka

Particulars	Cost/Revaluation					Depreciation				Written down value on 30.06.2018
	Opening balance (30.06.2017)	Addition during the year	Disposal / Adjustment	Total on (30.06.2018)	Rate	on 30.06.2017	For the Year	Disposal / Adjustment	Total on (30.06.2018)	
Land & land development	120,259,980	114,527,698		234,787,678	-	-	-		-	234,787,678
Building	163,979,185	-		163,979,185	2.50%	32,657,596	3,283,040		35,940,636	128,038,549
Plant & machinery	941,646,047	195,365,419		1,137,011,466	10.00%	281,165,562	74,886,069		356,051,631	780,959,836
Internal road	4,377,321	465,559		4,842,880	10.00%	2,325,592	209,053		2,534,644	2,308,236
Installations	31,661,871	7,755,643		39,417,514	10.00%	12,845,770	2,300,120		15,145,890	24,271,624
Equipment	142,268,698	42,780,589		185,049,287	10.00%	39,644,047	12,730,673		52,374,720	132,674,567
Computers	26,463,922	8,292,915		34,756,837	30.00%	19,663,009	3,517,385		23,180,394	11,576,443
Furniture & fixtures	50,364,284	5,562,410		55,926,694	10.00%	26,196,411	2,714,084		28,910,495	27,016,199
Motor vehicles	101,585,057	25,091,621	(6,122,286)	120,554,392	20.00%	57,433,417	10,735,387	(5,500,997)	62,667,807	57,886,586
Spares & loose tools	16,195,736	4,730,507		20,926,243	20.00%	13,261,612	1,138,717		14,400,329	6,525,914
Library books	867,659	-		867,659	10.00%	614,652	25,301		639,953	227,706
Temporary construction	6,679,237	1,755,683		8,434,920	20.00%	4,208,832	699,303		4,908,135	3,526,785
Total-30 June 2018	**1,606,348,997**	**406,328,044**	**(6,122,286)**	**2,006,554,755**		**490,016,499**	**112,239,130**	**(5,500,997)**	**596,754,632**	**1,409,800,123**
Total-30 June 2017	**1,352,403,379**	**257,621,978**	**(3,676,360)**	**1,606,348,997**		**400,679,809**	**92,504,198**	**(3,167,508)**	**490,016,499**	**1,116,332,497**

Allocation of depreciation:

	As at 30.06.2018	As at 30.06.2017
Manufacturing Expenses Note-26	94,931,278	77,585,520
Administrative Expenses Note-27	6,914,391	5,663,098
Selling & Distribution Expenses Note-28	10,393,460	9,255,580
	112,239,130	**92,504,198**

Investment in Marketable Securities
as at 30 June 2018

Annexure-B
Amount in Taka

Sl No.	Name of Company	Number of Shares/ Bonds	Face Value Per Share/Bond	Total Cost	Average Cost	Market value Per Share/Bond	Total Market value	Unrealised Gain/(Loss)
1	Islami Bank Bangladesh Limited Mudaraba Perpetual Bond (MPB)	4,590	1,000	4,590,000	1,000	962	4,415,580	(174,420)
			Total Tk.	**4,590,000**			**4,415,580**	**(174,420)**

দি ইবনে সিনা ফার্মাসিউটিক্যাল ইন্ডাস্ট্রি লিমিটেড
প্রক্সি ফরম

আমি/আমরা..... দি ইবনে সিনা ফার্মাসিউটিক্যাল ইন্ডাস্ট্রি লিমিটেড-এর সদস্য/সদস্যাবৃন্দ.....টি সাধারণ শেয়ারের মালিক। জনাব.....কে আমার/আমাদের প্রক্সি হিসেবে ২২ নভেম্বর ২০১৮, বৃহস্পতিবার, অনুষ্ঠিতব্য কোম্পানির ৩৪তম বার্ষিক সাধারণ সভায় এবং যে কোন মুলতবী সভায় উপস্থিত থাকার জন্য এবং আমার/আমাদের পক্ষে ভোটদানের জন্য নিয়োগ করছি।

২০ টাকার রেভিনিউ স্ট্যাম্প লাগান

প্রক্সির স্বাক্ষর.....

তারিখ.....

.....
শেয়ারহোল্ডারের স্বাক্ষর

তারিখ.....

ফলিও নং

বিও নং

দ্রষ্টব্য

১. স্বাক্ষর কোম্পানি অফিসে রক্ষিত নমুনা স্বাক্ষর অনুযায়ী হওয়া বাঞ্ছনীয়।
২. সভা অনুষ্ঠানের নির্ধারিত সময়ের অন্ততঃ ৪৮ (আট চল্লিশ) ঘন্টা পূর্বে প্রক্সি ফরম ২০ টাকার রেভিনিউ স্ট্যাম্প সহকারে যথাযথভাবে পূরণ করে কোম্পানির রেজিস্টার্ড অফিসে জমা দিতে হবে।
৩. প্রক্সি ফরম এর ফটোস্ট্যাট কপি ব্যবহার করা যাবে।

দি ইবনে সিনা ফার্মাসিউটিক্যাল ইন্ডাস্ট্রি লিমিটেড
হাজিরা পত্র

আমি ২২ নভেম্বর ২০১৮, বৃহস্পতিবার সকাল ০৯.৩০ টায় কোম্পানির ৩৪তম বার্ষিক সাধারণ সভা ইমানুয়েলস কনভেনশন সেন্টার, সীমান্ত স্কয়ার মার্কেট (রাইফেলস্ স্কয়ার) ৬ষ্ঠ তলা, ধানমন্ডি, ঢাকায় অনুষ্ঠিতব্য দি ইবনে সিনা ফার্মাসিউটিক্যাল ইন্ডাস্ট্রি লিমিটেড-এর ৩৪তম বার্ষিক সাধারণ সভায় আমার উপস্থিতি লিপিবদ্ধ করলাম।

শেয়ারহোল্ডার/প্রক্সির নাম.....শেয়ার সংখ্যা.....

ফলিও নং

বিও নং

.....
শেয়ারহোল্ডার/প্রক্সির স্বাক্ষর

বিঃ দ্রঃ

সভাস্থলে প্রবেশের পূর্বে হাজিরা পত্র যথাযথভাবে পূরণ করে বেলা ১০.৩০ টার মধ্যে সম্মানিত শেয়ারহোল্ডারদের নাম সংশ্লিষ্ট কাউন্টারে অবশ্যই নিবন্ধন করার জন্য অনুরোধ করা হচ্ছে।