

**Always use
JMI Auto Disable (AD) Syringe
& Disposable Syringe
the best defense against Hepatitis, AIDS.**



Be safe with JMI



Is your Child Immunization UP-TO-DATE?



JMI Syringes & Medical Devices Ltd.
(A Joint Venture Company with Japan & Republic of Korea)



JMI Syringes and Medical Devices Limited



**JMI Products
trust in comfort**





Overview 2018-2019

In 2018-2019 we devoted significant efforts towards improving our quality system and our remediation efforts. We added several new key employees, particularly in the Quality and Regulatory Affairs, Clinical and Medical Affairs, and Research and Development departments. In this year NIPRO Corporation, Osaka, Japan joint with JSMDL as an equity partner / strategic investor. NIPRO Corporation, Osaka based publicly listed a Japanese multinational Company, established in the year 1954. The Company engages globally in the development, manufacture, marketing and distribution of Surgical & Medical Devices and Pharmaceuticals products including medical equipment for injection infusion & dialysis treatment and products related to diabetes and cell cultures as well as the sale of artificial organ-related products and generic drugs. NIPRO Corporation has 91 business entities and conducts its operation in 57 Countries all over the World.

NIPRO is a research oriented innovative company and develop products considering users' viewpoints and its basic policy is to continue providing users with high-quality competitive products that meets their needs. NIPRO & JSMDL believes its current and future responsibility to the society, is to develop innovative, value added products and technologies that improve patient outcome and healthcare worldwide. As such, it has set its goal to become a truly global comprehensive healthcare company that able to respond to a wide variety of medical needs.

For 2019-2020, our strategic priorities are as Remediation and Continuation of Quality Systems Overhaul, Create the Visual Freedom Market, Innovating and Developing New Products, Materials and Delivery Systems



Our philosophy

JMI Syringes and Medical Devices Limited's philosophy on Corporate Governance imagines working towards high levels of transparency, accountability, consistent value systems, delegation across all facets of its operations leading to sharply focused and operationally efficient growth.

We believe our only responsibility is to the doctors, nurses and patients and also all others who use our products and services. In meeting their needs everything we do should be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' order must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us. Everyone is considered as an individual. We do respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees in fulfilling their family responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified people. We must provide competent management, and their actions must be just and ethical.

Our final responsibility is towards our stockholders. Business should make a sound profit. We must do experiment with new ideas. Research must be carried on, should develop innovative programs and mistakes paid for. New equipment should be purchased, new facilities should be provided and new products should be launched. Reserves must be created to provide for adverse times. As we do operate according to these principles so that the stockholders can realize a fair return.



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Advancing Human Health

We believe having a business that is broadly based in health care has been and will continue to be a major factor in our success. It has allowed us to deliver strong and consistent growth, as well as to return significant value to our shareholders, throughout various economic cycles.

Our company's structure also allows us to interconnect our breadth and depth to drive innovation, and to take advantage of growth opportunities wherever they may be across the dynamic health industry. This is particularly important as the industry continues to develop, and as the political environment poses new challenges and opportunities.



Transmittal Letter

The
Members
Bangladesh Securities & Exchange Commission
Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Subject: Disclosure of the Annual Report for the year ended 30th June, 2019.

Dear Sir(s)

We are pleased to enclose a copy of the Annual Report containing Directors' Report, Auditors' Report along with Audited Financial Statements including Statement of Financial Position as at 30th June, 2019, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30th June, 2019 along with notes thereon for your record and necessary measures.

Thanking You
Yours truly,

Muhammad Tarek Hossain Khan
Company Secretary

Dhaka
October 30, 2019

Notice of the 20th Annual General Meeting

Notice is hereby given that the 20th Annual General Meeting of the shareholders of JMI Syringes & Medical Devices Ltd. will be held on Saturday, November 23, 2019 at 11.30 a.m. at Sky City Hotel, 47, Siddheshwari Road, Dhaka-1217 to transact the following business:

AGENDA

01. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30th June, 2019 together with reports of the Auditors and the Directors thereon.
02. To declare and approve dividend for the year ended 30th June, 2019 as recommended by the Board of Directors.
03. To elect Directors who are retiring in terms of the relevant provision of the Articles of Association of the Company.
04. To appoint Auditors and fix their remuneration for the year ended on 30th June, 2020.
05. To transact any other business of the Company with the permission of the chair.

Dhaka
30th October, 2019

By order of the Board


Muhammad Tarek Hossain Khan
Company Secretary

Notes:

- i) October 13, 2019 (Sunday) has been scheduled as Record Date for the 20th AGM. The shareholder's whose names appeared in the Share Register / Depository Register on the Record Date would be eligible to attend the meeting and be entitled for dividend.
- ii) A member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting.
- iii) Admission to the meeting room will be strictly on production of attendance slip sent with the Notice as well as verification of signature of Member(s) and /or Proxy-holder(s).
- iv) This Notice & Annual Report-2018-2019 is available in the Company's website: www.jmisyringe.com

বাংলাদেশ সিকিউরিটিজ অ্যান্ড একচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায়
কোন প্রকার উপহার/খাবার/যাতায়াত খরচ/ইত্যাদি কোন প্রকারের সুবিধা প্রদান করা হবেনা।

SAFE INJECTIONS SAVE LIVES

Pioneer manufacturer of versatile forms
of medical devices in Bangladesh



JMI Auto Disable Syringe



JMI Blood Transfusion Set



JMI Urine Drainage Bag



JMI IV Cannula



JMI Infusion Set (Latex Free)



JMI Infusion Set with Precision Filter



JMI First Aid Bandage



JMI Syringes & Medical Devices Ltd.

www.jmisyringe.com



Corporate Directory

Board of Directors

| | |
|---------------------------------------|---|
| Mr. Md. Jaber Iqbal Pathan | - Chairman |
| Mr. Md. Abdur Razzaq | - Managing Director & CEO |
| Mr. Hoi Kwan Kim | - Director, Korean |
| Mr. Kazuo Wakatsuki | - Nominee Director of NIPRO Corporation, Osaka, Japan |
| Mr. Takehito Yogo | - Nominee Director of NIPRO Corporation, Osaka, Japan |
| Mr. Noriyoshi Iwasaki | - Nominee Director of NIPRO Corporation, Osaka, Japan |
| Mr. Seigo Tsuchiya | - Nominee Director of NIPRO Corporation, Osaka, Japan |
| Mr. Hisao Nakamori | - Nominee Director of NIPRO Corporation, Osaka, Japan |
| Mr. Md. Hemayet Hossain | - Independent Director (will be retire on 23-11-2019) |
| Mr. Md. Abdul Hoque | - Independent Director |
| Mr. A.T.M. Serajus Salekin Chowdhury: | - Independent Director |

Audit Committee

| | | |
|--------------------------------------|----------------------|-----------|
| Mr. Md. Abdul Hoque | Independent Director | Chairman |
| Mr. Hoi Kwan Kim | Director | Member |
| Mr. A.T.M. Serajus Salekin Chowdhury | Independent Director | Member |
| Mr. Muhd. Tarek Hossain Khan | Company Secretary | Secretary |

Nomination and Remuneration Committee (NRC)

| | | |
|--------------------------------------|----------------------|-----------|
| Mr. A.T.M. Serajus Salekin Chowdhury | Independent Director | Chairman |
| Mr. Md. Abdul Hoque | Independent Director | Member |
| Mr. Hoi Kwan Kim | Director | Member |
| Mr. Muhd. Tarek Hossain Khan | Company Secretary | Secretary |

Company Secretary

Muhammad Tarek Hossain Khan

CFO

Mr. Ranjit Chakraborty

Statutory Auditor

G. Kibria & Co.
Chartered Accountants,
24-25, Dilkusha C/A, Dhaka-1000.

Registered Office

7/A Shantibag, Dhaka-1 217, Bangladesh,
Tel: 880-2-9333102, 8318733, Fax: 880-2-9337798

Corporate Office

Unique Height, Level -11, 117 Kazi Nazrul Islam Avenue, Dhaka - 1217
Tel: 880-2-55138723, 55138724, Fax: 880-2-55138725

Factory

Noapara, Rajendrapur, Chaudhogram, Cumilla

Director Factory

Mr. Md. Golam Mostafa

Bankers

1. Janata Bank Limited, Janata Bhaban Corporate Branch 110, Motijheel C/A,Dhaka-1000.
1. Janata Bank Limited, Chaudhogram Branch Cumilla.
2. Dutch Bangla BankLtd. Local Office, Motijheel C/A, Dhaka-1 000.
3. Pubali Bank Ltd. BB Avenue Branch, Dhaka.
4. One Bank Ltd. Motijheel Corporate Branch, Dhaka.
5. Standard Bank Ltd. Motijheel Branch, Dhaka

Legal Advisor

Md. Ferdous Rahman, Barrister at law (Lincoln's Inn) PGDL (UWE, UK) MBA (AWU, USA), LL.M (Huddersfield, UK), LL.B (Hons) University of London, UK.
Chamber: Room No. D-5 (3rd floor), Mukti Bhaban, 21/1, Purana Paltan, Dhaka-1000.

Accounts & Finance Advisor

Mr. Anjan Mallik, FCA
Partner, Malek Siddiqui Wali, Chartered Accountants
9-G, Motijheel C/A, Dhaka-1000.

JMI Group CFO

Mr. Md. Zahangir Alam, FCMA

Tax Advisor

Mr. Md. Abu Hana, ITP

VAT Advisor

Mr. Noor Mohammad, MA (DU) Assistant Commissioner (Rtd.) Custom Excise &VAT,
National Board of Revenue.

Product & Medical Advisor

Dr. Md. Mahbubur Rahman
Former Director
Directorate General of Health Service
Govt. of the People's Republic of Bangladesh

Dr. Md. Tazul Islam, MBBS, MPH, CCD, C Card, Ex Program Manager, EPI,
Directorate General of Health Service,
Govt. of the People's Republic of Bangladesh

Administration Advisor

Mr. M.A. Razek
Former Director General (Joint Secretary), Ministry of Public Administration,
Govt. of the People's Republic of Bangladesh

Authorized Capital

Taka 1000.00 Million

Paid up Capital

Taka 110.00 Million, subsequently paid-up capital was increased on 3rd July, 2019 to issuing 1,11,00,000 shares to NIPRO Corporation, Osaka, Japan and now paid-up capital will be Tk. 221.00 Million.

Status

Publicly Traded Company

Market Category

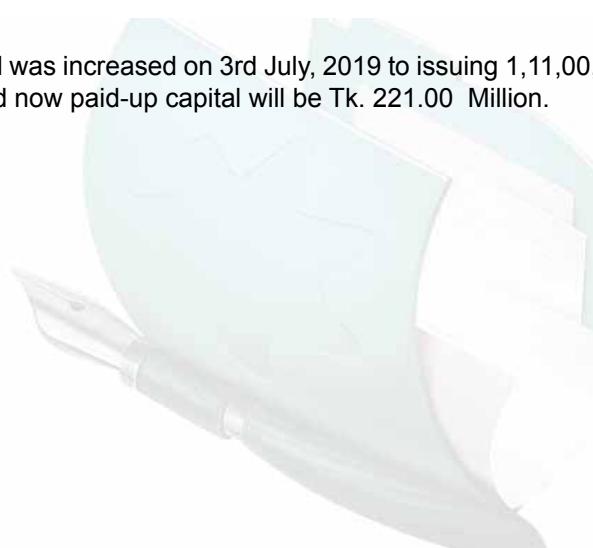
"A" Category

Listing

Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Website & E-mail

www.jmisyringe.com
info@jmisyringe.com



Corporate Achievement

1999-2019

- Registration of the Company as a Private Limited Company as on 5th April, 1999.

1999

- Started manufacturing and marketing of licensee products of the Company as on 26th January, 2002.
 Started export to Nepal, Pakistan and Syria.
 Conversion in to Public Limited Company from Private Limited Company.

2002

- Consent from Securities and Exchange Commission regarding Public Issue.

2003

- Won best Customers Award from Janata Bank.

- Applied for listing of Chittagong Stock Exchange (CSE) as a public limited Company.

- Started to production of Insulin Syringe (U-40 and U-100), 1cc, 3cc, 5cc & 10cc Disposable Syringe Urine Drainage Bag, Infusion Set and Blood Set.

2004

- Started Production of 20cc, 30cc, 50cc & 60cc Disposable Syringe and Production of Scalp Vein set.

2005

- Auto Disable (AD) Syringe project started with expectation to start production by year 2006.

2006

- Successful commissioned new machinery for production of Auto Disable (AD) Syringe with collaboration of Star Syringe Ltd. UK and as per plan commenced production at the end of year.

2007

- Became the Pioneer manufacturer of Auto Disable Syringes (AD syringe) in Bangladesh and started as regular supplier to EPI (Expanded Program on Immunization) D.G.H.S., under Ministry of Health and Family Welfare.

- Also achieved the ISO & CE certification.

2008

- Expansion of infrastructure

- Started Production of 3cc & 5cc Auto Disable (AD) Syringe.

2009

- Started Production of 1cc Auto Disable (AD) Syringe.

- Agreement made with Helm, Germany and Directorate of Family Planning, Bangladesh for supplying of 1cc Auto Disable (AD) Syringe.

2010

- Started Production of 10cc Auto Disable (AD) Syringe.

- Construction of a four storied building for production of AD Syringes.

2011

- Started Marketing of 1cc, 3cc, 5cc & 10cc Auto Disable (AD) Syringe.

2012

- Revaluation of Factory Building & Land and by that Reserve Amount was increased to Tk. 35.04 Crore.

- Increase Authorized Capital from Tk.30.00 Crore to Tk. 100.00 Crore and also changed the face value of share from Tk. 100 to Tk. 10/=each.

- Share Dematerialization with CDBL as on 22nd November, 2012.

- Discover the new surgical product in Bangladesh: Eye Gel Set.

2013

- Listed with Dhaka Stock Exchange Ltd. as on 19th June, 2013.
- Credit Rating of the Company by Alpha Credit Rating Limited as on 30th September, 2013 and get the Rating for Long Term (A-) and Short Term (AR-2).
- Awarded with a Prestigious Certificate "PQS" (Performance Quality Safety) for JMI Products from World Health Organization (WHO) as on 29th May, 2013.
- Started business with World Health Organization (WHO), Save the Children, USA and Family Planning-CCSDP.
- Production of Inter Venus Cannula (IV Cannula), Scalp Vein Set (SV Set) and CopperT-380A for the 1st time in Bangladesh.

2014

- Expansion of Sales over 100 Crore mark.
- Export expansion over 50 Crore marks.
- Production of new surgical product in Bangladesh, Blood Transfusion Set and Suction Catheter.
- Expansion of Factory Building.
- Credit Rating of the Company by Alpha Credit Rating Limited as on 25th September, 2014 and get the Rating for Long Term (A) and Short Term (AR-2) in positive outlook.

2015

- Appointed of foreign specialist in the production section for developing of product production.
- Appointed of local specialist in the quality section for developing of quality.
- Renovation of building presumes for product quality and workers safety.
- Started Production of Blood Lancet & Feeding Tube for the first time in Bangladesh.
- Credit Rating of the Company by Alpha Credit Rating Ltd. as on 15th December, 2015 and get the Rating for Long Term (A) and Short Term (AR-2) in positive outlook.

2016

- Expanded the security system for safety of factory operation.
- Developed quality awareness and policy.
- Expansion of sales over 200 crore marks in 18th months Accounts (January 2015 to June 2016)

2017

- Launching of 3 new products as pioneer manufacturer in Bangladesh; Wound Drain Tube, Umbilical Cord Clamp and 3-Way Stopcock.
- Expansion of sales over 150 crore marks.
- Credit Rating of the Company by Alpha Credit Rating Ltd. as on 16th November, 2017 and get the Rating for Long Term (A+) and Short Term (ST-2) in stable outlook.
- Achieved CIP Award-2015 (Section-Large Scale Industry-Production) from Ministry of Industries, Govt. of Bangladesh through Mr. Md. Abdur Razzaq, Managing Director on behalf of JMI Syringes & Medical Devices Ltd

2018

- Launching of 4 new products as pioneer manufacturer in Bangladesh; JMI 0.1 ml Auto Disable (AD) Syringe, JMI Toomey Syringe-60 ml, JMI IV Cannula-24G Neonate, JMI Urine Drainage Bag-Leg Bag.

2019

- Launching of 4 new products as pioneer manufacturer in Bangladesh; IV Infusion Set with precision filter, Needle 26G X 1 1/2", 3ml Disposable Syringe with Dental Needle (2 nos model/size) & Suction Catheter with Control Valve (6 nos model/size).
- To increase paid-up capital Tk. 22,10,00,000/= instead of Tk. 11,00,00,000/=
- NIPRO Corporation, Osaka, Japan has acquired 50.23% shares of the Company on 3rd July, 2019.
- Appointed 5 nominee Directors from NIPRO Corporation, Osaka, Japan.
- Mr. Hoi Kwan Kim, Korean Shareholders of the Company has appointed as Director.
- Achieved CIP Award-2017 (Section-Large Scale Industry-Production) from Ministry of Industries, Govt. of Bangladesh through Mr. Md. Abdur Razzaq, Managing Director on behalf of JMI Syringes & Medical Devices Ltd.

The Board of Directors

Md. Jaber Iqbal Pathan

Chairman



Md. Abdur Razzaq

Managing Director & CEO



Hoi Kwan Kim

Director



Kazuo Wakatsuk

Nominee Director of NIPRO Corp



Takehito Yogo

Nominee Director of NIPRO Corp



Noriyoshi Iwasaki

Nominee Director of NIPRO Corp



The Board of Directors

Seigo Tsuchiya

Nominee Director of NIPRO Corp



Hisao Nakamori

Nominee Director of NIPRO Corp



Md. Hemayet Hossain

Independent Director
(will be retire on 23-11-2019)



Md. Abdul Hoque

Independent Director



A.T.M. Serajus Salekin Chowdhury

Independent Director



View Point

Our performance in 2018-19

Launching of 4 new products as pioneer manufacturer in Bangladesh; IV Infusion Set with precision filter, Needle 26G X 1/1/2", 3ml Disposable Syringe with Dental Needle (2 nos model/size) & Suction Catheter with Control Valve (6 nos model/size).

Internal Control

The Company has well-documented Policies, Directives and Work Instructions which are periodically reviewed. Implementation and compliance with the Policies, Directives and Work Instructions are monitored and reported to the Audit Committee. The Audit Committee consists of four (4) members from the Board of Directors. The Chairman of the Audit Committee is an Independent Director.

Our values

To achieve the desired vision the followings are our values:

Focus to Customer

- Customer satisfaction is the main reason behind all our activities.

Integrity

- We confirm to the highest ethical standards.

Social Responsibility

- We make active efforts to improve the welfare of our community.

Building Leaders

- JMI Syringes cannot grow without leadership in all spheres of our activities. Therefore creating leaders is a key priority.

The Corporate Family

- We recognize that people are the key stone of JMI success.

- We are one big family where each of us expects to be treated fairly and with dignity.

Quality policy

- Establish a comprehensive quality assurance system and maintain high quality and reliability levels.
- Accurately grasp our clients' needs and always provide them with products of the highest quality.
- Seek out complicated technology and aim for even higher quality levels.
- Establish and ensure procedures for quality control and production management that apply internationally.
- Emphasize education and training to increase awareness of quality among all Employees of the company.

Research and development

We continue to increase investments for generic and specialty Medical device research and technology. Additionally, patient friendly formulations for existing setup which, offer increased convenience to patients are being developed. This research supports our generic business across all the markets we are present in, and ensures we have a healthy pipeline for future growth. It also help us in enhancing our special pipeline for country wide markets.

At our modern R&D centers, expert teams are engaged in complex developmental research projects in process products and uses forms, including complex generics based on delivery systems. Strong new product development capability is an important part of our strategy, and R&D expertise help us to maintain our leadership position in Bangladesh markets with place of formulations.



Our Vision

Our Vision is to improve the quality of human life by enabling people to do more, feel better and live longer.

Our Mission

Our mission is to discover new ways to improve and extend people's lives. We contribute to society by providing valued products and services in the healthcare market by responding to the needs of patients and healthcare professionals.



JMI IV Cannula



Available Sizes:
18G, 20G, 22G, 24G

- ☒ Kink resistant FEP radio opaque catheter
- ☒ Color coded injection port
- ☒ Clear flashback chamber
- ☒ Flexible wings with optimum angle
- ☒ Superior needle sharpness

Pioneer Manufacturer of

Auto Disable (AD) Syringes

IV Cannula

Blood Transfusion Set

First Aid Bandage

...In Bangladesh

JMI Infusion Set



1st Time in Bangladesh

LATEX FREE Infusion Set
with

- ☒ Convenient Y-Injection Port
- ☒ ISO standard Luer Connector
- ☒ Chemical Indicator



Development through Training

Employee training and development implies a program in which specific knowledge, skills and abilities are imparted to the employees, with the aim of raising their performance level in their existing roles, as well as providing them learning opportunities to further their growth.

Good & efficient training of employees helps in their skills & knowledge development, eventually helps a company to improve their business. By proper training, people can learn new information, new methodology and refresh their existing knowledge and skills.

JMI Syringes & Medical Devices Limited (JSMDL) has been maintaining its substantial growth in the syringes market through continuous improvement in man-machine-mechanism. In order to improve productivity of human input, the company continuously provides formal and informal training to the employees at every echelon of operation and management. Total 750 persons received in-house & external training in this year 2019 at home and abroad which will ultimately make great contribution to the company's profitability as well increases their competencies.

JSMDL always believes training is not a privilege to be granted, but should be invested to the employee according to their needs. Each training program has carefully designed and sequentially executed after a training need assessment analysis considering jobs related tasks.

Some Pictures of the training program are given below-



Training on “Online VAT Management”
Facilitator: Mr. Noor Mohammad, Advisor, VAT & TAX



Training on “Risk Management & QMS Software Validation”
Facilitator: Mr. Markus Weber, Germany



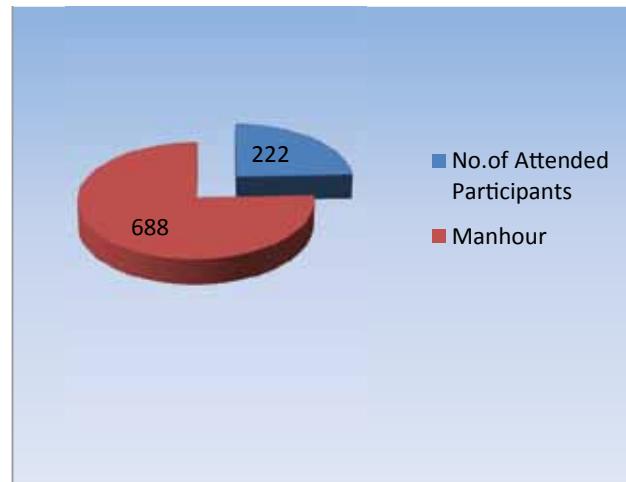
Training on “ Microsoft Excel”
Facilitator: Mr. Md. Qumrul Hassan Miron, Manager, & Mr. S. M. Nevauzzaman, Deputy Manager, Accounts & Finance

Training & Employee Development in JMI

Employees are company's most valuable asset and investing in talent is vital to sustainable business growth and success. In order to stay conversant with the modern perception, full spectrum training for all levels is conducted each year. Graphical presentation of different training is given below.

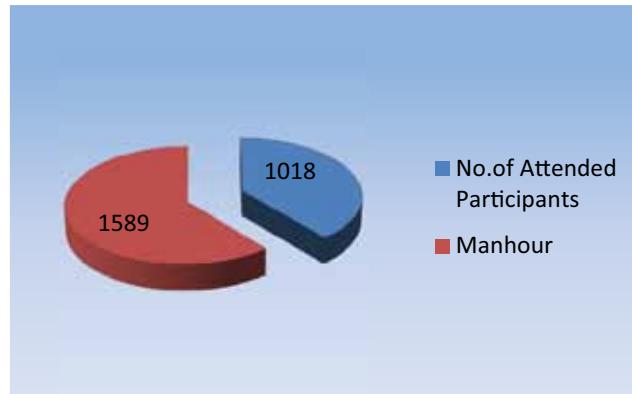
Management Employees Training:

Management employees participated in different types of training to enhance their competencies. Trainer were from internal expert of JMI Group & also some of were world renowned trainer who has facilitated the training among employees of JMI Syringes & Medical Devices Ltd. JMI Experts conducted the following training like Team work Makes The Dream Work, Microsoft Excel Basic, Internal Auditor Refreshers Training on ISO 13485:2016, Fire & Safety Management, Good Documentation Practice & Data Integrity, Online Vat Management System, Knowledge Sharing session on "Warehouse Management & Validation, Qualification & Calibration & world renowned trainer from Germany trained our employees on Risk Management & QMS Software Validation. Total 222 participants attended in different training & total man-hour was 688 hours.



Non-Management Employees Training:

JMI always believe in quality & maintain its product quality. JMI provided different training to its Non-Management Employees several times. JMI experts provided the following Training-Personal Hygiene & Ergonomics, First Aid & Emergency Healthcare, Good Manufacturing Practice, Awareness on Safety Issues, Basic Electrical Safety, Office Etiquette & Manners, Occupational Health & Safety & Positive Approach. Total 1018 participants attended in different training & total man-hour was 1589 hour.



Field Force Training & Development

Every year, a large number of Sales Promotion Executives have been received induction training program and they joined to their respective markets. In this connection under training & development unit we arranged different professional training. Some names of Field Force Training are given below.

- a) Positive Approach
- b) How to deal with Customers
- c) Product Management
- d) Selling and Negotiation Skills
- e) Strategic Brand Management
- f) Becoming an Effective Sales Manager
- g) Data Analysis for Market Decision
- h) Professional Sales Management
- i) Salesmanship and Selling Skills



*Training on "Positive Approach: A key to Success
Facilitator: Mr. Md. Rezwanul Islam, Dy. Manager, HR*

Overseas Training

Employee training isn't just a nice idea; it's a necessity to ensure sustainable business success. Employees who know that organization cares enough about their success by offering ongoing employee learning and growth opportunities, they are more likely to improve their own performance, increase organizational productivity and work to drive the organization forward. To learn & enhance different technical & non-technical skills JMI send their employees to abroad for training program. It is important for multicultural development, networking & professional development.

Distribution Training

Every year a large number of Depot in Charge (DIC), Distribution Assistants (DA) & Computer Operator go under induction training program after their initial recruitment. Name of the training program for them are given below.

- a) Employee Orientation
- b) Distribution Channel Management
- b) Warehouse Management
- c) Purchase and Store Management
- d) Inventory Control
- e) Effectively & efficiently delivery of Product.
- f) How to deal with the customers.

Other Activities:

- Students from various universities are placed as Interns in different departments.
- Significant number of students completed their In-Plant Training in JMI Plants.
- Coordinated factory visit for different government and Institutions.
- All newly joined executives have been received a structured Orientation Program.
- We conducted health, hygiene & different awareness program for our colleagues.
- We conducted training on different compliance parameters for our factory colleagues.



Corporate social responsibility (CSR)

As a responsible Company, JMI Syringes & Medical Devices Limited (JSMDL) believes that the business has a key role to play in helping society to achieve the necessary sustainable balance of economic growth, environmental protection and social progress.

Therefore, its CSR activities are designed to contribute to the economic, social and environmental sustainability of the community in which it operates.

Corporate Social Responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

Our Business Motivation is Being Good by Doing Well and to conduct transparent business operations based on market mechanism within the legal, ethical & social framework with aims to attain the mission reflected by our vision. We scale-up CSR activities to consider the interests of our external & internal stakeholders like customers, employees, vendors, shareholders, society, government etc. and ecological & ethical considerations in all aspects of operations.

JMI Syringes & Medical Devices Limited (JSMDL) is proud to be a Bangladeshi Company which is actively involved in various field of Corporate Social Responsibility.

