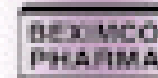


**Annual Report**  
***2001***



**BEXIMCO PHARMACEUTICALS LTD.**

## ***Our Mission***

Each of our activities must benefit and add value to the common wealth of our society.

We firmly believe that, in the final analysis we are accountable to each of the constituents with whom we interact; namely: *our employees, our customers, our business associates, our fellow citizens and our shareholders.*

*Annual Report*  
*2001*



**BEXIMCO  
PHARMA**

**BEXIMCO PHARMACEUTICALS LTD.**

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## Board of Directors

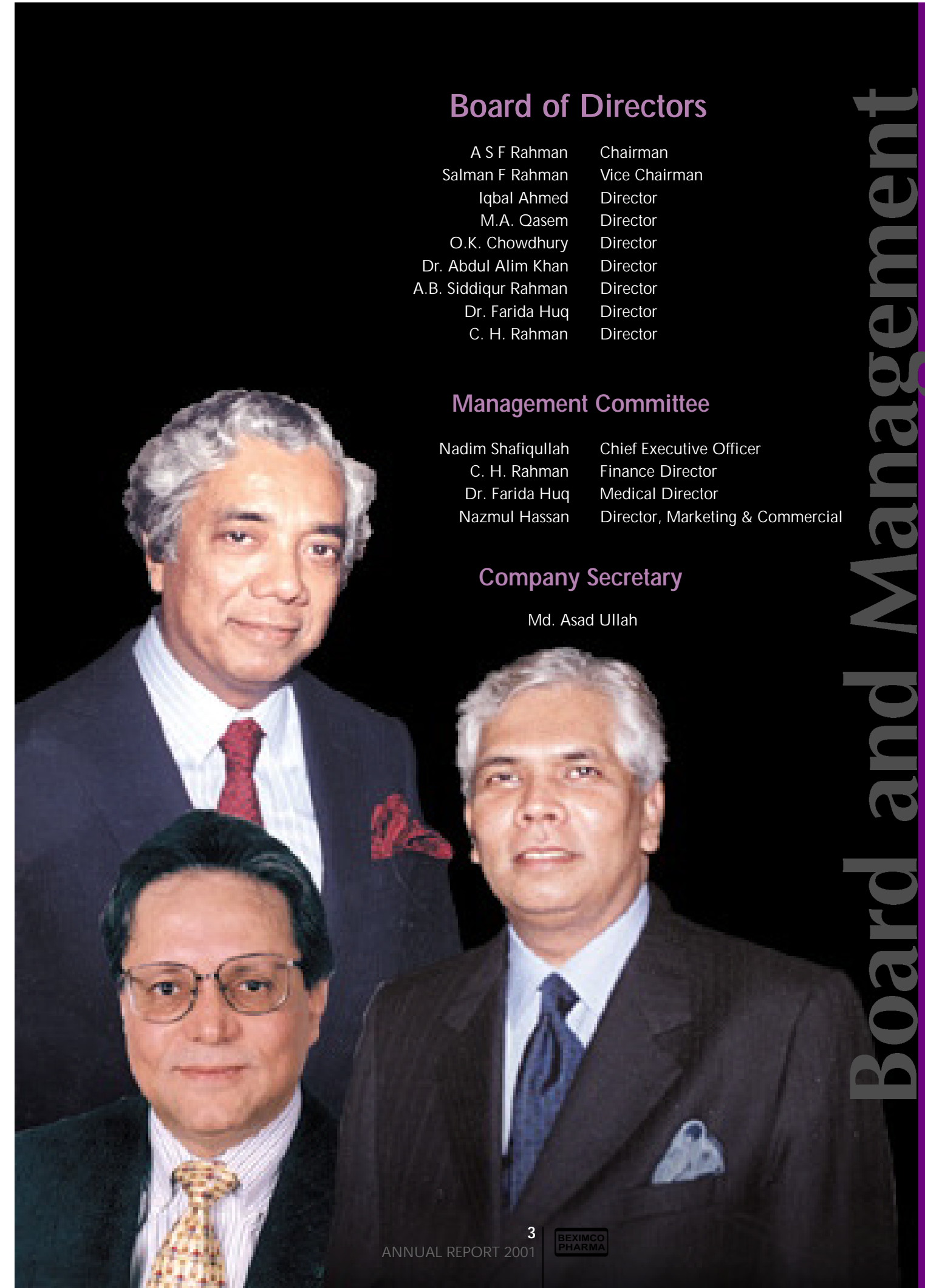
A S F Rahman	Chairman
Salman F Rahman	Vice Chairman
Iqbal Ahmed	Director
M.A. Qasem	Director
O.K. Chowdhury	Director
Dr. Abdul Alim Khan	Director
A.B. Siddiqur Rahman	Director
Dr. Farida Huq	Director
C. H. Rahman	Director

## Management Committee

Nadim Shafiqullah	Chief Executive Officer
C. H. Rahman	Finance Director
Dr. Farida Huq	Medical Director
Nazmul Hassan	Director, Marketing & Commercial

## Company Secretary

Md. Asad Ullah



## Chronology of Progress

*How we marched forward*

- 1976 : Registration of the company
- 1980 : Started manufacturing and marketing of licensee products of Bayer AG of Germany and Upjohn Inc. of USA
- 1985 : Listing in the Dhaka Stock Exchange (DSE) as a Public Limited Company (PLC)
- 1990 : Commissioning of Basic Chemical unit
- 1992 : Started export operation with Active Pharmaceutical Ingredients (APIs)
- 1993 : First export market operation with finished pharmaceutical products
  
- 1994-95 : Achievement of National Export Trophy (Gold) as the first pharmaceutical company of the country  
Introduction of 20 new products
- 1996 : Introduction of Sustained Release dosage form in the market  
Introduction of 12 new products
- 1997 : Commissioning of Metered Dose Inhaler (MDI) plant and introduction of Suppository dosage form  
Introduction of 15 new products
- 1998 : Introduction of Metered Dose Nasal Spray  
Introduction of 13 new products
- 1999 : UNICEF approval of BPL as an enlisted supplier  
Introduction of 6 new products
- 2000 : Contract manufacturing agreement of Metered Dose Inhaler (MDI) with Glaxo SmithKline  
Introduction of 11 new products
- 2001 : Introduction of small volume parenteral products (Injectables)  
Establishment of Analgesic-Anti-inflammatory plant  
Introduction of 26 new products

# Beximco Pharma

*The leading healthcare company in Bangladesh*

Beximco Pharmaceuticals Ltd. is the leading pharmaceutical company of Bangladesh. Founded in 1976, Beximco Pharmaceuticals Ltd. has been producing world class pharmaceutical products following current Good Manufacturing Practice (cGMP) as required by the World Health Organization (WHO) in order to improve health, happiness and quality of life. Beximco Pharmaceuticals Ltd. has products of different therapeutic classes, each of which, occupies a prominent position in the market and the heart of our customers and shareholders. Beximco Pharmaceuticals Ltd. is always committed to improve the lives of people through the development and commercialization of high quality and cost-effective medicines.

Noted for our market driven approach, BPL is also known for constructive endeavor to innovation that is usually the result of very extensive product testing and market research. As a market oriented organization, we develop a culture, that is fully committed to the continuous creation of superior customer value.

We strongly believe that quality makes the difference between life and death.

After successful venturing in the local market, we have now taken the challenge to replicate the journey into the international arena.



The Profile

<b>Corporate Headquarters</b>	17 Dhanmondi R/A, Road No. 2 Dhaka 1205, Bangladesh
<b>Operational Headquarter</b>	19 Dhanmondi R/A, Road No. 7 Dhaka 1205, Bangladesh
<b>Factory</b>	Auspara, Tongi, Gazipur
<b>Year of Establishment</b>	1976
<b>Commercial Production</b>	1980
<b>Status</b>	Public Limited Company
<b>Business Lines</b>	Manufacturing and marketing of pharmaceutical finished products and Active Pharmaceutical Ingredients (APIs)
<b>Overseas Offices and Associates</b>	UK, USA, Pakistan, Myanmar, Singapore, Kenya, Yemen.
<b>Export Outlets</b>	Bhutan, Georgia, Germany, Hong Kong, Iran, Iraq, Kenya, Malaysia, Myanmar, Nepal, Pakistan, Russia, Singapore, South Korea, Taiwan, Thailand, Ukraine, Vietnam and Yemen.
<b>Authorized Capital in Taka</b>	1,000 million
<b>Paid-up Capital in Taka</b>	442.5 million
<b>Turnover (net) in Taka of 2001</b>	2,401 million
<b>Number of Shareholders</b>	50,367
<b>Stock Exchange Listings</b>	Dhaka, Chittagong
<b>Number of Employees</b>	1,151



## People

*No limits to the human imagination*

People make a company. Our success is based on attracting, developing and retaining talented and motivated employees. They share both our desire to excel and our commitment to improving the lives of the people.

The employees of BPL believe in collaborative spirit. They appreciate that working as a team multiplies the strength of the individuals involved as well as the impact of the results.

Skill acquisition and development for all staff is key to a company's growth through innovation. In this regard, we are always on the look out to identify training needs of our employees in order to enable them to carry out the entrusted responsibilities. Training programs undertaken, not only address skills relating to the specialty of the individuals concerned, but also improving leadership, management and project coordination abilities.

Our purpose is not simply to explore the potential of today's new technologies but to unleash the creativity in every person engaged with the company. Because we believe the real measure of our success is not the power of technology but the power it unleashes in people.



We have highly educated white-collar employees comprising of approximately 76% of total BPL's workforce. Among them are:

Ph. D.	6
Engineers	23
Pharmacists	73
CMA	5
CA	1
MBA	12
Chemists	80
Biochemists	10
Microbiologists	2
Physicians	11
Others (Graduate)	651

It is our people who make us different from our competitors. The secret of our success story lies in our people



## Products

*Simply make the difference*

Being a responsible leader we take everything quite seriously. We don't simply believe in introducing new molecules; we also believe in creating the difference in the marketplace by offering impeccable quality.

BPL stands on the heritage of bringing innovative medicine to people. One of our key guiding principles is to operate through "customer channels". We put the customer at the center of all our activities. Commitment to our customers is one of the hallmarks of BPL.

Our products are all intended to help people to live healthy lives. BPL's portfolio features a range of high-quality, effective products, some are the first of their kind and many are ranked number one in their therapeutic area.

A team of highly qualified people sets our product features and attributes. Arts and science are blended together inside our products. Our products are designed and engineered in such a manner that their overall presentation, size, shape, color, flavor, viscosity, coating etc. are completely different from those of the competitors. Formula E is formulated with an excellent chocolate taste. Ascobex and Carocet are the best tasting drugs in their respective categories. Aristovit B and Aristovit M are the most elegant drugs in their categories in the country. Whatever may be the dosage form or packaging – blister, strip, bottle, cartons, labels etc., BPL's presentations are widely recognized for their best aesthetic look among all competitive brands.



## Diversification

*Small Volume Parenteral (SVP) products*

The strength of Beximco Pharmaceuticals Ltd. lies in its diversified products and dosage forms. BPL has been producing solid products like tablets and capsules and liquid products like syrup, suspension and solution, as well as semisolid products like cream and ointment. We are the pioneer company to manufacture and market nasal sprays, inhalation aerosols and suppositories in Bangladesh. In 2001, Beximco Pharmaceuticals Ltd. stepped into a new path--bringing Small Volume Parenteral (SVP) or injectable dosage form.

Arixon is our first small volume injectable product. It is a preparation of Ceftriaxone, which is considered as a breakthrough antibiotic in the history of medicine, particularly because it is safe to be used in children as well as adults. Arixon is also the first injection in Bangladesh to offer four-layer protection against counterfeit--flip-off cap, aluminum seal with imprinted brand name, blister pack and security seal on commercial pack. In 2002, Arixon is predicted to be one of our leading brands in terms of sales revenue.

As the second step, we introduced Intracef injection, a preparation of Cephadrine. Intracef is a renowned brand and already available as capsule, suspension and pediatric drops. Launching of Intracef injection further strengthens the brand and offers an opportunity to promote the different dosage forms in one promotional exposure.

Arixon and Intracef injection are our first SVP products and we will introduce other exciting products in the future.



## New products

*Wheel of profit generation*

In the year 2001, BPL added 26 new products of different therapeutic classes in its portfolio and these products are highly appreciated by the health professionals. Most important of them are Triocim, Arixon, Prosan, Recox, Atova etc. Introduction of these new products enriched our product portfolio and is contributing to our sales significantly.

### Increasing trends in product offerings...

...reflects our relentless effort to provide better health care services to our valued customers.

Year	No. of products introduced	Major revenue earning products
1983	6	Napa, Lactameal
1984	5	Tycil, Spanil
1985	7	Cephalen, Filmet, Gentosep
1986	3	Neceptin R
1987	8	Tynisol, Ascobex, Clobex
1988	4	Bronkolax, Aristofol-Fe
1989	4	Ultrafen, Etrocin, Aristovit-B
1991	2	Neofloxin
1993	9	Tofen, Keolax, Cardopril, Aristoplex, Proceptin
1994	10	Omastin, Aristovit-M
1995	10	Diactin, Amdocal
1996	12	Azithrocin, Rostil
1997	15	Pedeamin, Intracef, Enaril, Azmasol Bexitrol, Atrizin
1998	13	Neosten, Nazolin, Hefolin SR, Formula-E, Decomit, Carocet
1999	6	Tripec, Avastin
2000	11	Diapro, Cox-B
2001	26	Triocim, Arixon, Prosan, Recox, Atova

