

# Directors' Report

For the year ended 30 June 2023

## DEAR SHAREHOLDERS,

On behalf of the Board of Directors of The ACME Laboratories Ltd., I would like to extend a warm welcome to all of you to the 47<sup>th</sup> Annual General Meeting of our esteemed company. We appreciate your presence here today as shareholders and stakeholders who have played a vital role in our journey over the past year.

At this Annual General Meeting, we are proud to present the Directors' Report and Audited Financial Statements for the financial year ending on 30<sup>th</sup> June 2023. This report contain information about the company's performance, financial health, and strategic initiatives during the past year. The preparation of these reports is in accordance with the following regulatory guidelines.

1. Section 184 of the Companies Act, 1994.
2. Rule 12 and the schedule thereunder of the Bangladesh Securities and Exchange Rules, 1987.
3. Bangladesh Securities and Exchange Commission Notification no. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018.

## PROFIT AND ITS APPROPRIATION

Particulars	(BDT in million)	
	2022-2023	2021-2022
Net Profit after Tax	2,303.590	2,110.889
Adjustment for depreciation on revaluation surplus	47.719	47.798
Adjustment for disposal/ discard of PPE	8.325	-
Profit brought forward from previous year	9,124.947	7,495.264
Total Profit Available for appropriation	11,484.581	9,653.951

### Appropriation

Final Cash Dividend for the year 2021-2022 (Comparative year 2020-2021)	(634.805)	(529.004)
Closing Retained Earnings at the year- end (before proposed Dividend)	10,849.777	9,124.947
Proposed cash dividend for the year 2022-2023 @ 33%	(698.286)	(634.805)
Retained earnings after Proposed Dividend	10,151.491	8,490.142

## INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENT

Pharmaceuticals Industry is one of the success stories of Bangladesh in the last four decades. The sector is one of the most developed, knowledge-based and technology-driven industries, which is contributing to the country's economy. According to the Bangladesh Bureau of Statistics, the industry has contributed 1.83% to the GDP in 2020-2021. Currently, local Companies meet almost 98% of domestic demand with market size of BDT 307,000 million. According to the Bangladesh Association of Pharmaceutical Industries (BAPI) and Directorate General of Drug Administration (DGDA), approximately 265 licensed pharmaceutical manufacturers are operating in Bangladesh. These manufacturing companies meet around 98% of local demand and export to more than 147 countries.

Over the last five years, the pharmaceutical industry in Bangladesh has been growing with a CAGR of 8.70%. The industry is on its way towards maintaining this growth momentum and according to the industry experts, the sector will grow 10 percent year on year to reach \$4 billion by 2025 and the contribution of the Pharmaceutical sector to Bangladesh's economy will be the highest revenue-earning sector by 2027.

The growth in the pharmaceutical sector has largely been driven by local players, particularly due to government policies favoring domestic players, Economic Growth of the country, Population Growth rate, Growing Income level of people, Increase in modern healthcare facilities, Lower cost of labor, Health awareness of mass people, Changing Life Style & High Life Expectancy. All these factors will make the pharma industry more sustainable, which logically attracts the scope for further growth in investment for expansion and development in this industry. Major generic hubs- India Directors' Report For the year ended 30 June 2022. China are losing cost advantages. Cost of labor in Bangladesh is 3 to 4 times lower than that of China and India. That is why; we are ensuring the best quality medicine with an affordable price.

The WTO-TRIPS Council, on 6 November 2015 granted the Least Developed Countries (LDCs) exemptions from Pharmaceutical patent until 2033. Due to the benefits of TRIPS agreement applicable for manufacturers in LDC, local players end up producing medicines at much cheaper rates, compared to their international counterparts. As a result, medicine prices have remained within reach of the mass population.

The sector is emerging as a developing export destination as a number of top local Pharmaceutical companies have received American & European regulatory approvals for exporting to developed markets. Alongside, pharmaceutical players are targeting to capture a significant market share in price sensitive African markets.

Bangladesh Pharma Industry is the only sector that has been comparatively less affected by the COVID-19 pandemic situation though it was difficult to make available the APIs since we have to import 98% of APIs. International drug prices have increased and if COVID-19 persists, the limited supply of APIs and formulations in the international market will drive up prices of raw materials further.