Commitment towards society & support to social grounds

Celebrating International Peace Day

Each year the International Day of Peace is observed around the world on 21st September. The theme for this year was “**Climate Action for Peace**”. Humans are one of the major causes for the sudden climate changes and peace can only be achieved if we can combat those changes. Mr. Md. Abdur Razzaq, Founder & Managing Director of JMI Group, has a vision to take Bangladesh to its desired position in the Global Healthcare Sector. JMI Group never misses a chance to help the society. Just like previous years, JMI Group participated in the International Day of Peace-2019 on 21st September, 2019 to make people aware of the climate changes. International Peace Day held at Dhaka Press Club premises dated on 21st September 2019 Inaugurated by **Md. Abdur Razzaq**, Founder Managing Director of the Company. The Peace Day was celebrated thorough some special programs participated by thousands of people.

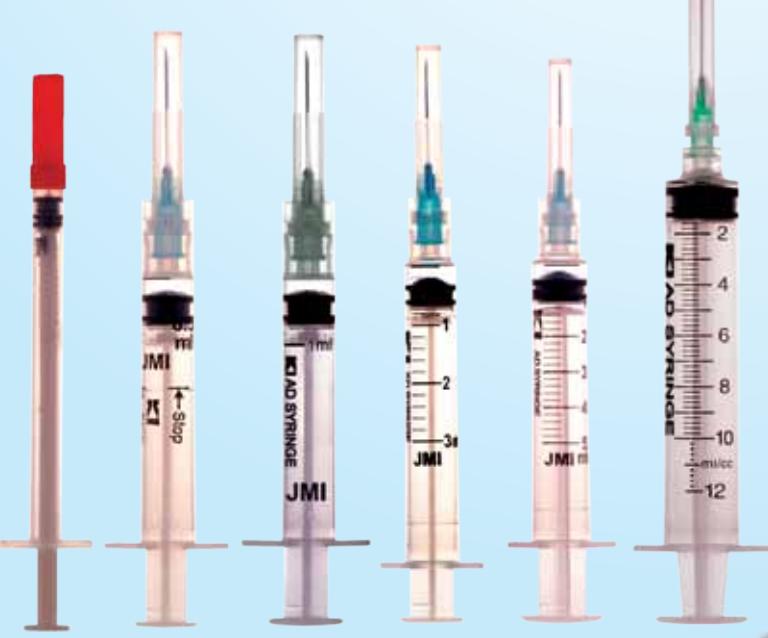




JSMDL celebrated International Peace Day held at Dhaka Press Club premises dated on 21st September 2019



Our Products



JMI Syringes & Medical Devices Limited of Bangladesh is a local manufacturer of global standard medical devices being accredited with WHO, GMP, ISO, Save the Children USA & CE Certification.

JMI Disposable Syringe

Versatile forms.
Luer lock and luer slip types.
Leading local & international health care institutions of the Country are the major users.



JMI Auto Disable (AD) Syringe

WHO Recommended brand.
Manufactured under the technical collaboration with Star Syringe Ltd., UK
Prevents transmission of life threatening diseases (HIV/AIDS, Hepatitis, etc.)
JMI is the major provider to EPI, DGFP, CMSD, Helm GMBH (Germany) and WHO.



JMI Insulin Syringe

Superior needle sharpness and low dead space for patient-comfort and accurate dosing.
JMI is the major provider to EPI, DGFP, CMSD, Helm GMBH (Germany) and WHO.



JMI Blood Transfusion Set

Manufactured with 170 mm mesh filter in drip chamber ensuring smooth blood flow and optimum filtration of fibrin clots and other particulate debris. First international standard brand of Bangladesh



JMI Intra Uterine Contraceptive Device (IUD) - Coper T 380A

Convenient, hormone free, safe and long lasting contraceptive device with high global recommendation
First time introduction in Bangladesh



JMI Urine Drainage Bag

Capacity: 2000 ml
Leak proof
Non sticky
Latex free
No reverse movement of fluid
Easy to use
Easy to store, stable under variable temperature
Available in Sterile & Non Sterile type



JMI IV Cannula



Unique design with FEP radio opaque, kink resistant and specially tapered catheter for easy vein puncture with minimum trauma. First Bangladeshi brand of international standard.

JMI Scalp Vein Set



Specially designed, user friendly brand with superior needle sharpness. First global standard brand of Bangladesh

JMI Disposable Needle



For single use
Sterile hypodermic single use needle
Superior Needle sharpness
Laser beam inspected

JMI Infusion Set



Compliance with international standrad is validated through bio-compatibility test conducted by texicon corporation, a prominent performing laboratory of USA.

JMI Safety Box



Ensure safe disposal of sharp and used medical wastes

First Aid Bandage



Capacity: 2000 ml
Leak proof
Non sticky
Latex free
No reverse movement of fluid
Easy to use
Easy to store, stable under variable temperature
Available in Sterile & Non Sterile type

JMI Umbilical Cord Clamp

Suitable for clamping the umbilical cord of new born baby, immediately after birth.

Provided with dual security lock and distinct "click" to indicate the correct locking.

Finger grip ensures safe and convenient handling, particularly when gloves are wet.

Provided with grooves all along the length to prevent the slipping of umbilical cord and retain it in the same position.

Manufactured from non toxic medical grade polymer.



JMI Wound Drain Tube

Smooth surface of the round tube makes insertion and withdrawal easy while its softness minimum trauma when inserted or withdrawn

Connecting to reservoir creates complete efficiency for drainage

Used for various surgeries

EO Sterilized

Latex Free

Color coded connector for easy identification



JMI Auto Disable (AD) Syringe

WHO recommended brand KI Auto Disable (AD) Syringe.

Manufactured under the technical collaboration of Star Syringe Ltd., UK

Fixed needle, locking & breaking mechanism ensures single use

Tri bevel cut hypodermic needle facilitates superior sharpness

Prevents wastage of drug & vaccine

Medical grade raw materials are used for barrel, plunger & gasket

Non-toxic, pyrogen free & sterilized by EO gas



JMI Toomey Syringe

For single use

Suitable for feeding and irrigation

Tapered nozzle for safe and easy connection to universal funnel shape connector

Non-toxic medical grade thermoplastic elastomer gasket is inert, hence provides minimum friction during movement and prevents leakage & back flow

Prominent graduation ensures dosage accuracy

Pharmaceutical grade polypropylene for barrel & plunger

Pyrogen free & sterilized by EO gas



3-Way stop cock/with extension tube



Leak proof body withstands pressure up-to ten bars when applied in normal conditions
Three way stop cock integrated with Kink resistant PVC tubing
A perfect module which facilitates drug administration or additional lines together 360° rotation
Minimum residual volume
Clear transparent body facilitates easy visualization of fluid flow
Screw luer lock ensures safe and secure connection to other standard luers systems
Sterilized by EO gas.

JMI IV Cannula-24G Neonate



Kink resistant & specially tapered FEP (radio opaque) / PTFE catheter facilitates proper venous access
Superior sharpness of needle ensures easy venipuncture with minimum trauma
Flexible wing with optimum angle for better fixation on skin surface
Double flashback technology ensures correct venipuncture
Non return silicone valve with color coded injection port for instant identification of catheter size
Non-toxic, pyrogen free & sterilized by EO gas

JMI Leg Bag



Latex free, leak proof, non-sticky PVC bag
Non-return valve assures no reverse flow of urine
Specially designed T-outlet facilitates easy discharge of urine
Stable under variable temperature & easy for handling
Adjustable leg straps for perfect fit
Capacity: 600ml

JMI IV Infusion Set With Precision Filter



DEHP free and specially designed for paclitaxel drug delivery to the cancerous patients
Reduces risks related to particulate size contamination
Removes air from the line
Choice of pore sizes enable retention of particles (0.2 µm)
Dual vent design allows priming and air elimination

JMI Disposable Dental Syringe

Sterilized and individually packed

Single use ensures no patient contamination

Prevents aggregation at the injection site

Available Size :

28GX 1" 28GX1 $\frac{1}{4}$ " 28GX1 $\frac{1}{2}$ " 30GX1" 30GX1 $\frac{1}{4}$ " 30GX1 $\frac{1}{2}$ " 32GX1" 32GX1 $\frac{1}{4}$ "



JMI Disposable Feeding Tube

Suitable for neonates, pediatric and adult nutritional feeding

Proximal end is fitted with female luer mount for easy connection to feeding funnel or syringe



Manufactured from non toxic, non irritant, medical grade PVC

EO sterilized

Latex free

Color coded connector for easy identification of sizes

JMI Disposable Suction Catheter With Control Valve

For single use

Distal end is open with two lateral eyes

The large opening of the distal tip facilitates easy and efficient removal of secretion from the airway

Color coded connector ensures instant identification of catheter size

Non-toxic pyrogen free & sterilized by EO gas



Production process and Q.C systems





বাংলাদেশে শিশুদের টিকাদান কর্মসূচীর সফল বাস্তবায়নের স্বীকৃতি হিসেবে গ্লোবাল এ্যালায়েন্স ফর ভ্যাকসিনেশন এন্ড ইমিউনাইজেশন (GAVI) মাননীয় প্রধানমন্ত্রী শেখ হাসিনাকে “ভ্যাকসিন হিরো” সম্মাননায় ভূষিত করে। এই অসামান্য সাফল্যে মাননীয় প্রধানমন্ত্রীকে

“শুভেচ্ছা ও অভিনন্দন”

আমরা জেএমআই সিরিজেস এন্ড মেডিক্যাল ডিভাইসেস লিঃ সরকারের সম্প্রসারিত টিকাদান কর্মসূচীতে বিগত ১৩ বৎসর যাবৎ নিরবিচ্ছিন্নভাবে Auto Disable (AD) Syringe সরবরাহ করে আসছি। এই মহতী কার্যক্রমে ক্ষুদ্র অংশীজন হয়ে Auto Disable (AD) Syringe উভাবন, উৎপাদন ও সরবরাহকারী হিসেবে মাননীয় প্রধানমন্ত্রীর এই অর্জনে আমরাও গর্বিত ও আনন্দিত।



JMI SYRINGES & MEDICAL DEVICES LTD.

We Care For Quality, We Care For Your Life

www.jmigroup-bd.com

Annual Report
2018-2019

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Message from the Chairman

**Respected Managing Director, Dear Shareholders,
Ladies and Gentleman,
Assalamualykum and very good morning.**

It's my immense pleasure to welcome you all to the 20th Annual General Meeting (AGM) of JMI Syringes & Medical Devices Ltd.

Dear Shareholders

We thankfully appreciate the continued support and confidence of our valued customers, shareholders and other Stakeholders alike and would look forward to having the same in the journey ahead. As a result of which this year also we could declare the cash dividend of 30% and hope that this will be much more in coming years Inshallah.

Herewith, I would like to commend, Mr. Md. Abdur Razzaq, The founder Managing Director and his able team for their sincere and dedicated efforts for bringing JMI Syringes & Medical Devices Ltd. to this stage, where it stands today.

Ladies and Gentleman

Before I conclude, I want to extend my cordial thanks and gratitude to Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE), RJSC, National Board of Revenue, my fellow Directors, all Press and Electronic Media Personnel, Bank authorities, Govt. agencies and every one for their regular support, guidance and contribution.

May almighty lend us to greater success in feature.

Thank you, once again

Jaber Iqbal Pathan
Chairman



Statement from the Managing Director

Mr. Chairman, Dear Shareholders, Colleagues, Ladies and Gentleman

Assalamualaikum and very good morning to you all

We are delighted to be with you again in this 20th Annual General Meeting (AGM) of JMI Syringes & Medical Devices Ltd. want to take the opportunity to welcome each and every one, present here in this august gathering

Dear Shareholders,

You will be happy to know that this year (2018-2019) was a significant year for our company. This year NIPRO Corporation of Japan joint with JMI Syringes & Medical Devices Ltd. as an equity partner / strategic investors. NIPRO Corporation is one of the Osaka based publicity listed globally renown Japanese multinational Company established in the year 1954. More to say about NIPRO Corporation, it has 91 business entities, and conducts its operation in 57 countries all over the world. We are very happy to having NIPRO Corporation with us. Second good news is Alhamdulillah! this year we have produced and marketed 4 new products from our company. Last but not the least I hope by now you have been informed

that we have declared 30% cash dividend for the Shareholders. This is not too much, but hope to bring better news in coming years. we are always proud of you and look forward to your continued support as you march ahead to take JMI Syringes & Medical Devices Ltd. further forward as a leading player in the health sector of the country. At the end I want to convey my thanks and gratitude to Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE), RJSC, National Board of Revenue, my fellow Directors, all press and Electronic Media Personnel, for their kind support, all through. Thank you very much.

May Allah (S.T) bless us all

With best regards

Md. Abdur Razzaq
Managing Director

Corporate Governance

JMI Syringes & Medical Devices Limited (JSMDL) believes that, corporate governance (CG) means responsibility, compliance, transparency and finally accountability. As a part of it, JSMDL acknowledges good corporate governance as the essential element for success in business and recognizes that it is to be established by means of an effective CG management. JSMDL emphasizes on stronger diligence to business, all operations being transparent and invites larger involvement of the stakeholders, to create and maintain value for shareholders, safeguard stakeholders' interest and justify investor's confidence. In this respect the Directors of JSMDL are also committed to meeting the highest standards of governance and disclosure. And with that aim, the Board ensures the integrity and firm attention of its employees, supported by a comprehensive framework of policies, guidelines and internal control. The Directors are conscious of their own responsibilities in supervision and direction of affairs of the Company in conformity with the practices of sound corporate governance. In fulfillment of those responsibilities, the Directors have set for themselves the principles that will be followed in their own involvement in the oversight functions and in setting up clear guidelines for the executive management.

Board Composition

The Board of JMI Syringes & Medical Devices Limited is comprised of ten (10) Directors including the Chairman of the Company. In compliance with the Corporate Governance Guidelines issued by the Bangladesh Securities & Exchange Commission (BSEC), the board has appointed two (2) Independent Directors with diversified knowledge and experience which provides a balance and ensures transparency in decision making process.

Independent Directors

The board has appointed two (2) Independent Directors with diversified knowledge and experience which provides a balance and ensures transparency in decision making process.

Qualification of Independent Directors

The Independent Directors are knowledgeable and they are able to ensure compliance with financial laws, regulatory requirements and corporate laws.

Chairperson, Managing Director/CEO

Md. Jaber Iqbal Pathan is the Chairperson and Md. Abdur Razzaq is the Managing Director of the Company.

The Directors reports to the shareholders

The Board of Directors of the Company disclosures in the Directors report under section 184 of the Companies Act. 1994.

Meeting of the Board of Directors

The Company conducted its Board Meeting and recorded the minutes of the meeting as well as keep required books and records as per provisions of Bangladesh Secretarial Standard (BSS).

Code of Conduct of the Chairperson, other Board member and CEO

The Board of Directors lay down a code of conduct of the Chairperson, other Board member and CEO as per relevant provision.

Governance of Board of Directors of Subsidiary Company

JMI Syringes and Medical Devices Limited have no Subsidiary Company.

M.D/CEO, CFO, HIAC and CS.

The Board of Directors appointed Managing Director, Chief Executive Officer, Head of Internal Audit and Company Secretary. The Board also clearly defines respective roles, responsibilities and duties of them.

Audit Committee

For ensuring good governance in the Company, the company has an audit Committee. The audit committee composed of three (4) member of the Board of Directors including Company Secretary and Chairperson of the Audit Committee is Independent Director of the Company.

Nomination and Remuneration Committee (NRC)

The company has a Nomination and Remuneration Committee (NRC). The Committee comprise of three (3) members including an Independent Director.

External or Statutory Auditors

The Shareholders of the Company appointed M/s. G. Kibria & Co., Chartered Accountant as External Auditor of the Company as per provision of the Companies Act. 1994

Maintaining a website by the Company

www.jmisringe.com is the website of the Company.

Reporting and Compliance of Corporate Governance

The Company obtained a Certificate regarding Compliance of condition of Corporate Governance code, from 53 to 62 and disclosed in this Annual Report.



Directors' report to the shareholders

For the period ended on June 30, 2019

In terms of provisions of Section 184 of the Companies Act 1994, Rules 12 (and the schedule there under) of the Bangladesh Securities & Exchange Rules 1987, BSEC Notification dated 3 June 2018, it is the pleasure of the Board of Directors to submit Report to the Shareholders for the year ended 30th June 2019 in the following paragraphs:

An industry outlook and possible future developments;

Global Size of the Medical Device Market

Medical devices are very important instruments for patient management as well as for health care institution management and essentially are met one of the basic need of all living being. It is one of the continuous growing industries in the world. It's estimated the existing global medical device market is at \$389 billion dollars. The global medical device market is expected to reach an estimated \$409.5 billion by 2023, and it is forecasted to grow at a CAGR of 4.5% from 2018 to 2023. This means a large opportunity for the Medical devices manufacturing companies, distributors, suppliers to contribute the economy as well as health sector like as doctors, nurse, patient, customers and reduce hospital stays.

Bangladesh Medical Device Market

The medical device industry is a fast growing manufacturing sector in Bangladesh. The manufacture, import and sale of medical device are regulated under the Drugs Act.1940 and Drug (Control) Ordinance 1982. The segment within medical devices market in Bangladesh is diagnostic imaging, consumable, patient aids, orthopedic & prosthetics, dental products. According to Fitch Solutions (An UK based market Surveyor Company) Bangladesh, medical device market will achieve one of the fastest growth rates in the world over 2017 to 2022 period with a CAGR of 12.50%, which will reach to BDT 39.50 billion. We expect the market to register double-digit growth every year between 2018 and 2022. The market will benefit from robust real GDP growth, with construction sector remaining an outperformer in fiscal year 2018-2019 due to the implementation of mega infrastructure projects. Additionally, due to continuous vibrant growth, GDP will improve the overall macro economy, which will increase the purchasing power of the people, eventually private consumption will grow and medical device market will be one of the beneficiaries of that development as well.

As far as the structural trends are concern, Bangladesh medical devices market will benefit from political stability, robust real GDP growth and Bangladesh's proximity to India and China that should lead to increased trade and investment flows. Besides, positive demographic indicators, with Bangladesh being one of the most populous countries in the world; increasing chronic disease prevalence; government program aiming at universal health coverage by 2032; rising health expenditure indicates the bright future of medical device industry.

Bangladesh is the eighth fastest growing medical device market in the world in US dollar terms and a heavy reliance on imports, which account for over 90% of the market. As such, if we can make investment in this sector, it will be an import substitute industry. This industry of our country exports in limited way to USA, EU, South America and Asia's countries but trend indicates at the end of the day it will be emerged as an export oriented industry as well.

About the Company

The principal activities of the Company is manufacturing and marketing of Disposable Syringe, Auto Disable (AD) Syringe, Insulin Syringe, Blood Transfusion Set, Intra Uterine Contraceptive Device, Urine Drainage Bag, Blood Lancet, IV Cannula, Scalp Vein Set, Disposable Needle, Infusion Set, Safety Box, First Aid Bandage, IV Catheter, 3-Way stopcock, Umbilical Cord Clamp, Wound Drain Tube, Feeding Tube etc.

As the end of the year 2018-2019 we can report that while significant progress has been made, our continued focus is required to ensure the type of outcomes that Innovative Medical device is necessary to improve patient care and to maximize the economic potential of the innovative medical device sector in Bangladesh.

In this year NIPRO Corporation, Osaka, Japan joint with JSMDL as an equity partner / strategic investor. NIPRO Corporation, Osaka based publicly listed a Japanese multinational Company, established in the year 1954. The Company engages globally in the development, manufacture, marketing and distribution of Surgical & Medical Devices and Pharmaceuticals products including medical equipment for injection infusion & dialysis treatment and products related to diabetes and cell cultures as well as the sale of artificial organ-related products and generic drugs. NIPRO Corporation has 91 business entities and conducts its operation in 57 Countries all over the World.

NIPRO is a research oriented innovative company and develop products considering users' viewpoints and its basic policy is to continue providing users with high-quality competitive products that meets their needs. NIPRO & JSMDL believes its current and future responsibility to the society, is to develop innovative, value added products and technologies that improve patient outcome and healthcare worldwide. As such, it has set its goal is to become a truly global comprehensive healthcare company that able to respond to a wide variety of medical needs.

Future plan and development

We offer a large number of products and sound expertise with specialized and advance products delivery systems will creates strong segregation. Many of its brands remain consistent leaders in their respective therapeutic categories and the company continuously reviews and expands its product portfolio in order to ensure that people have access to newer, better treatment options at affordable cost.

Growth Strategies

Create Sustainable Revenue Streams

Enhance share of field business countrywide.

Achieve segregation by focusing on technically complex products.

Focus on key markets to achieve critical mass speed to market.

Ensure sustainable compliance with global regulatory standards.

Balance Profitability & Investments for Future

Increasing contribution of specialty and complex products.

Future investments direct towards different products.

Business Development

Focus on access to product, technology and market presence.

Ensure acquisitions yield high return on investment.

Focus on profit timelines.

Cost Leadership

Standing incorporated operations.

Optimize of operational costs.

The segment-wise or product-wise performance

A) General Sales:

| SL No. | Name of Products | Unit | Qty | Rate | Amount BDT | VAT Payable | Total Sales with VAT |
|--------------|----------------------------|------|---------------------|-------|-----------------------|---------------------|-----------------------|
| 1 | 1 ml Disposable Syringe | Pcs | 15,58,900 | 4.78 | 74,51,542 | 11,17,731 | 85,69,273 |
| 2 | 3 ml Disposable Syringe | Pcs | 2,00,41,480 | 3.92 | 7,85,62,602 | 1,17,84,390 | 9,03,46,992 |
| 3 | 5 ml Disposable Syringe | Pcs | 2,56,21,908 | 4.36 | 11,17,11,519 | 1,67,56,728 | 12,84,68,247 |
| 4 | 10 ml Disposable Syringe | Pcs | 2,28,10,500 | 6.97 | 15,89,89,185 | 2,38,48,378 | 18,28,37,563 |
| 5 | 20 ml Disposable Syringe | Pcs | 66,41,178 | 13.09 | 8,69,33,020 | 1,30,39,953 | 9,99,72,973 |
| 6 | 50 ml Disposable Syringe | Pcs | 2,34,625 | 17.44 | 40,91,860 | 6,13,779 | 47,05,639 |
| 7 | 1 ml Auto Disable Syringe | Pcs | 9,58,500 | 4.07 | 39,01,095 | 5,85,164 | 44,86,259 |
| 8 | Insuline Syringe U-40 | Pcs | 1,31,900 | 6.97 | 9,19,343 | 1,37,901 | 10,57,244 |
| 9 | Insuline Syringe U-100 | Pcs | 3,28,800 | 8.70 | 28,60,560 | 4,29,084 | 32,89,644 |
| 10 | Insuline Syringe U-100 | Pcs | 13,53,000 | 6.97 | 94,30,410 | 14,14,562 | 1,08,44,972 |
| 11 | Infusion Set (IV Set) | Pcs | 1,23,38,940 | 21.81 | 26,91,12,281 | 4,03,66,842 | 30,94,79,124 |
| 12 | Infusion Set (Without SVS) | Pcs | 4,25,570 | 16.57 | 70,51,695 | 10,57,754 | 81,09,449 |
| 13 | Scalp Vain Set | Pcs | 1,43,88,600 | 6.96 | 10,01,44,656 | 1,50,21,698 | 11,51,66,354 |
| 14 | Unine Dranage Bag | Pcs | 63,788 | 23.48 | 14,97,742 | 2,24,661 | 17,22,404 |
| 15 | Unine Dranage Bag | Pcs | 2,79,245 | 34.78 | 97,12,141 | 14,56,821 | 1,11,68,962 |
| 16 | Needle Blister Pack | Pcs | 50,16,900 | 1.75 | 87,79,575 | 13,16,936 | 1,00,96,511 |
| 17 | First Aid Bangage | Pcs | 1,49,43,800 | 0.70 | 1,04,60,660 | 15,69,099 | 1,20,29,759 |
| 18 | IV Cannula | Pcs | 4,73,000 | 11.34 | 53,63,820 | 8,04,573 | 61,68,393 |
| 19 | IV Cannula | Pcs | 91,75,231 | 13.91 | 12,76,27,463 | 1,91,44,119 | 14,67,71,583 |
| 20 | Blood Transfusion Set | Pcs | 5,85,855 | 34.78 | 2,03,76,037 | 30,56,406 | 2,34,32,442 |
| 21 | Buret Set (Tole) | Pcs | 23,180 | 5.00 | 1,15,900 | 17,385 | 1,33,285 |
| 22 | Feeding Tube | Pcs | 33,550 | 13.09 | 4,39,170 | 65,875 | 5,05,045 |
| 23 | Suction Chetheter | Pcs | 14,200 | 13.09 | 1,85,878 | 27,882 | 2,13,760 |
| 24 | CombiPack-7 | Pcs | 1,49,600 | 8.98 | 13,43,408 | 2,01,511 | 15,44,919 |
| 25 | CombiPack-12 | Pcs | 7,52,640 | 7.66 | 57,65,222 | 8,64,783 | 66,30,006 |
| 26 | CombiPack-17 | Pcs | 30,40,080 | 9.41 | 2,86,07,153 | 42,91,073 | 3,28,98,226 |
| 27 | CombiPack-19 | Pcs | 1,89,505 | 29.47 | 55,84,712 | 8,37,707 | 64,22,419 |
| 28 | CombiPack-22 | Pcs | 6,91,080 | 10.28 | 71,04,302 | 10,65,645 | 81,69,948 |
| 29 | CombiPack-27 | Pcs | 33,060 | 12.03 | 3,97,712 | 59,657 | 4,57,369 |
| 30 | CombiPack-28 | Pcs | 65,73,080 | 15.51 | 10,19,48,471 | 1,52,92,271 | 11,72,40,741 |
| 31 | CombiPack-29 | Pcs | 2,94,340 | 32.09 | 94,45,371 | 14,16,806 | 1,08,62,176 |
| 32 | CombiPack-30 | Pcs | 63,955 | 26.85 | 17,17,192 | 2,57,579 | 19,74,771 |
| 33 | CombiPack-32 | Pcs | 15,000 | 16.39 | 2,45,850 | 36,878 | 2,82,728 |
| 34 | CombiPack-38 | Pcs | 36,11,880 | 21.63 | 7,81,24,964 | 1,17,18,745 | 8,98,43,709 |
| 35 | CombiPack-39 | Pcs | 78,300 | 38.20 | 29,91,060 | 4,48,659 | 34,39,719 |
| Total | | | 15,29,35,170 | | 1,26,89,93,571 | 19,03,49,036 | 1,45,93,42,607 |

B) Export Sales

| SL No. | Name of Products | Unit | Qty | Rate BDT | Rate U\$ | Value BDT | Value U\$ | VAT | Total Value BDT |
|-----------------|----------------------|------|--------------------|----------|----------|--------------------|------------------|-----|--------------------|
| 1 | 3 CC DS | Pcs | 14,42,000 | 4.15 | 0.05 | 59,84,300 | 72,100 | - | 59,84,300 |
| 2 | 5 CC DS | Pcs | 7,76,800 | 4.40 | 0.05 | 34,17,920 | 41,180 | - | 34,17,920 |
| 3 | Needle | Pcs | 9,82,600 | 1.80 | 0.02 | 17,68,680 | 21,309 | - | 17,68,680 |
| 4 | 1 CC AD Syringe | Pcs | 1,50,00,000 | 5.52 | 0.07 | 8,28,00,000 | 9,97,590 | - | 8,28,00,000 |
| 5 | Cannula | Pcs | 3,50,000 | 9.36 | 0.11 | 32,76,225 | 39,473 | - | 32,76,225 |
| 6 | Umbilical Cord Clamp | Pcs | 1,00,000 | 3.44 | 0.04 | 3,44,000 | 4,145 | - | 3,44,000 |
| B) Total | | | 1,86,51,400 | | | 9,75,91,125 | 11,75,797 | - | 9,75,91,125 |

C) VAT Exempted Sales

| SL No. | Name of Products | Unit | Qty | Rate BDT | Rate U\$ | Value BDT | Value U\$ | VAT | Total Value BDT |
|--------------|-----------------------|------|--------------------|----------|----------|---------------------|------------------|-----|---------------------|
| 1 | Insulin Syringe-U-40 | Pcs | 72,000 | 6.97 | 0.08 | 5,01,840 | 6,046 | - | 5,01,840 |
| 2 | Insulin Syringe-U-100 | Pcs | 2,11,600 | 6.97 | 0.08 | 14,74,852 | 17,769 | - | 14,74,852 |
| 4 | 0.05 CC AD Syringe | Pcs | 47,47,214 | 7.53 | 0.09 | 3,57,46,521 | 4,30,681 | - | 3,57,46,521 |
| | 0.1 CC AD Syringe | Pcs | 87,64,601 | 5.54 | 0.07 | 4,85,55,890 | 5,85,011 | - | 4,85,55,890 |
| 5 | 0.5 CC AD Syringe | Pcs | 4,34,59,846 | 5.54 | 0.07 | 24,07,67,547 | 29,00,814 | - | 24,07,67,547 |
| 6 | 3 CC AD Syringe | Pcs | 25,00,000 | 5.54 | 0.07 | 1,38,50,000 | 1,66,867 | - | 1,38,50,000 |
| 7 | 5 CC AD Syringe | Pcs | 5,91,378 | 6.02 | 0.07 | 35,60,096 | 42,893 | - | 35,60,096 |
| 8 | Needle | Pcs | 1,43,000 | 1.75 | 0.02 | 2,50,250 | 3,015 | - | 2,50,250 |
| 10 | Suction Chetheter | Pcs | 2,900 | 13.09 | 0.16 | 37,961 | 457 | - | 37,961 |
| Total | | | 6,04,92,539 | | | 34,47,44,956 | 41,53,554 | - | 34,47,44,956 |

D) Tender Sales (Other Products) :

| | | | | | | | | |
|--|---------------------|--|--|-----------------------|------------------|---------------------|-----------------------|-------------|
| Various Product Sales to Govt & No-Govt Organization of Bangladesh | | | | 6,85,36,674 | | - | - | 6,85,36,674 |
| E) Less: Sales Return | | | | (13,71,591) | | - | - | (13,71,591) |
| Grand Total (A+B+C+D+E) | 23,20,79,109 | | | 1,77,84,94,735 | 53,29,350 | 19,03,49,036 | 1,96,88,43,771 | |

Risks and Concerns

The Company is always aware of that business is subject to variety of risks and uncertainties e.g. Industry Risks, Regulatory Risks, Market Risk, Operational Risk, Legal Risk, Interest Rate Risk, Exchange Rate Risk and potential changes in Global or National policies etc. In this respect, JMI Syringes & Medical Devices Limited has well defined it's risk management policies and introduced periodic monitoring system that act as an effective tool in mitigating various risks to which our businesses are exposed to in the course of its day-to-day operations as well as in its strategic actions.