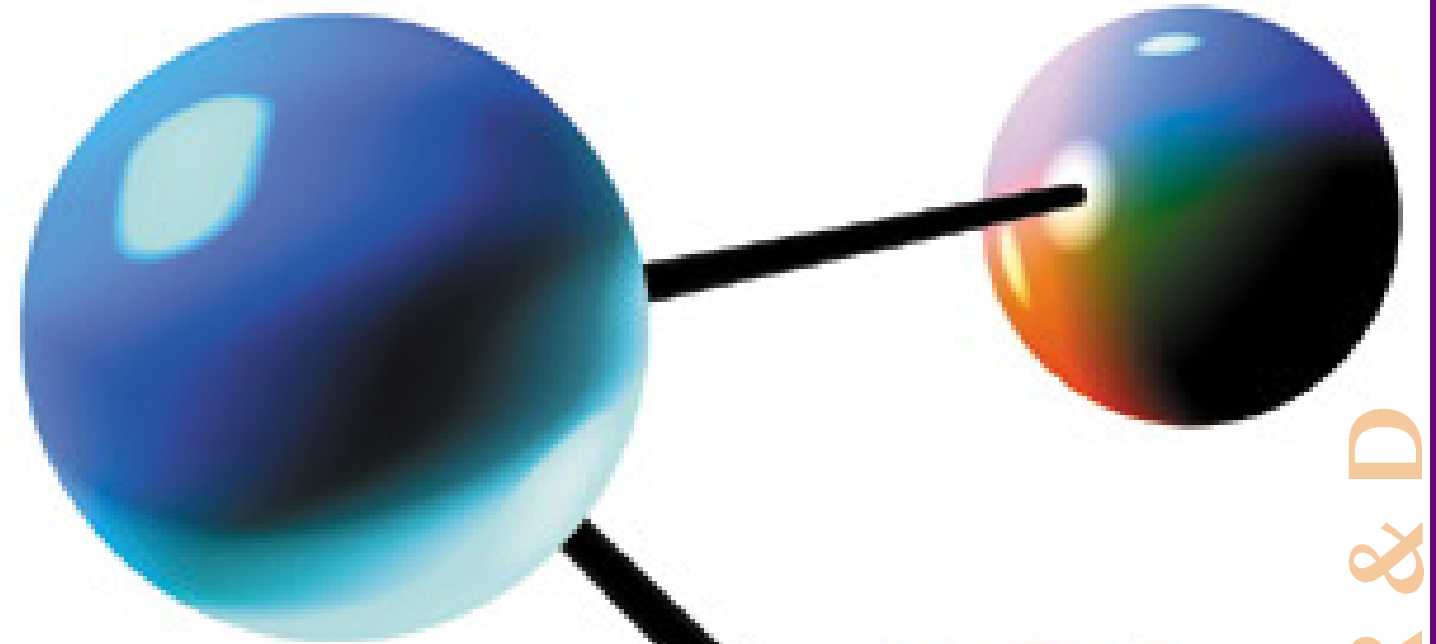
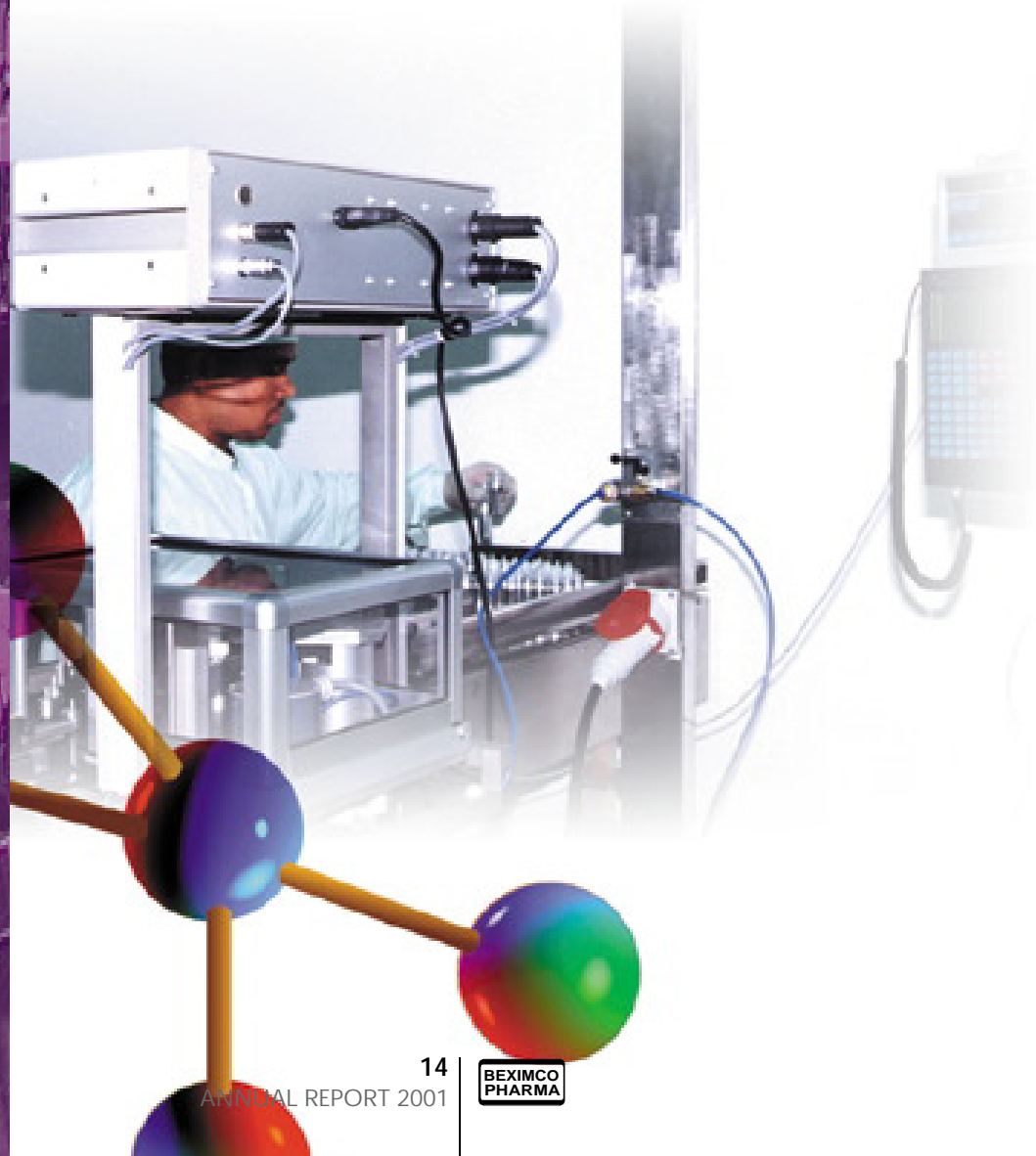


## R & D

*Inventing tomorrow*

BPL is a company that is continuously searching for the next treatment advancements. BPL's portfolio features a range of high-quality, effective products. This product portfolio, combined with the steady stream of promising new products in development, is one of the many reasons BPL is among the nation's leading pharmaceutical companies.

We have introduced 26 new products in 2001. Around 70 new products are in our development pipeline. They will obviously enrich our portfolio to a great extent.



### R & D team

We are continuously thriving to support our valued customers with advanced and latest medicines. To materialize the same, R & D has been divided into two teams. Team-I is responsible for the improvement of existing formulations and team-II is engaged in the development of new formulations.



## Training

*Getting the best from our people*

One of the agenda of the Human Resources Department is continuous development of the employees so that they can cope with the rapidly changing business environment. Innovation is a major priority that we want to promote. Accordingly, training programs are regularly undertaken for the staff to seek opportunities for skills improvement.

In 2001, employees of BPL have participated in various training programs both external and internal. There were 6 (six) induction training for the field force, 4 (four) in-house training and 2 (two) external training for employees of the Head Office during this period. Factory personnel also attended in-house training programs of a total 206 hours duration.

## Major in-house and external training programs

### Title of the training

*Managerial style*

*Personal values questionnaire*

*Learning style inventory*

*Learning skills profile*

*Management workshop for women executive*

*Sales management*

*Training on GMP, Process validation, SOPs and documentation*

*Audio visual training on GMP for MDI plant*

*Total Quality Management (TQM)*

*Integrated material management*

*Occupational health & safety*

*Course leaders courses*

Experts from inside and outside the organization worked as our resource personnel for the training programs. All of these training programs were found highly effective in developing our peoples' knowledge, skill and abilities to perform their assigned jobs in a better way.



## Overseas Business

*Striving for excellence*

Overseas business has always been one of the top priorities of Beximco Pharma. By making the best use of our competency & edge in manufacturing technology and marketing skills, BPL has been able to establish a very successful international marketing network in Asia, Middle East and Africa. So far, Beximco Pharma has marked its presence in 16 countries and in last few years, BPL has been putting its best efforts to continue this process.

In the year 2001, BPL's major emphasis in overseas markets was basically directed towards achieving a critical mass in these markets and to build brand equity of our products. In fact, last year was another very successful year for us in terms of achieving our objectives in the overseas markets. In 2001, we have signed an agreement with one of the leading distributors of Singapore with an objective to consolidate our presence in Singapore market. BPL's specialized products like Inhalers, Nasal Sprays and Suppositories as well as solid dosage forms have already gained remarkable brand equity in Singapore. In Pakistan, we came into an agreement with one of the leading local companies to manufacture BPL brands locally and to market the same in Pakistan market. Local manufacturing of BPL brands is expected to give us substantial headway and edge in terms of overcoming competition in Pakistan.



Apart from all these, we have intensified and consolidated our marketing efforts in other overseas markets, like Myanmar, Kenya, Yemen and Vietnam. To capitalize immense opportunities in these overseas markets, we are bringing in more new and exciting brands in these markets. Last year, BPL donated one 'Medical Information Kiosk' to the Myanmar Medical Association of Mandalay which gained enormous attention and acceptance in the minds of the medical community of Myanmar. In Kenya, number of sales people has been increased to best exploit its huge market potentials. All these efforts are already bringing in desired results.

Entering into new horizons and establishing new overseas markets will remain our top most priority in 2002 also. Russia, Ukraine, Sri Lanka, Cambodia, Nepal will be on the list. We are confident that our process of globalization will continue with a more and more accelerated speed in the coming days.



## Blockbuster Products

*Top 5 products in 2001*

### **Napa:**

#1 brand in pain and fever since 1990.

### **Neoceptin R:**

The leader in the antiulcerant market for the last 5 years.

### **Neofloxin:**

Very powerful weapon against difficult to treat infections.

### **Tycil :**

A trusted name among amoxicillin preparations.

### **Aristovit M:**

Aesthetically the most beautiful multivitamin & mineral preparation in Bangladesh.

Successful blending of our scientific knowledge with innovative marketing approaches have positioned these blockbuster drugs as the engine of our drive for the success.



## Fine Chemicals

*Committed to supply quality products*

BPL has a commitment to the society to supply world class Active Pharmaceutical Ingredients (APIs). Therefore, BPL is not only engaged in formulations but also in fine chemicals business with a view to supplying cost effective quality materials to other local companies as well as for captive consumption.

As one of the most important profit centres of Beximco Pharmaceuticals Ltd., Fine Chemicals department is involved in producing and marketing of Active Pharmaceutical Ingredients (APIs) to the local market. It caters to almost 60% of the demand of Amoxicillin bulk in Bangladesh.

The major products of Fine Chemicals are Amoxicillin and Ampicillin. An entirely new bulk drug facility is being set up to produce high value and exciting new drugs. Beximco Pharmaceuticals Ltd. has already developed some Active Pharmaceutical Ingredients (APIs) in antibiotics, antifungal, analgesic, antihistamine, anti-inflammatory, antihypertensive and other therapeutic classes in a separate multipurpose plant to meet its own requirement and also to meet the local demand of other pharmaceutical manufacturers.

The company has acquired an outstanding ability of transforming technological know-how into commercially viable products through in-house expertise and use of international consultants.

BPL's first venture into export markets started with the export of fine chemicals in 1990. Since then it has exported to a number of countries like Vietnam, Singapore, Germany, Russia, Hongkong, Iran, South Korea etc.

The company firmly believes that, introduction of more new molecules will enable it to expand and further strengthen its presence in local as well as international markets thereby contributing significantly to the growth of the company's profit.

- 1990 : *In this year, Basic Chemical plant was established and on September 01, 1990 commercial production of Amoxicillin and Ampicillin was started.*
- 1996 : *In October 1996, Multipurpose Plant was established.*
- 2001 : *In March 2001, Cox Block plant was established.*

## Technology

*Keeping pace with the advanced world*

Technology carries the promise of tomorrow. The benefits of technology belong to all of us -benefits that create new opportunities and open doors to a better life. For example, the new inhaler plant of BPL has been designed in a way to ensure highest-possible quality at every stage of manufacturing and quality control. World-class facilities are being employed in each and every step including mixing, filling, testing, labelling, batch printing and other procedures to ensure manufacturing of world class products.



## BPL's New Inhaler Plant

*Bringing world-standard facilities*

BPL enjoys about 40% of the total inhalation aerosol market of the country. Four inhalation aerosols are being manufactured currently in this state-of-the-art plant (Azmasol, Bexitrol, Decomit-100 & Decomit-250). This makes inhaler therapy much affordable to all asthma patients of the country. Patients are now using BPL's inhalers that have significantly reduced their dependence on imported inhaler products. This in turn also contributes to the foreign currency savings drive of the country.

Recently BPL started export of its inhalers to Singapore, Myanmar and Vietnam. Export of BPL inhalers to other countries including Pakistan, Kenya, Yemen and Sri Lanka is underway.

The main reason behind the success of BPL inhalers both at home and abroad is its 'consistent and highest-possible quality'. The world-class facilities at the new inhaler plant of BPL made this revolutionary achievement possible.



## Quality

*We try to achieve zero defect*



At BPL, total quality control refers to the process of producing a perfect product by a series of measures. This requires an organized effort by the entire company to prevent or eliminate errors at every stage in production. It is supported by a team effort. Our quality assurance establishes control or checkpoint to finally ensure the quality of the products during production and upon completion of the manufacturing. It starts with raw materials and component testing and includes in-process, packaging, labelling and finished product testing as well as batch auditing and stability monitoring.

A highly dedicated academically sound and professionally competent team comprising of pharmacists, chemists, biochemists, microbiologists, engineers & others is making relentless efforts to offer the best in terms of product quality.

In every step, from the procurement of raw materials to the manufacturing of finished products, the latest World Health Organization (WHO) approved current Good Manufacturing Practices (cGMP) are being followed. There are written Standard Operating Procedures (SOPs) for every process and step involved which are being closely monitored to ensure that all concerned personnel are complying with these procedures.

BPL's Q.C. lab is well equipped with most modern and sophisticated equipment like, High Performance Liquid Chromatography (HPLC), Infrared (IR) Spectrophotometer, Ultraviolet (UV) Spectrophotometer, Homogenizer, In-vitro Bioavailability Tester, Lung Simulator, Disintegrator, Dissolution Tester & many other latest computer aided instruments & accessories to ensure the highest quality products.

## Environment Health and Safety

*Commitment to care*

We are continuously thriving to protect the environment and ensure the safety and health of our employees and communities where we operate. At BPL, we work to enhance protection of the environment, and the safety and health of our neighbours, our customers and our employees. It is always monitored that concerned people wear appropriate and designated dresses like gowns, aprons, masks, helmets etc.

BPL is very careful in discharging the wastes that are generated from any of its operation. To ensure this, regular environmental monitoring of emissions is being carried out. BPL is continuously striving to minimize adverse impacts on environment and to ensure total environmental protection by minimizing waste generation and improving the monitoring system.

## The New Formulation Plant

*Investing into the future*

Beximco Pharmaceuticals Ltd. has been preparing itself for the post-WTO open market competition. It has all the courage to compete with world leaders in pharmaceuticals business when the tariff and non-tariff barriers will be withdrawn. BPL has placed itself in the virtual future, extending several years beyond today. That is why, a multi-million dollar pharmaceutical formulation plant is being built.

BPL Management decided to construct a new manufacturing plant according to USFDA standard. This world class facility is structured and erected in line with International Guidelines for cGMP and with particular regard to the FDA (Food and Drug Administration Authority) of the USA. It incorporates modern technological advancements in materials storage, handling, transfer and movement.

To meet specific cGMP requirements for the USA & European markets, all walls within the facility are made of preformed powder coated Sandwich Panels giving a smooth and easily cleanable surface free of cracks or crevices. The ceiling is constructed of the same material and has been designed as a "Walk-on" ceiling. The wall and ceiling joints are finished with powder coated aluminium coves. All floors throughout the facility are of Self-Levelling Epoxy (SLE) providing a hard impact and chemical resistant floor. All corners between the floor and walls are finished with coves made from special epoxy coving material.

The huge & extensive civil & electrical work of the plant has already been completed. Installation of some of the world's most advanced and sophisticated machineries is underway. The new USFDA standard plant is planned to be operational in early 2003. Once completed, this will be one of the finest facilities to be available anywhere in the globe.