In order to address the issue, the government has already handed over 42 plots of environment friendly Active Pharmaceutical Ingredient (API) Industrial park at Gazaria, Munshiganj to 28 Drug Manufacturers. Most of the top-ranking pharma companies got plots at the API Park and most of them are going to start the construction works over there at the earliest possible time.

Once the API Park is completed, Bangladeshi companies would be able to produce a substantial portion of their raw materials from the units of the said API Park which will reduce the reliance on imports and lead time related to the import of Raw Materials. Apart from this, we understand that from the said API Park, Bangladesh will be able to export a substantial quantity of Raw Materials to different countries. API Park will also create job opportunities for about 25,000 unskilled and semi-skilled laborers.

The ACME Laboratories Limited has already completed its Construction work of API Project. L/C has already been opened for Machineries of the said project. Very soon the company will start commercial operation.

### **COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN**

During the year, the company generated better top line revenue growth comparing to the previous year. The amount of Cost of Goods Sold for the Financial Year 2022-2023 is BDT 16,016.00 million which is 59.43% of the revenue of the Company. In the previous year, the same was BDT 14,394.05 million which was 60.33% of the revenue. On the other hand, Gross Profit margin and Net Profit margin for the financial years 2022-2023 are 40.57% and 8.55%, with compare to the previous year the same was 39.67% and 8.85%, respectively. From the above information, it appears that the company has been able to reduce the Cost of Goods Sold as a percentage of revenue in the most recent financial year. This improvement in cost management has led to an increase in the Gross Profit Margin. However, the Net Profit Margin has seen a slight decrease, which could be due to various factors like increased operating expenses or other financial considerations.

The company's efficient management and necessary measures/initiatives have contributed to the reduction in the Cost of Goods Sold, which is a positive sign for profitability. It's important for the company to continue monitoring and managing its costs effectively to sustain and potentially improve its profit margins in the future.

### **EXTRAORDINARY ACTIVITIES**

The company's long and dynamic history, strong presence in the domestic market, and its recent achievement of the US FDA certification highlight its success and ambition to continue growing, both locally and internationally. The introduction of 36 new products further underscores its commitment to innovation and competitiveness in the pharmaceutical sector.

### **RELATED PARTY TRANSACTIONS DISCLOSURES**

The Company carried out a number of transactions with related parties in the normal course of business and on arm's length basis. The Directorship of the company is mostly in common. Details of the transactions are provided in the note 41 of Financial Statements for the year ended 30 June 2023.

### **PRESENT STATUS OF UTILIZATION OF IPO PROCEEDS**

Details regarding status of utilization of IPO proceeds has been given in page no. 62-63.

### **SUBSEQUENT RESULTS AFTER INITIAL PUBLIC OFFERING (IPO)**

The company listed its securities with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. in the year 2016. This listing was done by issuing 50,000,000 Ordinary Shares with a face value of BDT 10.00 each and raised BDT 409.60 crore including premium. The entire fund was duly utilized by the company within the January 2022. The successful completion of the Initial Public Offering (IPO) marked a significant milestone for the company. No further issue of any instrument was made during the financial year.

The financial results of the company have consistently improved after the IPO, as indicated on page no. 53 under the "Financial Highlights for the Last 5 Years." This suggests that going public and being listed on the stock exchanges have had a positive impact on the company's financial performance, potentially leading to increased investor interest and capital infusion.

## REMUNERATION PAID TO THE DIRECTORS INCLUDING INDEPENDENT DIRECTORS

During the year 2022-2023, a remuneration of BDT 45,600,000 has been paid to the whole time Directors of the Company. The Company did not pay any remuneration to its Independent Directors except sitting fees for attending at the meetings of the Board of Directors and respective committees to whom they are members. A Statements regarding payment of remuneration to its Directors is as under:

(Amount in BDT)

Particulars	2022-2023	2021-2022
Director	45,600,000	45,600,000
Independent Director	-	-

## FAIRNESS OF THE FINANCIAL STATEMENTS

The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994 and Securities & Exchange Rules, 1987. These statements fairly present the company's state of affairs, the results of its operations, cash flow and changes in equity. In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code; dated: June 3, 2018, Chief Executive Officer and Chief Financial Officer have given the declaration about the fairness of the financial statements, which is shown on page no. 127-128 of the report.