Factory, Production & Other information's (Revenue, COGS, GP, NP, EPS)

Our factory is situated at Noapara, Rajendrapur, Chaudhogram, Cumilla is spread across 4.16 acre area located near the Dhaka-Chittagong highway, which has facilities for manufacturing Disposable Syringe, Auto Disposable (AD) Syringe, Insulin Syringe, Blood Trans-fusion set, Intro uterine contraceptive device (IDU) Copper-T3BOA, Urine Drainage Bag, IV Cannula, JMI Scalp Vein Set, JMI Disposable Needle, JMI Infusion Set, JMI First Aid Bandage, JMI Safety Box, Blood Lancet, Feeding Tube, Ryles Tube, Alcohol Prep Pad, Burate Set & JMI CombiPack, IV Infusion Set with precision filter, Needle 26G X 1/1/2", 3ml Disposable Syringe with Dental Needle 30G X 1" and Suction Catheter with Control Valve including 4 new products. The site has its own utility infrastructure to ensure adequate generation and distribution of electricity. During the year revenue reached BDT 1778.49 million as against BDT 1421.37 million in the last financial year. During the year ended on June 30, 2019, the Cost of Goods Sold stood at BDT. 1266.21 million as against BDT

BDT. 1009.53 million in the last year, Consolidated Gross Profit during the year stood at BDT 512.27 million and the Consolidated Net Profit after tax reached to BDT 66.55 million and Earnings per Share (EPS) BDT 6.05 compared to previous year's EPS of BDT 6.86.

Margin Analysis

Cost of goods sold for the year 2018-2019 was Tk. 1266.21 million and previous year it was Tk. 1009.53 million, Gross profit for the year Tk. 512.27 million and previous year it was Tk. 411.84 million, Net profit after tax for the year Tk. 66.55 million and previous year it was Tk. 75.49 million.

Extra-Ordinary Events

No events of extra ordinary gain or loss occurred during the reporting period which would require adjustment or disclosure in the financial statements.

Related Party Transaction

During the reporting year, the Company carried out a number of transactions with related parties in the normal course of business. The name of related parties, nature of transactions and total transaction value have been set out in accordance with the provisions of "BAS-24: Related Party Disclosure" disclosed in the notes 35 of the financial statements.

Variance within the Financial Year

There was no event of significant variance between quarterly financial performances during the year.

| Particulars | For the year- 2018-2019 BDT | For the year- 2017-2018 BDT | % Increase or (Decrease) |
|--|--------------------------------|--------------------------------|-----------------------------|
| Gross Turnover | 1,96,88,43,771 | 1,57,89,58,725 | 24.69 |
| Net Turnover | 1,77,84,94,735 | 1,42,13,78,736 | 25.12 |
| Gross Profit | 51,22,75,670 | 41,18,48,551 | 24.38 |
| Operating Profit | 33,46,63,841 | 26,15,41,457 | 27.96 |
| Net Profit before Tax | 14,95,73,778 | 10,42,89,936 | 43.42 |
| Provision for Taxation | 8,30,19,660 | 2,87,92,363 | 188.34 |
| Net Profit after Tax | 6,65,54,117 | 7,54,97,573 | (11.85) |
| Weighted Average Ordinary Shares Outstanding | 1,10,00,000 | 1,10,00,000 | - |
| Earnings Per Share (EPS) | 6.05 | 6.86 | (11.85) |
| Net Assets Value (NAV) | 75,61,75,910 | 78,39,91,953 | (3.55) |
| NAV Per Share | 68.74 | 71.27 | (3.55) |
| Dividend Declared (Rate) | 30% | 30% | - |
| Share Qty. (after inclusion of NIPRO Shares on 3rd July, 2019) | 2,21,00,000 | 1,10,00,000 | 100.91 |
| Dividend Amount | 6,63,00,000 | 3,30,00,000 | 100.91 |

Remuneration to Directors

This information is incorporated in the Notes 43 (b) of the Financial Statement 30th June, 2019 payment/perquisites to the Directors.

Fairness of Financial Statements

The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the results of its operations, cash flows and changes in equity. In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) notification dated June 3, 2018, Chief Executive Officer and Chief Financial Officer has given the declaration about the fairness of the financial statements which is shown on page 51 of the report.

Corporate and Financial Reporting

The Directors are pleased to conform the following:

- ❖ The Financial Statements of the Company present true and fair view of its state of affairs, the result of its operation, cash flows and changes of equity.
- ❖ Books of Accounts have been maintained properly as required by the law.
- ❖ Appropriate accounting policies have been consistently applied in formulating the financial statements and accounting estimates were reasonable and prudent.
- ❖ The financial statements were prepared in accordance with International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh.
- ❖ The systems of internal controls were sound and were implemented and monitored effectively.
- ❖ There are no significant doubts about the Company's ability to continue as a going concern.

Five year's Financial Highlights

The key operating and financial data for the last five years are annexed on page 46.

Dividend

The Board of Directors recommended for 30% final cash dividend (i.e Tk. 3.00) per share for the year ended 30th June, 2019, the Company will have a payout of BDT 6,63,00,000/- subject to approval of the Shareholders at the 20th Annual General Meeting.

In the view of performance of the Company and the dividend payment history for shareholders information purpose are mentioned as under:

| Year | Percent (%) | Amount (BDT) |
|-------------------|--------------------|---------------|
| 2010 | 10% Cash | 11,000,000.00 |
| 2011 | 12% Cash | 13,200,000.00 |
| 2012 | 12% Cash | 13,200,000.00 |
| 2013 | 15% Cash | 16,500,000.00 |
| 2014 | 20% Cash | 22,000,000.00 |
| 2015 | 25% Cash (Interim) | 27,500,000.00 |
| 2016 (30.06.2016) | 10% Cash (Final) | 11,000,000.00 |
| 2016-2017 | 30% Cash | 33,000,000.00 |
| 2017-2018 | 30% Cash | 33,000,000.00 |
| 2018-2019 | 30% Cash | 66,300,000.00 |

Board Meetings and Attendance

The number of Board Meetings and attendance of the directors, CFO and CS during the year ended June 30, 2019 were as follows:

| Name of Director | Positions Held | Meetings Held (#) | | Attended (#) | |
|------------------------|----------------------|-------------------|---------|--------------|---------|
| | | 2017-18 | 2918-19 | 2017-18 | 2018-19 |
| Md. Jaber Iqbal Pathan | Chairman | 23 | 21 | 23 | 20 |
| Md. Abdur Razzaq | Managing Director | 23 | 21 | 23 | 21 |
| Md. Jafar Chowdhury | Director | 23 | 21 | 23 | 21 |
| Md. Hemayet Hossain | Independent Director | 23 | 21 | 9 | 6 |
| Md. Abdul Haque | Independent Director | 23 | 21 | 8 | 5 |
| Mr. Hoi Kwan Kim | Director | 23 | 0 | 0 | 0 |

Mr. Hoi Kwan Kim newly appointed as a Director of the Company from 23rd February, 2019. For Board Meeting, AGM & EGM, attendance fees were not paid to the Directors of the Company.

Pattern of Shareholding

The Shareholding Position as on 30th June, 2019 is provided on page-41

Shareholding Composition last 5 (five) years is provided on page-41

Directors Appointment and retirement

During the upcoming 20th AGM the following directors will retire from the office by rotation but being eligible they offer themselves for re-election. The necessary resolution was passed at 206th Board of Directors Meeting held on September, 2019 at 4.00 PM at company's registered office. The resolution regarding the retirement and re-election of the directors will be brought into shareholders attention at this 20th AGM.

| Name of Directors | Designation | Date of Appointment / Retire | Remarks |
|--------------------------------------|---------------------------------------|------------------------------|--|
| Mr. Md. Hemayet Hossain | Independent Director | 23-11-2019 | Retire as per law and not eligible for re-election |
| Mr. Md. Abdul Hoque | Independent Director | 23-11-2019 | Retire as per law and eligible for re-election |
| Mr. Hoi Kwan Kim, Korean | Director | 23-02-2019 | Newly appointed as Director |
| Mr. Kazuo Wakatsuki, Japanese | Nominee Director of NIPRO Corporation | 22-08-2019 | Newly appointed as Nominee Director of NIPRO Corp. |
| Mr. Takehito Yogo, Japanese | Nominee Director of NIPRO Corporation | 22-08-2019 | Newly appointed as Nominee Director of NIPRO Corp. |
| Mr. Noriyoshi Iwasaki, Japanese | Nominee Director of NIPRO Corporation | 22-08-2019 | Newly appointed as Nominee Director of NIPRO Corp. |
| Mr. Seigo Tsuchiya, Japanese | Nominee Director of NIPRO Corporation | 22-08-2019 | Newly appointed as Nominee Director of NIPRO Corp. |
| Mr. Hisao Nakamori, Japanese | Nominee Director of NIPRO Corporation | 22-08-2019 | Newly appointed as Nominee Director of NIPRO Corp. |
| Mr. Md. Abu Jafar Chowdhury | Director | 22-08-2019 | Retire as per law and not eligible for re-election |
| Mr. A.T.M. Serajus Salekin Chowdhury | Independent Director | 23-11-2019 | Newly appointed as an Independent Director |

The necessary notice for the retirement and reelection was made to the shareholders. The notice was also published in the daily newspaper named as The New Nation and Daily Jayjaydin.

Contribution to the National Exchequer

During the year under review, your Company paid Taka 587.37 million to the national exchequer in the form of Corporate Income Tax, TDS, VDS, Customs duties (all type) and value added tax.

New Product Performance

The JSMDL is always keen to response the market demand promptly for the surgical products in Bangladesh. According to the market demand we always try to introduce new products. During the year we feel proud for introducing the new surgical products in Bangladesh. In this year we have lunched 4 (Four) new products as pioneer manufacturer in Bangladesh; IV Infusion Set with Precision Filter, Needle 26G X 1/1/2", 3ml Disposable Syringe with Dental Needle and Suction Catheter with Control Valve.

Credit Rating

The Alpha Credit Rating Limited has been appointed by the company to assess the company's credit rating positions. The rating position as on 10th February, 2019 for Long Term (A+) and Short Term (ST-2) in stable outlook.

Appointment of Auditors

As per section 210 of the Companies Act 1994, the Company's statutory Auditors M/S. G. Kibria & Co, Chartered Accountants retires at the 20th Annual General Meeting as auditors of the Company.

The Audit Committee recommended to re-appoint M/S. G. Kibria & Co, Chartered Accountants as the auditors of the Company for the year to be ended 30th June, 2020 at a fee of Tk. 300,000.00. The Directors endorsed the recommendation of the Audit Committee for appointment of M/S G. Kibria & Co, Chartered Accountants as the auditors for the year ended 30th June, 2020 at a fee of Taka 300,000.00 Shareholders consent will be sought at 20th AGM for the confirmation of the Auditor appointment.

Brief Resume of Directors

Name of the Directors of the company and their details are shown on pages 42 & 43

Status of Compliance

In accordance with the requirements stipulated in the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRC/2006- 158/134/Admin/44 dated 7th August, 2012 and Notification No. SEC/CMRRC/2006-158/147/Admin/48 dated July 21, 2013, Notification No. BSEC/CMRRC/2006-158/207/Admin/80 dated 10th June, 2018 issued under section 2CC of the Securities and Exchange Ordinance 1969, the detailed required disclosures are shown in the next chapter 'Annexure to the Directors' Report'. Along with this, we have appointed Malek Siddiqui Wali, Chartered Accountants, for issuance of Certificate on compliance of Corporate Governance Guidelines for JMI Syringes & Medical Devices Limited for the reporting year.

Acknowledgement

The company wishes to express its sincere appreciation to all employees of JMI Syringes & Medical Devices Limited for their contribution and at the same time, thanks to Customers, Creditors, Suppliers, Banks, Insurance Companies, Bangladesh Drug Administration, Bangladesh Aushadh Silpa Samity, DCCI, FBCCI, NBR, BAPLC, BOI, Bangladesh Bank, Auditor, Credit Rating Co. Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh Securities & Exchange Commission (BSEC), Dhaka & Chittagong Stock Exchanges Limited for their continued support and confidence on the Company and look forward to their continued support and cooperation in future.

Thanking you all

For and on behalf of the Board of Directors



Md. Jaber Iqbal Pathan
Chairman

Annexure-1

Shareholding Position as on 30th June, 2019:

A) Director & Sponsors:

| SL No. | Name of Director & Sponsors | Share Qty | % of Total Share |
|----------------|---|------------------|------------------|
| 1 | Md. Jabed Iqbal Pathan, Chairman | 1,575,960 | 14.33% |
| 2 | Md. Abdur Razzaq, Managing Director | 3,625,540 | 32.96% |
| 3 | Md. Abu Jafar Chowdhury, Director | 220,500 | 2.00% |
| 4 | Hoi Kwan Kim, Director | 1,300,000 | 11.82% |
| 5 | Md. Hemayet Hossain, Independent Director | 1,000 | 0.01% |
| 6 | Md. Abdul Haque, Independent Director | 1,000 | 0.01% |
| Total-A | | 67,24,000 | 61.13% |

B) Shareholder holding 10% or more Shares:

| | | | |
|----------------|--|--|--|
| 7 | | | |
| Total-B | | | |

C) Corporate body / Institutions:

| | | | |
|----------------|--------------------------|------------------|---------------|
| 8 | Institution Shareholders | 1,150,900 | 10.46% |
| Total-C | | 1,150,900 | 10.46% |

D) General Public Shareholders:

| | | | |
|------------------------------|-----------------------------|-------------------|----------------|
| 9 | General Public Shareholders | 3,125,100 | 28.41% |
| Total-D | | 3,125,100 | 28.41% |
| Grand Total (A+B+C+D) | | 11,000,000 | 100.00% |

Shareholding Composition last 5 (Five) years:

| Particulars | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 | 2015 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Number of Shareholders | 3,957 | 2,337 | 2,223 | 1,739 | 2,114 |
| Number of Shares holding by Sponsors & Directors (Local) | 5,424,000 | 5,424,000 | 5,424,000 | 5,714,000 | 5,713,000 |
| Number of Shares holding by Sponsors & Directors (Foreign) | 1,300,000 | 1,300,000 | 1,400,000 | 1,400,000 | 1,400,000 |
| Number of Shares holding by Corporate Body | 1,150,900 | 1,150,900 | 1,040,600 | 1,306,800 | 845,632 |
| Number of Shares holding by General Investors | 3,125,100 | 3,125,100 | 3,135,400 | 2,579,200 | 3,041,368 |
| Total Share | 11,000,000 | 11,000,000 | 11,000,000 | 11,000,000 | 11,000,000 |

Annexure: 2

Brief profile of Directors:

Mr. Jабed Iqbal Pathan (Chairman)

Md. Jабed Iqbal Pathan completed his B.Sc. Engineering degree from Bangladesh University of Engineering and Technology (BUET). After completion of study from BUET he engaged him in business with himself different organizations at different capacity. He has experience of more than 19 (Nineteen) years as a businessman. He is a member of Board of Directors and Chairman of Board of Directors of JMI Syringes & Medical Devices Ltd. apart from his Directorship with JMI Syringes & Medical Devices Ltd. he is also the founder and Directors of many businesses namely Nipro JMI Pharma Ltd., JMI Marketing Ltd., E- Medicare Ltd., Mazzak Inter Trade Ltd., VIP Traders, Tracking & Survey Solution Ltd. DNA Solution Ltd. etc. Mr. Pathan is a well-known entrepreneur in Bangladesh.

Mr. Md. Abdur Razzaq, Managing Director (CIP).

Md. Abdur Razzaq was born in Noakhali District, Bangladesh. He completed his graduation and post-graduation degree in Economics from Chittagong University. He is the founder of the renowned group of companies named JMI Group of Industries in Bangladesh. There are 22 (Twenty Two) companies under this group with well diversified in different industry. Currently, Mr. Razzaq holds the position of Managing Director and also he is the founder of NIPRO JMI Company Ltd, NIPRO JMI Pharma Ltd., JMI Hospital Requisite Manufacturing Ltd., JMI Builders and Construction Ltd., JMI CNG Dispensing Ltd., JMI Vaccine Ltd., JMI Industrial Gas Ltd., JMI Printing & Packaging Ltd., JMI Safe Transportation Ltd., Nipro JMI Dialysis Centre Ltd., JMI Hollow Block Co. Ltd., JMI Export & Import Co. Ltd. JMI LPG & Petroleum Ltd., JMI Sonlu Appliance Ltd., Advance Planners Ltd., JMI Cylinders Ltd., JMI Sankur Valve & Bung Ltd., JMI Engineering Ltd., JMI Sankur Auto Tank Ltd., Sunmyung International (Pvt.) Ltd., Sunrise Research & Consultancy Ltd., JMI Industrial Research & Toxicology Ltd. and JMI Restora. He has great experience of working in higher position in private sectors of Japan. Mr. Razzaq is the founder Managing Director of JMI Syringes & Medical Devices Ltd. At present, Mr. Razzaq has become a successful business entrepreneur in Bangladesh and got CIP award 2 times in 2017 & 2019.

Mr. Hoi Kwan Kim (Director)

Hoi Kwan Kim was born in 1947 in South Korea. He completed MBA. He holds the position of Director of JMI Syringes & Medical Devices Ltd., JMI Hospital Requisite Mfg. Ltd., JMI Vaccine Ltd., JMI CNG Dispensing Ltd., NIPRO JMI Company Ltd., JMI Hollow Block Co. Ltd. and JMI Printing & Packaging Ltd. in Bangladesh. He is the Managing Director of Sun Myung International Inc., and Sun Myung Engineering Corporation, South Korea. He has lot of experience in the medical & surgical devices sector for more than 33 years. He has multiple business in Bangladesh, Korea, Pakistan, China, Vietnam, Singapore and Taiwan.

Mr. Kazuo Wakatsuki (Nominee Director of NIPRO Corporation)

Kazuo Wakatsuki was born in 1945 in Japan. He completed Bachelor Degree from Osaka University of Foreign Studies, Japan. After completion of his education he joined Terumo Corporation, Japan in April 1973 and served their up to December-1991. Then he joined NIPRO Corporation, Osaka, Japan in January 1992 and till now he continuing his job as Managing Director of Global Business Division. He is well experienced in medical & surgical device business around of the world. Now he is appointed as Nominee Director of JMI Syringes & Medical Devices Ltd., Nipro JMI Pharma Ltd. and Nipro JMI Company Ltd. in Bangladesh on behalf of NIPRO Corporation, Osaka, Japan.

Mr. Takehito Yogo (Nominee Director of NIPRO Corporation)

Takehito Yogo was born in 1968 in Japan. He completed Bachelor Degree from Jyochi University, Japan. After completion of his education he joined Yamaichi Securities Co. Ltd., Japan in April 1992 and served there up to September-1996. Then he joined Ernst & Young, as Certified Public Accountant in October 1996 and served there up to February 2004. Then he joined Goodman Co. Ltd., in March 2004 as Head of Internal Audit and served there up to May 2015 as President & CEO. Then again he joined NIPRO Corporation, Osaka, Japan as Executive VP of Corporate Planning HQ. From June 2018 he has promoted as Managing Director and CFO of NIPRO Corporation and till now he continuing his job. He is well experienced in this arena of his service around in the world for NIPRO's business. Now he is appointed as Nominee Director of JMI Syringes & Medical Devices Ltd., Nipro JMI Pharma Ltd. and Nipro JMI Company Ltd. in Bangladesh on behalf of NIPRO Corporation, Osaka, Japan.

Mr. Noriyoshi Iwasaki (Nominee Director of NIPRO Corporation)

Noriyoshi Iwasaki was born in 1971 in Japan. He completed Bachelor of Science (BS) Engineering from Toyama University, Japan in the year 1990 to 1994. After completion of his education he joined Nipro Co. Ltd., Osaka, Japan in April 1995

and served there up to March 2001. Then he joined Nipro Corporation, Osaka, Japan, in Domestic Sales Division and serving from April 2001 to May 2003 then he promoted as Assistant Chief of Intellectual Property Department from June 2003. He promoted as Assistant Chief of 3rd section of Global Sales Department, Global Business Division from April 2006. Again he promoted as Deputy Section Manager of 3rd section of Global Sales Department, Global Business Division from April 2007. After that he was transferred to Nipro ASIA PTE LTD. (Singapore) as Managing Director from December 2008 and served there up to August 2015. Then he transfer back to Nipro Corporation, Osaka, Japan as Deputy General Manager of Global Strategy Department, Global Business Division and till now continuing his job. He is well experienced business guy and also a decision maker of Global Business Department of Nipro Corporation. Now he is appointed as Nominee Director of JMI Syringes & Medical Devices Ltd., Nipro JMI Pharma Ltd. and Nipro JMI Company Ltd. in Bangladesh on behalf of NIPRO Corporation, Osaka, Japan.

Mr. Seigo Tsuchiya (Nominee Director of NIPRO Corporation)

Seigo Tsuchiya was born in 1974 in Japan. He completed Bachelor of Economics from Nihon University, Japan in the year 1993 to 1997. Then he completed Master of Business Administration (MBA) from Nanyang Technological University, Japan in the year 2010 to 2012. After completion of his Bachelor Degree he joined Terumo Corporation, Tokyo, Japan in April 1998 and served there up to February 2007. Then he joined Nipro ASIA PTE LTD. (Singapore) as Area Manager and serving from February 2007 to May 2012 then he promoted as Deputy Section Manager of Asia-Middle East Section, Global Sales Department, Global Business Division from June 2012. In the year June 2012 he assigned as Managing Director of Nipro Middle East FZE (UAE) and continuing up to August-2015. After that he was transferred to Nipro ASIA PTE LTD. (Singapore) as Managing Director from September 2015 and till now continuing his job. He is well experienced business guy in the medical & surgical devices sector and also a decision maker of Global Business Department of Nipro Corporation. Now he is appointed as Nominee Director of JMI Syringes & Medical Devices Ltd. in Bangladesh on behalf of NIPRO Corporation, Osaka, Japan.

Mr. Hisao Nakamori (Nominee Director of NIPRO Corporation)

Hisao Nakamori was born in 1973 in Japan. He completed Bachelor of Arts (BA) in Sociology from Tokyo University of Foreign Studies, Japan in the year 1992 to 1996. Then he obtained a Certification of The Official Business Skill Test in Book Keeping. He knows 3 more languages (i.e. Japanese-native level, Portuguese-professional working level and English-professional working level) and also obtained Brazilian driver's license, Belgian driver's license and Japanese driver's license. After completion of his Bachelor Degree he joined Nipro Corporation, Osaka, Japan in Corporate planning and coordination division on April 1996 and served there up to June 2002. Then he joined Nipro Europe N.V. as Accounts Manager and serving from June 2002 to December 2004 then he promoted as Finance Controller of Nipro Europe N.V. (Zaventem, Belgium) from January 2005 and serving there December 2006. In the year January 2007 he assigned in Nipro Medical Ltda. (Sorocaba, Brazil) as different Managerial position and continuing up to March 2017. After that he was transferred to Nipro Corporation, Osaka, Japan from April 2017 and till now continuing his job as Deputy General Manager, Global Finance & Accounting Management Department. He is well experienced professional in the finance and accounts department of Nipro Corporation. Now he is appointed as Nominee Director of JMI Syringes & Medical Devices Ltd. in Bangladesh on behalf of NIPRO Corporation, Osaka, Japan.

Mr. Md. Hemayet Hossain (Independent Director)

Md. Hemayet Hossain completed his M.Sc. degree in Economics from Chittagong University of Bangladesh. After completion of his M.Sc Degree he engaged with business and became a skilled businessman. He is the owner of Sarwar& Brothers Co. Ltd. and Samin Trade International situated at 48, Kazi Nazrul Islam Avenue (3rd Floor), Dhaka.