## Beximco Pharma Annual Report

*Awarded as the best*



BPL won the first prize of Institute of Chartered Accountants of Bangladesh(ICAB) National Awards 2000 in Non-Financial Sector Category for the "Best Published Accounts and Reports" for its 2000 Annual Report. In the process of evaluation and selection of awards the concerned committee of the institute considered some standard criteria, encompassing Corporate Objectives, Chairman / CEO's Report, Standard Disclosures, Stakeholders' Information, Presentation of the Reports, Timeliness of Accounts and AGM, and Status of Corporate Governance. Honorable Minister for Finance Mr. Saifur Rahman, MP handed over the winning trophy to Mr. A. S. F. Rahman, Chairman of Beximco Group in a ceremonial presentation at Pan Pacific Sonargaon Hotel, Dhaka on November 26, 2001. This award is yet another landmark recognition of BPL's total commitment to excellence.



## Twenty-Fifth Annual General Meeting

The 25th Annual General Meeting of shareholders of BPL was held on 24th June, 2001. Around 15,000 shareholders attended the meeting. Mr. A S F Rahman, Chairman of the Board of Directors of BPL presided over the meeting. The Chairman thanked the shareholders for their interest and confidence upon the company. The shareholders were informed about the excellent sales achievement and growth in 2000. The 2001 strategies and future vision of the company were also briefed in the AGM.

The meeting approved 20% dividend for its shareholders for the year 2000.



## Annual Sales Conference 2001

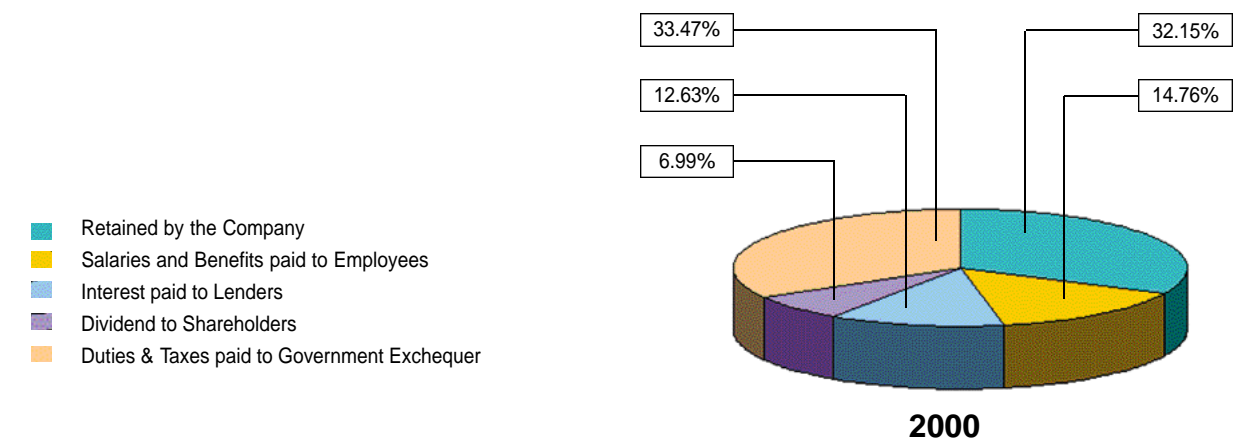
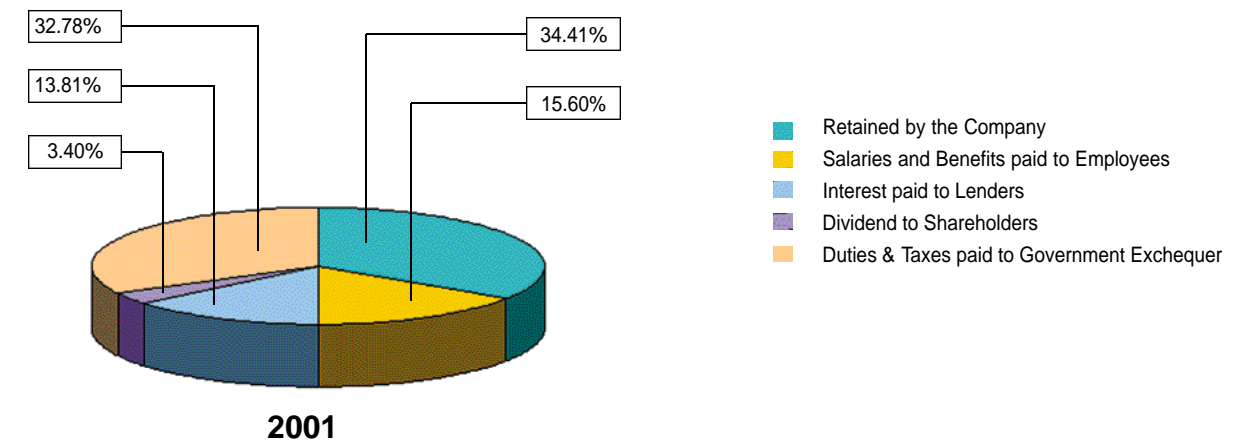
The Annual Sales Conference 2001 was held at Hotel Sonargaon on January 3, 2002. Mr. Nadim Shafiqullah, Chief Executive Officer of the company chaired the meeting. Mr. Nazmul Hassan, Director, Marketing and Commercial, other managers and more than 400 marketing and sales people from all over the country attended the conference. In the day session of the conference achievements of 2001 and strategies for 2002 were discussed. In the evening session Mr. Nadim Shafiqullah distributed prizes and crests among the top sales achievers. The prize distribution ceremony was followed by a grand gala dinner and cultural show.



## Value Added Statement

Figures in Taka

	2001		2000	
Turnover & Other Income	2,743,551,749		2,826,647,290	
Less : Materials Cost & Expenses	1,443,320,343		1,560,731,740	
<b>Value Added</b>	<b>1,300,231,406</b>		<b>1,265,915,550</b>	
<b>Applications</b>		<b>%</b>		<b>%</b>
Retained by the Company	447,414,003	34.41	406,939,199	32.15
Salaries and Benefits paid to Employees	202,817,441	15.60	186,803,962	14.76
Interest paid to Lenders	179,520,085	13.81	159,943,284	12.63
Dividend to Shareholders	44,250,000	3.40	88,500,000	6.99
Duties & Taxes paid to Government Exchequer	426,229,877	32.78	423,729,105	33.47
<b>Total</b>	<b>1,300,231,406</b>	<b>100.00</b>	<b>1,265,915,550</b>	<b>100.00</b>



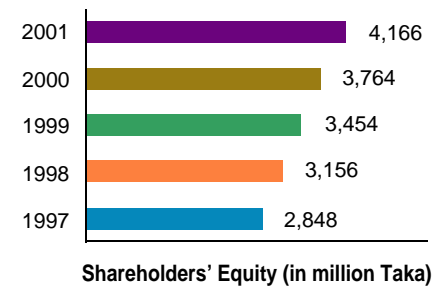
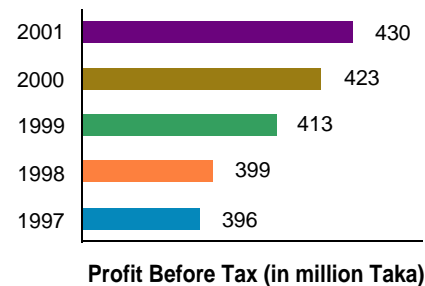
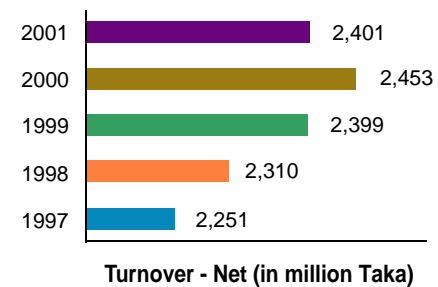
## Growth in 2001

Figures in thousand Taka

	2001	2000	Growth	
			Amount	%
<b>Income &amp; Profitability</b>				
Turnover (Net)	2,401,241	2,452,524	(51,283)	(2.09)
Net Profit	401,780	398,295	3,485	0.87
Earnings per share	9.08	9.00	0.08	0.89

### At a glance:

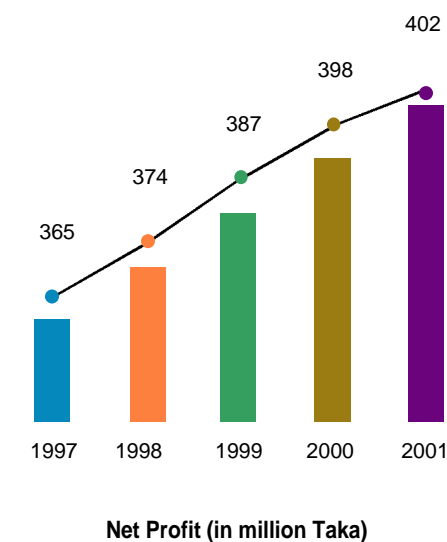
Turnover (net) down (2.09 %)  
Net profit up 0.87 %  
Earnings per share up 0.89 %



## 5 Years Statistics

Figures in thousand Taka

Particulars	2001	2000	1999	1998	1997
Authorized Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Paid up Capital	442,500	442,500	442,500	442,500	442,500
Turnover(Net)	2,401,241	2,452,524	2,398,985	2,310,362	2,251,280
Turnover(Export)	47,325	44,268	35,846	38,721	9,180
Gross Margin	942,133	895,783	816,089	729,932	698,408
Profit Before Tax	430,420	422,644	413,312	398,788	396,021
Net Profit	401,780	398,295	386,576	374,211	365,146
Tangible Assets(Gross)	5,141,780	4,062,660	3,759,880	3,349,420	3,151,419
Shareholders' Equity	4,165,791	3,764,011	3,454,217	3,156,141	2,848,305
Dividend	10%	20%	20%	15%	30%
Return on Paid up Capital	97%	96%	93%	90%	89%
Shareholders' Equity Per Share	94	85	78	71	64
Earnings Per Share	9.08	9.00	8.74	8.46	8.25
Market Price Per Share	49.50	66.90	32.31	51.83	80.23
Price Earnings Ratio (Time)	5.45	7.43	3.70	6.13	9.72
<b>Number of shareholders</b>	<b>50,367</b>	<b>50,618</b>	<b>50,733</b>	<b>49,453</b>	<b>44,592</b>
General Public	37,568	38,447	38,426	37,989	34,483
Foreign Investors	43	43	43	44	40
ICB & Investors Account	12,756	12,128	12,264	11,420	10,069
<b>Human Resources</b>					
Number of employees	1,151	1,047	1,010	1,004	980
Officers	695	581	544	530	528
Staff	456	466	466	474	452



## Beyond 2001

### Launching of New Products

In 2002, we have continued to improve the performance. Nine new products in thirteen dosage forms namely Premil 0.5 mg, Premil 1 mg, Premil 2 mg, Cosmotrin Cream, Intracef 250 Injection, Intracef 500 Injection, Neofloxin 750 mg Tablet, Sibulin Tablet, Odrel Tablet, Triocim Suspension, Flubex 500 Capsule, Flubex Suspension, Lucidol Capsule have been introduced in the first five months of 2002.



## Management Development Training

The continuous training program of Beximco Pharmaceuticals Ltd. has been strengthened in 2002. In-house courses and participation in external workshops, both within Bangladesh and abroad, have been intensified in 2002. A dedicated training room is available at both the head office and the factory premises for imparting general and technical training. Managers have also participated in a series of management development program at the Hyderabad campus of the Indian School of Business (ISB) whose faculty includes faculty members from Kellogg University in USA and the London School of Business. An active, round the year human resources development will be aggressively pursued by the company to raise its intellectual capital constantly.

Brand name	Dosage form	Generic name & strength
<b>Analgesic/Antipyretic</b>		
Lucidol	Capsule	Tramadol HCl 50 mg
Napa	Tablet Syrup Suppository	Paracetamol 500 mg Paracetamol 120 mg/5 ml Paracetamol 125 mg Paracetamol 250 mg
<b>Antacid &amp; Antiflatulent</b>		
Flatameal-DS	Tablet Suspension	Al Hydroxide 400 mg, Mg Hydroxide 400 mg, Simethicone 30 mg Al Oxide 200 mg, Mg Hydroxide 400 mg, Simethicone 30 mg
Lactameal	Tablet Suspension	Al Hydroxide 250 mg, Mg Hydroxide 400 mg Al Oxide 175 mg, Mg Hydroxide 250 mg
<b>Anthelmintic</b>		
Alphin DS	Tablet	Albendazole 400 mg
Melphin	Tablet Suspension	Pyrantel Pamoate 125 mg Pyrantel Pamoate 50 mg/ml
<b>Anti-acne</b>		
Cosmotrin	Cream	Tretinoin 0.025%
<b>Antiamoebic</b>		
Filmlet	Tablet Suspension	Metronidazole 200 mg Metronidazole 400 mg Metronidazole 200 mg/5 ml
<b>Anti-Androgen</b>		
Prosfen	Tablet	Finasteride 5 mg
<b>Anti-Anginal</b>		
Monate	Tablet	Isosorbide Mononitrate 20 mg
Neocard	Tablet	Diltiazem 30 mg Diltiazem 60 mg
<b>Anti-Arrhythmic</b>		
Pacet	Tablet	Amiodarone Hydrochloride 100 mg Amiodarone Hydrochloride 200 mg
<b>Antibacterial</b>		
Arixon 1g IM	Injection	Ceftriaxone 1g
Arixon 1g IV	Injection	Ceftriaxone 1g
Arixon 250 mg IM	Injection	Ceftriaxone 250 mg
Arixon 250 mg IV	Injection	Ceftriaxone 250 mg
Arixon 500 mg IM	Injection	Ceftriaxone 500 mg
Arixon 500 mg IV	Injection	Ceftriaxone 500 mg
Azithrocin	Capsule Tablet Suspension	Azithromycin 250 mg Azithromycin 500 mg Azithromycin 200 mg/5 ml
Cephalen	Capsule Suspension	Cephalexin 250 mg Cephalexin 500 mg Cephalexin 125 mg/5 ml
Clobex	Capsule Syrup	Cloxacillin 500 mg Cloxacillin 125 mg/5 ml
Decacycline	Capsule	Tetracycline 250 mg
Etrocin	Tablet Suspension	Erythromycin 250 mg Erythromycin 500 mg Erythromycin 125 mg/5 ml
Flubex	Capsule Capsule Suspension	Flucloxacillin 250 mg Flucloxacillin 500 mg Flucloxacillin 125 mg/5 ml
Intracef	Capsule Suspension Drop Injection	Cephradine 250 mg Cephradine 500 mg Cephradine 125 mg/5 ml Cephradine 125 mg/1.25 ml Cephradine 250 mg
Isofloxin	Injection	Cephradine 500 mg
Megadox	Tablet Capsule	Pefloxacin 400 mg Doxycycline 100 mg