## BOOKS OF ACCOUNTS

Proper books of accounts have been maintained by the Company as per Section 181 of Companies Act, 1994.

## CONSISTENCY OF APPROPRIATE ACCOUNTING POLICIES

Accounting policies adopted by the Company have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgement. The accounting policies adopted and applied by the Company are appropriate in view of the nature of its business operations of the Company.

## APPLICATION OF INTERNATIONAL ACCOUNTING STANDARDS (IAS) OR INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), Bangladesh Securities and Exchange Rules, 1987, Stock Exchanges (Listing) Regulations, 2015 and as applicable any other laws in Bangladesh, have been duly followed by the Company in preparation of the financial statements and any departure there from has been adequately disclosed.

## INTERNAL CONTROL

The system of internal control is sound in design and has been effectively implemented and monitored by the Company and duly examined by the Internal and external auditors. The Company continuously give due emphasis for further improvement of internal control system, if any, can be done.

## INTEREST OF MINORITY SHAREHOLDERS

As a constant policy of the Company, the management has protected Interest of Minority shareholders meticulously. The management protects interest of Minority Shareholders from abusive actions by or in the interest of, controlling shareholders acting either directly or indirectly and has system of effective means of redress in place.

## GOING CONCERN

There is no doubt upon the Company's ability to continue as a going concern; accordingly, the financial statements of the Company have been prepared on going concern basis.

## SIGNIFICANT DEVIATIONS FROM THE LAST YEAR'S OPERATING RESULTS OF THE COMPANY

No Significant deviation has been occurred from the last years operating results of the company.

## KEY OPERATING AND FINANCIAL DATA OF LAST PRECEDING 5 (FIVE) YEARS

A statement of key operating and financial data of last preceding 5 (five) years are as under:

### Financial Highlights

For last 5 Years

BDT in million

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
<b>Statement of Profit or Loss</b>					
Revenue	26,947.71	23,858.41	20,770.14	19,003.66	16,308.63
Cost of Goods Sold	16,016.00	14,394.05	12,719.82	11,728.94	9,882.88
Gross Profit	10,931.71	9,464.36	8,050.32	7,274.72	6,425.75
Profit before Taxation	2,893.24	2,693.14	2,073.50	1,979.43	1,953.34
Profit after Taxation	2,303.59	2,110.89	1,569.23	1,450.50	1,440.38
<b>Statement of Financial Position</b>					
Share Capital	2116.02	2,116.02	2,116.02	2,116.02	2,116.02
Share Premium	5127.6	5,127.60	5,127.60	5,127.60	5,127.60
Revaluation Surplus	5,017.45	5,136.05	5,183.84	5,238.75	5,319.64
Gain/(Loss) on Marketable Securities (Unrealized)	4.81	6.04	8.41	(2.16)	6.94
Tax Holiday Reserve	179.46	179.46	179.46	179.46	179.46
Retained Earnings	10,849.78	9,124.95	7,495.26	6,384.51	5,593.73
<b>Key Ratios</b>					
Number of shares	211.60	211.60	211.60	211.60	211.60
Earnings per share (Taka)	10.89	9.98	7.42	6.85	6.81
Current Ratio - (Times)	1.12	1.12	1.14	1.05	0.93
Net operating cash flow per share (Taka)	5.95	5.37	12.72	5.42	7.81
Net Asset Value Per Share (Taka)	110.09	102.50	95.04	90.00	86.69
NP Margin	8.55%	8.85%	7.56%	7.63%	8.83%

## EXPLANATION ON THE REASONS IF THE ISSUER COMPANY HAS NOT DECLARED DIVIDEND (CASH OR STOCK) FOR THE YEAR

The Company always maintains Consistent Dividend Policy and has being paying Dividend constantly. During the year, the Company proposed 33% Cash Dividend to its Shareholders.

## BONUS OR STOCK DIVIDEND DECLARED AS INTERIM DIVIDEND

No Bonus share or stock dividend has been declared by the Board as an interim dividend during the financial year 2022-2023.