Mr. Md. Abdul Hoque (Independent Director)

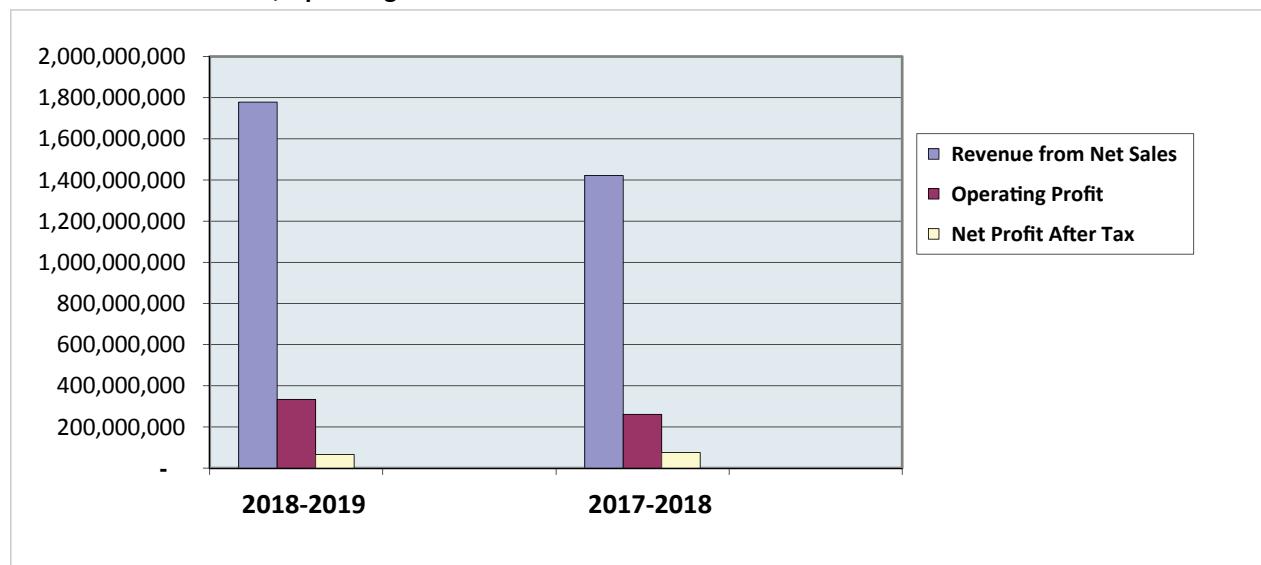
Md. Abdul Hoque completed his M.com degree in Management from Dhaka University of Bangladesh. After completion of his M.Com degree he engaged with different organization at higher level. Now he is performing as Additional Managing Director of Agrani Insurance Company Limited at Saiham Sky View Tower (14th floor), 45 Bijoynagar, Dhaka.

Mr. A. T. M. Serajus Salekin Chowdhury (Independent Director)

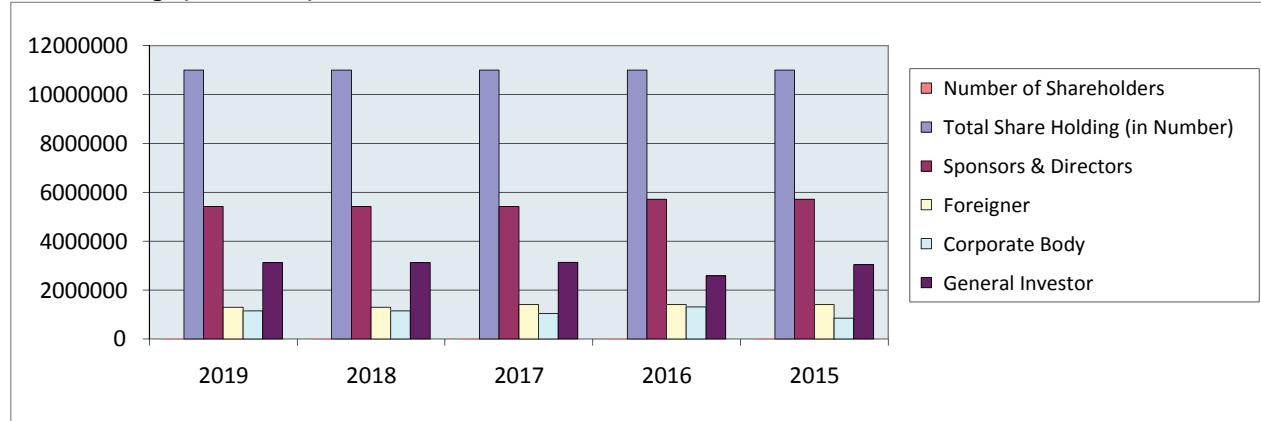
A.T.M. Serajus Salekin Chowdhury completed his M. A. degree in English from Dhaka University of Bangladesh. After completion of his education he joined as bank professional in Janata Bank Ltd. from the year 1982 and served there up to 2010. Then he started small trading business and became a skilled businessman. Now he is appointed as an Independent Director of JMI Syringes & Medical Devices Ltd. from September 21, 2019 for the next 3 years.

Annexure: 3
For the year-2018-2019 at a Glance

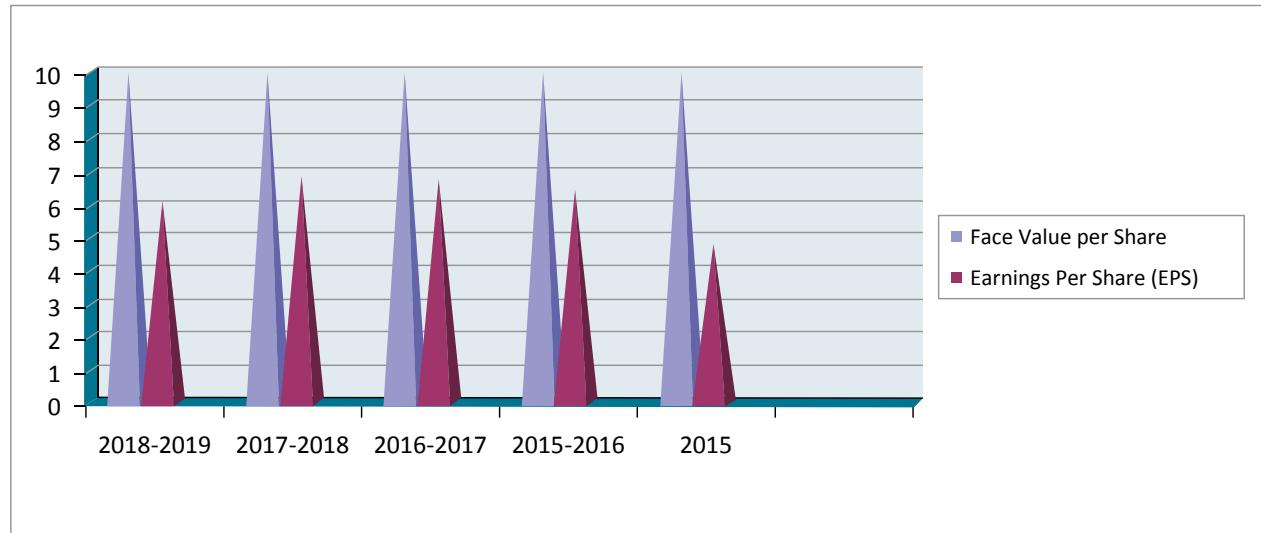
Revenue from Net Sales, Operating Profit & Profit after Tax



Share Holdings (in Number)



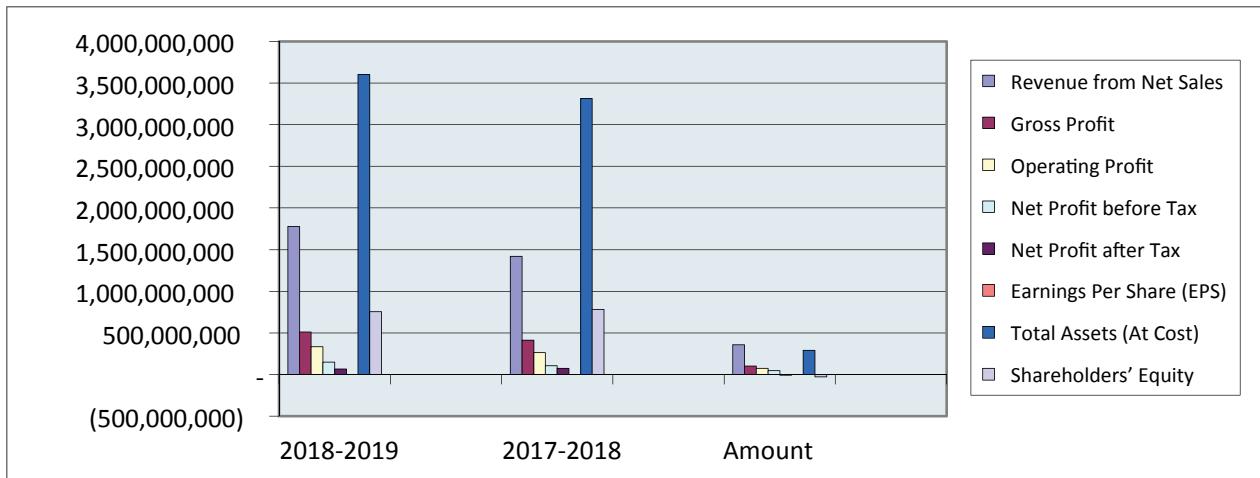
Earnings Per share



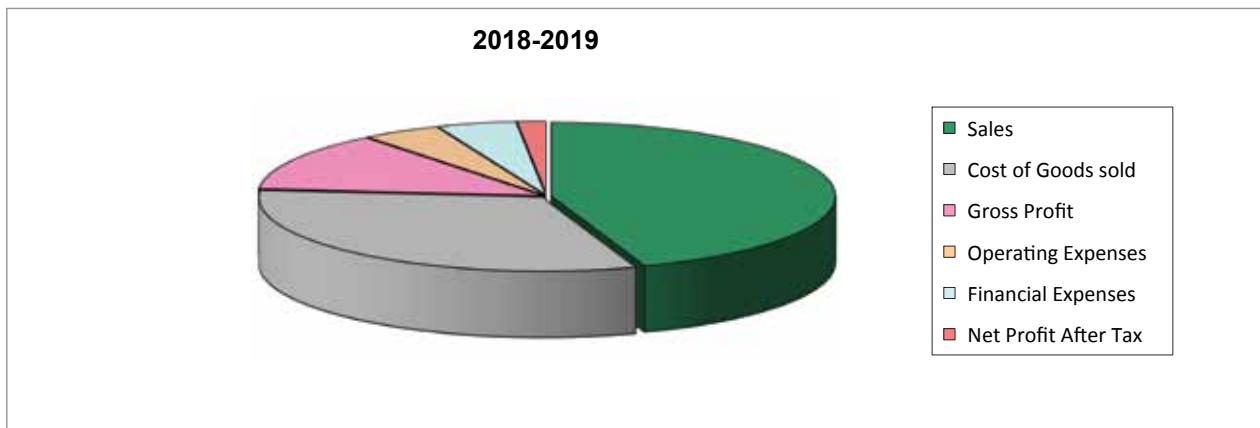
Annexure: 4

Operational and Financial Highlights For the year-2018-2019

| Particulars | 2018-2019 | 2017-2018 | Changes in 2018-2019 | |
|--------------------------|----------------|----------------|----------------------|---------|
| | | | Amount | % |
| Revenue from Net Sales | 1,77,84,94,735 | 1,42,13,78,736 | 35,71,15,999 | 25.12 |
| Gross Profit | 51,22,75,670 | 41,18,48,552 | 10,04,27,118 | 24.38 |
| Operating Profit | 33,46,63,841 | 26,15,41,457 | 7,31,22,384 | 27.96 |
| Net Profit before Tax | 14,95,73,778 | 10,42,89,936 | 4,52,83,842 | 43.42 |
| Net Profit after Tax | 6,65,54,117 | 7,54,97,573 | (89,43,456) | (11.85) |
| Earnings Per Share (EPS) | 6.05 | 6.86 | (0.81) | (11.81) |
| Total Assets (At Cost) | 3,60,37,27,012 | 3,29,79,46,492 | 30,57,80,520 | 9.27 |
| Shareholders' Equity | 75,61,75,910 | 78,39,91,953 | (2,78,16,043) | (3.55) |



Income Statement for the 2018-2019 at a Glance



Annexure-5
Five (5) Years Comparative Statistics

Financial Highlights

| Particulars | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 | 2015 |
|-------------------------|---------------|---------------|---------------|---------------|---------------|
| Authorized Capital | 100,00,00,000 | 100,00,00,000 | 100,00,00,000 | 100,00,00,000 | 100,00,00,000 |
| Paid up Capital | 11,00,00,000 | 11,00,00,000 | 11,00,00,000 | 11,00,00,000 | 11,00,00,000 |
| Revenue from Net Sales | 177,84,94,735 | 142,13,78,736 | 136,27,04,616 | 135,87,80,759 | 121,31,92,689 |
| Export Earnings | 9,75,91,125 | 3,49,04,300 | 2,29,38,304 | 2,52,05,338 | 46,02,67,740 |
| Gross Profit | 51,22,75,670 | 41,48,64,578 | 39,78,85,110 | 40,82,97,850 | 37,20,29,161 |
| Operating Profit | 33,46,63,841 | 26,15,41,457 | 25,70,21,228 | 28,09,81,188 | 26,44,16,086 |
| Net Profit before Tax | 14,95,73,778 | 10,42,89,936 | 10,18,75,223 | 9,68,14,696 | 7,59,55,542 |
| Net Profit after Tax | 6,65,54,117 | 7,54,97,573 | 7,45,58,127 | 7,07,38,328 | 5,29,48,139 |
| Fixed Assets at Cost | 174,51,71,542 | 171,80,58,449 | 164,44,56,411 | 151,24,59,919 | 150,31,96,649 |
| Current Assets | 185,85,55,470 | 159,60,19,448 | 129,67,70,061 | 92,21,51,950 | 90,09,70,808 |
| Total Assets (at cost) | 360,37,27,012 | 329,79,46,492 | 294,12,26,472 | 243,46,11,869 | 240,41,67,457 |
| Shareholders' Equity | 75,61,75,910 | 78,39,91,953 | 74,40,02,310 | 71,09,61,243 | 66,69,94,237 |
| Non-Current Liabilities | 10,16,15,267 | 119,27,66,635 | 122,11,70,068 | 57,68,72,654 | 61,19,94,267 |
| Current Liabilities | 36,15,87,201 | 82,12,07,564 | 51,42,90,059 | 73,39,50,230 | 73,57,68,506 |

Ratio Analysis

| Particulars | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 | 2015 |
|--|-------------|-------------|-------------|-------------|-------------|
| Current Ratio | 5.14:1 | 1.96:1 | 2.52:1 | 1.26:1 | 1.22:1 |
| Quick Ratio | 3.79:1 | 1.35:1 | 1.64:1 | 0.87:1 | 0.41:1 |
| Return on Equity (ROE) | 8.80% | 9.63% | 10.02% | 9.95% | 7.94% |
| Inventory Turnover (times) | 3.63 times | 2.89 times | 3.00 times | 4.86 times | 2.78 times |
| Receivable Turnover (times) | 4.66 times | 4.24 times | 4.63 times | 5.72 times | 5.6 times |
| Fixed Assets Turnover (times) | 1.51 times | 1.18 times | 1.15 times | 1.24 times | 1.09 times |
| Net Asset Value Per Share (NAVPS) | 68.74 | 71.27 | 67.64 | 64.63 | 60.64 |
| Earnings Per Share | 6.05 | 6.86 | 6.78 | 6.43 | 4.81 |
| Price Earnings Ratio (times) | 77.38 times | 34.20 times | 26.69 times | 22.98 times | 35.28 times |
| Net Operating Cash Flow Per Share (NOCFPS) | 36.38 | 13.64 | 13.97 | 32.09 | 9.61 |

Human Resources

| Particulars | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 | 2015 |
|------------------------------|-----------|-----------|-----------|-----------|------|
| Number of Employees & Worker | 970 | 966 | 1,108 | 956 | 949 |
| Worker | 747 | 706 | 647 | 650 | 632 |
| Officers | 140 | 154 | 194 | 183 | 129 |
| Staff | 83 | 106 | 115 | 116 | 112 |

The aggregate amounts paid to / provided for the Directors of the Company for the period ended 30th June-2019 is disclosed below:

| Name of Directors | Designation | Remuneration | Festival Bonus | Total Payment (after deduct AIT) |
|-------------------------|-------------------|------------------|------------------|----------------------------------|
| Md. Jaber Iqbal Pathan | Chairman | 31,10,000 | 3,96,000 | 29,96,000 |
| Md. Abdur Razzaq | Managing Director | 31,10,000 | 3,96,000 | 29,96,000 |
| Md. Abu Jafar Chowdhury | Director | 15,03,000 | 2,04,000 | 14,97,000 |
| Md. Golam Mostafa | Director-Factory | 21,31,,000 | 3,15,000 | 21,40,000 |
| Total | | 98,54,000 | 13,11,000 | 96,29,000 |

Report on the Activities of the Audit Committee

Dear Shareholders

I am pleased to present the report of the Audit Committee of JMI Syringes & Medical Devices Limited in pursuance with the Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission (BSEC). This report is a brief on the activities performed by the Audit Committee.

Composition of Audit Committee

The Audit Committee of JMI Syringes & Medical Devices Limited was constituted by the Board of Directors as a sub-committee of Board as per terms of reference approved by the Board in accordance with the aforementioned notification of BSEC. The audit committee is formed to assist the Board of Directors in fulfilling its oversight responsibilities in areas such as the integrity of financial reporting, the effectiveness of the risk management and internal control systems, implementation of the objectives, strategies and overall business plan set by the Board for effective function of the Company and other related governance and compliance matters.

During the financial year under review, the Audit Committee consisted of the following members:

| SL # | Members | Status with the Company | Status with the Committee | Meeting attended |
|------|------------------------------|-------------------------|---------------------------|------------------|
| 01 | Mr. Md. Hemayet Hossain | Independent Director | Chairman | 6/6 |
| 02 | Mr. Md. Abu Jafar Chowdhury | Director | Member | 6/6 |
| 03 | Mr. Md. Abdul Hoque | Independent Director | Member | 6/6 |
| 04 | Mr. Muhd. Tarek Hossain Khan | Company Secretary | Secretary | 6/6 |

Purpose of the Audit Committee

The role of the Audit Committee is to monitor the integrity of the financial statements of the Company and review and, when appropriate, make recommendations to the Board on business risks, internal controls and compliance. The Audit Committee assists the Board of Directors to ensure that the financial statements reflect a true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business. The Audit Committee is responsible to the Board of Directors. The duties of the Audit Committee are clearly set forth in writing.

Responsibilities and duties of audit Committee

The responsibilities and duties of the Audit Committee are:

Financial Reporting

- Reviewing the quarterly, half yearly and annual financial statement of the Company and recommended to the Board for approval.
- Monitoring the financial reporting process ensuring compliance to the accounting policies and principles, internal control risk management process.
- Monitoring and ensuring the adequacy of internal audit function and considering the major findings of the internal investigations and management response and where necessary, ensuring the appropriate actions are taken.
- Reviewing Internal Control weakness, internal financial control, financial reporting and risk management.
- Any significant changes to accounting policies and practices.
- Significant adjustments arising from the audits.
- Review statement of all related party transactions submitted by the management.
- Review Management Letters and Letter of Internal Control weakness issued by statutory auditors.
- Compliance with applicable Financial Reporting Standards and other legend regulatory requirement, and
- The going concern assumption.
- Financial reporting.

Auditor Reports

To prepare the annual Audit Committee report and submit to Board which includes the Composition of the Audit Committee, its terms of reference, number of meeting held, a summary of its activities and the existence of internal audit services and summary of the activities for inclusion in the Annual Report.

Internal Control

To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored.

To obtain assurance that proper plans for control have been developed prior to the commencement of major areas of change within the Company.

To recommend to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors and from the consultations of the Audit Committee itself.

Review the management report and internal audit report

The management report made by the external auditors for the year 2018-2019 including management response to the report was reviewed by us during our audit committee meeting. We also reviewed the report made the internal audit report.

External Audit

The Committee reviewed the Final Accounts, Auditors findings and management response. The committee also reviewed the appointment of the statutory auditors for the Company and their remuneration.

Reformed of Members of the Committee

As per regulations, Independent Directors are appointed for a period of three years and are not eligible for re-appointment on expiry of the term. My tenure as Independent Director will be expire on 23rd November, 2019 due to completion of consecutive 2 tenor (6 years) period. The board has appointed Mr. Abdul Haque, Independent Director of the Company as Chairman of the Audit Committee for next three years effective from 23rd November, 2019.

As per Bangladesh Securities and Exchange Commission Notification no. BSEC/CMRRC/2009-193/217/Admin/90 dated 21st May, 2019, Mr. Abu Jafar Cowdhury, Director of the Company and a member of the Audit Committee was resigned from the Board and Audit Committee on 22nd August, 2019. In this connection the Board has appointed another 2 member for Audit Committee Mr. Hoi Kwan Kim and Mr. A.T.M. Serajus Salekin Chowdhury with effect from 23rd November, 2019. Composition of the Audit Committee as under:

| SL # | Members | Status with the Company | Status with the Committee |
|------|--------------------------------------|-------------------------|---------------------------|
| 01 | Mr. Md. Abdul Hoque | Independent Director | Chairman |
| 02 | Mr. Hoi Kwan Kim | Director | Member |
| 03 | Mr. A.T.M. Serajus Salekin Chowdhury | Independent Director | Member |
| 04 | Mr. Muhd. Tarek Hossain Khan | Company Secretary | Secretary |

Conclusion

The committee noted no material deviations or non-compliance or adverse audit findings that warrants for board or shareholders' attention during the year under review. The audit committee expressed its thanks to the members of the Board, Management and Auditors for their support during the year.



Md. Hemayet Hossain
Chairman
Audit Committee

Report of The Nomination & Remuneration Committee

JMI Syringes & Medical Devices Ltd.

The Board of Directors of JSMDL has duly constituted a Nomination and Remuneration Committee (NRC), as per the requirements of the BSEC Code of Corporate Governance. The NRC assists the Board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and other top-level executives. The NRC also assists the Board to formulate policy for formal and continued process of considering remuneration/honorarium of Directors and top-level executives. The NRC has a guiding role to the management to identify the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.

The Report of Nomination and Remuneration Committee is prepared according to the requirements of the Corporate Governance Code Issued by the Bangladesh Securities and Exchange Commission (BSEC). This Report Covers nomination and remuneration policies, evaluation criteria and activities of NRC

Overview of the Nomination and Remuneration Policies:

The Company follows nomination and remuneration policies, the benchmark of which relies on standards and recognizable in the market context and sufficient to meet the current and future needs of the Company. The board criteria in that respect for Directors and top-level executives and all other employees of the Company are as follows:

a) Nomination Criteria

- i) Following the Company policies as well as guidelines and applicable country regulations
- ii) Following a selection process that is transparent in all respects
- iii) Following a process which is compatible to international standards and local best practices
- iv) Recognise core competence of the respective personnel for the different level of management and employees of the Company
- v) Follow diversity in age, maturity, qualification, expertise and gender disciplines

b) Recruitment and Selection Guidelines

The NRC draws a board outline of the Company needs for employees at different levels, as ascertained by the management. The recruitment and selection of Directors, top-level executives and other employees of the Company and made accordingly to the following guidelines.

- Independent Director: The Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws that can make meaningful contribution to the business. The Independent Directors should have competence relevant to the sector in which the Company operates, and necessarily should have the qualifications as required by the regulations of BSEC. The Board of Directors appoints Independent Directors upon nomination and recommendation of the NRC, which is then approved by shareholders at the Annual General Meeting of the Company.
- Top-level Executives: The NRC identifies and recommends candidate(s) for top-level executives upon through scrutiny by the Managing Director and Human Resources Department (HRD), considering relevant qualifications, experience, skills and leadership, as required for the respective positions based on the Company's internal selection process.

Explanation: 'Top-level executives' of the Company include the Executive Director (Financial Management, QA & HR), Advisor Finance & Accounts, Chief Financial Officer, Company Secretary, Head of Internal Audit & Compliance, and same level/ranked/salaried officials of the Company.

➤ Other Employees:

The NRC sets a guideline to identify the Company's need for employees at different levels, and empowers the relevant management of the Company's HRD for selection transfer, replacement and promotion of respective employees based on the Company's internal processes.

c) Remuneration Criteria

- I. The Structure, scale and composition of remuneration/honorarium is reasonable and sufficient to attract, retain and motivate suitable Directors, top-level executives and other employees to run the Company efficiently and successfully; The Context of packages, including remuneration/benefits monthly, yearly and in the long run for all the employees are categorically laid down and meets the appropriate performance benchmarks;
- II. There is a clear balance in benefits between fixed and incentive pay of Executive Directors and senior management, reflecting short and long-term performance goals and objectives of the Company;
- III. The remuneration, including bonuses, compensation, benefits (or in whatever form) payable to the Executive Directors, top-level executive and other employees are determined by the NRC based on the respective Company policies and guidelines, which shall be ratified by the Board as and when required;

- IV. The Remuneration to be paid to the Executive Directors is in accordance with the Company's policies and guidelines;
- a. Increments (if any) to the existing structure of remuneration are determined by the NRC based on the Company's policies and guidelines, which are ratified by the Board as and when required;
- V. The NRC will recommend the Board meeting attendance fees, honorarium, including incidental expenses, if any; and
- VI. No member of the NRC receives, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees of honorarium from the Company.

1. Evaluation Criteria

a) Executive Directors

The respective line authority of the Executive Director(s) sets the performance measurement criteria based on the respective role profile and responsibilities through a Company appraisal process at the beginning of each calendar year. The Executive Director(s) prepare the performance document (half-year end). The respective line authority then evaluates the performance of the Executive Director(s) according to the measurement criteria.

b) Independent Director & Non-Executive Director

The evaluation of performance of the Independent Directors (IDs) and Non-Executive Directors are carried out at least once a year by the Board of Directors, according to the following criteria:

- a) Attendance at the Board meetings and committee meetings.
- b) Participation in the Board meeting and committee meetings.
- c) Contribution to improving the Corporate Governance practices of the Company.

c) Top-level Executive & other Employees

The respective line authority of top-level executives and other employees sets the performance measurement criteria based on the respective roles and responsibilities to achieve people and business objectives through Company appraisal processes at the beginning of each calendar year. The employees concerned prepare the performance document (half-year and year end). The respective line authority then evaluates the performance of the employee(s) according to the measurement criteria.

2. Activity Summary of Nomination and Remuneration Committee during the year

a) Formation of NRC Committee and its Meetings

The Board Formed the Nomination and Remuneration Committee (NRC), as per the requirements of BSEC Corporate Governance Code with the Following composition:

| SL No. | Name & Designation | Position in NRC |
|--------|--|-----------------|
| 1 | Mr. A.T.M. Serajus Salekin Chowdhury, Independent Director | Chairman |
| 2 | Mr. Md. Abdul Haque, Independent Director | Member |
| 3 | Mr. Hoi Kwan Kim, Director | Member |
| 4 | Mr. Muhammad Tarek Hossain Khan, Company Secretary | Secretary |

In 2018-2019, the Committee met twice. The Managing Director, Executive Director, CFO, and Head of HR attended the meeting by invitation of the Committee. Mr. A.T.M. Serajus Salekin Chowdhury, guided the newly formed Committee in its nomination and remuneration initiatives, ensuring standards and compliance.

The activities of the NRC during the year were as follows:

- i. Considered the terms of reference of NRC, as approved by the Board
- ii. Formulated a policy relating to the remuneration of the Directors, top-level executives and all employees of the Company
- iii. Formulated the criteria for determining qualifications, positive attributes and independence of a Director
- iv. Formulated the criteria for evaluation of performance of Independent Directors and the Board Members
- v. Identified criteria for selection, transfer of replacement and promotion at different levels of the Company
- vi. Adopted a code of conduct for the Chairman, Directors and Top-level executives of the Company.

Sd/
A.T.M. Serajus Salekin Chowdhury
Chairman

Annexure-A
[As per condition No. 1(5)(xxiv)]
Name of the company (JMI Syringes & Medical Devices Ltd.)
Declaration by CEO and CFO

Date: 27th October, 2019

The Board of Directors

JMI Syringes & Medical Devices Ltd.

7/A, Shantibag, Dhaka-1217.

Subject: Declaration on Financial Statements for the year ended on 30th June, 2019.