Brand name	Dosage form	Generic name & strength
Megatrim DS	Tablet Suspension	Trimethoprim 160 mg & Sulphamethoxazole 800 mg Each 5 ml contains Trimethoprim 40 mg & Sulphamethoxazole 200 mg
Nebactil	Suspension	Nalidixic acid 300 mg/5 ml
Neofloxin	Tablet	Ciprofloxacin 250 mg Ciprofloxacin 500 mg Ciprofloxacin 750 mg
Rolacin	Tablet Suspension	Clarithromycin 250 mg Clarithromycin 500 mg Clarithromycin 125 mg/5 ml
Sparlin	Tablet	Sparfloxacin 200 mg
Triocim	Capsule Suspension	Cefixime 200 mg Cefixime 100 mg/5 ml
Tycil	Capsule Suspension Drop	Amoxycillin 250 mg Amoxycillin 500 mg Amoxycillin 125 mg/5 ml Amoxycillin 125 mg/1.25 ml
<b>Antibaldness</b>		
Recur	Tablet	Finasteride 1 mg
<b>Antidepressant</b>		
Apresin	Tablet	Fluphenazine 0.5 mg+Nortriptyline 10 mg
Modipran	Capsule	Fluoxetine 20 mg
<b>Antidiabetic</b>		
Diactin	Tablet	Glipizide 5 mg
Diaglit	Tablet	Pioglitazone 15 mg Pioglitazone 30 mg
Diapro	Tablet	Gliclazide 80 mg
Premil	Tablet	Repaglinide 0.5 mg Repaglinide 1 mg Repaglinide 2 mg
<b>Antiemetic</b>		
Inarzin	Tablet	Cinnarizine 15 mg
<b>Antifungal</b>		
Fungistin	Oral Susp.	Nystatin 100,000 units/ml
Omasin	Capsule Suspension	Fluconazole 50 mg Fluconazole 150 mg Fluconazole 50 mg/5 ml
<b>Anti-epileptic</b>		
Epilep	Tablet	Carbamazepine 200 mg
Epilep CR	Controlled Release Tablet	Carbamazepine 200 mg
<b>Antihæmorrhoidal</b>		
Anustat	Ointment	Each gram contains Cinchocaine 5 mg, Hydrocortisone 5 mg, Neomycin 10 mg & Esculin 10 mg
<b>Antihistamine</b>		
Atrizin	Tablet Syrup	Cetirizine Hydrochloride 10 mg Cetirizine Hydrochloride 5 mg/5 ml
Bexidal	Tablet	Mebhydrolin 50 mg
Pedeamin	Syrup	Diphenhydramine 10 mg/5 ml
Pretin	Tablet	Loratadine 10 mg
<b>Antihypertensive</b>		
Amdocal	Tablet	Amlodipine (as besylate) 5 mg Amlodipine (as besylate) 10 mg
Cardopril	Tablet	Captopril 25 mg Captopril 50 mg
Enaril	Tablet	Enalapril 5 mg
Neopril	Tablet	Lisinopril 5 mg Lisinopril 10 mg
Prosan	Tablet	Losartan Potassium 25 mg Losartan Potassium 50 mg

Brand name	Dosage form	Generic name & strength
<b>Antioesity</b>		
Sibulin	Capsule	Sibutramine 5 mg
<b>Antiosteoporotic</b>		
Alendon	Tablet	Alendronate Sodium 10 mg
<b>Antiplatelet</b>		
Odrel	Tablet	Clopidogrel 75 mg
<b>Antipsychotic</b>		
Sensipin	Tablet	Clozapine 25 mg
<b>Antispasmodic</b>		
Rostil	Tablet	Mebeverine Hydrochloride 135 mg
Spanil	Tablet	Hyoscine Butylbromide 10 mg
<b>Antiulcerant</b>		
Gastalfet	Tablet	Sucralfate 500 mg
Neoceptin R	Tablet	Ranitidine 150 mg Ranitidine 300 mg
Neo Kit	Tablet Capsule Tablet	Clarithromycin 500 mg Omeprazole 20 mg Metronidazole 400 mg
Proceptin	Capsule	Omeprazole 20 mg
Yamadin	Tablet	Famotidine 20 mg Famotidine 40 mg
<b>Asthma Prophylactic</b>		
Decomit	Inhaler	Beclomethasone Dipropionate 100 µg/actuation Beclomethasone Dipropionate 250 µg/actuation
Tofen	Tablet Syrup	Ketotifen 1 mg Ketotifen 1 mg/5 ml
Zukast	Tablet	Zafirlukast 20 mg
<b>Bronchodilator</b>		
Azmasol	Inhaler	Salbutamol 100 µg/actuation
Bexitrol	Inhaler	Salmeterol 25 µg/actuation
Bronkolax	Tablet Syrup	Salbutamol 2 mg Salbutamol 2 mg/5 ml
<b>Calcium Supplement</b>		
Aristocal	Tablet	Calcium 500 mg
<b>Cough Expectorant</b>		
Tripec	Syrup	Guaifenesin 100 mg, Pseudoephedrine Hydrochloride 30 mg & Triprolidine Hydrochloride 1.25 mg/5 ml
<b>Cough Suppressant</b>		
Dextromethorphan	Syrup	Dextromethorphan 10 mg/5 ml
<b>COX-2 Inhibitor</b>		
Cox B	Capsule	Celecoxib 100 mg Celecoxib 200 mg
Recox	Tablet	Rofecoxib 12.5 mg Rofecoxib 25 mg
<b>Digestive Enzyme</b>		
Zymet	Tablet	Pancreatin 325 mg
<b>Gastroprokinetic</b>		
Deflux	Tablet Suspension Drop	Domperidone 10 mg Domperidone 5 mg/5 ml Domperidone 5 mg/ml
<b>Hypnotic</b>		
Eplon	Capsule	Zaleplon 5 mg Zaleplon 10 mg
<b>Iron Supplement</b>		
Aristoferon	Syrup	Ferrous Sulphate 200 mg /5 ml
Aristofol-Fe	Tablet	Ferrous Fumarate 308 mg & Folic Acid 350 µg
Hefolin SR	Sustained Release Capsule	Dried Ferrous Sulphate 150 mg equivalent to Iron 47 mg & Folic Acid 500 µg

Brand name	Dosage form	Generic name & strength
<b>Laxative</b>		
Serelose	Syrup	Lactulose 3.35 gm/5 ml
<b>Lipid Lowering Agent</b>		
Atova	Tablet	Atorvastatin 10 mg Atorvastatin 20 mg
Avastin	Tablet	Simvastatin 10 mg
<b>Nasal Anti-Inflammatory</b>		
Decomit	Nasal Spray	Beclomethasone Dipropionate 50 µg per actuation
<b>Nasal Decongestant</b>		
Nazolin	Nasal Spray	Oxymetazoline 25 µg per actuation
<b>Non-Steroidal Anti-Inflammatory Drug</b>		
Nuprafen	Tablet	Naproxen 250 mg Naproxen 500 mg
Reumafen	Tablet	Ibuprofen 200 mg Ibuprofen 400 mg
Ultrafen	Tablet Suppository	Diclofenac Sodium 25 mg Diclofenac Sodium 50 mg Diclofenac Sodium 12.5 mg Diclofenac Sodium 50 mg
Ultrafen SR	Sustained Release Tablet	Diclofenac Sodium 100 mg
Ultrafen Gel	Gel	Diclofenac Sodium 1%
Xynofen 100 SR	Sustained Release Capsule	Ketoprofen 100 mg
<b>Topical Antibiotic</b>		
Furasep	Cream	Nitrofurazone 0.2%
Fusidic Plus	Ointment	Sodium Fusidate 2%, Hydrocortisone Acetate 1%
Gentosep	Cream	Gentamicin 3 mg/gm
<b>Topical Antifungal</b>		
Neosten	Cream	Clotrimazole 0.1%
Neosten VT	Vaginal Tablet	Clotrimazole 0.2 gm
<b>Tranquilizer</b>		
Keolax	Tablet	Clobazam 10 mg
<b>Vitamin</b>		
Aristoplex	Syrup	Vitamin B <sub>1</sub> 5 mg, Vitamin B <sub>2</sub> 2 mg, Vitamin B <sub>6</sub> 2 mg & Nicotinamide 20 mg/5 ml
Aristovit-B	Tablet	Vitamin B <sub>1</sub> 5 mg, Vitamin B <sub>2</sub> 2 mg, Vitamin B <sub>6</sub> 2 mg & Nicotinamide 20 mg
Aristovit-M	Tablet	11 Vitamins, 5 Minerals & Iron.
Ascobex	Tablet	Ascorbic Acid 250 mg
Bemin	Tablet	Thiamine Hydrochloride 100 mg
Carocet	Tablet	-Carotene 6 mg, Vitamin-C 200 mg and Vitamin-E 50 mg
Formula-E	Tablet	Vitamin-E 200 mg
Tynisol	Drop	Vitamin A 4000 I.U., Vitamin D 400 I.U., Ascorbic acid 50 mg, Thiamine HCl 1 mg, Riboflavin 0.685 mg, Pyridoxin HCl 1 mg, Nicotinamide 5 mg & Pantothenate 3 mg

# Beximco Pharmaceuticals Limited

17 Dhanmondi R/A, Road No. 2, Dhaka 1205

## Notice of The Twenty - Sixth Annual General Meeting

Notice is hereby given that the TWENTY-SIXTH ANNUAL GENERAL MEETING of the Shareholders of Beximco Pharmaceuticals Limited will be held on Saturday, the 29th June, 2002 at 10:30 a.m. at 1, Shahbagh C/A, Dhaka to transact the following business :

### AGENDA

1. To confirm the proceedings of the Twenty-Fifth Annual General Meeting of the Company held on 24th June, 2001.
2. To receive, consider and adopt the Audited Accounts as of 31st December, 2001 together with reports of the Auditors and the Directors thereon.
3. To elect Directors.
4. To declare dividend @10%.
5. To appoint Auditors for the year 2002 and to fix their remuneration.
6. To transact any other business of the Company with the permission of the Chair.

By order of the Board

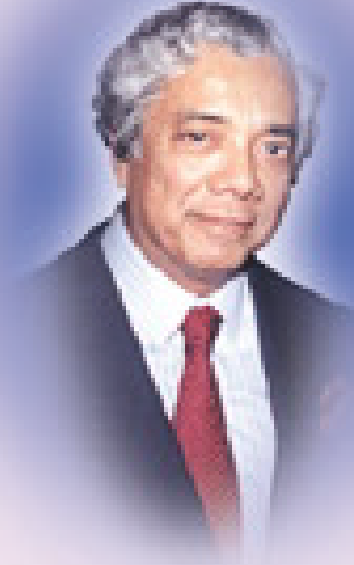
Sd/-  
( MD. ASAD ULLAH )  
Company Secretary

Dated : May 06, 2002

#### NOTES :

- (1) The Register of Members and Share Transfer Book of the Company will remain closed from 5th June, 2002 to 29th June, 2002 (both days inclusive). During that period no share transfer will be effected. The Shareholders whose names will appear in the Share Register of the Company at the close of business on 4th June, 2002 will be entitled to the dividend.
- (2) 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.
- (3) Members are requested to notify change of address, if any, to the Company.
- (4) Admission to the meeting room will be strictly on production of the attendance slip sent with the Notice.

## চেয়ারম্যানের প্রতিবেদন



### সম্মানিত শেয়ারহোল্ডারগণ,

কোম্পানীর ২৬তম বার্ষিক সাধারণ সভায় আমি সানন্দচিত্তে আপনাদেরকে স্বাগত জানাচ্ছি। ২০০১ সালে কোম্পানীর সার্বিক কার্যক্রম এবং এর ভবিষ্যৎ পরিকল্পনাসমূহের একটি সংক্ষিপ্ত চিত্র আমি আপনাদের সামনে উপস্থাপন করছি।

#### ২০০১ সালের কার্যক্রম

এ বৎসর কোম্পানীর মোট বিক্রয়ের পরিমাণ দাঁড়িয়েছে ২,৪০১.২৪ মিলিয়ন টাকা যা ২০০০ সালে ছিল ২,৪৫২.৫২ মিলিয়ন টাকা। আমি আনন্দের সাথে জানাচ্ছি আমাদের মূল ব্যবসা ফরমুলেশন পণ্যের বিক্রয় প্রবৃদ্ধি এ বৎসরও অব্যাহত রয়েছে। এ বৎসর আমাদের ফরমুলেশন পণ্যের স্থানীয় বিক্রয় প্রবৃদ্ধি হয়েছে টাকায় ৩.৬৮% এবং রপ্তানী প্রবৃদ্ধি হয়েছে ৬.৯১%। আমাদের সামগ্রিক বিক্রয় প্রবৃদ্ধি হ্রাসের মূল কারণ ছিল বেসিক কেমিক্যালস পণ্যের বিক্রয় হ্রাস। আমাদের প্রধান বেসিক কেমিক্যাল পণ্য এমসিলিন এবং এমসিলিন দু'টি পরিণত পণ্য। নতুন নতুন উৎপাদনকারীর আবির্ভাব, অবমূল্যায়নের ফলে উৎপাদন ব্যয় বৃদ্ধি ইত্যাদি কারণে এ পণ্যগুলোর মুনাফা উল্লেখযোগ্য পরিমাণে হ্রাস পেয়েছে। বিক্রয় প্রবৃদ্ধি অর্জনের লক্ষ্যে আমরা বেসিক কেমিক্যালস পণ্য তালিকায় উচ্চ মুনাফা অর্জনকারী কিছু মূল্যবান পণ্য সংযোজন করতে যাচ্ছি।

আপনাদের কোম্পানী ৪৩০.৪২ মিলিয়ন টাকা করপূর্ব মুনাফা অর্জন করেছে যা ২০০০ সালে ছিল ৪২২.৬৪ মিলিয়ন টাকা। আপনারা অবগত আছেন আমাদের ব্যবহৃত কাঁচামালের প্রায় শতকরা ৭২ ভাগই আমদানীকৃত। টাকার পুনঃ পুনঃ অবমূল্যায়নের ফলে আমাদের কাঁচামালের মূল্য পূর্বাপেক্ষা বৃদ্ধি পেয়েছে। কিন্তু খরচ নিয়ন্ত্রণের ব্যাপারে আমাদের দৃঢ় পদক্ষেপের কারণে আমরা সাফল্যের সঙ্গে অবমূল্যায়নের ক্ষতি সর্বনিম্ন পর্যায়ে রাখতে সক্ষম হয়েছি। গত বৎসরের তুলনায় আমাদের মোট মুনাফা ৫.১৭% এবং করপূর্ব মুনাফা ১.৮৪% বৃদ্ধি পেয়েছে যা যে কোন মানদণ্ডে একটি প্রশংসনীয় অর্জন।

#### পণ্য

দেশের স্বাস্থ্য খাতের চাহিদা মেটাতে আমাদের প্রচেষ্টা ও প্রত্যয়ের সাথে সামঞ্জস্য রেখে আলোচ্য বৎসরে ২৬টি নতুন পণ্য আমাদের পণ্য তালিকায় সংযোজিত হয়েছে। এ পণ্যগুলো দেশের চিকিৎসক মহলে ব্যাপক গ্রহণযোগ্যতা অর্জন করেছে। ফলে অতি অল্প সময়ের মধ্যে ট্রায়োসিম, প্রসান, রিক্সল, এ্যারোটোভা ইত্যাদি পণ্য ভাল বাজার অর্জনে সক্ষম হয়েছে।

ইন্ডেক্সেবল পণ্য উৎপাদন ও বিপণন ছিল ২০০১ সালের আরেকটি উল্লেখযোগ্য অর্জন। এই প্রথমবারের মত আমরা এসডিপি পণ্য বাজারে প্রবেশ করেছি। এরিসন দিয়ে এ যাত্রা শুরু হয়েছে।