## BOARD MEETINGS AND ATTENDANCE BY EACH DIRECTOR

Nine Board Meetings were held during the year under review. The attendance records of the Directors are mentioned below:

As at 30 June 2023

Name of Directors	Position	No. of Meetings held	No. of Meetings attended
Mrs. Nagina Afzal Sinha	Chairman	9	9
Mr. Mizanur Rahman Sinha	Managing Director	9	9
Dr. Jabilur Rahman Sinha	Deputy Managing Director	9	7
Mrs. Jahanara Mizan Sinha	Deputy Managing Director	9	9
Ms. Tasneem Sinha	Deputy Managing Director	9	9
Mr. Md. Abul Hossain	Nominee Director of ICB	9	9
Mr. Tanveer Sinha	Director	9	8
Mrs. Sabrina Juned	Director	9	9
Mr. Fahim Sinha	Director	9	9
Mr. Das Deba Prashad	Independent Director	9	8
Mr. Ehsan Ul Fattah	Independent Director	9	9
*Mrs. Evana Haque, FCA	Independent Director	9	9

\*Mrs. Evana Haque, FCA, Independent Director resigned from her position of Independent Director and Chairperson of Audit committee, which was approved by the Board of Directors in its 151<sup>st</sup> Meeting held on 10 October 2023.

## A REPORT ON THE PATTERN OF SHAREHOLDING AS AT 30 JUNE 2023

A report on the pattern of shareholding as at 30 June 2023 disclosing the aggregate numbers of shares (along with name-wise details) is stated below:-

As on 30 June 2023

SI No.	Name and Particulars	Designation	Number of holding
A. Parent or Subsidiary or Associated Companies and other related parties:			
01.	The ACME Laboratories Ltd. does not have any Parent, Subsidiary, or Associated Companies as at 30 June 2023. However, other related parties do not hold any shares of the Company.		
B. (I) Directors and their spouses and minor children (name-wise details):			
01.	Mrs. Nagina Afzal Sinha	Chairman	11,888,433
02.	Mr. Fahim Sinha, S/O Mrs. Nagina Afzal Sinha	Director	9,375,961
03.	Mrs. Sabrina Juned, D/O Mrs. Nagina Afzal Sinha	Director	9,102,613
04.	Mr. Mizanur Rahman Sinha	Managing Director	8,574,000
05.	Mrs. Jahanara Mizan Sinha, W/O Mr. Mizanur Rahman Sinha	Deputy Managing Director	5,290,000
06.	Ms. Tasneem Sinha, D/O Mr. Mizanur Rahman Sinha	Deputy Managing Director	9,761,300
07.	Mr. Tanveer Sinha, S/O Mr. Mizanur Rahman Sinha	Director	9,600,659
08.	Dr. Jabilur Rahman Sinha	Deputy Managing Director	4,860,696
09.	Hasina Jabil Sinha, W/O Dr. Jabilur Rahman Sinha	Shareholder	3,641,245
10.	Mr. Md. Abul Hossain	Nominee Director of ICB	8,419,940
11.	Mr. Das Deba Prashad	Independent Director	N/A
12.	Mr. Ehsan Ul Fattah	Independent Director	N/A
13.	*Mrs. Evana Haque, FCA	Independent Director	N/A
B. (II) CIAE , ED & CFO, Company Secretary and their spouses and minor children (name-wise details):			
01.	Md. Hasibur Rahman	Additional DMD and Chief Internal Audit Executive (CIAE)	60,180
02.	Kazi Mohammed Badruddin, FCA, FCMA	Executive Director & Chief Financial Officer	N/A
03.	Mr. Md. Arshadul Kabir, FCA, and his spouse including minor child	Company Secretary (Acting)	N/A
C. Executives			
01.	Mr. Md. Hasibur Rahman	Additional Deputy Managing Director	60,180
02.	Kazi Mohammed Badruddin, FCA, FCMA	Executive Director & Chief Financial Officer	N/A
03.	Dr. Syed A.M. Mustafij Billah	Executive Director-Factory Admin & HR	N/A
04.	Mr. Md. Ferdous Khan	Director- Sales & Distribution	N/A
05.	Mr. Asad Quader Shamsuddin	Director- Engineering Division	N/A
D. Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)			
01.	There is no shareholder who holds 10% or more shares of The ACME Laboratories Ltd.		