Dear Sirs,

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

1. The Financial Statements of JMI Syringes & Medical Devices Ltd for the year ended on 30th June, 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

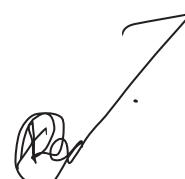
In this regard, we also certify that:-

- i) We have reviewed the financial statements for the year ended on 30th June, 2019 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 statements collectively 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 of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Ranjit Chakraborty
Chief Financial Officer
Date: 27th October, 2019



Md. Abdur Razzaq
Managing Director & CEO

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES



Ref. No: CM-2019/127

Date of issue: March 6, 2019

Renewed Certificate

This is to certify that

JMI SYRINGES & MEDICAL DEVICES LIMITED
is an Ordinary Member of Bangladesh Association of Publicly Listed Companies
and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December 2019.




Secretary-General



মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস
৯-জি, মতিঝিল বাণিজ্যিক এলাকা, ঢাকা-১০০০

Malek Siddiqui Wali

CHARTERED ACCOUNTANTS

Partners: Md. Waliullah, FCA

Swadesh Ranjan Saha, FCA

Md. Habibur Rahman Sarker, FCA

Anjan Mallik, FCA

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mmswcbd@hotmail.com

9-G, Motijheel C/A, 2nd Floor

Dhaka- 1000, Bangladesh

**Report to the Shareholders of
JMI Syringes & Medical Devices Limited
On compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by JMI Syringes & Medical Devices Limited for the year ended on June 30, 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 under section 2CC of the Bangladesh Security Exchange Commission.

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

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

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

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

Place: Dhaka
Date: October 31, 2019

Malek Siddiqui Wali
Chartered Accountants

Md. Waliullah, FCA
Managing Partner

Report on compliance of bsec's notification on Corporate Governance

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRC/2006-158/207/Admin/80 dated 03 June 2018 Issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--|--|--------------|---|
| | | Complied | Not Complied | |
| 1. | Board of Directors | | | |
| 1(1) | Board 's Size shall not be less than 5 and more than 20 | ✓ | | |
| 1(2) | Independent Directors | | | |
| 1(2)(a) | Independent Director(s) - at least one fifth (1/5) of the total number of directors | ✓ | | |
| 1(2)(b)(i) | Independent director does not hold any share or holds less than one percent (1%) shares of total paid up capital | ✓ | | Holding 1,000 share out of 11,000,000 share |
| 1(2)(b)(ii) | Independent director is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company | ✓ | | |
| 1(2)(b)(iii) | Independent director has not been an executive of the company in immediately preceding 2 (two) financial years | ✓ | | |
| 1(2)(b)(iv) | Independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies | ✓ | | |
| 1(2)(b)(v) | Independent director is not member or TREC holder, director or officer of any stock exchange | ✓ | | |
| 1(2)(b)(vi) | Independent director is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market | ✓ | | |
| 1(2)(b)(vii) | Independent director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code | ✓ | | |
| 1(2)(b)(viii) | Independent director is not independent director in more than 5 (five) listed companies | ✓ | | |
| 1(2)(b)(ix) | Independent director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI) | ✓ | | |
| 1(2)(b)(x) | Independent director has not been convicted for a criminal offence involving moral turpitude | ✓ | | |
| 1(2)(c) | The independent director(s) shall be appointed by the Board and approved by the Shareholders in the AGM | ✓ | | |
| 1(2)(d) | The post of independent director(s) cannot remain vacant for more than 90 days | | | No such event occurred during the year. |
| 1(2)(e) | The tenure of office of an Independent Directors shall be for a period of 3 (three) years which may be extended for 1 (one) tenure only | ✓ | | |
| 1(3) | Qualification of Independent Director | | | |
| 1(3)(a) | Independent Director 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 | ✓ | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--|--|--------------|-------------------------------------|
| | | Complied | Not complied | |
| 1(3)(b)(i) | Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association | | | N/A |
| 1(3)(b)(ii) | Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company | ✓ | | |
| 1(3)(b)(iii) | Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law | | | N/A |
| 1(3)(b)(iv) | University Teacher who has educational background in Economics or Commerce or Business Studies or Law | | | N/A |
| 1(3)(b)(v) | Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification | | | N/A |
| 1(3)(c) | The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b) | ✓ | | |
| 1(3)(d) | In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission | | | N/A |
| 1(4) | Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer | | | |
| 1(4)(a) | The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals | ✓ | | |
| 1(4)(b) | The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company | ✓ | | |
| 1(4)(c) | The Chairperson of the Board shall be elected from among the non-executive directors of the company | ✓ | | |
| 1(4)(d) | The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer | ✓ | | |
| 1(4)(e) | In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | | | No such incident was occurred. |
| 1(5) | The Directors' Report to Shareholders | | | |
| 1(5)(i) | An industry outlook and possible future developments in the industry | ✓ | | |
| 1(5)(ii) | The Segment-wise or product-wise performance | ✓ | | |
| 1(5)(iii) | Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any | ✓ | | |
| 1(5)(iv) | A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin, where applicable | ✓ | | |
| 1(5)(v) | A discussion on continuity of any extraordinary activities and their implications (gain or loss) | | | No such extra ordinary gain or loss |
| 1(5)(vi) | A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions; | ✓ | | |
| 1(5)(vii) | A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments | | | Not required |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|----------------|--|--|--------------|---------------------|
| | | Complied | Not complied | |
| 1(5)(viii) | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc. | | | Not required |
| 1(5)(ix) | An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements | | | N/A |
| 1(5)(x) | A statement of remuneration paid to the directors including independent directors | ✓ | | |
| 1(5)(xi) | A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity | ✓ | | |
| 1(5)(xii) | A statement that proper books of account of the issuer company have been maintained | ✓ | | |
| 1(5)(xiii) | A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment | ✓ | | |
| 1(5)(xiv) | A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed | ✓ | | |
| 1(5)(xv) | A statement that the system of internal control is sound in design and has been effectively implemented and monitored | ✓ | | |
| 1(5)(xvi) | A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress | ✓ | | |
| 1(5)(xvii) | A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed | ✓ | | |
| 1(5)(xviii) | An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained | ✓ | | |
| 1(5)(xix) | A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized | ✓ | | |
| 1(5)(xx) | An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year | | | N/A |
| 1(5)(xxi) | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend | | | N/A |
| 1(5)(xxii) | The total number of Board meetings held during the year and attendance by each director | ✓ | | |
| 1(5)(xxiii) | A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by: | | | |
| 1(5)(xxiii)(a) | Parent or Subsidiary or Associated Companies and other related parties (name-wise details) | | | N/A |
| 1(5)(xxiii)(b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details) | ✓ | | |
| 1(5)(xxiii)(c) | Shareholding pattern of Executives | | | N/A |
| 1(5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details) | ✓ | | |
| 1(5)(xxiv) | In case of appointment or re-appointment of a Director, a disclosure on the following information to the Shareholders: | | | |
| 1(5)(xxiv)(a) | A brief resume of the director | ✓ | | |
| 1(5)(xxiv)(b) | Nature of his or her expertise in specific functional areas | ✓ | | |
| 1(5)(xxiv)(c) | Names of companies in which the person also holds the directorship and the membership of committees of the board | ✓ | | |
| 1(5)(xxv) | A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on: | | | |
| 1(5)(xxv)(a) | Accounting policies and estimation for preparation of financial statements | ✓ | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|---|--|--------------|---|
| | | Complied | Not complied | |
| 1(5)(xxv)(b) | Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes | | | N/A |
| 1(5)(xxv)(c) | Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof | ✓ | | |
| 1(5)(xxv)(d) | Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario | ✓ | | |
| 1(5)(xxv)(e) | Briefly explain the financial and economic scenario of the country and the globe | ✓ | | |
| 1(5)(xxv)(f) | Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company | ✓ | | |
| 1(5)(xxv)(g) | Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM | ✓ | | |
| 1(5)(xxvi) | 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 | ✓ | | |
| 1(5)(xxvii) | The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C | ✓ | | |
| 1(6) | The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code | ✓ | | |
| 1(7) | Code of Conduct for the Chairperson, other Board members and Chief Executive Officer | | | |
| 1(7)(a) | The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company | ✓ | | |
| 1(7)(b) | The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency. | ✓ | | |
| 2. | Governance of Board of Directors of Subsidiary Company: | | | |
| 2(a) | Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company | | | N/A The company does not hold subsidiary company |
| 2(b) | At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company | | | |
| 2(c) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company | | | |
| 2(d) | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also | | | |
| 2(e) | The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company | | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--|--|--------------|---|
| | | Complied | Not complied | |
| 3. | Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS): | | | |
| 3(1) | Appointment | | | |
| 3(1)(a) | The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) | ✓ | | |
| 3(1)(b) | The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals | ✓ | | |
| 3(1)(c) | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time | ✓ | | |
| 3(1)(d) | The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS | ✓ | | |
| 3(1)(e) | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s) | ✓ | | No such event occurred during the year. |
| 3(2) | Requirement to attend Board of Directors' Meetings | | | |
| | The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board | ✓ | | |
| 3(3) | Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO) | | | |
| 3(3)(a) | The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: | ✓ | | |
| 3(3)(a)(i) | These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and | ✓ | | |
| 3(3)(a)(ii) | These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws; | ✓ | | |
| 3(3)(b) | The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members; | ✓ | | |
| 3(3)(c) | The certification of the MD or CEO and CFO shall be disclosed in the Annual Report. | ✓ | | |
| 4. | Board of Directors' Committee | | | |
| | For ensuring good governance in the company, the Board shall have at least following subcommittees: | | | |
| 4(i) | Audit Committee; and | ✓ | | |
| 4(ii) | Nomination and Remuneration Committee. | ✓ | | |
| 5. | Audit Committee | | | |
| 5(1) | Responsibility to the Board of Directors | | | |
| 5(1)(a) | Audit Committee as a sub-committee of the Board | ✓ | | |
| 5(1)(b) | The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business; | ✓ | | |
| 5(1)(c) | The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing. | ✓ | | |
| 5.2 | Constitution of the Audit Committee | | | |
| 5(2)(a) | The Audit Committee shall be composed of at least 3 (three) members | ✓ | | |
| 5(2)(b) | The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director; | ✓ | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|---|--|--------------|------------------------------|
| | | Complied | Not complied | |
| 5(2)(c) | All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management background and 10 (ten) years of such experience; | ✓ | | |
| 5(2)(d) | Casual Vacancy of the Audit Committee fill up immediately or not later than 1 (one) month from the date of vacancy | | | No such incident was occurs. |
| 5(2)(e) | The company secretary shall act as the secretary of the Committee | ✓ | | |
| 5(2)(f) | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director | | | No such incident was occurs. |
| 5.3 | Chairperson of the Audit Committee | | | |
| 5(3)(a) | The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director; | ✓ | | |
| 5(3)(b) | In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | | | No such incident was occurs. |
| 5(3)(c) | Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM) | ✓ | | |
| 5.4 | Meeting of the Audit Committee | | | |
| 5(4)(a) | The Audit Committee shall conduct at least its four meetings in a financial year: | ✓ | | |
| 5(4)(b) | The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must. | ✓ | | |
| 5.5 | Role of Audit Committee | | | |
| 5(5)(a) | Oversee the financial reporting process | ✓ | | |
| 5(5)(b) | Monitor choice of accounting policies and principles | ✓ | | |
| 5(5)(c) | Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report; | ✓ | | |
| 5(5)(d) | Oversee hiring and performance of external auditors | ✓ | | |
| 5(5)(e) | Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption; | ✓ | | |
| 5(5)(f) | Review along with the management, the annual financial statements before submission to the board for approval | ✓ | | |
| 5(5)(g) | Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval | ✓ | | |
| 5(5)(h) | Review the adequacy of internal audit function | ✓ | | |
| 5(5)(i) | Review the Management's Discussion and Analysis before disclosing in the Annual Report; | ✓ | | |
| 5(5)(j) | Review statement of all related party transactions submitted by the management | ✓ | | |
| 5(5)(k) | Review Management Letters or Letter of Internal Control weakness issued by statutory auditors | ✓ | | |
| 5(5)(l) | Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; | ✓ | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|----------------|--|--|--------------|--|
| | | Complied | Not complied | |
| 5(5)(m) | Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: | ✓ | | |
| 5(6) | Reporting of the Audit Committee | | | |
| 5(6)(a) | Reporting to the Board of Directors | | | |
| 5(6)(a)(i) | The Audit Committee shall report on its activities to the Board | ✓ | | |
| 5(6)(a)(ii) | The Audit Committee shall immediately report to the Board on the following findings, if any: | | | |
| 5(6)(a)(ii)(a) | Report on conflicts of interest | | | |
| 5(6)(a)(ii)(b) | Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; | | | No such incident was occurs. |
| 5(6)(a)(ii)(c) | Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; | | | |
| 5(6)(a)(ii)(d) | Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately; | ✓ | | |
| 5(6)(b) | Reporting to the Authorities If any report which has material impact on the financial condition and results of operation and which has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier. | | | No such matter arisen during the year. |
| 5(7) | Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company. | ✓ | | |
| 6. | Nomination and Remuneration Committee (NRC) | | | |
| 6(1) | Responsibility to the Board of Directors | | | |
| 6(1)(a) | The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board; | ✓ | | |
| 6(1)(b) | The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive; | ✓ | | |
| 6(1)(c) | The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b). | ✓ | | |
| 6(2) | Constitution of the NRC | | | |
| 6(2)(a) | The Committee shall comprise of at least three members including an independent director; | ✓ | | |
| 6(2)(b) | All members of the Committee shall be non-executive directors; | ✓ | | |
| 6(2)(c) | Members of the Committee shall be nominated and appointed by the Board; | ✓ | | |
| 6(2)(d) | The Board shall have authority to remove and appoint any member of the Committee; | ✓ | | |
| 6(2)(e) | In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee; | | | No such incident was occurs. |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--|--|--------------|------------------------------|
| | | Complied | Not complied | |
| 6(2)(f) | The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee; | | | No such incident was occurs. |
| 6(2)(g) | The company secretary shall act as the secretary of the Committee; | ✓ | | |
| 6(2)(h) | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director; | | | No such incident was occurs. |
| 6(2)(i) | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company. | ✓ | | |
| 6(3) | Chairperson of the NRC | | | |
| 6(3)(a) | The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director; | ✓ | | |
| 6(3)(b) | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes; | | | No such incident was occurs. |
| 6(3)(c) | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: | | | He will attend AGM of 2019 |
| 6(4) | Meeting of the NRC | | | |
| 6(4)(a) | The NRC shall conduct at least one meeting in a financial year; | ✓ | | |
| 6(4)(b) | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC; | | | No such incident was occurs. |
| 6(4)(c) | The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h); | | | No such incident was occurs. |
| 6(4)(d) | The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC. | ✓ | | |
| 6(5) | Role of the NRC | | | |
| 6(5)(a) | NRC shall be independent and responsible or accountable to the Board and to the shareholders; | ✓ | | |
| 6(5)(b) | NRC shall oversee, among others, the following matters and make report with recommendation to the Board: | ✓ | | |
| 6(5)(b)(i) | Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following: | ✓ | | |
| 6(5)(b)(i)(a) | The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully; | ✓ | | |
| 6(5)(b)(i)(b) | The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; | ✓ | | |
| 6(5)(b)(i)(c) | Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals; | ✓ | | |
| 6(5)(b)(ii) | Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality; | ✓ | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|---|--|--------------|-------------------------------------|
| | | Complied | Not complied | |
| 6(5)(b)(iii) | Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board; | ✓ | | |
| 6(5)(b)(iv) | Formulating the criteria for evaluation of performance of independent directors and the Board; | ✓ | | |
| 6(5)(b)(v) | Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; | ✓ | | |
| 6(5)(b)(vi) | Developing, recommending and reviewing annually the company's human resources and training policies; | ✓ | | |
| 6(5)(c) | The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report. | ✓ | | Will be published in upcoming year. |
| 7. | External or Statutory Auditors | | | |
| 7(1) | The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: | ✓ | | |
| 7(1)(i) | Appraisal or valuation services or fairness opinions; | ✓ | | |
| 7(1)(ii) | Financial information systems design and implementation; | ✓ | | |
| 7(1)(iii) | Book-keeping or other services related to the accounting records or financial statements; | ✓ | | |
| 7(1)(iv) | Broker – dealer services | ✓ | | |
| 7(1)(v) | Actuarial services | ✓ | | |
| 7(1)(vi) | Internal audit services or special audit services; | ✓ | | |
| 7(1)(vii) | Any service that the Audit Committee determines; | ✓ | | |
| 7(1)(viii) | Audit or certification services on compliance of corporate governance as required under condition No. 9(1); | ✓ | | |
| 7(1)(ix) | Any other service that creates conflict of interest. | ✓ | | |
| 7(2) | No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company | ✓ | | |
| 7(3) | Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders. | ✓ | | |
| 8. | Maintaining a website by the Company | | | |
| 8(1) | The company shall have an official website linked with the website of the stock exchange. | ✓ | | |
| 8(2) | The company shall keep the website functional from the date of listing. | ✓ | | |
| 8(3) | The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s). | ✓ | | |
| 9. | Reporting and Compliance of Corporate Governance | | | |
| 9(1) | The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. | ✓ | | |
| 9(2) | The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting. | ✓ | | |
| 9(3) | The directors of the company shall state, in accordance with the Annexure-Attached, in the directors' report whether the company has complied with these conditions or not. | ✓ | | |



Financial Statements

Independent Auditor's Report
To the Shareholders of JMI Syringes & Medical Devices Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of JMI Syringes & Medical Devices Limited ("the Company"), which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Emphasis of Matter

We draw your attention to Note 30 to the Financial Statements which discuss the fact that Worker's Profit Participation Fund payments were made through Cash transactions. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report

| RISK | OUR RESPONSE TO THE RISK |
|---|---|
| Revenue Recognition Revenue of BDT 177 Crore is recognized in the income statement of JMI Syringes & Medical Devices Limited. The Company's revenue recognition policies and procedures are not complex and revenue is recognized at a point in time when the control of the manufactured goods is transferred to the customer. However, Revenue is highly material to the financial statement users and is the primary driver of key investor metrics such as Earnings per Share etc. This account is also subject to some risk due to the risks such as management override and bias. Details of the Revenue Section are summarized in Note 20 to the Financial Statements | <p>Our audit procedures included:</p> <p>Understanding the process of estimating, recording and reassessing going concern.</p> <ul style="list-style-type: none">▶ Obtain an understanding of Company's internal controls specifically geared towards adoption of the new accounting standard.▶ Examine customer contracts to determine key arrangements between the Customer and Company to understand when control of the goods manufactured transfer from Company to Customer.▶ Reviewing Invoices, Shipping Documents and other supporting documentation to ensure revenue recognition is occurring appropriately▶ Examine Payment documentation to ensure completion of revenue cycle is documented appropriately |

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the 2019 Annual Report. The Annual Report comprises of the Director's Report, Corporate Governance Compliance Report and Management Discussion and Analysis. The Annual Report is expected to be made available to us after the date of this auditor's report

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- ▶ We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ▶ In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- ▶ The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;
- ▶ The expenditures incurred were for the purpose of the Company's business.



Date: 21th September, 2019
Dhaka, Bangladesh

A.K. Gulam Kibria, FCA
Engagement Partner
G. KIBRIA & CO.
Chartered Accountants

JMI Syringes & Medical Devices Ltd.
Statement of Financial Position
All amounts presented in Bangladesh BDT

| | Notes | June 30, 2019 | June 30, 2018 |
|---|-------|----------------------|----------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, Plant & Equipment | 4 | 1,075,293,227 | 1,103,983,892 |
| Factory Building Work in Progress | 4e | 104,925,380 | 97,962,811 |
| Total Non-Current Assets | | 1,180,218,607 | 1,201,946,703 |
| Current Assets | | | |
| Inventories | 5 | 489,912,762 | 492,173,544 |
| Advance Deposit & Prepayments | 6 | 288,225,242 | 317,611,929 |
| Short Term Loan (Advance) | 7 | 141,199,042 | 189,128,550 |
| Advance Income Tax | 8 | 219,010,106 | 251,164,770 |
| Accounts Receivable | 9 | 381,440,117 | 335,483,923 |
| Cash and Cash Equivalents | 10 | 338,768,201 | 10,456,732 |
| Total Current Assets | | 1,858,555,470 | 1,596,019,448 |
| Total Assets | | 3,038,774,077 | 2,797,966,151 |
| Share Holder's Equity and Liability | | | |
| Shareholder's Equity | | | |
| Share Capital | 11 | 110,000,000 | 110,000,000 |
| Tax Holiday Reserve | 12 | 12,119,070 | 12,119,070 |
| Revaluation Reserve | 4.d | 321,098,425 | 390,637,275 |
| Retained Earnings | | 312,958,416 | 271,235,608 |
| Share Money Deposit | 11 | 1,819,395,698 | - |
| Total Shareholder's Equity | | 2,575,571,609 | 783,991,953 |
| Non-Current Liabilities | | | |
| Long Term Loan (Non Current Maturity) | 13 | 12,233,093 | 1,128,381,265 |
| Deferred Tax Liability | 15 | 89,382,174 | 64,385,369 |
| Total Non-Current Liabilities | | 101,615,267 | 1,192,766,634 |
| Current Liabilities | | | |
| Long Term Loan (Current Maturity) | 14 | 37,159,787 | 62,398,429 |
| Short Term Loan | 16 | 72,661,571 | 606,601,074 |
| Dividend Payable | 17 | 3,205,687 | 2,832,252 |
| Accrued Expenses Payable | 18 | 200,000 | 18,441,181 |
| Creditors and Other Payable | 19 | 248,360,156 | 130,934,628 |
| Total Current Liabilities | | 361,587,201 | 821,207,564 |
| Total Liabilities and Shareholder's Equity | | 3,038,774,077 | 2,797,966,151 |

Accompanying notes form an integral part of these Financial Statements

Muhammad Tarek Hossain Khan
Company Secretary

Ranjit Chakraborty
Chief Financial Officer

Md. Jaber Iqbal Pathan
Chairman

As per our report of same date

Md. Abdur Razzaq
Managing Director

G KIBRIA & CO.
Chartered Accountants

Date: September 21, 2019
Place: Dhaka, Bangladesh

JMI Syringes & Medical Devices Ltd.
Statement for Profit or Loss and Comprehensive Income
All amounts presented in Bangladesh BDT

| | Notes | June 30, 2019 | June 30, 2018 |
|--|-------|--------------------|--------------------|
| Revenue from Net Sales | 20 | 1,778,494,735 | 1,421,378,736 |
| Less: Cost of Goods Sold | 21 | 1,266,219,066 | 1,009,530,185 |
| Gross Profit | | 512,275,670 | 411,848,551 |
| Administrative Expenses | 25 | 72,945,827 | 66,196,603 |
| Mkt, Selling and Distribution Expenses | 26 | 104,666,001 | 84,110,491 |
| Total Operating Expense | | 177,611,828 | 150,307,094 |
| Operating Income | | 334,663,841 | 261,541,457 |
| Add: Other Income | 27 | 2,025,497 | 3,783,234 |
| Less: Financial Expense | 28 | 179,636,872 | 155,820,258 |
| Net Income before Adjustment of WPPF | | 157,052,466 | 109,504,433 |
| Less: WPPF Contribution | 29 | 7,478,689 | 5,214,497 |
| Net Income before Tax | | 149,573,778 | 104,289,936 |
| Income Tax Charged for the Year | 30 | 83,019,660 | 28,792,362 |
| Net Profit After Tax | | 66,554,117 | 75,497,574 |
| Other Comprehensive Income | | - | - |
| Total Comprehensive Income for the Year | | 66,554,117 | 75,497,574 |
| Earnings per Share (Basic) | | 6.05 | 6.86 |
| Earnings per Share (Diluted) | | 3.01 | 6.86 |

Accompanying notes form an integral part of these Financial Statements

Muhammad Tarek Hossain Khan
Company Secretary

Ranjit Chakraborty
Chief Financial Officer

Md. Jaber Iqbal Pathan
Chairman

As per our report of same date

Md. Abdur Razzaq
Managing Director

Anjumone,
G KIBRIA & CO.
Chartered Accountants

Date: September 21, 2019
Place: Dhaka, Bangladesh

JMI Syringes & Medical Devices Ltd.
Statement for Change in Equity
All amounts presented in Bangladesh BDT

| Particulars | Share Capital | Share Money Deposit | Tax Holiday Reserve | Revaluation Surplus | Retained Earnings | Total |
|---|--------------------|----------------------|---------------------|---------------------|--------------------|----------------------|
| Balance as at 01.07.2018 | 110,000,000 | - | 12,119,070 | 390,637,275 | 271,235,608 | 783,991,953 |
| Addition of Share Capital by NIPRO Corporation, Japan | - | 1,819,395,698 | - | - | - | 1,819,395,698 |
| Net Loss for the Year | - | - | - | - | 66,554,118 | 66,554,118 |
| Divident for the year- 2017-2018 (30% cash) | - | - | - | - | (33,000,000) | (33,000,000) |
| Error Correction: Def. Tax related to Revaluation (Up to Fiscal 2018) | - | - | - | (61,370,159) | - | (61,370,159) |
| Revaluation Reserve | - | - | - | (8,168,691) | 8,168,691 | - |
| Balance as at 30.06.2019 | 110,000,000 | 1,819,395,698 | 12,119,070 | 321,098,425 | 312,958,416 | 2,575,571,609 |
| Particulars | Share Capital | Share Money Deposit | Tax Holiday Reserve | Revaluation Surplus | Retained Earnings | Total |
| Balance as at 01.07.2017 | 110,000,000 | - | 12,119,070 | 402,102,104 | 219,781,136 | 744,002,310 |
| Net Loss for the Year | - | - | - | - | 75,497,574 | 75,497,574 |
| Divident for the year- 2016-2017 (30% cash) | - | - | - | - | (33,000,000) | (33,000,000) |
| Revaluation Reserve | - | - | - | (11,464,829) | 8,956,898 | (2,507,931) |
| Balance as at 30.06.2018 | 110,000,000 | - | 12,119,070 | 390,637,275 | 271,235,608 | 783,991,953 |

Accompanying notes form an integral part of these Financial Statements



Muhammad Tareq Hossain Khan
Company Secretary



Ranjit Chakraborty
Chief Financial Officer



Md. Jaber Iqbal Pathan
Chairman

As per our report of Same Date



Md. Abdur Razzaq
Managing Director

Date: September 21, 2019
Place: Dhaka, Bangladesh

JMI Syringes & Medical Devices Ltd.

Statement of Cash Flow

All amounts presented in Bangladesh BDT

| | June 30, 2019 | June 30, 2018 |
|---|---------------------|---------------------|
| A. Cash Flows from Operating Activities | | |
| Collection from Sales | 1,923,511,830 | 1,537,504,131 |
| Collection from Others | 1,661,613 | 3,442,730 |
| Payments to Suppliers and Others | (1,428,796,444) | (1,328,066,637) |
| Tax Paid | (96,216,989) | (62,863,897) |
| Net cash used in operating activities (A) | 400,160,010 | 150,016,327 |
| B. Cash Flows from Investing Activities | | |
| Acquisition of Non-Current Assets | (45,021,283) | (75,875,030) |
| Disposal of Vehicle | 11,728,471 | 1,477,000 |
| Net Cash from Investing Activities (B) | (33,292,812) | (74,398,030) |
| C. Cash Flows from Financing Activities | | |
| Net Increase / (Decrease) in Long Term Loans | (1,141,386,814) | 6,719,107 |
| Net Increase / (Decrease) in Short Term Loans | (533,939,503) | 68,844,579 |
| Net (Increase) / Decrease in Inter Company Advances | 47,929,508 | - |
| Share Money Deposit | 1,819,395,698 | - |
| Dividend & Dividend Tax Paid | (32,626,565) | (33,260,004) |
| Interest & Bank Charges paid | (197,928,053) | (140,633,784) |
| Net Cash from Financing Activities (C) | (38,555,729) | (98,330,102) |
| D. Net increase/(decrease) in Cash (A+B+C) | 328,311,469 | (22,711,805) |
| E. Opening cash and cash equivalents | 10,456,732 | 33,168,537 |
| Closing Cash and Cash Equivalents | 338,768,201 | 10,456,732 |
| Net Operating Cash Flow Per Share (NOCFPS) | 36.38 | 13.64 |

Accompanying notes form an integral part of these Financial Statements

Muhammad Tareq Hossain Khan
Company Secretary

Ranjit Chakraborty
Chief Financial Officer

Md. Jaber Iqbal Pathan
Chairman

Md. Abdur Razzaq
Managing Director

As per our report of Same Date

G KIBRIA & CO.