আমাদের ব্লকবাস্টার পণ্য নাপা এ বৎসরেও তার প্রথম স্থান ধরে রাখতে সক্ষম হয়েছে। ১৯৯০ সাল থেকেই এটি এক নম্বর অবস্থানে রয়েছে। এন্টিআলসারেট গ্রুপে নিউসেপটিন আর ২০০১ সালেও তার নেতৃত্বান্বিত বাজার অবস্থান ধরে রাখতে সমর্থ হয়েছে।

#### নতুন ইনহেলার কারখানা

আমি গর্বের সাথে আপনাদের জানাচ্ছি যে, বিপিএল-এর বিশ্ব মানের উৎপাদন সুবিধা সম্পন্ন ইনহেলার কারখানা ২০০১ সালে বাণিজ্যিক উৎপাদন শুরু করেছে। উচ্চ কারিগরী মানের কারণে এই স্টেট অব দি আর্ট কারখানাটি সংশ্লিষ্ট সকলের দৃষ্টি আকর্ষণ করতে পেরেছে। উচ্চ প্রযুক্তির উৎপাদন ব্যবস্থা সম্বলিত এমন একটি কারখানার সফল বাস্তবায়ন দেশের স্বাস্থ্য সেবায় বিপিএল-এর আরেকটি অনন্য সাধারণ অবদান। ব্যয়বহুল এবং আমদানীকৃত বিদেশী ঔষধের স্থলে এখানে উৎপাদিত উচ্চমান সম্পন্ন মূল্য সশ্রয়ী পণ্যসামগ্রী এখন সহজলভ্য হয়েছে।

#### সম্প্রসারণ প্রকল্প

আমাদের সম্প্রসারণ প্রকল্পের কাজ এগিয়ে চলছে। কনসোর্টিয়াম ঋণ প্রাপ্তি বিলম্বিত হওয়ায় আমাদের পরিকল্পনা মাফিক এলসি খোলার কাজ কিছুটা বিলম্বিত হয়েছে। এছাড়া চুক্তিবদ্ধ হওয়ার আগেই আমরা নিশ্চিত হতে চেয়েছি যে সংশ্লিষ্ট সরবরাহকারী US FDA মানসম্পন্ন যন্ত্রপাতি সরবরাহ করতে সম্পূর্ণরূপে সক্ষম। এ প্রেক্ষিতে আমরা সংশ্লিষ্ট বিদেশী পরামর্শকদের সহায়তা নিয়েছি। সবকিছুই এখন যথাযথভাবে এগুচ্ছে এবং আমরা আশা করছি ২০০৩ সালের প্রথম ভাগেই আমরা বাণিজ্যিক উৎপাদনে যেতে সক্ষম হব।

উৎপাদন ও অন্যান্য অবকাঠামোর পাশাপাশি আমরা মানব সম্পদ উন্নয়ন, cGMP মানের জন্যে প্রশিক্ষণ ইত্যাদি ক্ষেত্রেও প্রয়োজনীয় ব্যবস্থা গ্রহণ করছি।

#### ভবিষ্যৎ পরিকল্পনা

WTO-এর বিভিন্ন নীতিমালা বাস্তবায়নের ফলে আন্তর্জাতিক বাণিজ্য বিশেষ করে উন্নয়নশীল দেশের ফার্মাসিউটিক্যাল ব্যবসা বিরাট চ্যালেঞ্জের মুখোমুখি হতে যাচ্ছে। এ চ্যালেঞ্জ সম্পর্কে আমরা সচেতন এবং একই সাথে এ থেকে উত্তরণে আমাদের সামর্থ্য সম্পর্কে আমরা দৃঢ় আশাবাদী।

স্বল্প ও দীর্ঘমেয়াদী আয় ও মুনাফা বৃদ্ধির জন্যে আমাদের প্রচেষ্টা ভবিষ্যতেও অব্যাহত থাকবে। লাভজনক পণ্যসমূহের উৎপাদন ও বিপণন কার্যক্রম আরও জোরদার করা হবে। নতুন অনু ও পণ্য আবিষ্কারে আমাদের বিনিয়োগ আরও বৃদ্ধি করা হবে। দেশের স্বাস্থ্য ব্যবস্থার চাহিদার সাথে সামঞ্জস্য রেখে অধিকতর মূল্য সম্পন্ন কিন্তু দামে সশ্রয়ী পণ্য সরবরাহকরণের আমাদের বর্তমান বিপণন কৌশল ভবিষ্যতেও অব্যাহত থাকবে। দেশে আমাদের বাজার বৃদ্ধির পাশাপাশি আন্তর্জাতিক বাজারে নতুন নতুন ক্ষেত্র আবিষ্কারের জন্যে আমরা জোরদার প্রচেষ্টা চালিয়ে যাব। এ পর্যন্ত আমাদের অর্জন আমাদের সে পথকে সুগম করেছে।

#### লভ্যাংশ

আপনারা সবাই অবগত আছেন WTO চুক্তি বিশ্ব বাণিজ্য পরিবেশে ব্যাপক পরিবর্তন আনতে যাচ্ছে। বিশেষ করে WTO-TRIPs চুক্তির কারণে ফার্মাসিউটিক্যাল ব্যবসা আরও জটিল ও প্রতিযোগিতাপূর্ণ হয়ে উঠছে। আন্তর্জাতিক পেটেন্ট আইনের পরিবর্তনের কারণে পেটেন্টেড পণ্যের স্থানীয় উৎপাদন অত্যন্ত দূরহ ও ব্যয় বহুল হয়ে উঠবে। এই চ্যালেঞ্জকে মোকাবিলার জন্যে আমরা আগামী কঠিন দিনগুলোতে কোম্পানীর আয় ও মুনাফা বৃদ্ধির দীর্ঘমেয়াদী লক্ষ্যকে সামনে রেখে বিভিন্ন খাতে বিনিয়োগ করছি। এ কারণে আমাদের প্রধান বিনিয়োগ US FDA মান সম্পন্ন প্রকল্পের পাশাপাশি আমাদেরকে পণ্য গবেষণা ও উন্নয়ন, পশ্চাদ সংযোগ উৎপাদন সুবিধা সৃষ্টি, বর্তমান উৎপাদন সুবিধার উন্নয়ন ইত্যাদি খাতেও বিনিয়োগ করতে হচ্ছে।

বিগত দুই-তিন বৎসরে আমাদের নতুন পণ্যের সংখ্যাও উল্লেখযোগ্যভাবে বৃদ্ধি পেয়েছে। শুধুমাত্র ২০০১ সালেই আমরা ২৬টি নতুন পণ্য সংযোজন করেছি। আরও প্রায় ৭০টি পণ্য পাইপ লাইনে রয়েছে। আপনারা হয়ত জানেন একটি নতুন পণ্য সংযোজন ও এর বিপণনে বিপুল নগদ বিনিয়োগের প্রয়োজন পড়ে। প্রতিটি নতুন পণ্যের জন্যে চলতি মূলধনের চাহিদাও উল্লেখযোগ্য পরিমাণে বৃদ্ধি পায়। ১৯৯৯ সালের পর থেকে আমাদের চলতি মূলধন ঋণ সীমার কোন বৃদ্ধি ঘটে নাই যদিও এ সময়ে আমাদের ব্যবসায়ের ব্যাপক প্রবৃদ্ধি ঘটেছে।

এ প্রেক্ষিতে, আপনাদের পরিচালকমণ্ডলী গত বৎসরের ২০% এর তুলনায় চলতি বৎসরে ১০% লভ্যাংশ ঘোষণা করা সমীচিন মনে করেছে।

#### জাতীয় কোষাগারে অবদান

বেঞ্জিমকো ফার্মাসিউটিক্যালস লিমিটেড ২০০১ সালে আমদানী সম্পূর্ণ কর, মূল্য সংযোজন কর এবং আয়কর বাবদ ৪২৬ মিলিয়ন টাকা জাতীয় কোষাগারে প্রদান করেছে।

#### পরিবেশ

সুস্থ পরিবেশ সংরক্ষণে আমাদের প্রচেষ্টা সর্বস্বীকৃত। পরিবেশকে দূষণমুক্ত রাখার ব্যাপারে আমাদের কার্যক্রম অব্যাহত রয়েছে। আমরা পরিবেশ বান্ধব প্রযুক্তি ব্যবহার করি এবং পরিবেশ সংক্রান্ত আইন-কানুন মেনে চলি যার ফলে পরিবেশের উপর উৎপাদন কার্যাবলীর প্রভাব গ্রহণযোগ্য মাত্রায় রাখা সম্ভব হয়েছে। কর্মীদের পরিবেশ সংক্রান্ত সচেতনতা বৃদ্ধির লক্ষ্যে শিক্ষা এবং প্রশিক্ষণ কর্মসূচী বিপিএল-এ একটি ধারাবাহিক প্রক্রিয়া।

#### সামাজিক প্রতিশ্রুতি

বিগত বৎসরের মত বেঞ্জিমকো ফার্মাসিউটিক্যালস ২০০১ সালেও বিভিন্ন সামাজিক সচেতনতা বৃদ্ধিমূলক কর্মকাণ্ডে সক্রিয়ভাবে অংশগ্রহণ করেছে। বিপিএল ও বেঞ্জিমকো ইনফিউশনস্ যৌথভাবে বিশ্বস্বাস্থ্য দিবস, বিশ্ব মাতৃদুগ্ধ দিবস ইত্যাদি উপলক্ষ্যে গৃহীত বিভিন্ন কর্মকাণ্ডে সহায়তা প্রদান করেছে। এছাড়া কোম্পানী স্বাস্থ্য সচেতনতা বৃদ্ধিমূলক বিষয়ে জাতীয় দৈনিকসমূহে ক্রোড়পত্র প্রকাশেও পৃষ্ঠপোষকতা করেছে।

#### স্বীকৃতি

আমাদের ব্যাংকার, সরবরাহকারী, গ্রাহক, নিয়ন্ত্রক সংস্থাসমূহ, বিভিন্ন সরকারী প্রতিষ্ঠানের সাথে সংশ্লিষ্ট ব্যক্তিসমূহ এবং আমাদের ব্যবসা কার্যক্রমের সাথে সংশ্লিষ্ট সকলের সমর্থন এবং সহযোগিতার কথা আমি কৃতজ্ঞতার সাথে স্মরণ করছি এবং তাদের ধন্যবাদ জানাচ্ছি। আমাদের সম্মানিত শেয়ারহোল্ডারগণ আমাদের উপর যে বিশ্বাস রেখেছেন এবং আমাদেরকে মূল্যবান সমর্থন দিয়েছেন, সেজন্য তাদের প্রতি আমি আন্তরিকভাবে কৃতজ্ঞ।

পরিচালকমণ্ডলীর পক্ষ থেকে আমি আপনাদের সকলকে ধন্যবাদ জানাই এবং পূর্বের ন্যায় ভবিষ্যতেও আপনাদের অব্যাহত সমর্থন এবং সহযোগিতা কামনা করি।

*X. R. P. Lakshmi*

এ এস এফ রহমান  
চেয়ারম্যান

ঢাকা  
এপ্রিল ২৯, ২০০২

# Chairman's Statement

*Dear Shareholders,*

It is indeed my pleasure to welcome you all to the 26th Annual General Meeting of your company. I take this opportunity to lay before you a brief resume of the affairs of the company for the year 2001 and its future plan.

## 2001 Performance

During the year, the company attained net sales of Tk. 2,401.24 million as against Tk. 2,452.52 million of 2000. I am pleased to inform that sales of the formulation products - our core business, continued to grow in 2001 as well. During the year local sales of formulation products increased by 3.68% in Taka. Our export sales for the year also grew by 6.91%. The overall slight decline in sales is however, mainly due to the decline in the sales of our basic chemicals products. Our major basic chemical products-Amoxicillin and Ampicillin are matured products. Because of emergence of several other manufacturers and increase in the cost due to consecutive devaluation, the profit margin of these products have squeezed substantially. Considering this, we are now in the process of introducing a few high-value high-margin products in the basic chemical's portfolio to reverse the sales decline.

Your company earned a pre-tax profit of Tk. 430.42 million as against 422.64 million of 2000. As you know almost 72% of our raw materials are imported. After several devaluation of taka against dollar, these materials have become costlier. But due to our committed drive for containment of cost, we have succeeded in neutralizing the adverse effect of devaluation. Our gross profit increased by 5.17% and pre-tax profit by 1.84% over last year in absolute terms. This by any standard is an appreciable achievement.

## Products

Consistent to our committed efforts to cater to the health care needs of the country, 26 new products have been added to the existing product portfolio during the year under review. The products have got wide acceptance from the medical community. As a result Triocim, Prosan, Recox, Atova, etc. have already placed themselves in good positions in the market within a short period of time.

Another milestone achievement was the launching of injectable products. For the first time we entered into small volume parental products' market with Arixon.

Our blockbuster product Napa continued to retain the number one position since 1990. In Antiulcerants category, Neceptin R succeeded in remaining the market leader in 2001 as well.

## New Inhaler Plant

I feel proud to announce that BPL's Inhaler plant with world class manufacturing facilities has commenced commercial operation in 2001. This State of the Art Plant has already drawn interest from different quarters for its high technical standards. Successful implementation of such a high standard manufacturing facility is yet another landmark contribution from BPL in the healthcare system of the country. Cost effective improved quality medicines at affordable prices are now available to replace the more expensive and imported ones.

## Expansion Program

The works of the expansion project is in progress. The planned target of opening of LC for the Machinery and Equipment was slightly impaired due to time escalation in releasing the Consortium Loan. Additionally, before entering into any contract we also wanted to ensure that the sources of supply we are considering are fully capable to deliver equipments complying to the US FDA standard. In this regard we sought the support and assistance of relevant international consultants. Every thing is now on track and we expect to go into commercial operation of the new plant by early 2003.

In addition to the manufacturing and physical infrastructure facilities we are upgrading ourselves equally in other areas including development of human resources, training on cGMP Standards, etc.

## Looking Ahead

With the implementation of WTO provisions the global business particularly the pharmaceutical business of the developing countries are going to face a new challenge. We are mindful of the challenges but at the same time confident of our ability to succeed.

Our drive for both short and long run revenue and earning growth will continue in the future as well. Profitable product lines will be strengthened. Investment in introducing new products, molecules and dosage forms will be further enhanced. Recognising the needs of today's healthcare market place, our marketing strategy will continue to focus on value added but cost effective medicines. Along with expanding our share in the domestic market, we will continue to aggressively pursue our search for new avenues in the international marketplace also, in the days ahead. Our achievements so far have paved the way in this direction.

#### Dividend

As you all know the WTO agreement is changing the global business environment. The pharmaceuticals business is becoming more complex and competitive particularly due to the WTO-TRIPs agreement. Changes in the international patent law are going to make the local manufacture of patented drugs very difficult and very costly. To face the new challenges we are making investment keeping in view the long term objectives of sustainable development and growth in revenue and profits in the difficult years ahead. This has compelled us to make more investments in areas like product research and development, creation of backward linkage facility, development of existing production facilities, etc. in addition to our major investment in the US FDA standard plant.

Over the last two to three years the number of our new products has also increased substantially. In 2001 alone we have introduced 26 new products. Moreover, 70 new products are in pipeline. As you may be aware, introduction of a new product and its initial marketing requires a substantial amount of cash investment. Besides, addition of new products in the product line raises the working capital needs quite significantly. Our working capital credit limits have not been extended since 1999 although our business has substantially grown over these years.