\*Mrs. Evana Haque, FCA, Independent Director resigned from her position of Independent Director and Chairperson of the Audit committee, which was approved by the Board of Directors in its 151<sup>st</sup> Meeting held on 10 October 2023.

## COMPOSITION OF SHAREHOLDING POSITION

The shareholding Position as at 30 June 2023 of the Company is given below:

As at 30 June 2023

Name of the Shareholders	Designation	No. of Shares	% of holding
Mrs. Nagina Afzal Sinha	Chairman	11,888,433	5.62%
Mr. Mizanur Rahman Sinha	Managing Director	8,574,000	4.05%
Dr. Jabilur Rahman Sinha	Deputy Managing Director	4,860,696	2.30%
Mrs. Jahanara Mizan Sinha	Deputy Managing Director	5,290,000	2.50%
Ms. Tasneem Sinha	Deputy Managing Director	9,600,659	4.54%
Mr. Tanveer Sinha	Director	9,761,300	4.61%
Mr. Fahim Sinha	Director	9,375,961	4.43%
Mrs. Sabrina Juned	Director	9,102,613	4.30%
Mrs. Parveen Akhter Nasir	Sponsor Shareholder	7,519,158	3.55%
Mrs. Khurshid Jahan Dabir (Mrs. Laizu Dabir)	Sponsor Shareholder	725	0.00%
Investment Corporation of Bangladesh (ICB)	Shareholder	8,419,940	3.98%
Institute	Shareholder	63,976,943	30.23%
Foreign	Shareholder	294,800	0.14
General Public	Shareholder	62,936,472	29.74%
<b>Total</b>		<b>211,601,700</b>	<b>100%</b>

## REAPPOINTMENT OF DIRECTORS

Mrs. Nagina Afzal Sinha, Mrs. Jahanara Mizan Sinha, Dr. Jabilur Rahman Sinha, and Mr. Fahim Sinha, members of the Board of Directors of the Company shall retire from the Board in the forthcoming 47<sup>th</sup> Annual General Meeting as per clauses no. 148 & 149 of the Articles of Association of the company, because of the longest duration in office since their last election.

As per clause no 150 of the Articles of Association of the Company, being eligible, all the above-mentioned directors shall be re-elected as directors by the approval of the shareholders of the company in its forthcoming 47<sup>th</sup> Annual General Meeting. A brief resume of the Directors including their expertise and Directorship/Membership with other companies/Committees are provided in the Directors' profile section of this Annual Report on page no. 42-49.

## APPOINTMENT/RE-APPOINTMENT OF INDEPENDENT DIRECTORS

Mr. Das Deba Prashad and Mr. Ehsan Ul Fattah, Independent Directors of the company are on the verge of completing their first three-year tenure as Independent Directors on 3 December 2023. Both directors, being eligible, have given their consent to serve another three-year term as Independent Directors. In the light of the recommendation of NRC, the Board of Directors in its 152<sup>nd</sup> Meeting held on 26 October 2023, re-appointed two existing Independent Directors namely Mr. Das Deba Prashad and Mr. Ehsan Ul Fattah for a second consecutive term of three years commencing from 4 December 2023, subject to consent getting from Bangladesh Securities and Exchange Commission and final approval by the Shareholders in the forthcoming 47<sup>th</sup> Annual General Meeting. The profile of the two Independent Directors are provided in the Directors' profile section of this Annual Report on. 42-49.

The Board of Directors in its 153<sup>rd</sup> Meeting held on 13 November 2023 appointed Mr. Kazi Sanaul Hoq as Independent Director of The ACME Laboratories Ltd. for a period of three years with effect from 13 November 2023. However, this

appointment is subject to obtaining necessary consent from the Bangladesh Securities and Exchange Commission (BSEC) and final approval from the Shareholders in its 47<sup>th</sup> Annual General Meeting. The profile of the Independent Director is provided in the Directors' profile section of this Annual Report on. 49.