Chartered Accountants

Place: Dhaka, Bangladesh
Date: September 21, 2019

JMI Syringes & Medical Devices Ltd.
Notes, Comprising a Summary of Significant Accounting Policies and
Other Explanatory Information
For the year ended 30 June, 2019

1. Legal Status & Nature of the Company

1.1 JMI Syringes & Medical Devices Ltd. was incorporated as a Private Limited Company on 5th April, 1999 in Bangladesh with an Authorized Capital of Tk. 6,00,00,000/- divided into 600,000 ordinary shares of Tk. 100/= each under the Companies Act., 1994. Subsequently the Company increased its Authorized Capital to Tk. 30,00,00,000/- and reduced the denomination of the shares from Tk. 100/= to Tk. 10/= as per Extra Ordinary General Meeting held on February 04, 2002 and was converted into a Public Limited Company as per Extra Ordinary General Meeting held on August 20, 2002. Again the Company reverted its denomination of the shares from Tk. 10/= to Tk. 100/= as per Extra Ordinary General Meeting held on May 05, 2003 and went for public issue during that year. Company's share is listed with the Dhaka and Chittagong Stock Exchange Ltd.

The Company has changed its name from **JMI-Bangla Co. Ltd.** to **JMI Syringes & Medical Devices Ltd.** as per an Extra-Ordinary resolution passed on October 01, 2009 and this change has been approved by the Registrar of Joint Stock Companies & Firms on April 15, 2010.

The Company has changed its authorized capital from Tk. 30 Crore to Tk. 100 Crore and reverted its denomination of the share from Tk. 100/= to Tk. 10/= each. So that the Ordinary Shares of the Company has also been changed from 30 Lac to 10 Crore. It was approved by the shareholder an Extra Ordinary General Meeting held on 29th September, 2012 and also approved by the Registrar of Joint Stock Companies on 14-11-2012.

The Company has raised paid-up capital as per Consent Letter accorded by Bangladesh Securities and Exchange Commission, against issuing 1,11,00,000 Ordinary Share @ BDT 164.10 per share including premium BDT 154.10 per share to NIPRO Corporation, Osaka, Japan. All amount against the above has been received from NIPRO Corporation and presenting in Statement of Financial Position as Share Money Deposit. After completion of all formalities Company will be allotted subscribed shares to NIPRO Corporation and number of Paid-up Share will be 2,21,00,000 and Paid-up Capital will be BDT. 22,10,00,000/=.

1.2 Address of Registered Office, Corporate Office and Factories:

The Registered Office of the Company is situated at 7/A, Shantibag, Dhaka-1217, Bangladesh. The Corporate Office of the Company is situated at "Unique Heights", Level-11, 117, Kazi Nazrul Islam Avenue, Dhaka-1000, Bangladesh & Factory address of the Company is situated at Noapara, Chaudogram, Comilla, Bangladesh.

1.3 Nature of Business:

The Company is primarily engaged in business of manufacturing and marketing of Disposable Syringe, Auto Disable Syringe (AD Syringe), Needle (blister pack), Infusion Set, Scalp Vein Set, Urine Drainage Bag, Insulin Syringe, First AID Bandage, Eye Gel Set, Riles Tube, IV Cannula, Feeding Tube, Cooper-T, Blood Lancets, Blood Transfusion Set, 3-Way Stop Cock, Suction Catheter, Alcohol Pad, Nelaton Catheter, Umbilical Cord Clamp, Wound Drain Tube, Safety Box etc.

1.4 Commencement of Business:

The Company commenced commercial operation on 26th January 2002. But the operation has stopped for some technical reason for 5 months and commercial operation has restarted from June 18, 2002.

1.5 Number of Employees:

The number of employee at the end of the year was 970.

2.0 Basis of Preparation of Financial Statements:

2.1 Statement of Compliance

The financial statements have been prepared incompliance with the requirements of the Companies Act 1994, the Securities & Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and other relevant local laws as applicable and in accordance with the applicable International Financial Reporting Standards (IFRSs) including International Accounting Standards (IAS) as issued by International

Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Prior year financial statements were prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) which were adopted accounting standards from IFRS. Management has made an assessment of the difference between these two standards and concluded that there are no differences which would impact any numerical amounts or note disclosures.

2.2 Regulatory Compliances

As required by the company, the management complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

- i. The Income Tax Ordinance 1984;
- ii. The Income Tax Rules 1984;
- iii. The Value Added Tax Act 1991;
- iv. The Value Added Tax Rules 1991;
- v. The Customs Act, 1969;
- vi. Bangladesh Labour Law, 2006;
- vii. The Securities and Exchange Ordinance, 1969;
- viii. The Securities and Exchange Rules, 1987; and
- ix. Securities and Exchange Commission Act, 1993

2.3 Structure, content and presentation of financial statements

According to the International Accounting Standards (IAS)-1 as adopted by ICAB as IAS-1 "Presentation of Financial Statements" the complete set of financial statements includes the following components.

- i. Statement of financial position as at 30 June 2019;
- ii. Statement of profit or loss and other comprehensive income for the financial year 30 June 2019;
- iii. Statement of cash flows for the financial year 30 June 2019;
- iv. Statement of changes in equity for the financial year 30 June 2019;
- v. Accounting policies and other explanatory notes for the financial year 30 June 2019.

2.4 Applicable Accounting Standards & Financial Reporting Standards

The following IASs and IFRSs are applicable for the financial statements for the year under review:

| Sl. No. | Name of the IAS | IAS's no. |
|----------------|---|------------------|
| 1 | Presentation of Financial Statements | 1 |
| 2 | Inventories | 2 |
| 3 | Statement of Cash Flows | 7 |
| 4 | Accounting policies, Changes in accounting Estimates and Errors | 8 |
| 5 | Events after the Reporting Period | 10 |
| 6 | Income Taxes | 12 |
| 7 | Property, Plant & Equipment | 16 |
| 8 | Leases | 17 |
| 9 | Employee Benefits | 19 |
| 10 | The Effects of Changes in Foreign Exchange Rates | 21 |
| 11 | Borrowing Costs | 23 |
| 12 | Related Party Disclosures | 24 |
| 13 | Financial Instruments: Presentation | 32 |
| 14 | Earnings Per Share | 33 |
| 15 | Impairment of Assets | 36 |
| 16 | Provision , Contingent Liabilities and Contingent Assets | 37 |
| 17 | Intangible Assets | 38 |

| Sl. No. | Name of the IFRS | IFRS No |
|----------------|------------------------------------|----------------|
| 1 | Financial Instruments: Disclosures | 7 |
| 2 | Operating Segments | 8 |
| 3 | Financial Instruments | 9 |
| 4 | Revenue | 15 |
| 5 | Fair Value Measurement | 13 |

2.5 Basis of Measurement:

The financial statements have been prepared on Historical Cost Basis except land building being revalued on 31st December, 2012, & 3rd December, 2015 and the cash flow statement being prepared on cash basis.

2.6 Reporting Period:

The financial statements cover one financial year (12 months) from July 01, 2018 to June 30, 2019.

2.7 Authorization for issue:

The financial statements have been authorized for issue by the Board of Directors on 21st September, 2019.

2.8 Functional and Presentation Currency:

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

2.9 Use of Estimates and Judgments:

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

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

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, inventory valuation, accrued expenses and other payable.

3.00 Significant Accounting Policies:

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

3.1 Revenue Recognition:

In compliance with the requirements of IFRS 15: the Company recognizes revenue when control of the goods or services has been transferred to the customer and the performance obligation has been completed. Revenue is measured at the fair value of the amount of consideration to which the Company expects to be entitled to, including variable consideration, if any, to the extent that it is highly probable that a significant reversal will not occur.

Net Revenue reflects the Company's sale of goods less returns and discounts. Revenue is recognized at the point of delivery measured at fair value of the consideration received, net of discounts. IFRS 15 requires Company's to determine variable factors such as sales returns when calculating the fair value of the consideration to be received. The magnitude and quantity of sales returns as a percentage of sales has been historically very low. As a result, the Company does not make a sales return allowance at the end of the year. The Company does however monitor the activity of sales returns during the year and the behavior of customers to determine if a sales return allowance is required. As of June 30 2019, no sales return allowance was deemed to be required.

Revenue from sales is exclusive of VAT.

Wastage sales are showing in other income (notes-27).

3.2 Property, Plant and Equipment:**3.2.1 Recognition and Measurement:**

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

3.2.2 Maintenance Activities:

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

3.2.3 Depreciation:

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

| Sl. No. | Name of Assets | % Of Depreciation |
|----------------|------------------------------|--------------------------|
| 01. | Land and Land Development | 0% |
| 02. | Factory Building | 5% |
| 03. | Machineries | 7% |
| 04. | Furniture and Fixtures | 10% |
| 05. | Factory and Office Equipment | 20% |
| 06. | Office Decoration | 10% |
| 07. | Power Station | 15% |
| 08. | Air Cooler | 20% |
| 09. | Telephone Line Installation | 15% |
| 10. | Deep Tubewel & Pump | 15% |
| 11. | Crockeries and Cutleries | 20% |
| 12. | Vehicles | 20% |

The company's policy is to transfer excess depreciation of revalued assets are transferred from revaluation surplus to retained earnings net of deferred tax.

3.2.4 The Changes in Accounting Policy:

The management had changed the rate of depreciation for the following assets from the year-2008 to till now:

| Name of Assets | Present Rate | Previous Rate |
|-----------------------|---------------------|----------------------|
| Factory Building | 5% | 20% |
| Machineries | 7% | 20% |

Rate of depreciation for other assets are consistently following.

3.2.5 Retirements and Disposal:

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

3.3 Leased Assets:

In compliance with the IAS 17: Leases, cost of assets acquired under finance lease along with related obligation has been accounted for as assets and liabilities respectively of the company, and the interest element has been charged as expenses. Lease payments made under finance leases are apportioned between the finance expenses and the reduction of the outstanding liability.

3.4 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.4.1 Financial Assets:

Financial assets of the company include cash and cash equivalents, accounts receivable and other receivables. The company initially recognizes receivable on the date they are originated. All others financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when and only when the contractual rights or

probabilities of receiving the cash flows from the asset expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

3.4.1(a) Accounts Receivable:

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

3.4.1 (b) Cash and Cash Equivalents:

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

3.4.2 Financial Liability:

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Financial liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

3.5 Impairment:

(a) Financial Assets:

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

(b) Non-Financial Assets:

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

3.6 Inventories:

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

3.7 Provisions:

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

3.8 Income Tax Expenses:

Income tax expenses comprises of current and deferred tax. Income tax expenses is recognized in the Statement of Profit or Loss and Other Comprehensive Income and accounted for in accordance with the requirements of IAS 12: Income Tax.

Current tax:

Current tax is the expected tax payable on the taxable income for the year, and any adjustment to tax payable in respect of previous years. The company qualifies as a "Publicly Traded Company"; hence the applicable Tax Rate is 25.00% for profit on local sales & 12.50% for profit on export sales.

Deferred tax:

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

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

3.9 Interest Income:

Interest income is recognized on accrual basis.

3.10 Borrowing Cost:

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

3.11 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 deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits.

The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

(a) Short-term employee benefits:

Short-term employee benefits include salaries, bonuses, overtime, holiday allowance, TA/DA, leave encashment, fooding allowance, transportation, accommodation, etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

(b) Contribution to Workers' Profit Participation and Welfare Funds:

This represents 5% of net profit before tax contributed by the company as per

Provisions of the Bangladesh Labor (amendment) Act 2014 and is payable to workers as defined in the said law.

(c) Insurance Scheme:

Employees of the company are covered under insurance schemes.

(d) Defined Contribution Plan (Provident Fund):

The company has a registered provident fund scheme (Defined Contribution Plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under and irrevocable trust. All permanent employees contribute 10% of their basic salary to the provident fund and the company also makes equal contribution.

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

3.12 Proposed Dividend:

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts in accordance with the requirements of International Accounting Standard (IAS) 1: Presentation of Financial Statements. Also the proposed dividend is not considered as liability in accordance with the requirement of International Accounting Standard (IAS) 10: Events after the Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board of Directors. The obligation will be created when the proposed dividend would be approved in annual general meeting.

3.13 Earnings per Share (EPS):

This has been calculated in compliance with the requirements of IAS 33: Earnings Per Share by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Basic EPS:

The company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS:

Diluted EPS is only be calculated where the company has commitment to issue ordinary share at future date at reporting date. No such commitment is hold by the company at reporting date.

3.14 Foreign Currency Transaction:

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date. The monetary assets and liabilities, if any, denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Exchange differences are charged off as revenue expenditure in compliance with the provisions of IAS 21: The Effects of Changes in Foreign Currency Rates.

3.15 Statement of Cash Flows:

The Statement of Cash Flow has been prepared in accordance with the requirements of IAS 7: Statement of Cash Flows. The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of IAS 7, whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed. In addition the management disclosed indirect method under IAS-7 statement of cash flows from audit activities as per circular no. Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/ 2006-158/208/Admin/81, dated: 20 June 2018: Reconciliation of Net operating cash flow under Indirect Method.

3.16 Events after Reporting Period:

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

3.17 Comparative Information:

Comparative information has been disclosed in respect of the year 2017-2018 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period financial statements.

Figures for the year 2017-2018 have been re-arranged wherever considered necessary to ensure better comparability with the current period.

4 Property, Plant & Equipment:

The details of property, plant & equipment are shown in Annexure-1

| | |
|--|--|
| Opening Balance (At Cost) | |
| Addition during the year | |
| Sales / Transfer | |
| Total Cost | |
| Less: Accumulated Depreciation (Notes-4-b) | |
| Carrying Value | |

| June 30, 2019 | June 30, 2018 |
|----------------------|----------------------|
| 1,620,095,638 | 1,564,905,867 |
| 38,058,714 | 57,462,763 |
| (17,908,190) | (2,272,992) |
| 1,640,246,162 | 1,620,095,638 |
| 564,952,935 | 516,111,746 |
| 1,075,293,227 | 1,103,983,892 |

4.b Accumulated Depreciation

| | |
|---|--|
| Opening Balance | |
| Add: Depreciation during the year (Notes-4-c) | |
| Less: Adjustment (Sales / Transfer) | |
| Closing Balance of Accumulated Depreciation | |

| June 30, 2019 | June 30, 2018 |
|--------------------|--------------------|
| 516,111,746 | 461,764,036 |
| 55,020,908 | 55,484,206 |
| (6,179,719) | (1,136,496) |
| 564,952,935 | 516,111,746 |

4.c Allocation of depreciation charge for the period has been made in the accounts as follows:

| | |
|-------------------------|--|
| Factory Overhead | |
| Administrative Expenses | |

| June 30, 2019 | June 30, 2018 |
|-------------------|-------------------|
| 49,835,865 | 50,861,039 |
| 5,185,043 | 4,623,167 |
| 55,020,908 | 55,484,206 |

4.d Revaluation Reserve:

The Company has revalued of their land and factory building by Axis Resources Ltd. and certified by Hoda Vasi Chowdhury & Co., Chartered Accountants as of 30th September, 2012, following " Current cost method". Such revaluation resulted into a revaluation surplus aggregating Tk. 35,04,06,455/- Again the company has revalued of their Land & Factory Building on the basis of 30th September, 2015 by M/S. Malek Siddiqui Wali, Chartered Accountants and revaluation surplus aggregating Tk. 9,98,01,289/- Current balance is arrived at as follows:

| | |
|--|--|
| Opening Balance | |
| Less: Deferred Tax related to Asset Revaluation (Anx 2) | |
| Adjusted Opening Balance | |
| Less: Transferred to Retained Earnings (net of Def. Tax) | |
| Total Revaluation Reserve: | |

| June 30, 2019 | June 30, 2018 |
|--------------------|--------------------|
| 390,637,275 | 402,102,104 |
| (61,370,159) | - |
| 329,267,115 | 402,102,104 |
| (8,168,691) | (11,464,829) |
| 321,098,425 | 390,637,275 |

4.e Factory Building & Staff Quarter Building Work in Progress :

| | |
|-----------------------------|--|
| Opening Balance (At Cost) | |
| Addition during the year | |
| Total as at 30th June, 2019 | |

| June 30, 2019 | June 30, 2018 |
|--------------------|-------------------|
| 97,962,811 | 79,550,544 |
| 6,962,569 | 18,412,267 |
| 104,925,380 | 97,962,811 |

5 Inventory

| | |
|--|--|
| Raw and Chemical materials | |
| Packing Materials | |
| Raw, Chemical and Packing Materials | |
| Work-in-Process | |
| Finished Goods | |
| Generator Fuel, Stationery, Spare Parts & Others | |
| Total Inventory | |

| June 30, 2019 | June 30, 2018 |
|--------------------|--------------------|
| 126,291,430 | 121,559,787 |
| 49,119,501 | 42,904,681 |
| 175,410,931 | 164,464,468 |
| 72,782,087 | 83,583,527 |
| 231,168,331 | 231,123,842 |
| 10,551,412 | 13,001,707 |
| 489,912,762 | 492,173,544 |

Raw Materials, WIP & Finished Goods are valued at lower of Cost and Net Realizable Value

6 Advance, Deposits and Prepayments

| | June 30, 2019 | June 30, 2018 |
|--|--------------------|--------------------|
| Security deposit to CPB Samity-2 | 3,006,227 | 3,006,227 |
| Advance to Employee | 288,242 | (2,303,284) |
| Security Deposit for Office Rent & Depot Rent | 3,393,330 | 3,046,130 |
| Advance to ISN | 3,000 | 3,000 |
| Advance to Rankstel | 4,000 | 4,000 |
| Security deposit to CDBL | 200,000 | 200,000 |
| Security deposit to Sonali Bank | 173,400 | 173,400 |
| Janata Bank, Corp. Branch, SD A/c-70104001 (LC /PAD) | 245 | 245 |
| Advance for Purchase of Land | - | 94,926,843 |
| Advance for Purchase of Floor Space | - | 28,051,080 |
| LC Margin & Others | 17,666,916 | 8,546,252 |
| Advance to Supplier | 46,356,990 | 52,001,507 |
| Advance for Goods | 173,968,405 | 105,646,087 |
| Bank Guarantee & Earnest Money Security | 39,947,630 | 20,412,521 |
| VAT Current Account | 3,216,857 | 3,897,921 |
| Total Advance, Deposits & Prepayments | 288,225,242 | 317,611,929 |
| Maturity analysis for above amount as under: | | |
| Adjustment within 1 year | 281,445,040 | 311,178,927 |
| Adjustment within after 1 year | 6,780,202 | 6,433,002 |
| Total Advance, Deposits & Prepayments | 288,225,242 | 317,611,929 |

7 Short Term Loan (Advance)

| | June 30, 2019 | June 30, 2018 |
|--|--------------------|--------------------|
| Nipro JMI Pharma Ltd. | - | 12,689,480 |
| JMI Vaccine Ltd. | 141,199,042 | 237,814,068 |
| JMI Marketing Ltd. | - | (180,519,030) |
| JMI Builders & Construction Ltd. (Developer Consultants) | - | 37,782,198 |
| Mazzak Inter Trade Ltd. | - | 70,000,000 |
| JMI Industrial Gas Ltd. (Purchase of Goods) | - | 11,361,834 |
| Total Short Term Loan (Advance) | 141,199,042 | 189,128,550 |

8 Advance Income Tax

| | June 30, 2019 | June 30, 2018 |
|--|--------------------|--------------------|
| Opening Balance | 251,164,770 | 188,300,873 |
| Addition during the period: | | |
| AIT deducted against Sales | 78,743,343 | 50,345,272 |
| AIT deposit against Vehicle | 213,000 | 256,000 |
| AIT deposit against Bank Interest | 18,498 | 14,548 |
| AIT deducted against Import of Raw Materials | 17,242,148 | 12,248,077 |
| | 96,216,989 | 62,863,897 |
| Balance after addition | 347,381,759 | 251,164,770 |
| Less: Adjustment | | |
| NBR IT Assessment Adjustment ((01-01-14 to 31-12-16) | 57,911,887 | - |
| NBR IT Assessment Adjustment (01-01-10 to 31-12-13) | 70,459,766 | - |
| | 128,371,653 | - |
| Closing Balance Advance Income Tax | 219,010,106 | 251,164,770 |

9 Accounts Receivable

| | June 30, 2019 | June 30, 2018 |
|---|--------------------|--------------------|
| Opening Balance | 335,483,923 | 294,029,329 |
| Add: Sales with VAT during the year | 1,968,843,771 | 1,578,958,725 |
| Less Realisation / adjustment during the year | 1,923,511,830 | 1,537,504,131 |
| Closing Balance | 380,815,864 | 335,483,923 |
| Add: Unrealized Gain for balance of export sales | 624,253 | - |
| Net Closing Balance | 381,440,117 | 335,483,923 |
| U\$ 8,32,338 included in receivable at the end of the year. | | |
| Subsequently the receivables have been realized and aging are as follows: | | |
| Receivable amount within 30 Days | 204,782,370 | 233,069,076 |
| Receivable amount within 60 Days | 131,448,164 | 79,669,044 |
| Receivable amount within 90 Days | 20,257,057 | 18,826,807 |
| Receivable amount over 90 Days | 24,952,526 | 3,918,996 |
| Total Receivable Amount | 381,440,117 | 335,483,923 |

Disclosure for related party transaction as Sundry Debtors:

| Name | Total Transactions | June 30, 2019 | June 30, 2018 |
|-----------------------|--------------------|-------------------|--------------------|
| JMI Marketing Ltd. | 605,467,755 | 14,716,002 | 126,764,702 |
| Nipro JMI Pharma Ltd. | 4,284,698 | 3,006,759 | 888,551 |
| Total | 609,752,453 | 17,722,761 | 127,653,253 |

10 Cash & Cash Equivalents

| | June 30, 2019 | June 30, 2018 |
|---|--------------------|-------------------|
| Cash at Bank | | |
| Janata Bank, Corporate Branch, CD A/c-1010216 | 2,420,657 | 2,857 |
| Jamuna Bank, F.Ex. Branch-CD A/c-210005144 | 104,283 | 104,283 |
| Janata Bank, Corporate Branch, STD A/c- 004001122 | 137,316,634 | 6,656 |
| Janata Bank, Corporate Branch, STD A/c- 004001592 | 24,981 | 15,256 |
| Janata Bank, Corporate Branch, FC A/c-402000452 | 1,030,752 | 670,735 |
| Janata Bank, Chaudhogram Branch, CD A/c- 001006817 | 3,298,743 | 50,418 |
| Janata Bank, Corporate Branch, STD A/c- 004001119 | 5,710 | 6,656 |
| AB Bank, IPO A/c-221252430 | 31,218 | 31,218 |
| Janata Bank, Corporate Branch, FC A/c-413000087 | 167,500,000 | - |
| Pubali Bank Ltd. STD A/c-2001221 | 1,885,404 | 23,213 |
| Pubali Bank Ltd. STD A/c-3850102000116 | 2,001,224 | - |
| Standard Bank Ltd. Motijheel Branch, CD A/c-00233012214 | 17,754 | 280,882 |
| Dutch Bangla Bank CD A/c-10411024464 | 69,963 | 71,458 |
| Dutch Bangla Bank STD A/c-1011205276 | 976,300 | 880,150 |
| Islami Bank Chaudhogram Branch-A/c-1320 | 258 | 24,408 |
| Total Cash at Bank | 316,683,881 | 2,168,190 |
| Cash in Hand | | |
| Head Office | 8,473,029 | 5,741,562 |
| Factory Office | 13,611,291 | 2,481,582 |
| Depot Office | - | 65,398 |
| Total Cash in Hand | 22,084,320 | 8,288,542 |
| Closing Balance Cash & Cash Equivalents | 338,768,201 | 10,456,732 |

We have received USD \$21,800,000 through FC accounts against FDI Investment from Nipro Corporation, Osaka, Japan and ending of the year USD \$2,001,194.74 equivalents BDT 16,75,00,000 balance available in that accounts.

11 SHARE CAPITAL

| | June 30, 2019 | June 30, 2018 |
|--|----------------------|----------------------|
| Authorized : | | |
| 10,00,00,000 Ordinary Shares of Tk.10/- each | <u>1,000,000,000</u> | <u>1,000,000,000</u> |
| Issued, Subscribed & Paid up Capital : | | |
| 1,10,00,000 Ordinary Shares of Tk.10/- each at par fully paid up in cash | <u>110,000,000</u> | <u>110,000,000</u> |
| Bangladeshi | 5,424,000 | 5,424,000 |
| Foreigners | 1,300,000 | 1,300,000 |
| Sponsors | 6,724,000 | 6,724,000 |
| General Public | 3,577,500 | 3,125,100 |
| Institution | 698,500 | 1,150,900 |
| Public Shares | 4,276,000 | 4,276,000 |
| Share Money Deposit | 1,819,395,698 | - |

Share Money Deposited by NIPRO Corporation, Osaka, Japan as per Consent letter accorded by Bangladesh Securities and Exchange Commission, against 1,11,00,000 Ordinary Shares @ BDT 164.10 per share including premium BDT 154.10 per share, represents after netting off relevant charges and expenses.

(b) Distribution Schedule:

The distribution schedule showing the number of shareholders and their shareholdings in percentage has been disclosed below as a requirement of the "Listing Regulations" of Stock Exchanges:

| Range of Holdings in number of shares | Number of shareholders | | % Of shareholders | | No. of Shares | | % of Share Capital | |
|--|---------------------------|--------------|----------------------|------------|-------------------|-------------------|-----------------------|------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| 1 to 500 | 2,812 | 1,385 | 120 | 59 | 379,978 | 270,877 | 3 | 2 |
| 501 to 5,000 | 994 | 804 | 43 | 34 | 1,588,743 | 1,361,826 | 14 | 12 |
| 5,001 to 10,000 | 73 | 80 | 3 | 3 | 512,145 | 548,218 | 5 | 5 |
| 10,001 to 20,000 | 43 | 39 | 2 | 2 | 581,934 | 552,882 | 5 | 5 |
| 20,001 to 30,000 | 12 | 11 | 1 | 0 | 294,595 | 264,635 | 3 | 2 |
| 30,001 to 40,000 | 3 | 2 | 0 | 0 | 103,300 | 70,000 | 1 | 1 |
| 40,001 to 50,000 | 4 | 1 | 0 | 0 | 167,658 | 43,500 | 2 | 0 |
| 50,001 to 1,00,000 | 4 | 3 | 0 | 0 | 301,797 | 248,623 | 3 | 2 |
| 1,00,001 to 10,00,000 | 8 | 8 | 0 | 0 | 2,256,310 | 1,806,899 | 21 | 16 |
| Over 10,00,000 | 4 | 4 | 0 | 0 | 4,813,540 | 5,832,540 | 44 | 53 |
| Total | 3,957 | 2,337 | 169 | 100 | 11,000,000 | 11,000,000 | 100 | 100 |

(C) Market Price of Ordinary Shares:

The shares are listed with Dhaka and Chittgong Stock Exchanges. On the last working day of the year, each share was quoted at Tk. 468.20 in Dhaka Stock Exchange Ltd. and Tk. 467.70 in Chittagong Stock Exchange Ltd.