In this backdrop your board of directors have found it prudent to propose a dividend @ 10% this year instead of the 20% of the previous year.

#### Contribution to National Exchequer

During year 2001 Beximco Pharmaceuticals Limited has contributed Tk. 426 million to the national exchequer in the form of import related taxes, Value Added Tax and Income Tax.

#### Environment

Our commitment for eco-friendly environment is recognized. We continued to put our best efforts to keep our environment free from pollution. We use environment friendly technologies and comply fully with the environmental codes to keep the environmental effect of our manufacturing activities to the acceptable level. Education and training for raising the environmental awareness levels of our employees is a continuous process within BPL.

#### Social Commitments

As in the past, BPL actively participated in various social awareness building programs in 2001 as well. BPL jointly with Beximco Infusions limited provided support in various activities undertaken on occasions like World Health Day, World Breast Feeding Day, etc. The company also sponsored supplements in the national dailies on health care awareness development issues.

#### Acknowledgement

On this occasion, I would like to recall with appreciation and thanks the support and co-operation we have received from our bankers, our suppliers, our customers, the regulatory bodies, the persons concerned in the various government agencies and various people with whom we have interacted in the conduct of our business. I am highly appreciative of our valued shareholders for the confidence they have placed on us and the invaluable support they have extended to us.

I on behalf of your board of directors express my sincere thanks to all of you and look forward for your continued support and co-operation in future.



A S F Rahman  
Chairman

Dhaka  
April 29, 2002





## Statement on Corporate Governance

Good corporate governance is an issue of key focus to the management and board of Beximco Pharmaceuticals Limited. We place greatest emphasis on maintaining the highest standard of corporate governance. The statement below describes how the principles of good governance is applied in BPL.

### Board and Its Composition

The board of directors is the highest level of authority in the organization structure of BPL. The board is responsible for the overall direction and is ultimately accountable to the shareholders for the activities, strategies and performance of the company. Currently, the board of directors of BPL comprises of nine members with Mr. A S F Rahman as Chairman and Mr. Salman F Rahman as Vice Chairman.

### Board's Functioning Process

The board meets frequently to deal with issues that require board's approval and/or direction. To enable the board to function effectively and allow directors to discharge their responsibilities efficiently, full and timely information is made available to them by the professional managers of each of the business segments.

### Management Committee

The responsibility to implement the board's policies and strategic directives lies with the four member management committee headed by the Chief Executive Officer. The company has a group of professional managers drawn from diversified fields to carry out the day to day business operations.

### Internal Control

BPL employs a sound system of internal control including internal financial control to ensure compliance of its activities with the desired objectives. The effectiveness of the control mechanism already in place is periodically reviewed. There are systems for careful monitoring of the activities to make sure that the standard and procedures set out for each business function is being effectively complied with.

### Management Structure

Over the years we have successfully implemented a well designed corporate management structure with clearly defined responsibility, delegation of authority and proper accountability. BPL has an appropriate organization structure manned with qualified professionals for properly carrying out planning, executing, controlling and monitoring functions of each of the business subunits.

### Internal Audit

The company has a specially assigned team to carry out internal financial audits of the different segments of the business. The team is headed by a manager who reports to the CEO. After appropriate review of the reports necessary corrective actions are undertaken.

### Reporting and Communication

Reviews of the short and long term strategic business plans are carried out at periodic intervals. Each of the business units makes periodic financial projections and evaluations. There is a system for periodic financial reporting for each of the business segments. The operational units are required to prepare annual budgets and actual performance against the budget is actively monitored throughout the year at the business unit and the central management level.

### Going Concern

After making appropriate enquires at the time of approving the financial statements the directors are convinced that the company has adequate resources to carry out its operational existence for the foreseeable future and that it is therefore appropriate to adopt going concern basis in preparing the financial statements.

## Report of the Directors to the Shareholders

For the year ended 31st December 2001

The Directors have the pleasure in presenting their report and the audited accounts for the year ended 31st December, 2001 together with the Auditors' Report thereon.

### Financial Results and Profit Appropriations

	Figure in '000 Taka	
	2001	2000
<b>Net Profit before providing Income Tax</b>	<b>430,421</b>	<b>422,644</b>
Less : Provision for Income Tax	(28,641)	(24,349)
<b>Net Profit after Tax</b>	<b>401,780</b>	<b>398,295</b>
Add : Un-appropriated profit from previous year	1,067,085	862,310
<b>Profit available for appropriation</b>	<b>1,468,865</b>	<b>1,260,605</b>
<b>Recommended for appropriations :</b>		
Transfer to Tax-holiday reserve	(108,490)	(105,020)
Proposed Dividend (Tk. 1/- Per Share)	(44,250)	(88,500)
	(152,740)	(193,520)
<b>Un-appropriated Profit Carried Forward</b>	<b>1,316,125</b>	<b>1,067,085</b>

### Dividend

The Board of Directors have recommended a dividend of Taka 1.00 per share of Tk. 10/- each fully paid up for your approval for the year ended 31st December, 2001. While paying the dividend, deduction of income tax shall be made as per Income Tax Law.

### Directors

Mr. Salman F. Rahman and Dr. Farida Haque, Directors of the Company retire by rotation as per Articles 126 and 127 of the Articles of Association of the Company and being eligible offer themselves for re-election.

Mr. C. H. Rahman nominee of Bangladesh Export Import Co. Ltd. retires as per Articles 126 and 127 of the Articles of Association of the Company and being eligible offers himself for re-election.

### Auditors

The Directors hereby report that the existing Auditors, M/S M.J. Abedin & Co., Chartered Accountants, National Plaza (6th Floor), 1/G Free School Street, Sonargaon Road, Dhaka-1205 who were appointed as Auditors of the Company in the Twenty-Fifth Annual General Meeting of the Company has carried out the audit for the year ended December 31, 2001.

M/S M.J. Abedin & Co. Chartered Accountants, National Plaza (6th Floor), 1/G Free School Street, Sonargaon Road, Dhaka-1205 the Auditors of the Company retire at this meeting and have expressed their willingness to continue in office for the year 2002.

On behalf of the Board

*A. S. F. Rahman*

**A S F Rahman**  
Chairman

Dhaka.  
29 April, 2002

## Auditors' Report to The Shareholders of Beximco Pharmaceuticals Limited

We have audited the accompanying financial statements of Beximco Pharmaceuticals Limited, set out on pages 49 to 71, comprise of Balance Sheet at 31 December 2001 and the Income Statement, Statement of Changes in Equity, and Cash Flow Statement year to that date and the related notes.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for preparing the annual report. This includes responsibility for preparing the financial statements, which give a true and fair view, in accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and the International Accounting Standards adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibility is to express an independent opinion based on our audit on those statements and to report our opinion to you. This responsibility is established in Bangladesh by the Companies Act 1994 and International Standards on Auditing adopted by the ICAB.

### BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing adopted by the ICAB. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

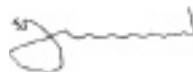
We planned and performed our audit so as to obtain all the information and explanations, which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### OPINION

In our opinion, the financial statements give a true and fair view of the state of the affairs of the Company at 31 December 2001 and of the profit and cash flows year to that date and have been properly prepared in accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and the International Accounting Standards adopted by the ICAB.

### 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 as required by law have been kept by the company so far as it appeared from our examination of those books;
- the Company's Balance Sheet and Income Statement dealt with by this report are in agreement with the books of accounts ; and
- the expenditures incurred were for the purpose of the Company's business.



**M. J. Abedin & Co.**  
Chartered Accountants  
Dhaka.  
29 April 2002

National Plaza (6th Floor)  
1/G Free School Street  
Sonargaon Road  
Dhaka-1205

Hasan Mahmood, FCA  
Partner

## Beximco Pharmaceuticals Limited

*Balance Sheet*  
*As At 31 December 2001*

	Notes	2001	2000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Property, Plant and Equipment - Net Book Value</b>	9	<b>4,454,495,125</b>	<b>3,462,814,359</b>
Cost		5,141,779,706	4,062,659,866
Accumulated Depreciation		(687,284,581)	(599,845,507)
Pre-Production Expenses	10	81,054,671	69,515,655
Investment in Shares of Padma Textile Mills Ltd.	11	40,543,750	40,543,750
<b>Current Assets</b>			
Inventories	12	1,144,320,036	1,173,573,503
Trade Debtors	13	333,884,395	308,800,577
Loans, Advances and Deposits	14	167,044,720	217,364,220
Current Account with Related Parties	15	95,903,770	106,367,972
Cash and Cash Equivalents	16	43,021,401	31,765,405
	<b>Tk.</b>	<b>6,360,267,868</b>	<b>5,410,745,440</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Issued Share Capital	17	1,932,250,000	1,932,250,000
Share Premium	18	442,500,000	442,500,000
		1,489,750,000	1,489,750,000
<b>Reserve and Surplus</b>			
Tax-Holiday Reserve	19	2,233,541,144	1,831,761,336
Retained Earnings - As per Statement of Changes in Equity		873,166,091	764,676,274
		1,360,375,053	1,067,085,062
<b>Total Shareholders' Equity</b>		<b>4,165,791,144</b>	<b>3,764,011,336</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowing (Secured)	20	704,155,151	40,308,478
Deferred Liability - Provision for Gratuity	21	656,646,364	-
		47,508,787	40,308,478
<b>Current Liabilities and Provisions</b>			
Customs Debentures	22	1,490,321,573	1,606,425,627
Short Term Borrowing from Banks	23	1,758,387	1,758,387
Creditors and Other Payables	24	1,081,904,675	1,067,707,765
Accrued Expenses	25	250,693,220	329,154,184
Dividend Payable		115,690,840	133,381,157
Provision for Income Tax	26	2,880,935	1,510,146
		37,393,516	72,913,988
	<b>Tk.</b>	<b>6,360,267,868</b>	<b>5,410,745,440</b>

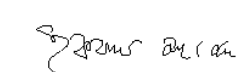
Contingent Liabilities and Commitments (Notes-48 & 49).

See accompanying notes.

Approved by the board on 29 April 2002 and signed on its behalf by :



**C. H. Rahman**  
Director



**Iqbal Ahmed**  
Director



**Md. Asad Ullah**  
Company Secretary

Dhaka  
29 April 2002

Auditors' report is set out alongwith.

## Beximco Pharmaceuticals Limited

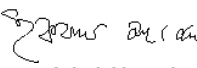
### Income Statement Year to 31 December 2001

	Notes	2001	2000
Revenue (Turnover) from Net Sales	27	2,401,241,111	2,452,524,212
Cost of Goods Sold	28	(1,459,108,308)	(1,556,741,208)
<b>Gross Profit</b>		<b>942,132,803</b>	<b>895,783,004</b>
<b>Operating Expenses :</b>		<b>(322,483,320)</b>	<b>(303,176,313)</b>
Administrative Expenses	33	(76,595,834)	(75,589,853)
Selling & Distribution Expenses	34	(245,887,486)	(227,586,460)
<b>Profit from Operation</b>		<b>619,649,483</b>	<b>592,606,691</b>
Other Income (Net)	35	11,812,076	11,113,013
Finance Cost	36	(179,520,085)	(159,943,284)
		<b>451,941,474</b>	<b>443,776,420</b>
Contribution to Workers'Participation / Welfare Funds	37	(21,521,023)	(21,132,211)
<b>Net Profit Before Tax</b>		<b>430,420,451</b>	<b>422,644,209</b>
Income Tax Expense	38	(28,640,643)	(24,349,536)
<b>Net Profit After Tax</b>	39 <b>Tk.</b>	<b>401,779,808</b>	<b>398,294,673</b>
Earnings Per Share (Par value Tk. 10/-)	40 <b>Tk.</b>	<b>9.08</b>	<b>9.00</b>
Number of Shares used to Compute EPS		44,250,000	44,250,000

See accompanying notes.

Approved by the board on 29 April 2002 and signed on its behalf by :

  
**C. H. Rahman**  
Director

  
**Iqbal Ahmed**  
Director

  
**Md. Asad Ullah**  
Company Secretary

Dhaka  
29 April 2002

Auditors' report is setout alongwith.

## Beximco Pharmaceuticals Limited

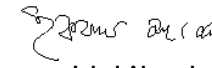
### Statement of Changes in Equity Year to 31 December 2001

	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Total
At the beginning of year	442,500,000	1,489,750,000	764,676,274	1,067,085,062	3,764,011,336
Net Profit after Tax for 2001	-	-	-	401,779,808	401,779,808
Transfer to Tax Holiday Reserve (Note-41)	-	-	108,489,817	(108,489,817)	-
<b>At the end of year</b>	<b>Tk. 442,500,000</b>	<b>1,489,750,000</b>	<b>873,166,091</b>	<b>1,360,375,053</b>	<b>4,165,791,144</b>

See accompanying note.

Approved by the board on 29 April 2002 and signed on its behalf by :

  
**C. H. Rahman**  
Director

  
**Iqbal Ahmed**  
Director

  
**Md. Asad Ullah**  
Company Secretary

Dhaka  
29 April 2002

Auditors' report is setout alongwith.

# Beximco Pharmaceuticals Limited

## Cash Flow Statement Year to 31 December 2001

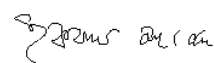
	Note	2001	2000
<b>Cash Flows from Operating Activities :</b>	42		
Cash Receipts from Customers and Others		2,387,968,293	2,408,366,414
Cash Paid to Suppliers and Employees		(1,681,791,740)	(1,841,168,472)
<b>Cash Generated from Operations</b>		<b>706,176,553</b>	<b>567,197,942</b>
Interest Paid		(171,404,878)	(154,363,646)
Income Tax Paid & Deducted at Source		(24,591,042)	(21,097,878)
<b>Net Cash Generated From Operating Activities</b>		<b>510,180,633</b>	<b>391,736,418</b>
<b>Cash Flows from Investing Activities :</b>			
Acquisition of Property, Plant and Equipment		(1,082,771,667)	(314,464,334)
Disposal of Property, Plant and Equipment		1,207,782	4,254,087
Payments for Pre-Production Expenses		(11,539,017)	(10,575,596)
<b>Net Cash used in Investing Activities</b>		<b>(1,093,102,902)</b>	<b>(320,785,843)</b>
<b>Cash Flows from Financing Activities :</b>			
Decrease in Current Account with Related Parties		10,464,202	3,263,924
Proceeds from Long Term Borrowing		656,646,364	-
Cash Credit & other Short Term Loan Received		14,196,910	82,054,419
Dividend Paid		(87,129,211)	(153,364,854)
<b>Net Cash Generated / (Used) in Financing Activities</b>		<b>594,178,265</b>	<b>(68,046,511)</b>
Net Increase in Cash and Cash Equivalents		11,255,996	2,904,064
Cash and Cash Equivalents at Beginning of Year		31,765,405	28,861,341
<b>Cash and Cash Equivalents at End of Year</b>	Tk.	<b>43,021,401</b>	<b>31,765,405</b>

See accompanying note.

Approved by the board on 29 April 2002 and signed on its behalf by :



**C. H. Rahman**  
Director



**Iqbal Ahmed**  
Director



**Md. Asad Ullah**  
Company Secretary

Dhaka  
29 April 2002

Auditors' report is set out alongwith.

# Beximco Pharmaceuticals Limited

## Accounting Policies and Explanatory Notes Year to 31 December 2001

The accounting policies and explanatory notes to the financial statements have been set out below in the manner as prescribed by the IAS 1 "Presentation of Financial Statements".