### APPOINTMENT OF COMPANY SECRETARY

In the light of the recommendation of the Nomination and Remuneration Committee the Board of Directors in its 152<sup>nd</sup> meeting held on 26 October 2023, appointed Mr. Masudur Raman Bhuiyan, FCS, as the Company Secretary, effective from 17 August 2023. Mr. Masudur Rahman Bhuiyan is a distinguished Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB), recognized for his expertise and contributions to the field of corporate governance and Secretarial practices. With a career spanning over 18 years, he has consistently demonstrated his proficiency in various facets of corporate affairs, internal audit, legal compliance, and leadership.

### STATEMENT SIGNED BY CEO OR MD FOCUSING ON THE COMPANY'S POSITION AND OPERATIONS

A management discussion and analysis signed by the CEO or MD presenting a detailed analysis of the Company's position and operations along with a brief discussion of changes in the Financial Statements has been presented on Page no. 59-61.

### DECLARATION OR CERTIFICATION BY THE CEO AND THE CFO TO THE BOARD AS REQUIRED UNDER CONDITION NO. 3(3) SHALL BE DISCLOSED AS PER ANNEXURE-A

Declaration or certification by the CEO and the CFO to the Board is appended in this Annual Report under Annexure A, Page no. 127-128.

### THE REPORT AS WELL AS THE CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF THIS CODE AS REQUIRED UNDER CONDITION NO. 9.

The report, as well as certificate regarding compliance of conditions of this code as required under condition No. 9, has been presented under Annexure -B and Annexure -C in the page no. 129 and 130-143 respectively.

### APPOINTMENT OF AUDITORS

The existing Statutory Auditor of the Company M/s. Fames & R, Chartered Accountants (Prime Global, An Association of Independent Accounting Firms) has conducted their Audit for the financial year 2022-2023. M/s. Fames & R, Chartered Accountants (Prime Global, An Association of Independent Accounting Firms), the Auditors of the Company retire at this Annual General Meeting and being eligible offered themselves for reappointment as Statutory

Auditor of the Company for the financial year 2023-2024 at a remuneration of BDT 6,00,000.00 (Six Lac) only including Income Tax, subject to the approval of the shareholders in its forthcoming 47<sup>th</sup> Annual General Meeting.

### APPOINTMENT OF COMPLIANCE AUDITORS

The existing compliance Auditors of the Company M/s. M. Z. Islam & Co., Chartered Accountants, retire at this Annual General Meeting and being eligible have offered themselves for re-appointment as Compliance Auditors of the Company for the financial year 2023-2024 with a remuneration of BDT 50,000 (Taka Fifty Thousand) only including Income Tax, subject to the approval of the Shareholders in its forthcoming 47<sup>th</sup> Annual General Meeting.

### CONTRIBUTION TO NATIONAL EXCHEQUER

During the year 2022-2023, your Company paid BDT 562 Crore to the National Exchequer in the form of Corporate Income Tax and Value Added Tax (VAT) and Import Duties.

### CORPORATE GOVERNANCE

Corporate Governance is a system of rules, policies and practices that dictate how a company's Board of Directors manages and oversees the operations of a Company. Corporate governance includes principles of transparency, accountability and fairness. A Company's corporate Governance is important to investors since it shows a Company's direction and business integrity. Good Corporate Governance helps Companies build trust with investors and the community. As a result, Corporate Governance helps promote financial viability by creating a long-term investment opportunity for market participants.

In order to enhance Corporate Governance Practice for the interest of investors and the Capital Market; Bangladesh Securities and Exchange Commission (BSEC) has imposed some further conditions and issued a revised notification vide No. BSEC/CMRRCD/2006-158/207/Admin/80; Dated: 3 June 2018. The compliance status of the above-mentioned Code by The ACME Laboratories Ltd. has been depicted on Page no. 130-143 of this Annual Report as Annexure: C.

### CORPORATE SOCIALIZATION

In order to play a model role for Good Governance characteristics in the corporate sector, the company has become a member of the country's leading chamber and market regulators:

- A. Bangladesh Chamber Industries (BCI)
- B. Bangladesh Association of Pharmaceutical Industries (BAPI)
- C. Dhaka Stock Exchange Ltd. (DSE)
- D. Chittagong Stock Exchange PLC. (CSE)
- E. Central Depository Bangladesh Limited (CDBL)
- F. Bangladesh Association of Publicly Listed Companies (BAPLC)

These memberships have provided scope to the company for the improvement of Corporate Governance Practices for the benefit of the shareholders and other stakeholders.