12 Tax Holiday Reserve :

This has been provided for as per provision of the Income Tax Ordinance, 1984:

| | June 30, 2019 | June 30, 2018 |
|----------------------------|-------------------|-------------------|
| Opening Balance | 12,119,070 | 12,119,070 |
| Addition during the period | - | - |
| Closing Balance | 12,119,070 | 12,119,070 |

As per circular of NBR the tax holiday reserve has been made @40% on net profit earned by the Company up to 31-12-2006.

13 Long Term Loan-Secured (Non Current Maturity)

This represents long term loans from financial institutions are as follows:

| | June 30, 2019 | June 30, 2018 |
|---|-------------------|----------------------|
| Janata Bank Ltd, JBCB, Dhaka (Payment within 5 years) | - | 569,654,905 |
| Janata Bank Ltd, JBCB, Dhaka (Payment after 5 years) | - | 446,601,956 |
| One Bank Ltd, Motijheel, Dhaka (Payment within 5 years) | - | 99,759,564 |
| Pubali Bank Ltd, BB Avenue, Dhaka (within 5 years) | 12,233,093 | 12,364,840 |
| | 12,233,093 | 1,128,381,265 |

14 Long Term Loan-Secured (Current Maturity)

This represents current portion of long term secured loan from financial institutions which are repayable within next 12 months from July, 2019 and consists of the following:

| | June 30, 2019 | June 30, 2018 |
|--|-------------------|-------------------|
| 1. Janata Bank Ltd, Bhaban Branch, Dhaka | 33,233,473 | 32,166,000 |
| 2. One Bank Ltd, Motijheel Branch, Dhaka | - | 27,231,940 |
| 3. Pubali Bank Ltd, BB Avenue Branch, Dhaka | 3,926,314 | 3,000,489 |
| Total Long-Term Loan (Current Maturity) | 37,159,787 | 62,398,429 |

| | | |
|----|----------------|---|
| a) | Lender: | 1. Janata Bank, Corporate Branch, Dhaka. 2. One Bank Ltd, Motijheel Branch, Dhaka 3. Pubali Bank Ltd, BB Avenue Branch, Dhaka |
| b) | Security: | 1. Ist Charge on Project Land, Building and Plant and Machinery of the Company and personal guarantee of all directors. 2. Mortgage/ Lien of Sponsor Director's Share & personal guarantee of all directors of the Company 3. Mortgage/ Lien of Sponsor Director's Share & personal guarantee of all directors of the Company |
| c) | Interest Rate: | 1. 12% p.a. compounded half-yearly 2. 13% p.a. compounded monthly 3. 10.50% p.a. compounded quarterly |

15 Deferred Tax Liability

In prior years, management calculated deferred tax rate based on the temporary differences between accounting and tax base of assets and liabilities and the prevalent local tax rates. The calculation however, erroneously did not consider the deferred tax impact on the revaluation of land and building. Due to the revaluation of land and building, an additional temporary difference is created as the carrying value of the asset has increased but there was no change in the tax value of For the current year, a corrected deferred tax liability has been calculated. The calculation has been done considering the impact of the revaluation surplus. Paragraph 43 of IAS 8 states that retrospective restatement is not required for prior year error correction if it is considered impracticable to determine the period specific effects or the cumulative effects of the error. In addition, Paragraph 80 H of IAS 12 states that tax expense related errors are included in profit and loss because they cannot be accounted for retrospectively.

The Company has concluded that retrospective adjustment is impractical as the only line items effected are Deffered Tax and Revaluation Reserve. To restate the full financial statements for such limited number of accounts was considered to be impractical. Paragraph 45 states that if it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, the entity shall restate the comparative information to correct the error prospectively from the earliest date practicable. In line with the guidance, the adjustment is made prospectively by calculating the opening balance of deferred tax liability for the current period and then re-calculating the deferred tax expenses for the current year. Details of the calculations are:

| | June 30, 2019 | June 30, 2018 |
|---|-------------------|-------------------|
| a) Temp. difference on Fixed Assets (including Revaluation) | 89,226,111 | 64,385,369 |
| Balance as at December 31st, 2019 | | |
| For details, refer to Annexure - 2 | | |

| | | |
|---------------------------------------|-------------------|-------------------|
| b) Unrealized Gain at accounting base | 624,253 | - |
| Tax charges @ 25% | 156,063 | - |
| Total (A+B) | 89,382,174 | 64,385,369 |

16 Short Term Loan :

| | June 30, 2019 | June 30, 2018 |
|------------------------------------|-------------------|--------------------|
| A. Pubali Bank PAD L/C A/c | 37,127,026 | 52,986,508 |
| B. Janata Bank PAD L/C A/c | - | 3,614,566 |
| C. Standard Bank PAD L/C A/c | 32,384,545 | - |
| D. One Bank Ltd. CC Hypo A/c | - | 550,000,000 |
| E. NIPRO Corporation, Osaka, Japan | 3,150,000 | - |
| | 72,661,571 | 606,601,074 |

The above loan was taken from various Banks against mortgage of sponsor share of director of the Company & personal guarantee of all director's of the Company. This facility availed for yearly basis and rate of interest was Tk. 13% P.A. except loan from NIPRO Corporation.

17 Dividend Payable:

| | June 30, 2019 | June 30, 2018 |
|--|------------------|------------------|
| Opening Balance | 2,832,252 | 3,092,256 |
| Addition for the year-2017-2018 (30% Cash) | 33,000,000 | 33,000,000 |
| Balance after addition | 35,832,252 | 36,092,256 |
| Less: Tax at Source Payable | 4,779,711 | 4,747,271 |
| Less: Payments during the year | 27,846,854 | 28,512,733 |
| Closing Balance | 3,205,687 | 2,832,252 |

Details of Unpaid Dividend

| | | |
|---|------------------|------------------|
| For the Year-2004 | 75,160 | 75,160 |
| For the Year-2005 | 47,250 | 47,250 |
| For the Year-2006 | 56,025 | 56,025 |
| For the Year-2007 | 57,825 | 57,825 |
| For the Year-2008 | 164,888 | 164,888 |
| For the Year-2009 | 164,063 | 164,063 |
| For the Year-2010 | 307,080 | 307,080 |
| For the Year-2011 | 327,770 | 327,770 |
| For the Year-2012 | 356,444 | 356,444 |
| For the Year-2013 | 208,710 | 208,710 |
| For the Year-2014 | 301,973 | 301,973 |
| For the Year-2015 | 241,124 | 247,874 |
| For the Year-2016 (6 months-up to 30/06/16) | 88,776 | 96,851 |
| For the Year-2016-2017 | 417,789 | 420,339 |
| For the Year-2017-2018 | 390,810 | - |
| Closing Balance | 3,205,687 | 2,832,252 |

18 Accrued Expenses Payable

| | June 30, 2019 | June 30, 2018 |
|--|----------------|-------------------|
| Interest & Charges Payable for Long Term Loan | - | 18,428 |
| Interest & Charges Payable for Short Term Loan A/c | - | 18,272,753 |
| Audit Fees | 200,000 | 150,000 |
| Total Accrued Expenses | 200,000 | 18,441,181 |

19 Creditors and Other Payables :

| | June 30, 2019 | June 30, 2018 |
|-----------------------------------|--------------------|--------------------|
| Goods & Service | 164,006,585 | 76,116,428 |
| Salary & Bonus Payable | 2,466,843 | 2,051,091 |
| Wages & Bonus Payable | 7,895,660 | 5,336,645 |
| Remuneration & Bonus Payable | 1,278,000 | 743,000 |
| Electricity Bill Payable-Factory | 2,390,186 | 1,874,717 |
| Electricity Bill Payable-H/O | 57,743 | 27,790 |
| Telephone & Mobile Bill Payable | 71,601 | 62,259 |
| Gas Bill Payable-H/O | 546 | 3,886 |
| WASA Bill Payable-H/O | 18,652 | 7,593 |
| Tax at Scource Payable | 8,363,686 | 9,210,849 |
| VAT at Source Payable | 174,321 | 547,008 |
| TA/DA Bill Payable-Mkt | 56,710 | 46,120 |
| Providend Fund | 12,356,162 | 12,405,784 |
| Workers Profit Participation Fund | 7,478,689 | 5,214,497 |
| Provision for Income Tax | 40,253,081 | 16,131,405 |
| Other Expenses | 1,491,691 | 1,155,556 |
| | 248,360,156 | 130,934,628 |

20 Revenue from Net Sales:

| | June 30, 2019 | June 30, 2018 |
|----------------------------------|----------------------|----------------------|
| General Sales (JMI Product) | 1,268,993,571 | 1,053,309,389 |
| Export Sales (JMI Product) | 97,591,125 | 34,904,300 |
| Vat Exempted Sales (JMI Product) | 344,744,956 | 276,808,122 |
| Tender Sales (Other Product) | 68,536,674 | 59,133,053 |
| Total Sales Revenue: | 1,779,866,326 | 1,424,154,864 |
| Less: Sales Return from Customer | 1,371,591 | 2,776,128 |
| Net Sales Revenue | 1,778,494,735 | 1,421,378,736 |

Declaration of Sales:

| | | |
|---|----------------------|----------------------|
| Sales: Section 82/C of Income Tax Ordinance, 1984 | 1,762,653,925 | 1,411,479,886 |
| Sales Other than Section 82/C | 15,840,810 | 12,674,978 |
| | 1,778,494,735 | 1,424,154,864 |

Total Export Sales U\$ 11,75,797/= for the year 30th June-2019 & U\$ 4,47,491/= for the year 30th June-2018.

21 Cost of Goods Sold

| | June 30, 2019 | June 30, 2018 |
|--|----------------------|----------------------|
| Work-in-Process (Opening) | 83,583,527 | 34,395,093 |
| Raw Materials Consumed (Note-22) | 849,673,234 | 669,083,085 |
| Packing Materials Consumed (Note-23) | 186,259,692 | 155,106,255 |
| Factory Overhead (Note-23) | 221,142,628 | 206,277,327 |
| Total Manufacturing Cost | 1,340,659,081 | 1,064,861,760 |
| Work-in-Process (Closing) | (72,782,087) | (83,583,527) |
| Cost of Goods Manufactured | 1,267,876,994 | 981,278,233 |
| Finished Goods (Opening) | 231,123,842 | 260,694,694 |
| Finished Goods available | 1,499,000,836 | 1,241,972,927 |
| Cost of Physician Sample transferred to Sample Stock | (1,613,439) | (1,318,900) |
| Finished Goods (Closing) | (231,168,331) | (231,123,842) |
| Total Cost of Goods Sold | 1,266,219,066 | 1,009,530,185 |

22 Raw Materials Consumed

| | June 30, 2019 | June 30, 2018 |
|-----------------------|--------------------|--------------------|
| Opening Stock | 121,559,787 | 121,397,516 |
| Purchase for the year | 854,404,877 | 669,245,356 |
| Closing Stock | (126,291,430) | (121,559,787) |
| | 849,673,234 | 669,083,085 |

23 Packing Materials Consumed

| | June 30, 2019 | June 30, 2018 |
|-----------------------|--------------------|--------------------|
| Opening Stock | 42,904,681 | 31,444,605 |
| Purchase for the year | 192,474,512 | 166,566,331 |
| Closing Stock | (49,119,501) | (42,904,681) |
| | 186,259,692 | 155,106,255 |

24 Factory Overhead :

| | June 30, 2019 | June 30, 2018 |
|---------------------------------|---------------|---------------|
| Travelling & Conveyance | 239,863 | 168,021 |
| Fuel, Petrol, Light Diesel Etc | 5,031,210 | 6,706,906 |
| Depreciation | 49,835,865 | 50,861,039 |
| Factory Staff Uniform | 345,118 | 260,200 |
| Electricity Bill | 28,698,236 | 22,901,635 |
| Factory Expenses | 6,972,068 | 6,783,123 |
| Factory Employee Free Lunch | 8,290,693 | 8,863,549 |
| Freight Charge/ Carriage Inward | 519,820 | 446,800 |
| Worker Mess Rent | 356,400 | 300,000 |
| Insurance Premium | 1,365,585 | 683,100 |
| Internet Bill | 115,756 | 136,964 |
| Laboratory Consumable Stores | 768,622 | 808,895 |
| Stationery Expenses | 494,071 | 388,765 |
| Printing Expenses | 412,557 | 253,594 |
| Papers & Periodicals | 3,030 | 2,670 |
| Spare Parts | 2,260,762 | 2,224,377 |

| | | |
|---|--------------------|--------------------|
| Municipal Tax | 13,974 | 19,995 |
| Medical expenses | 192,063 | 188,467 |
| Repairs & Maintenance | 1,868,927 | 2,046,450 |
| Telephone & Mobile Bill | 248,051 | 232,995 |
| Remuneration-Director with Bonus | 2,446,000 | 2,046,000 |
| Providend Fund (Companies Contribution) | 2,762,420 | 2,613,975 |
| Research and Development | 1,026,150 | 1,115,048 |
| Overtime Expenses | 13,178,373 | 12,162,844 |
| Daily Labour Charge | 1,931,585 | 1,877,749 |
| Salary & Allowances with Bonus | 91,765,429 | 82,184,166 |
| Total Factory Overhead | 221,142,628 | 206,277,327 |

- a) Salary and allowances includes bonus.
- b) The value of stores, spares and other materials cost represent actual consumed cost.
- c) Factory expenses & maintenance cost which is included repairs & maintenance of office, premises, building and other infrastructures.

25 Administrative Expenses:

| | June 30, 2019 | June 30, 2018 |
|--|-------------------|-------------------|
| Advertisement | 188,960 | 176,520 |
| Audit Fees | 200,000 | 150,000 |
| Vehicles Fuel Expenses | 4,101,680 | 3,939,365 |
| Conveyance | 712,321 | 694,039 |
| Depreciation | 5,185,043 | 4,623,167 |
| Electric Bill-H/O | 513,627 | 459,691 |
| Entertainment | 1,536,187 | 1,369,444 |
| Fooding Expenses-H/O | 1,712,747 | 1,513,628 |
| Gas Bill | 9,048 | 31,303 |
| Internet Bill | 185,326 | 172,702 |
| Group Insurance | 986,857 | 816,228 |
| Legal Expenses | 373,714 | 311,132 |
| Office Expenses | 2,753,474 | 2,578,547 |
| Office Rent | 3,231,624 | 2,202,536 |
| Overtime | 160,232 | 649,165 |
| Postage and Courier Charge | 322,762 | 346,449 |
| Printing Expenses | 684,548 | 341,884 |
| Research and Development | 630,000 | 628,803 |
| Providend Funds (Companies Contribution) | 731,178 | 908,298 |
| Professional Fees | 300,000 | 750,000 |
| Registration Renewal Fees | 819,870 | 803,540 |
| Remuneration-Director (with bonus) | 8,719,000 | 7,484,400 |
| Repair & Maintanence H/O | 517,532 | 500,654 |
| AGM, Secreterial & Regulatory Expenses | 2,002,691 | 1,699,195 |
| Salary and allowances (with bonus) | 29,473,756 | 27,870,017 |
| Stationery Expenses | 813,871 | 743,249 |
| Subscription & Annual Membership Fees | 421,956 | 490,269 |
| Telephone and Mobile Bill | 787,934 | 658,559 |
| Travelling Expenses-Overseas & Inland | 4,801,891 | 3,083,606 |
| Water Bill | 67,998 | 200,213 |
| Total Administrative Expenses | 72,945,827 | 66,196,603 |

26 Marketing, Selling and Distribution Expenses

| | June 30, 2019 | June 30, 2018 |
|--|--------------------|-------------------|
| Goods Delivery Expenses (Own Vehicle) | 9,805,940 | 13,862,605 |
| Product Certification, Enlisted & Inclusion Expenses | 7,783,844 | 2,227,501 |
| Fooding & Office Expenses | 1,373,778 | 2,229,473 |
| Exhibition Expenses | 1,099,600 | 1,020,631 |
| Export Expenses | 480,718 | 1,054,044 |
| Gas & Water Bill | 14,400 | 22,200 |
| Loading / Unloading & Labour Charge | 511,866 | 503,315 |
| Depot Rent | - | 2,067,300 |
| Office Rent | 748,201 | 1,588,824 |
| Salary and allowance (with bonus) | 9,648,516 | 32,408,533 |
| Sales Commission to JMI Marketing Ltd. | 58,795,928 | 6,424,483 |
| Sample & Promotional Expenses | 8,795,127 | 10,036,352 |
| Provident Fund (Companies Contribution) | 201,594 | 741,844 |
| T.A & D.A to Marketing Officials | 3,784,030 | 8,045,979 |
| Telephone, Mobile & Internet Expenses | 99,665 | 394,923 |
| Tours and Travell | 1,299,136 | 1,354,940 |
| Training Expenses | 223,658 | 127,544 |
| | 104,666,001 | 84,110,491 |

27 Other Income

| | June 30, 2019 | June 30, 2018 |
|--|------------------|------------------|
| Wastage Sales | 679,238 | 500,000 |
| Bank Interest | 154,453 | 159,233 |
| Rental | 361,013 | 1,479,397 |
| Profit on Sale of Vehicle & Eqipments | 263,112 | 340,504 |
| Foreign Exchange Gain / (Loss): Realized | - | (59,650) |
| Foreign Exchange Gain / (Loss): Unrealized-Note 28 | 100,772 | - |
| Others | 466,909 | 1,363,750 |
| | 2,025,497 | 3,783,234 |

It should be noted that the Company has reported us Sales of U\$ 11,75,797. However the Company did not record any realized foreign exchange gains or losses. This is due to the fact that even though the Company made U\$ sales, the sales were not done through LCs but rather through Sales Contracts which had the consideration quoted in US\$ and BDT. The Final payment was also received in BDT which meant that there was no difference between the sale recognized and the Company did however incur unrealized gains and losses because there were some LCs (both Master LC for sale purposes and back-to-back LCs for purchase purposes) which were issued or received near the very end of the year. As these LCs remained unrealized at the end of the year, they were translated at the year-end US dollar rate in line with IAS 21.

28 Other Comprehensive Income

| | June 30, 2019 | June 30, 2018 |
|--|----------------|---------------|
| Details are as under : | | |
| Unrealized Gain for balance of export sales | 624,253 | - |
| Unrealized Loss ForEx for LC Liabilities (PAD & DEF L/C) | (523,481) | - |
| Total Other Comprehensive Income | 100,772 | - |

29 Financial Expenses:

| | June 30, 2019 | June 30, 2018 |
|---|--------------------|--------------------|
| Interest & Charges for Short Term Loan | 62,007,043 | 50,751,519 |
| Interest & Charges for Long Term Loan | 115,703,728 | 99,439,026 |
| Bank Charges and Commission | 853,275 | 2,440,577 |
| Realized Loss for ForEx Transaction for import of materials | 1,072,826 | 3,189,136 |
| Total Financial Expenses | 179,636,872 | 155,820,258 |

30 Contribution to WPPF:

This represents statutory contribution by the company as per Bangladesh Labour (amendment) Act, 2013. The amount is computed @ 5% of net profit before tax (but after charging such contribution). Last year's provision was paid during the period in accordance with the requirement of said act.

The payment to the WPPF trust was done in increments throughout the year through cash transactions. Moving on, the Company will look to move away from making WPPF payments in Cash. Instead the Company will make payments to the WPPF trust through A/C Payee Cheque.

31 Income Tax Charged for the year:

Details are as under :

Current Tax:

| | |
|---|---------------------|
| On Net Profit | 23,705,419 |
| On Other Income | 376,790 |
| On Profit on Sale of Vehicle | 39,467 |
| NBR IT Assessment Adjustment (01-01-14 to 31-12-16) | 57,911,887 |
| NBR IT Assessment Adjustment (01-01-10 to 31-12-13) | 37,359,452 |
| Deferred Tax Expenses (Annexure 2) | 119,393,015 |
| Total Income Tax Charged for the year | (36,373,355) |

| June 30, 2019 | June 30, 2018 |
|---------------------|-------------------|
| 12,736,612 | 835,787 |
| 51,076 | - |
| - | - |
| 119,393,015 | 13,623,474 |
| (36,373,355) | 15,168,888 |
| 83,019,660 | 28,792,362 |

32 Earning Per Share (EPS):

A. Basic Earnings Per Share (EPS):

| | |
|--|------------|
| (a) Earnings attributable to the Ordinary Shareholders | 66,554,117 |
| (b) Weighted Average Ordinary Shares outstanding | 11,000,000 |

| June 30, 2019 | June 30, 2018 |
|---------------|---------------|
| 75,497,574 | |
| 11,000,000 | 11,000,000 |
| 6.05 | 6.86 |

As described in Note 11, the Company has received Share Money Deposit of BDT 1,81,93,95,698 from the Nipro Corporation and 1,11,00,000 shares were issued to the Company on July 2019. Since the shares were issued after the reporting period, these shares are not considered in the calculation of EPS for the current year but rather disclosed here in accordance with Paragraph 70D of IAS 33. The effect of this share issuance is shown in the diluted EPS calculation.

B. Diluted Earnings Per Share

| | |
|--|------------|
| (a) Earnings attributable to the Ordinary Shareholders | 66,554,117 |
| (b) Potential Ordinary Shares outstanding | 22,100,000 |

| June 30, 2019 | June 30, 2018 |
|---------------|---------------|
| 75,497,574 | |
| 11,000,000 | |
| 3.01 | 6.86 |

As described in Note 32A, the Company has received share money deposit at the end of the year and the shares have been subsequently issued in fiscal 2020. Since the issue of shares in the following year is dilutive, a diluted EPS is calculated here. In line with paragraph 65 of IAS 33, the diluted EPS of prior year is not restated with the potential new shares for fiscal 2019.

33 Net Assets Value Per Share (NAVPS):

| | June 30, 2019 | June 30, 2018 |
|--|--------------------|--------------------|
| (a) Total Equity attributable to the Ordinary Shareholders | 2,575,571,608 | 783,991,953 |
| (b) Less: Share Money Deposit | (1,819,395,698) | - |
| Net Balance of Equity attributable to the Ordinary Shareholders | 756,175,910 | 783,991,953 |
| (c) Weighted Average Ordinary Shares oustanding | 11,000,000 | 11,000,000 |
| | 68.74 | 71.27 |

Share Money deposited by NIPRO Corporation, Osaka, Japan against 1,11,00,000 Ordinary Shares @ 164.10 per share including Share Premium @ 154.10 per share in June 2019 represents the net amount after considering relevant charges and expenses, which was shown in face of Statement of Financial Position. Subsequently, 1,11,00,000 Ordinary Shares were allotted in favour of NIPRO Corporation on 3rd July, 2019. The difference between the receipt of funds and issuance of shares is less than 10 working days. However, with the year end cut-off date falling in between, there is a artificial increases in Net Assets per Value (since the assets have increased in June 2019 while the corresponding increase in Ordinary Shares took place in early July 2019). Therefore when calculating NAVPS, we have excluded the share money deposit proceeds in order to present a consistent and reasonable representation of financial performance for the year. If this adjustment was not made, the users of the financial statements could get misled by an artificial increase in Net Assets Value per Share.

34 Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: 20 June 2019: Reconciliation of Net operating cash flow under Indicet Method:

| | June 30, 2019 | June 30, 2018 |
|---|--------------------|--------------------|
| Net Profit | 66,554,117 | 75,497,574 |
| Less: Non-Cash OCI | (100,772) | - |
| Add: Def. Tax Gain | (36,373,355) | 15,168,888 |
| Add: Interest paid on LT Loan | 197,928,053 | 155,820,258 |
| Add: Depreciation | 55,020,908 | 55,484,206 |
| Add: Increase in Inventory Balance | 2,260,782 | (38,497,072) |
| Less: Decrease in Receivable (including OCI impact) | (45,331,941) | (41,454,594) |
| Add: Increase in Advance | 29,386,687 | (32,089,376) |
| Add: Increase in AIT Balance | 32,142,777 | (49,240,423) |
| Less: Decrease in Accred Expenses | (18,241,181) | 15,186,474 |
| Add: Increase in Accounts Payables (including OCI) | 116,902,048 | (5,859,608) |
| Net Operating Cash Flow | 400,148,123 | 150,016,327 |
| Weighted Average Shares Outstranding: | 11,000,000 | 11,000,000 |
| Net Operating Cashflow per share | 36.38 | 13.64 |

35 Related Party Transaction-Disclosures under IAS 24 “ Related Party Disclosure”

The Company carried out a number of transactions with related parties / associates undertakings in the normal course of business and on arms length basis. The nature of transaction and their total value are in below:

| Name | Nature of Transaction | Total Transaction for the year | Balance as on 30-06-2019 |
|---|-------------------------|--------------------------------|--------------------------|
| A. Advance & Short Term Loan paid | | | |
| JMI Vaccine Ltd. | Short Term Loan | 96,615,026 | 141,199,042 |
| Total for Advance & Short Term Loan paid | | 96,615,026 | 141,199,042 |
| B. Supplier / Creditors (Payable) | | | |
| JMI Hospital Requisit Mfg. Ltd. | Supplier (Creditors) | 574,426,988 | (121,155,718) |
| JMI CNG Dispensing Ltd. | Supplier (Creditors) | 3,513,113 | (659,697) |
| JMI Industrial Gas Ltd. | Supplier (Creditors) | 29,886,772 | (2,195,679) |
| JMI Printing & Packaging Ltd. | Supplier (Creditors) | 95,045,180 | (14,213,580) |
| JMI Pharmacy | Supplier (Creditors) | 18,109 | - |
| Advance Travel Planners Ltd. | Supplier (Creditors) | 4,064,800 | - |
| JMI Engineering Ltd. | Supplier (Creditors) | 1,326,388 | (877,138) |
| Total for Supplier / Creditors | | 708,281,350 | (139,101,812) |
| C. Sundry Debtors (Product Sales) (Receivable) | | | |
| JMI Marketing Ltd. | Product Sales (Debtors) | 605,467,755 | 14,716,002 |
| Nipro JMI Pharma Ltd. | Product Sales (Debtors) | 4,284,698 | 3,006,759 |
| Total for Sundry Debtors (Product Sales) | | 609,752,453 | 17,722,761 |
| Grand Total | | 1,414,648,829 | 19,819,991 |

36 Capital Expenditure Commitment

There was no contingent liabilities as on 30-06-2019 except L/C liabilities.

There was no credit facility available to the company under any contract, other than trade credit available in the ordinary course of business and not availed of as on 30.06.2019.

37 Payment in Foreign Currency:

During the year ended at 30 June 2019 the Company has made payment in foreign currency in respect of the following:

| | June 30, 2019 | June 30, 2018 |
|---|------------------|------------------|
| Import of Raw Materials & Finished Goods | 6,003,122 | 3,848,312 |
| Import of Machineries, Spare Parts & Other Assets | 347,291 | 466,175 |
| U\$ | 6,350,413 | 4,314,487 |

No other expense included consultancy fee, royalty, technical expert and professional advisory fee, interest, etc. was incurred or paid in foreign currencies except as stated above.

38 Foreign Exchange Earned / Received:

The Company earned the following foreign currency during the year:

| | | June 30, 2019 | June 30, 2018 |
|-----------------------------|------------|------------------|-------------------|
| Total Export Earning | U\$ | 1,175,797 | 447,491.03 |

No other income in foreign currencies except as stated above.

39 Commission, Brokerage or Discount against sales

Other than JMI Marketing Ltd. no commission was incurred or paid to distributors, agents nor any brokerage or discount was incurred or paid against sales.

40 Credit Facility Not Availed

There was no credit facility available by the company under any contract, but not availed as on 30-06-2019 other than trade credit available in the ordinary course of businesss.

41 Segment Reporting

As there is single business and geographic segment within the company operates as such no segment reporting is felt necessary.