### 1. Corporate Information – Organization and Business

The Beximco Pharmaceuticals Ltd. (the "Company"), a member of BEXIMCO Group, was incorporated in Bangladesh as a public limited company on 17 March 1976. It commenced commercial operation in 1980 and went for public issue of shares in 1985. The shares of the Company are listed in the Dhaka and Chittagong stock exchanges of Bangladesh.

The registered office of the Company is located at House No.17, Road No.2, Dhanmondi Residential Area, Dhaka. The industrial Units are located at Kathaldia, Auspara, Tongi of Gazipur.

During the year, the principal activities of the company were manufacturing of pharmaceuticals drugs and medicines and also basic chemical products and sales thereof. The company employed 1,151 (2000: 1,047), employees as of 31 December 2001.

### 2. Accounting Pronouncements (Standards)

The financial statements of the company have been prepared in accordance with the *International Accounting Standards-IASs* adopted by the *Institute of Chartered Accountants of Bangladesh (ICAB)*, which are basically based on the *International Accounting Standards – IASs* issued by the *International Accounting Standards Committee-IASC* (now replaced by *International Accounting Standards Board - IASB* and *International Accounting Standards Committee Foundation*) and also based on the interpretations issued by the *Standing Interpretations Committee – SIC* (now *International Financial Reporting Interpretations Committee – IFRIC*).

It is noted that, as per the resolution passed by the IASB, all the standards to be issued by IASB shall be designated as *International Financial Reporting Standards – IFRS* and, all the existing IASs issued by IASC continue to be applicable and be designated as IASs unless and until they are amended or withdrawn.

### 3. Accounting Convention (Measurement Basis)

The financial statements are prepared under the historical cost convention and therefore, do not take into consideration the effect of inflation.

### 4. Basis of Preparation and Presentation of the Financial Statements and The Responsibility Thereto

The board of directors is responsible for the preparation and presentation of financial statements.

The financial statements have been prepared and the disclosures of information have been made in accordance with the requirements of the *Companies Act 1994*, the *Securities and Exchange Rules 1987*, the *Listing Rules of Dhaka and Chittagong Stock Exchanges*, and the *accounting standards* referred to in Note 2.

### 5. Principal Accounting Policies

The specific accounting policies selected and applied by the Company's directors for significant transactions and events that have material effect within the framework of IAS 1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS 1 "Presentation of Financial Statements".

### Revenue Recognition

Revenue represents invoiced value of pharmaceuticals drugs, medicine and basic chemical products net off VAT. Sale of pharmaceuticals drugs, medicine and basic chemical products are recognized when invoices are made. Invoices were made after satisfying the following conditions as prescribed by IAS 18 "Revenue" :

- (a) the significant risks and rewards of ownership of the product sold has been transferred to the buyer;
- (b) the amount of revenue was measured reliably;
- (c) it was probable that the economic benefits relating to the transactions will flow to the enterprise;
- (d) neither continuing managerial involvement nor effective control usually associated with ownership of the product sold was retained by the Company; and
- (e) cost relating to the transactions was measured reliably.

### Recognition of Tangible Fixed Assets

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment 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 asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. In respect of major projects involving construction, related pre-operational expenses form part of the value of asset capitalized. Expenses Capitalized also includes applicable borrowing cost considering the requirement of IAS 23 "Borrowing Costs". Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. Software and all upgradation /enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

Fixed Assets do not include any assets held under lease.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the Income Statement which is determined with reference to the net book value of the assets and the net sales proceeds.

### Depreciation of Tangible Fixed Assets

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other fixed assets, depreciation is provided to amortize the cost of the assets after commissioning, over their expected useful economic lives, in accordance with the provisions of IAS 16 "Property, Plant & Equipment". Depreciation is computed using the reducing balance method. Full year's depreciation is charged on additions and no depreciation is provided on retirement, irrespective of date of addition or retirement respectively.

The annual depreciation rates applicable to the principal categories are:

Building and Other Construction.....	10%
Plant and Machinery .....	15%
Furniture & Fixtures .....	10%
Transport & Vehicle .....	20%
Office Equipment .....	10% to 50%

### Financial Instruments and Derivatives

#### Primary Financial Instruments (Financial Assets and Liabilities)

The disclosure of primary financial instruments carried at the balance sheet date alongwith the recognition methods and risks involved are summarized in Note 44 in accordance with the provisions of IAS 32 "Financial Instruments: Disclosure and Presentation."

#### Derivative Financial Instruments

The Company is not a party to any derivative contract at the balance sheet date, such as forward exchange contract, currency swap agreement or interest rate option contract to hedge currency exposure related to import of raw material and others or principal and interest obligations of foreign currency loans.

#### Inventories

In compliance with the requirement of IAS 2 "Inventories", inventories including work-in-process are stated at the lower of cost and net realizable value.

The cost is calculated on weighted average method consistently. Costs comprise expenditure incurred in the normal course of business in bringing such inventories to its location and conditions. Where necessary, provision is made for obsolete, slow moving and defective inventories (if any) identified at the time of physical verification of inventories.

Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

#### Trade Debtors

These are carried at original invoice amount. This is considered good and collectible, and therefore, no amount was written off as bad debt and no debt was considered doubtful to provide for.

#### Cost of Post Employment Benefits

The Company operates a recognized contributory provident fund, unfunded gratuity scheme and a group insurance scheme for its permanent employees. Assets of Provident fund are held in a separate trustee administrated fund as per the relevant rules and is funded by payments from employees and by the Company at pre-determined rates. Employees are entitled to gratuity benefit after completion of minimum five years of service in the company. The gratuity is calculated on the last basic pay and is payable at the rate of one month basic pay for every completed year of service. The company's contributions to the provident fund, gratuity and group insurance are charged off as revenue expenditure in the period to which the contributions relate.

#### Leases

##### Classification of Lease

The lease is classified as an operating lease as it does not transfer substantially all the risks and rewards incident to ownership consistent with the view laid down in IAS 17 "Leases".

##### Measurement of Lease

Leases payments (excluding cost for services such as insurance and maintenance) are recognized as expenses in the income statement on a straight line basis.

#### Cash and Cash Equivalents

For the purpose of Balance Sheet and Cash Flow Statement, Cash in hand and Bank balances represent cash and cash equivalents considering the IAS 1 "Presentation of Financial Statements" and IAS 7 "Cash Flow Statement", which provide, that cash and cash equivalents are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value and are not restricted as to use.

### Creditors and Accrued Expenses

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

### Income Tax

The company is a Publicly Traded Company as per the *Income Tax Ordinance 1984* and therefore, provision for income tax has been made during the year under review in respect of business income (net profit excluding dividend income) of taxable units (Dry-1, Dry-2, Dry-3, Dry-4, Dry-5 (Dec), Wet-1, Wet-2, Basic Chemical-1 and Basic Chemical-2) at the existing rate of 35% prescribed in the *Finance Act, 2001*. In respect of dividend income, 15% tax has been provided. The short/excess provision for tax shall be accounted in the year of finalization of assessment.

Considering the practices generally followed in Bangladesh as well as the Company's previous practice, no deferred tax assets or deferred tax liabilities have been accounted for in accordance with IAS 12 "Income Tax".

### Tax Holiday Reserve

This represents 30% of net profit of tax holiday units (Dry-5 (Jan-Nov), Dry-6, Dry-7, MDI, Wet-3, and Basic Chemical-3) and is being created to invest in the same undertaking or in any new industrial undertaking or in stocks and shares of listed companies or in government bonds or securities or for other purposes as specified in the *Income Tax Ordinance 1984*.

### Proposed Dividend

The board of directors has proposed a dividend of Tk. 1/- per share of Tk. 10/- each fully paid up for the approval of the shareholders for the year ended 31 December 2001.

The said proposed dividend is not recognised as a liability in the balance sheet in accordance with the IAS 10 "Events After the Balance Sheet Date".

IAS 1 "Presentation of Financial Statements" also requires the dividend proposed after the balance sheet date but before the financial statements are authorized for issue, be disclosed either on the face of the balance sheet as a separate component of equity or in the notes to the financial statements. Accordingly, the Company is disclosing its proposed dividend in the Note-39 and 57.

The provision of the *Companies Act 1994* requires that the dividends stated to be in respect of the period covered by the financial statements and that are proposed or declared after the balance sheet date but before approval of the financial statements should be either adjusted or disclosed. Considering the above stated requirements of IAS 10 and *Companies Act 1994*, the amount of proposed dividend have only been disclosed in notes without any adjustment in the accounts.

### Share Premium

The Share Premium shall be utilized in accordance with provisions of the *Companies Act 1994* and as directed by the *Securities and Exchange Commission* in this respect.

The Section 57 of the *Companies Act 1994* provides that the share premium account may be applied by the company:

- (a) in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares;
- (b) in writing off the preliminary expenses of the company;
- (c) in writing off the expenses or the commission paid or discount allowed on any issue of shares or debentures of the company; and
- (d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debenture of the company.

In this respect, a statutory notification was issued in 1992 by the *Controller of Capital Issues* (now the *Securities and Exchange Commission*), allowing the above stated utilization of share premium including one additional purpose in adjusting or amortizing of intangible assets, subject to prior approval. The said notification also provides that the fund of the premium account is to be utilized in order of priority.

### Earnings Per Share (EPS)

The Company calculates Earnings Per Share (EPS) in accordance with IAS 33 "Earnings per Share" which has been shown on the face of Income Statement and, the computation of EPS is stated in Note 40.

### Basic Earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

### Weighted Average Number Of Ordinary Shares Outstanding During The Year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the period.

### Basic Earnings Per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

### Diluted Earnings Per Share

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

### Cash Flow Statement

Cash Flow Statement is prepared principally in accordance with IAS 7 "Cash Flow Statement" and the cash flow from the operating activities have been presented under direct method as required by the *Securities and Exchange Rules 1987* and considering the provisions of Paragraph 19 of IAS 7 which provides that "Enterprises are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method".

Cash generated from operation under indirect method, however, has also been given in Note 42 as additional information.

### Foreign Currencies

The financial records of the company are maintained and financial statements are stated in Bangladesh Taka. Foreign Currency transactions are recorded at the applicable rates of exchange ruling at the transaction date in accordance with IAS 21 "The Effects of Changes in Foreign Currency Rates".

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchange ruling at that date. Exchange differences are dealt with in the income statement.

The rate of relevant foreign exchange at year end is:

	2001	2000
1 U S Dollar (\$)	= Tk. 57.6450	54.2500

### Risk and Uncertainties for Use of Estimates (Provisions)

The preparation of financial statements in conformity with international accounting standards requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure requirements for contingent assets and liabilities during and the date of the financial statements. Due to the inherent uncertainty

involved in making estimates, actual result reported could differ from those estimates.

In accordance with the guidelines as prescribed by IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", provisions were recognized in the following situations:

- when the Company has a present obligation as a result of past event;
- when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- reliable estimates can be made of the amount of the obligation.

#### 6. Segmental Analysis – Business and Geographical Segments

All the company's turnover and operating profit is generated from sale of pharmaceuticals drugs, medicine and basic chemical products. The location of customers are within Bangladesh. However, there were some exports to Pkaistan, Myanmar, Kenya, Yemen, Vietnam and Singapore, which is not material. Therefore, disclosure of information in respect of turnover, profit, assets and liabilities regarding business segments and geographical segments as required by IAS 14 "Segment Reporting" are not relevant and applicable for the Company.

#### 7. Statement of Total Recognized Gains and Losses Year to 31 December 2001

During the year under review, no gain or loss was directly dealt with through the shareholders' equity without being recognized in the income statement including currency translation (exchange) differences, surplus/deficit on revaluation of property, plant and equipment and investment, or any other undistributable reserve.

Therefore, net profit after tax for the year of Tk. 401,779,808 recognized in the income statement is the total recognized gains and therefore, the Statement of Changes in Equity does not reflect any profit not recognized in the Income Statement.

#### 8. Note of Historical Cost Profits and Losses Year to 31 December 2001

There was no difference in profit on ordinary activities before taxation and the net profit before tax as there was no extra ordinary item. Further more, as there was no revaluation of fixed assets in previous years and during the year under review, there was no factor like the differences between historical cost depreciation and depreciation on revalued amount, realization of revenue surplus on retirement or disposal of assets etc. Therefore, no separate note of historical cost profit and loss has been presented.

#### 9. Property, Plant and Equipment - Tk. 4,454,495,125

The movement of Property, Plant & Equipment is as follows :

Particulars	Freehold Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Transport and Vehicle	Office Equipment	Capital Work in Progress	Total
<b>Cost</b>								
At 31 December, 2000	347,923,610	395,423,734	718,329,646	22,213,412	33,842,349	81,625,479	2,463,301,636	4,062,659,866
Additions in 2001	60,296,245	39,698,984	25,697,145	6,175,210	2,537,630	5,172,067	943,194,386	1,082,771,667
Disposal in 2001	-	-	-	(344,016)	(2,944,665)	(363,146)	-	(3,651,827)
<b>At 31 December, 2001</b>	<b>408,219,855</b>	<b>435,122,718</b>	<b>744,026,791</b>	<b>28,044,606</b>	<b>33,435,314</b>	<b>86,434,400</b>	<b>3,406,496,022</b>	<b>5,141,779,706</b>
<b>Depreciation</b>								
At 31 December, 2000	-	163,863,859	343,185,169	10,604,317	24,197,231	57,994,931	-	599,845,507
For 2001	-	24,709,956	57,141,358	1,548,017	2,292,359	4,192,505	-	89,884,195
Adjustment on disposal	-	-	-	(87,105)	(2,223,716)	(134,300)	-	(2,445,121)
<b>At 31 December, 2001</b>	<b>-</b>	<b>188,573,815</b>	<b>400,326,527</b>	<b>12,065,229</b>	<b>24,265,874</b>	<b>62,053,136</b>	<b>-</b>	<b>687,284,581</b>
<b>Net Book Value</b>								
<b>31 December, 2001</b>	<b>Tk. 408,219,855</b>	<b>246,548,903</b>	<b>343,700,264</b>	<b>15,979,377</b>	<b>9,169,440</b>	<b>24,381,264</b>	<b>3,406,496,022</b>	<b>4,454,495,125</b>
<b>Net Book Value</b>								
<b>31 December, 2000</b>	<b>Tk. 347,923,610</b>	<b>231,559,875</b>	<b>375,144,477</b>	<b>11,609,095</b>	<b>9,645,118</b>	<b>23,630,548</b>	<b>2,463,301,636</b>	<b>3,462,814,359</b>

#### 10. Pre-Production Expenses - Tk. 81,054,671

This is in respect of the expansion project and represents :

	2001	2000
Salary and Allowances	41,217,017	38,078,840
Medical Expenses	660,017	479,334
Utilities	3,931,514	2,603,106
Bonus	4,690,506	3,878,641
Foreign Travel	5,335,661	3,555,774
House Rent	3,962,401	2,837,916
Insurance Premium	315,345	217,238
Entertainment	1,686,806	1,359,189
Conveyance	542,727	373,228
Other Expenses	18,712,677	16,132,389
<b>Tk.</b>	<b>81,054,671</b>	<b>69,515,655</b>

#### 11. Investment in Shares of Padma Textile Mills Ltd. - Tk. 40,543,750

This represents investment in 2,632,500 ordinary shares having face value of Tk. 10/- each of the Padma Textile Mills Ltd., an associated undertaking and a listed company with foreign collaboration.