## BOARD OF DIRECTORS

The Board of Directors is the highest governance body of the Company and represents the interests of all shareholders and stakeholders, irrespective of who elected its Directors. The Board of the Company comprises 12 (twelve) Directors, of whom 8 (Eight) Directors are Shareholder Directors, 1 (one) nominee Director and 3 (three) Independent Directors. Independent Directors are appointed as per the provision of the Corporate Governance Codes of the Bangladesh Securities and Exchange Commission (BSEC). The Board's essential role is to approve the Company's strategy and oversee compliance.

## AUDIT COMMITTEE

In compliance with the condition, # 5 of the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) vide reference no. BSEC/CMRRCD/2006-158/207/Admin/80; dated: 3 June 2018, the audit committee of the Company is functioning as a sub Committee of the Board. The main aim of the Audit Committee is to assist the Board in ensuring that the Financial Statements reflect a true and fair view of the state of the affairs of the Company. The committee also assists the Board with regard to the strategies adopted to manage business-related risks and continuously oversee the internal control environment of operations. Presently, the Committee comprises of the following members:

Sl.	Name	Position in Audit Committee	Position in Board
01.	Mr. Das Deba Prashad	Chairperson	Independent Director
02.	*Mrs. Evana Haque, FCA	Chairperson (Retired on 10 October 2023)	Independent Director
03.	Mr. Md. Abul Hossain	Member	Nominee Director of ICB
04.	Mr. Ehsan Ul Fattah	Member	Independent Director
05.	Mr. Md. Arshadul Kabir, FCA	Secretary of the committee	Company Secretary (Acting)

\*Mrs. Evana Haque, FCA, Independent Director resigned from her position of Independent Director and Chairperson of Audit committee, which was approved by the Board of Directors in its 151<sup>st</sup> Meeting held on 10 October 2023, on the same meeting existing Independent Director, Mr. Das Deba Prashad appointed as Chairperson of the Audit committee.

## NOMINATION AND REMUNERATION COMMITTEE (NRC)

In compliance with the condition, # 6 of the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) vide reference no. BSEC/CMRRCD/2006-158/207/ Admin/80; dated: 3 June 2018 the Nomination and Remuneration Committee (NRC) of the Company is functioning. The Nomination and Remuneration Committee is a Sub-Committee of the Board, NRC assists the Board in the formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors as well as a policy for a formal process of considering remuneration of directors and top-level executives. Presently, the Committee comprises of the following members:

Sl.	Name	Position in NRC	Position in Board
01.	Mr. Das Deba Prashad	Chairperson	Independent Director
02.	Mr. Md. Abul Hossain	Member	Nominee Director of ICB
03.	Mrs. Jahanara Mizan Sinha	Member	DMD
04.	Mr. Ehsan Ul Fattah	Member	Independent Director
05.	*Mrs. Evana Haque, FCA	Member	Independent Director
06.	Mr. Md. Arshadul Kabir, FCA	Secretary of the committee	CS (Acting)

\*Mrs. Evana Haque, FCA, Independent Director resigned from her position of Independent Director and Chairperson of Audit committee, which was approved by the Board of Directors in its 151<sup>st</sup> Meeting held on 10 October 2023.

## APPRECIATION

The Board of Directors takes this opportunity to appreciate Shareholders, Doctors, Customers, Bankers, Suppliers, Vendors, Insurance Companies, Employees, and Regulatory Bodies including Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange PLC. (CSE), Central Depository of Bangladesh Ltd. (CDBL), National Board of Revenue (NBR), Directorate General of Drug Administration & Licensing Authority (DGDA), Registrar of Joint Stock Companies and Firms (RJSC) and Insurance Development and Regulatory Authority (IDRA) for their continued support and co-operation extended to us and sincerely look forward the same in future as well.

On behalf of the Board,

*Nagina Afzal Sinha*

Nagina Afzal Sinha  
Chairman