42. Attendance Status of Board Meeting of Directors

During the period from 01-07-2018 to 30-06-2019 there were 21 Board Meetings and 1 EGM & 1 AGM were held. The attendance status of all the meetings is as follows:

| Name of Director | Positions Held | Meetings Held (#) | | Attended (#) | |
|------------------------|----------------------|-------------------|---------|--------------|---------|
| | | 2017-18 | 2918-19 | 2017-18 | 2018-19 |
| Md. Jабed Iqbal Pathan | Chairman | 23 | 21 | 23 | 20 |
| Md. Abdur Razzaq | Managing Director | 23 | 21 | 23 | 21 |
| Md. Jafar Chowdhury | Director | 23 | 21 | 23 | 21 |
| Md. Hemayet Hossain | Independent Director | 23 | 21 | 9 | 6 |
| Md. Abdul Haque | Independent Director | 23 | 21 | 8 | 5 |
| Mr. Hoi Kwan Kim | Director | 23 | 0 | 0 | 0 |

Mr. Hoi Kwan Kim newly appointed as a Director of the Company from 23rd February, 2019. For Board Meeting, AGM & EGM, attendance fees were not paid to the Directors of the Company.

43. Disclosure as per requirement of Schedule XI, Part II of the Company Act, 1984

A. Disclosure as per requirement of Schedule XI, Part II, Note 5 of Para 3.

A(i). Employee Position as at 30th June, 2019

| Salary Range (Monthly) | Office & Staff | | Worker | Total Employee |
|------------------------|----------------|-----------|------------|----------------|
| | Head Office | Factory | | |
| Below TK. 5,000 | 0 | 0 | 155 | 155 |
| Above Tk. 5,000 | 171 | 52 | 592 | 815 |
| Total | 171 | 52 | 747 | 970 |

B. Disclosure as per requirement of Schedule XI, Part II, Para 4

The aggregate amounts paid to / provided for the Directors of the Company for the period ended 30th June-2019 is disclosed below:

| Name of Directors | Designation | Remuneration | Festival Bonus | AIT Deducted | Net PMT |
|-------------------------|--------------------|------------------|------------------|------------------|------------------|
| Md. Jabeb Iqbal Pathan | Chairman | 31,10,000 | 3,96,000 | 5,10,000 | 29,96,000 |
| Md. Abdur Razzaq | Managing Director | 31,10,000 | 3,96,000 | 5,10,000 | 29,96,000 |
| Md. Abu Jafar Chowdhury | Director | 15,03,000 | 17,07,000 | 2,10,000 | 14,97,000 |
| Md. Golam Mostafa | Director - Factory | 21,31,000 | 24,46,000 | 3,06,000 | 21,40,000 |
| Total | | 98,54,000 | 13,11,000 | 15,36,000 | 96,29,000 |

Period of payment to Directors is from 1st July 2018 to 30th June 2019.

The above Directors of the company did not take any benefit from the company other than the remuneration and festival bonus.

1. Expenses reimbursed to the managing agent: Nil
2. Commission or other remuneration payable separately to a managing agent or his associate: Nil
3. Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with the company: Nil
4. The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year: Nil
5. Any other perquisites or benefit in cash or in kind stating: Nil
6. Other allowances and commission including guarantee commission: Nil
7. Pensions: Nil
8. Gratuities: Nil
9. Payments from Provident Fund: Nil
10. Compensation for Loss of office: Nil
11. Consideration in connection with retirement from office: Nil

C. Disclosure as per requirement of Schedule XI, Part II, Para 7

| Particulars | Licence Capacity | Installed Capacity in MT (Per Year) | Actual Production in MT from 01-07-2018 to 30-06-2019 | Capacity Utilization from 1st July, 2018 to 30th June, 2019 |
|----------------------------|------------------------------|-------------------------------------|---|---|
| Annual Production Capacity | Not mentioned in the Licence | 4,000 | 3,210 | 80.25% |

D. Disclosure as per requirement of Schedule XI, Part II, Para 8

i. Raw Materials, Spare Parts, Packing Materials

| Items | Purchase in Taka | | | Consumption in Taka | Percent-age |
|---------------------------|---------------------|---------------------|-----------------------|-----------------------|---------------|
| | Import | Local | Total | | |
| Raw Materials & Chemicals | 32,88,95,852 | 52,55,09,025 | 85,44,04,877 | 84,96,73,234 | 99.45% |
| Spare Parts | 11,43,625 | 8,44,402 | 19,88,027 | 22,60,762 | 113.72% |
| Packing Material | 4,05,55,041 | 15,19,19,471 | 19,24,74,512 | 18,62,59,692 | 96.77% |
| Total | 37,05,94,518 | 67,82,72,898 | 1,04,88,67,416 | 1,03,81,93,688 | 98.98% |

The value of imported material is calculated on CIF Basis

- ii. The Company has not incurred any expenditure in foreign currency for the period from 1st July 2018 to 30th June 2019 on account of royalty, know-how, professional fee, consultancy fees and interest.

- iii. The Company has not earned any foreign exchanges for royalty, know-how, professional fees and consultancy fees.
 - iv. The value of export from the period from 1st July 2018 to 30th June 2019.
- E. Disclosure as per requirement of Schedule XI, Part II, Para 3

| Requirements under condition No. | Compliance status of Disclosure of Schedule XI, Part II, Para 3 |
|--|--|
| 3(i)(a) The turnover | 1,77,84,94,735 |
| 3(i)(b) Commission paid to selling agents | Nil |
| 3(i)(c) Brokerage and discount of sales, other than the usual trade discount | Nil |
| 3(i)(d)(i) The value of the raw materials consumed, giving item-wise as possible | 84,96,73,234 |
| 3(i)(d)(ii) The opening and closing stocks of goods produced | OB 49,21,73,544/= & CB 48,99,12,762/= |
| 3(i)(e) In the case of trading companies, the purchase made and the opening and closing stocks | N/A |
| 3(i)(f) In the case of Companies rendering or supplying services, the gross income derived from services rendered or supplied | N/A |
| 3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity breakup for the Company, which falls under one or more categories i.e. manufacturing and/or trading | N/A |
| 3(i)(h) In the case of other companies, the gross income derived under different heads | N/A |
| 3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period | 7,27,82,087 |
| 3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets | 5,50,20,908 |
| 3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager | N/A |
| 3(i)(l) Charge for income tax and other taxation on profits | 8,90,06,891 |
| 3(i)(m) Reserved for repayment of share capital and repayment of loans | Nil |
| 3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, known to exist at the date as at which the balance sheet is made up. | Nil |
| 3(i)(n)(ii) Amount withdrawn from above mentioned reserve | Nil |
| 3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments. | Nil |
| 3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required. | Nil |
| 3(i)(p) Expenditure incurred on each of the following items, separately for each item: (i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (vi)(1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve. | 3 (i)(p) (i) 22,60,762/=, (ii) 3,83,44,753/=, (iii) 43,36,225/=, (iv) & (v) 23,86,459/=, (vi) (1) 13,08,87,701/=, (2) 36,95,192/=, (3) 74,73,890/= |

44. Subsequent Disclosure of Events after the Balance Sheet Date - Under IAS 10

Share Money Deposited by NIPRO Corporation, Osaka, Japan as per Consent letter accorded by Bangladesh Securities and Exchange Commission, against 1,11,00,000 Ordinary Shares @ BDT 164.10 per share including premium BDT 154.10 per share, represents after netting off relevant charges and expenses.

The directors recommended 30% Final Cash Dividend (i.e. Tk. 3.00 per share) for the year ended on 30 June, 2019. The dividend proposal is subject to shareholders' approval in the forthcoming 20th annual general meeting. Excepting to that, no circumstances have arisen since the date of Statement of Financial Position which would require adjustment to, or disclosure in, the financial statements or notes thereto.

45. Details of Lease Agreement

There are no leased assets. Therefore, no lease agreement was required or signed.

46. Disclosure as per requirement of schedule XI, Part - I (A. Horizontal Form) of Companies Act. 1994

Accounts Receivable

In this regard to sundry debtors the following particulars are shown in separately by Annexure-4.

- 47.** (I) Debt considered good in respect of which the company is collectable: The debtors occurred in the ordinary course of business are considered good and collectable.

(II) Debt considered good for which the company hold no security other than the debtor's personal security:
There is no such debt in this respect as on 30 June' 2019.

(III) Debt considered doubtful or bad: The company does not make any provision for doubtful debts as on 30 June 2019, because of the fact that sales/export are being made on regular basis with fixed maturity dates.

(IV) Debt due by directors or other officers of the company: There is no such debt in this respect as on 30th June, 2019.

(V) Debt due by Common Management: There are no amount due from sister company under common management as on 30 June, 2019.

(VI) The maximum amount due by directors or other officers of the company: There is no such debt in this respect as on 30 June, 2019.

48. Approval of Financial Statements:

These financial statements were authorized for issue in accordance with a resolution of the company's Board of Directors on 21st September, 2019.

49. Internal Control

The following steps have been taken for implementation of an effective internal control procedure of the Company: Regular review of internal audit reports with view to implement the suggestion of internal auditors in respect if internal control technique To establish an effective management system that includes planning, organizing and supervising culture in the factory as well as at Head Office.

50. Contingent Liability

There are no contingent liabilities of the Company for the year ended June 30, 2019

51. Financial Risk Management

International Financial Reporting Standards (IFRS) 7 - Financial instruments: Disclosures - requires disclosure of information relating to: both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Company's policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. This note presents information about the company's exposure to each of the following

risks, the company's objectives, policies and processes for measuring and managing risk, and its management of capital. The company has exposure to the following risks from its use of financial instruments.

A. Credit Risk:

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, debtors are grouped according to their risk profile, e. i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of surgical device products. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Exposure of Credit Risk

| | 30 June, 2019 | 30 June, 2018 |
|------------------------------------|-----------------------|---------------------|
| Trade Debtors (All type) | 38,14,40,117 | 33,54,83,923 |
| Advances, Deposits and Prepayments | 28,82,25,242 | 31,76,11,929 |
| Cash and Bank Balances | 33,87,68,201 | 1,04,56,732 |
| Total | 1,00,84,33,560 | 66,35,52,584 |

Aging of Receivables

| | 30 June, 2019 | 30 June, 2018 |
|----------------------------------|---------------------|---------------------|
| Receivable amount within 30 Days | 20,47,82,370 | 23,30,69,076 |
| Receivable amount within 60 Days | 13,14,48,164 | 7,96,69,044 |
| Receivable amount within 90 Days | 2,02,57,057 | 1,88,26,807 |
| Receivable amount over 90 Days | 2,49,52,526 | 39,18,996 |
| Total | 38,14,40,117 | 33,54,83,923 |

Credit Exposure by Credit Rating

| | Credit Rating | 30 June, 2019 | 30 June, 2018 |
|------------------------------------|---------------|---------------------|---------------------|
| Trade Debtors (All type) | NR | 38,14,40,117 | 33,54,83,923 |
| Advances, Deposits and Prepayments | NR | 28,82,25,242 | 31,76,11,929 |
| Cash in Hand | NR | 2,20,84,320 | 82,88,542 |
| Janata Bank Ltd | AAA | 31,17,01,760 | 8,56,861 |
| Arab Bangladesh Bank Ltd. | A1 | 31,218 | 31,218 |
| Pubali Bank Ltd. | AA | 38,86,628 | 23,213 |
| Standard Bank Ltd. | AA | 17,754 | 2,80,882 |
| Dutch Bangla Bank Ltd. | AA+ | 10,46,263 | 9,51,608 |
| Islami Bank Ltd. | AAA | 258 | 24,408 |
| Total | | 38,14,40,117 | 33,54,83,923 |

B. Liquidity Risk:

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

obligations and accordingly arrange for sufficient liquidity / fund to make the expected payments within due dates. Moreover, the company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

The following are the contractual maturities of financial liabilities:

| Category of Liabilities | Carrying Amount | Maturity Period | Contractual Cash Flow | Within 6 Months or Less | Within 6 Months or Less |
|-------------------------|---------------------|-----------------|-----------------------|-------------------------|-------------------------|
| Short Term Loan | 7,26,61,571 | 12 Months | 7,26,61,571 | 2,72,87,950 | 4,53,73,621 |
| Creditors and Accruals | 25,42,16,451 | 12 Months | 25,42,16,451 | 10,55,30,770 | 14,86,85,681 |
| Total | 32,68,78,022 | | 32,68,78,022 | 13,28,18,720 | 19,40,59,302 |

C. 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 financial instruments.

i. Currency risk:

The company is exposed to currency risk on certain revenues and purchases such as raw materials, packing materials, spare parts and acquisition of machineries & equipment. Majority of the company's foreign currency transactions are denominated in USD.

The company have the foreign currency assets at the year-end for which an exchange gain / (loss) are being accounted for during the year. As such the company have no significant exposure to currency risk.

The following significant exchange rates are applied at the end of the year – end:

| | 30 June, 2019 | 30 June, 2018 |
|-------------------------|---------------|---------------|
| Exchange Rate US Dollar | 83.75 | 83.58 |

ii. Foreign Exchange Rate Sensitivity Analysis for Foreign Currency Expenditures:

There being no current risk exposure, sensitivity analysis has not been presented

iii. Interest rate risk:

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. The company's exposure to the risk of changes market interest rate relates primarily to the company's short-term finance and term loan. The company's policy is to keep its short-term running finance at lowest level by effectively keeping the positive bank balances. The company made fixed interest rate borrowing from the financial institution under finance lease.

52. General Comments and Observations

- A. Comparative amount: Previous period's figure have been regrouped / reclassified wherever considered necessary to confirmed to current period's presentation. Figures have been rounded off to the nearest taka, as the currency represented in this financial statement.
- B. Presentation currency: The annexed financial statements are presented in Bangladeshi currency (Taka), which have been rounded off to the nearest Taka.
- C. All shares have been fully called and paid up.
- D. Auditors are paid only statutory audit fees.
- E. No foreign exchange remitted to the relevant shareholders during the period under audit.
- F. No amount of money was expended by the company for compensating any members of the Board for special service rendered.
- G. There was no bank guarantee issued by the company on behalf of Directors.

JMI Syringes & Medical Devices Ltd.
Schedule of Property, Plant & Equipment

As at 30th June, 2019

Annexure-01

1. Before Revaluation:

| Particulars | Cost | | Total as at 30-06-2019 | Rate % | Opening Balance 01-07-2018 | Depreciation | | Total as at 30-06-2019 | Written Down Value as on 30-06-2019 |
|-------------------------------|-------------------------------|-------------------|---------------------------|----------------------|----------------------------------|---------------------|-----------|---------------------------|--|
| | Opening Balance 01-07-2018 | Addition | | | | Sales / Disposal | Charged | | |
| Land and Land Development | 157,072,931 | - | 157,072,931 | - | 310,983,726 | 28,868,889 | - | - | 157,072,931 |
| Machineries | 719,380,994 | 28,189,757 | - | 747,570,751 | 7% | 67,982,024 | 4,408,984 | - | 339,852,615 |
| Factory Buildings | 156,161,695 | - | 156,161,695 | 5% | 9,568,401 | 4,554,082 | 484,450 | - | 407,718,136 |
| Furniture and Fixture-Factory | 9,053,082 | 515,319 | - | 9,524,739 | 10% | 2,611,783 | 371,195 | - | 83,770,687 |
| Furniture and Fixture-H/O | 6,174,858 | 271,781 | 1,521,900 | 10% | 6,861,698 | 913,465 | 692,464 | 2,290,514 | 4,529,869 |
| Office Equipment-H/O | 10,880,958 | 869,786 | 909,711 | 20% | 11,130,097 | 1,801,552 | - | 7,413,634 | 2,634,225 |
| Factory Equipment | 18,867,554 | 3,913,267 | - | 22,780,821 | 20% | 6,756,176 | 812,744 | - | 12,931,649 |
| Office Decoration-H/O | 14,722,692 | 259,862 | - | 14,982,554 | 10% | 1,181,224 | 149,203 | - | 7,568,920 |
| Deep Tubewel & Pump | 2,113,408 | 75,000 | - | 5,859,010 | 20% | 4,937,450 | 184,312 | - | 857,982 |
| Air Cooler | 5,859,010 | - | - | 6,411,459 | 15% | 5,273,978 | 170,622 | - | 5,121,762 |
| Power Station | 6,411,459 | - | - | 762,626 | 15% | 581,402 | 27,062 | - | 5,444,600 |
| Telephone Installation | 761,815 | 811 | - | 587,001 | 20% | 285,003 | 56,554 | - | 608,464 |
| Crockeries and Cutleries | 558,610 | 28,391 | - | 50,326,985 | 20% | 33,402,631 | 5,880,289 | 5,113,332 | 34,157,398 |
| Vehicles | 61,868,824 | 3,934,740 | 15,476,579 | - | 456,541,274 | 44,129,321 | 6,179,719 | 494,490,876 | 695,547,540 |
| Sub Total | 1,169,887,893 | 38,058,714 | 17,908,190 | 1,190,038,417 | | | | | |

2. On Revalued Amount

| Particulars | Cost | | Total as at 30-06-2019 | Rate % | Opening Balance 01-07-2018 | Depreciation | | Total as at 30-06-2019 | Written Down Value as on 30-06-2019 |
|---------------------------|-------------------------------|-------------------|---------------------------|----------------------|----------------------------------|---------------------|------------|---------------------------|--|
| | Opening Balance 01-07-2018 | Addition | | | | Sales / Disposal | Charged | | |
| Land and Land Development | 172,805,519 | - | 172,805,519 | - | 277,402,226 | 5% | 59,570,471 | 10,891,588 | - |
| Factory Buildings | 277,402,226 | - | - | - | 450,207,745 | - | 59,570,471 | 10,891,588 | - |
| Sub Total | 450,207,745 | - | - | | | | | | 70,462,059 |
| Total | 1,620,095,638 | 38,058,714 | 17,908,190 | 1,640,246,162 | | | | | 379,745,686 |

Depreciation Charged to

| Particulars | 30-Jun-19 | 30-Jun-18 |
|-------------------------|-------------------|-------------------|
| Factory Overhead | 49,835,865 | 50,861,039 |
| Administrative Overhead | 5,185,043 | 4,623,167 |
| Total | 55,020,908 | 55,484,206 |



GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

MINISTRY OF HEALTH & FAMILY WELFARE
DIRECTORATE GENERAL OF DRUG ADMINISTRATION
OUSHAD BHABAN, MOHAKHALI
DHAKA-1212, BANGLADESH
www.dgda.gov.bd



CERTIFICATE OF GOOD MANUFACTURING PRACTICE (GMP) FOR PHARMACEUTICAL (PRODUCT(S))

This certificate conforms to the format recommended by the World Health Organization (WHO)

Certificate Number: DA/6-87/04/ 17773

Date: 16/11/2017

It is hereby certified that M/s. JMI Syringes & Medical Devices Ltd. a drug (Disposable Syringe, Auto Disable Syringe, Medical Devices & Surgical Products) manufacturing and marketing organization, has been given license to manufacture and sell its products freely in the People's Republic of Bangladesh, as lawfully required and granted in pursuance of **The Drugs Acts 1940 (XXIII of 1940) & The Drugs (Control) Ordinance, 1982, and its Amendment Act 2006.**

On the basis of the inspection carried out on 28-10-2017, we certify that the site indicated on this certificate complies with Good Manufacturing Practices for the capacity forms, categories and activities listed in Table -1.

1. Name and Address of site : **JMI Syringes & Medical Devices Ltd.**
Noapara, Chaudhogram, Comilla, Bangladesh.
2. Manufacturer's license Number and Date of issue : Biological-237
Date: 16-07-2001
3. Table-1 :

| Form(s) of Product(s) | Category (ies) | Activity (ies) |
|---------------------------|----------------------------------|--|
| Auto Disable (AD) Syringe | Auto Disable (AD) Syringe 0.05ml | Quality Control of Incoming Materials, In-process Control, |
| | Auto Disable (AD) Syringe 0.1 ml | Manufacturing, |
| | Auto Disable (AD) Syringe 0.5 ml | Assembling, Blistering, |
| | Auto Disable (AD) Syringe 1 ml | Packing, Sterilizing, |
| | Auto Disable (AD) Syringe 3 ml | Finished Product Analysis, |
| | Auto Disable (AD) Syringe 5 ml | Finished Product Release, |
| | Auto Disable (AD) Syringe 10 ml | Storage and Finish Product Delivery. |

"Continued to page - 2"



CERTIFICATE OF REGISTRATION

JMI Syringes & Medical Devices Limited

7/A Shantibag
Dhaka 1217 BANGLADESH

UL LLC®(UL) issues this certificate to the Firm named above, after assessing the Firm's quality system and finding it in compliance with:

ISO 9001:2015

Design and manufacture of sterile hypodermic syringes (with and without needle), hypodermic auto-disable (AD) syringes, hypodermic insulin syringes (not pre-filled), hypodermic needles, IV cannula, IV infusion sets, blood transfusion sets, scalp vein sets, suction catheter, feeding tube, nelaton catheter, umbilical cord clamp, wound drain tube, toomey syringe, 3-way stopcock with or without extension tube, sterile and non-sterile urine collection bags, non-sterile first aid bandages.

With additional locations listed on Addendum: 1

Authorized by



Michael J. Windler, P.E.
Manager of Global Regulatory Service
Distinguished Member of the Technical Staff
Life and Health Sciences, UL LLC



Check Certificate
Status: [here](#)

| | | | |
|--------------------|------------------|----------------|--------------------|
| File Number | A28345 | Cycle Start | October 23, 2018 |
| Certificate Number | 1897.190927 | Effective Date | September 27, 2019 |
| Initial Issue Date | October 23, 2018 | Expiry Date | October 22, 2021 |

This quality system registration is included in UL's Directory of Registered Firms and applies to the provision of goods and/or services as specified in the scope of registration from the address(es) shown above. By issuance of this certificate the firm represents that it will maintain its registration in accordance with the applicable requirements. This certificate is not transferable and remains the property of UL LLC.



UL LLC
333 Pfingsten Road
Northbrook, IL 60062-2096 USA

00-MB-S0043 Issue 16.0

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CERTIFICATE OF REGISTRATION

JMI Syringes & Medical Devices Limited

7/A Shantibag
Dhaka 1217 BANGLADESH

UL LLC®(UL) issues this certificate to the Firm named above, after assessing the Firm's quality system and finding it in compliance with:

ISO 13485:2016

EN ISO 13485:2016

Design and manufacture of sterile hypodermic syringes (with and without needle), hypodermic auto-disable (AD) syringes, hypodermic insulin syringes (not prefilled), hypodermic needles, IV cannula, IV infusion sets, blood transfusion sets, scalp vein sets, suction catheter, feeding tube, nelaton catheter, umbilical cord clamp, wound drain tube, toomey syringe, 3-way stopcock with or without extension tube, sterile and non-sterile urine collection bags, non-sterile first aid bandages.

With additional locations listed on Addendum: 1

Authorized by



Michael J. Windler, P.E.
Manager of Global Regulatory Service
Distinguished Member of the Technical Staff
Life and Health Sciences, UL LLC



Check Certificate
Status: [here](#)

| | | | |
|--------------------|------------------|----------------|--------------------|
| File Number | A28345 | Cycle Start | October 23, 2018 |
| Certificate Number | 1842.190927 | Effective Date | September 27, 2019 |
| Initial Issue Date | October 23, 2018 | Expiry Date | October 22, 2021 |

This quality system registration is included in UL's Directory of Registered Firms and applies to the provision of goods and/or services as specified in the scope of registration from the address(es) shown above. By issuance of this certificate the firm represents that it will maintain its registration in accordance with the applicable requirements. This certificate is not transferable and remains the property of UL LLC.



UL LLC
333 Pfingsten Road
Northbrook, IL 60062-2096 USA

00-MB-S0043 Issue 16.0

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E008: Auto-disable syringe for fixed dose immunization

| | |
|---------------------------|---|
| PQS code: | E008/051 |
| Description: | AD syringe 0.5ml |
| Manufacturer's reference: | JMI AD syringe 0.5ml |
| Manufactured in: | Bangladesh |
| Company: | JMI Syringes & Medical Devices Ltd. |
| Address: | 7/A Shantibag Dhaka-1217 Bangladesh |
| Telephone: | +88029333102 |
| Email: | cml@jmigroup-bd.com |
| Web address: | http://www.jmisyringe.com/ |

Specifications

| | | | |
|------------------------------|------------------------------|--------------------------------|-------------------------------------|
| Graduations: | 0.5ml | Quality standard: | ISO 13485, |
| Syringe material(s): | Polypropylene | Markings: | CE mark |
| Fixed needle size: | 23G x 1" (0.60 x 25 mm) | Pieces per carton: | 2400 |
| AD mechanism: | Plunger lock | Volume per carton (m3): | 0.133 m3 |
| AD location: | Upon completion of injection | Weight per carton (kg): | 15.6 kg |
| Number of components: | 3 pieces | Minimum order: | 192,000 |
| Other needle options: | No | Incoterms: | FOB |
| Primary packaging: | Blister pack | Prices per unit: | <i>Upon request to manufacturer</i> |
| Year base price: | 2013 | | |

Comments:

Current PQS status: pre-qualified ; 29 May 2013 **Valid until :** May 2020

Note: If Current PQS status is 'Suspended' or 'Withdrawn', this product is NOT to be purchased

Every Man, Woman And Child Deserves
The Right to Safe Injection



Pioneer Manufacturer of
Auto Disable (AD) Syringes
IV Cannula
Blood Transfusion Set
First Aid Bandage
...In Bangladesh



JMI Syringes & Medical Devices Ltd.



JMI Syringes & Medical Devices Limited
7/A, Shantibag, Dhaka 1217

Proxy Card

This Proxy card is for use at the 20th Annual General Meeting of the shareholders of JMI Syringes & Medical Devices Ltd. will be held on Saturday, the November 23, 2019 at 11.30 a.m. at Sky City Hotel, 47, Siddheshwari Road, Dhaka-1217.

I/We _____

Having BO ID #

Of _____

Being a member of the Company do hereby appoint Mr./Ms

Of _____ to be
me/our proxy to attend and vote on my/our behalf at the 20th Annual General Meeting of the shareholders of JMI Syringes & Medical Devices Ltd. will be held on Saturday, the November 23, 2019 at 11.30 a.m. at Sky City Hotel, 47, Siddheshwari Road, Dhaka-1217 and at any adjournment thereof.

Signature of Proxy

Revenue
Stamp of
Tk. 20/-

Signature of the Shareholder

Note: This form of proxy, duly completed, must be deposited at least 48 hours before the meeting at the Companies Share department at 7/A, Shantibag, Dhaka-1217, Bangladesh. Proxy will be invalid if not signed and stamped as shown above.

Signature of the shareholder should agree with the specimen signature registered with the Company.



JMI Syringes & Medical Devices Limited
7/A, Shantibag, Dhaka 1217

Attendance Slip

I do hereby record my attendance of the 20th Annual General Meeting of the shareholders of JMI Syringes & Medical Devices Ltd. will be held on Saturday, the November 23, 2019 at 11.30 a.m. at Sky City Hotel, 47, Siddheshwari Road, Dhaka-1217.

Name of the Shareholder _____

Folio No: _____ Nos. of shares held _____

BO ID # |

Signature of the Shareholder

Date:

Note: Shareholders attending the meeting in person or by proxy are requested to deposit the attendance slip duly filled in at the entrance of the hall. Seats in the auditorium are reserved only for the shareholders/proxies.

19th Annual General Meeting 2018





www.jmigroup-bd.com



JMI Syringes & Medical Devices Ltd.

(A Joint Venture Company with Japan & Republic of Korea)

Corporate Headquarters

Unique Height, Level -11, 117, Kazi Nazrul Islam Avenue, Dhaka - 1217
Tel: 880-2-55138723, 55138724, Fax: 880-2-55138725

Registered Office

7/A, Shantibag, Dhaka 1217, Bangladesh, Tel: 88 02 9333102, 8318733, Fax : 88 02 9337798
Email: info@jmisyringe.com

Factory

Rajendrapur, Chaudhogram, Cumilla