This consists of :

1,625,000 Shares of Tk. 10/- each	16,250,000	16,250,000
568,750 Right Shares of Tk. 35/- each including premium of Tk. 25/- each	19,906,250	19,906,250
438,750 Bonus Shares of Tk. 10/- each	4,387,500	4,387,500
<b>2,632,500</b>	<b>Tk. 40,543,750</b>	<b>40,543,750</b>

The shares of the Padma Textile Mills Ltd. are listed in the Dhaka and Chittagong Stock Exchanges.

The market value of each share of Padma Textile Mills Ltd. as on 31st December, 2001 was Tk. 19.06 (on 31-12-00 Tk. 23.26) in the Dhaka Stock Exchange Ltd. and Tk. 19.35 (on 31-12-00 Tk. 24.90) in the Chittagong Stock Exchange Ltd.

The par value of shares of Padma Textile Mills Ltd. of Tk. 100/- each, primarily issued, has been split off at Tk. 10/- each in accordance with the resolution of the shareholders in its Extraordinary General Meeting held on 14th June, 2001. Accordingly, for the comparison purposes, number of shares held on the year 2000 have been rearranged considering the par value of shares of Tk. 10/- each.

The investment in 2,632,500 shares represents 6.25% of total 42,120,000 shares of issued, subscribed and paid-up shares of Padma Textile Mills Ltd.

## 12. Inventories - Tk. 1,144,320,036

This consists of as follows :

	2001	2000
Finished Goods	368,956,089	219,959,153
Work in Process	71,803,128	69,175,003
Raw Material	487,421,624	681,283,898
Packing Material	104,502,699	81,117,431
Laboratory Chemical	449,162	412,569
Literature & Promotional Material	6,428,970	6,196,415
Physician Sample	3,035,875	1,876,945
Raw and Packing Material in Transit	46,082,254	62,026,289
Stock of Stationery	1,718,424	1,365,976
Spares & Accessories	53,921,811	50,159,824
<b>Tk.</b>	<b>1,144,320,036</b>	<b>1,173,573,503</b>

## 13. Trade Debtors - Tk. 333,884,395

This is unsecured, considered good and is falling due within one year.

This includes receivable against export sales of Tk. 21,797,784 equivalent to US \$ 398,494.84 (on 31-12-2000 Tk. 18,721,149 equivalent to US \$ 345,090).

This also includes Tk. 292,661,848 (on 31-12-2000 Tk. 270,336,894) due from I & I Services Ltd., the sole distributor of the pharmaceutical products of the company and a "related party". The maximum amount due from that company during the year was Tk. 292,661,848 on 31-12-2001 (on 31-12-2000 Tk. 270,336,894).

No amount was due by the directors, managing agent, managers and other officers of the company and any of them severally or jointly with any other person.

## 14. Loans, Advances and Deposits - Tk. 167,044,720

This is unsecured, considered good and consists of as follows :

### Loans and advances :

Clearing & Forwarding	9,109,237	25,156,192
Office Rent	1,019,900	3,414,029
Officers	5,353,168	6,206,593
Income Tax	20,591,042	60,161,116
Staffs House Rent	1,775,746	1,504,410
Motor Cycle	24,441,894	13,801,953
Raw & Packing Material	2,673,713	1,654,430
Imprest Cash	685,272	633,472
Foreign Travel	6,018,587	5,501,892
Prepaid Insurance Premium	-	990,000
Others	7,515,974	9,839,254
	<b>79,184,533</b>	<b>128,863,341</b>

### Deposits :

VAT	51,606,145	56,146,936
Claim Receivable	8,419,342	8,419,475
Security Deposit	7,555,574	5,083,918
Lease Deposit	18,850,070	17,345,392
Earnest Money	1,395,511	1,271,513
Bank Guarantee Margin	33,545	233,645
	<b>87,860,187</b>	<b>88,500,879</b>
<b>Tk.</b>	<b>167,044,720</b>	<b>217,364,220</b>

(a) The maximum amount due from the officers during the year was Tk. 6,206,593 on 01-01-2001 (on 31-12-2000 Tk. 6,206,593).

(b) No amount was due by the directors, managing agent, managers and other officers of the company and any of them severally or jointly with any other person, except as stated above.

(c) No amount was due by any Related Party.

## 15. Current Account with Related Parties - Tk. 95,903,770

This is unsecured but considered good and bears interest @ 10% to 15% p.a.

## 16. Cash and Cash Equivalents - Tk. 43,021,401

This consists of as follows :

	2001	2000
(a) Cash in Hand	495,387	330,282
(b) Cash at Banks :		
(i) In Current Accounts	10,773,762	1,446,973
(ii) In S.T.D. Accounts	2,621	4,488
(iii) In F.C. Accounts (US\$ 16,109.60) (on 31-12-2000 US\$ 59,542.68)	928,638	3,230,190
(iv) In FDR	30,820,993	26,753,472
	<b>42,526,014</b>	<b>31,435,123</b>
<b>Tk.</b>	<b>43,021,401</b>	<b>31,765,405</b>

## 17. Issued Share Capital - Tk. 442,500,000

This represents :

### Authorised :

100,000,000 Ordinary Shares of Tk. 10/- each	<b>Tk. 1,000,000,000</b>	<b>1,000,000,000</b>
<b>Issued, Subscribed and Paid-up :</b>		
23,600,000 Ordinary Shares of Tk. 10/- each fully paid-up in cash	236,000,000	236,000,000
20,650,000 Bonus Shares of Tk. 10/- each	206,500,000	206,500,000
<b>44,250,000 Shares</b>	<b>Tk. 442,500,000</b>	<b>442,500,000</b>

### (a) Composition of Shareholding :

	2001		2000	
	No. of shares	%	No. of shares	%
Sponsors	11,922,631	26.94	11,922,631	26.94
Foreign Investors	1,788,971	4.04	2,159,916	4.88
General Public	30,538,398	69.02	30,167,453	68.18
	<b>44,250,000</b>	<b>100.00</b>	<b>44,250,000</b>	<b>100.00</b>

### (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 Dhaka and Chittagong Stock Exchanges :

Range of Holdings	No. of Shareholders		% of Shareholders		No. of Shares		% of Share Capital	
	2001	2000	2001	2000	2001	2000	2001	2000
In number of shares								
1 to 499	41,055	41,101	81.51%	81.20%	5,982,885	6,131,256	13.52%	13.86%
500 to 5,000	8,730	8,996	17.33%	17.77%	11,073,916	11,263,581	25.03%	25.45%
5,001 to 10,000	355	307	0.71%	0.61%	2,505,178	2,212,486	5.66%	5.00%
10,001 to 20,000	142	137	0.28%	0.27%	1,985,145	1,882,002	4.49%	4.25%
20,001 to 30,000	30	26	0.06%	0.05%	726,664	626,717	1.64%	1.42%
30,001 to 40,000	16	8	0.03%	0.02%	559,403	274,668	1.26%	0.62%
40,001 to 50,000	9	7	0.02%	0.01%	415,080	319,897	0.94%	0.72%
50,001 to 100,000	15	18	0.03%	0.04%	1,133,852	1,405,196	2.56%	3.18%
100,001 to 1,000,000	9	12	0.02%	0.02%	1,929,817	2,750,792	4.36%	6.22%
Over 1,000,000	6	6	0.01%	0.01%	17,938,060	17,383,405	40.54%	39.28%
<b>Total</b>	<b>50,367</b>	<b>50,618</b>	<b>100.00%</b>	<b>100.00%</b>	<b>44,250,000</b>	<b>44,250,000</b>	<b>100.00%</b>	<b>100.00%</b>

### (c) Market Price :

The shares are listed in the Dhaka and Chittagong Stock Exchanges, on 31-12-2001 each share was quoted at Tk. 49.50 (on 31-12-00 Tk. 66.90) in the Dhaka Stock Exchange Ltd. and Tk. 49.47 (on 31-12-00 Tk. 66.86) in the Chittagong Stock Exchange Ltd.

### (d) Option on Unissued Shares :

There is no option regarding authorised capital not yet issued but can be used to increase the issued, subscribed and paid-up capital through the issuance of new shares against cash contribution and bonus.



## 18. Share Premium - Tk. 1,489,750,000

This is as per last account and made-up as follows :

	2001	2000
(a) 590,000 shares issued in 1992 at the premium of Tk. 325/- per share	191,750,000	191,750,000
(b) 1,180,000 shares issued in 1994 at the premium of Tk. 1,100/- per share	1,298,000,000	1,298,000,000
<b>Tk.</b>	<b>1,489,750,000</b>	<b>1,489,750,000</b>

## 19. Tax-Holiday Reserve - Tk. 873,166,091

This has been provided for as per provisions of the Income Tax Ordinance, 1984 which is arrived at as follows :

Opening Balance	764,676,274	659,656,614
Add: Provided during the year (Note - 41)	108,489,817	105,019,660
<b>Tk.</b>	<b>873,166,091</b>	<b>764,676,274</b>

## 20. Long Term Borrowing (Secured) - Tk. 656,646,364

This represents the civil component of the consortium project loan alongwith interest thereto which has been availed during the year 2001. This loan was sanctioned under the consortium arrangement of Janata Bank, Sonali Bank, Agrani Bank, Rupail Bank Ltd. and United Commercial Bank Ltd. Janata bank was the lead bank to the consortium. The loan was provided for the expansion (BMRE) project of the company.

### Nature of Security :

This loan is secured against:

- First (registered mortgage) charge on paripassu basis with the participating banks on 1,112.84 decimals of land alongwith the building and other construction to be built thereon at Kathaldia and Aushpara of Gazipur; and
- First paripassu charge by way of hypothecation on all assets of the company both present and future.

### Terms of repayment :

The total loan period is eight years and six months including grace periods of eighteen months. The loan alongwith 13% interest shall be repayable in 14 half yearly installments from the twenty four months after the first day of loan disbursement. The interest during construction period (IDCP) shall be payable with simple interest in five yearly installments.

Rate of interest : 13% p.a.

## 21. Deferred Liability (Provision for Gratuity) - Tk. 47,508,787

This is payable to the permanent employees at the time of separation from the company which is arrived at as follows :

Opening Balance	40,308,478	34,364,081
Add : Provided during the year	9,137,495	7,233,525
	<b>49,445,973</b>	<b>41,597,606</b>
Less : Paid during the year	(1,937,186)	(1,289,128)
<b>Tk.</b>	<b>47,508,787</b>	<b>40,308,478</b>

## 22. Customs Debentures - Tk. 1,758,387

This is as per last account and represents :

Installment due	265,854	265,854
Interest due	1,492,533	1,492,533
<b>Tk.</b>	<b>1,758,387</b>	<b>1,758,387</b>

## 23. Short Term Borrowing From Banks - Tk. 1,081,904,675

This represents :

	2001	2000
(a) Janata Bank :		
Cash Credit-Pledge	155,337,898	155,965,760
Cash Credit-Hypothecation	625,133,177	597,268,061
LIM	43,695,796	-
(b) Citibank N.A.	76,015,905	77,547,254
(c) Credit Agricole Indosuez	51,521,670	116,361,562
(d) Standard Chartered Grindlays	130,200,229	120,565,128
<b>Tk.</b>	<b>1,081,904,675</b>	<b>1,067,707,765</b>

## 24. Creditors and Other Payables - Tk. 250,693,220

These are unsecured, and falling due within one year.

This consists of :

Suppliers	178,236,892	176,131,001
Payable to RAJUK - Land	9,423,531	9,423,531
Proposed Dividend	-	88,500,000
Loan from Workers' Participation/Welfare Funds	63,032,797	55,099,652
<b>Tk.</b>	<b>250,693,220</b>	<b>329,154,184</b>

## 25. Accrued Expenses - Tk. 115,690,840

This is falling due within one year.

This consists of as follows:

For Expenses-Unsecured	70,277,976	93,747,279
Workers'Participation/Welfare Funds	21,521,023	21,132,210
Provident Fund	23,891,841	18,501,668
<b>Tk.</b>	<b>115,690,840</b>	<b>133,381,157</b>

## 26. Provision For Income Tax - Tk. 37,393,516

This is arrived at as follows :

Opening Balance	72,913,988	51,277,897
Add : Tax provided in 2001(Note - 38)	28,640,644	24,349,536
	101,554,632	75,627,433
Less : Tax paid during the year	(4,000,000)	(2,713,445)
	97,554,632	72,913,988
Less : Advance tax adjusted	(60,161,116)	-
<b>Tk.</b>	<b>37,393,516</b>	<b>72,913,988</b>

## 27. Revenue (Turnover) from Net Sales - Tk. 2,401,241,111

This is made-up as follows :

Local Sales	2,353,916,337	2,408,256,521
Export Sales - US\$ 842,652 (in 2000 US\$ 848,925)	47,324,774	44,267,691
<b>Tk.</b>	<b>2,401,241,111</b>	<b>2,452,524,212</b>

### Sales Represents :

Tablet & Capsules	Pcs	1,320,438,707	1,629,668,723
Bottle & Tubes	Pcs	21,474,310	21,070,149
Basic Chemicals	Kg	101,890	125,950

## 28. Cost of Goods Sold - Tk. 1,459,108,308

This is made-up as follows :

	Notes	2001	2000
Work-in-Process (Opening)		69,175,003	48,214,306
Raw Material Consumed	29	1,168,189,896	1,150,785,452
Packing Material Consumed	30	234,078,428	221,563,689
Laboratory Chemical Consumed	31	4,119,057	3,735,738
		<b>1,475,562,384</b>	<b>1,424,299,185</b>
Work-in-Process (Closing)		(71,803,128)	(69,175,003)
TOTALCONSUMPTION		<b>1,403,759,256</b>	<b>1,355,124,182</b>
Factory Overhead	32	213,326,017	209,813,876
COSTOF PRODUCTION		<b>1,617,085,273</b>	<b>1,564,938,058</b>
Finished Goods (Opening)		219,959,153	220,388,544
Finished Goods Available		<b>1,837,044,426</b>	<b>1,785,326,602</b>
Finished Goods (Closing)		(368,956,089)	(219,959,153)
		<b>1,468,088,337</b>	<b>1,565,367,449</b>
Cost of Physician Sample		(8,980,029)	(8,626,241)
	Tk.	<b>1,459,108,308</b>	<b>1,556,741,208</b>

Itemwise quantity and value of Finished Goods Stock are as follows :

Item	Unit	Quantity	Value
<b>Stock as on 01-01-2001</b>			
Tablet & Capsules	Pcs	165,699,674	160,678,564
Bottle & Tubes	Pcs	2,776,793	24,454,224
Basic Chemicals	Kg	19,200	34,826,365
			<b>Tk. 219,959,153</b>
<b>Stock as on 31-12-2001</b>			
Tablet & Capsules	Pcs	366,587,102	245,282,899
Bottle & Tubes	Pcs	3,066,408	67,551,432
Basic Chemicals	Kg	9,527	56,121,758
			<b>Tk. 368,956,089</b>

## 29. Raw Material Consumed - Tk. 1,168,189,896

This is made-up as follows :

	Notes	2001	2000
Opening Stock		681,283,898	622,105,498
Purchase		974,327,622	1,209,963,853
Closing Stock		(487,421,624)	(681,283,898)
	Tk.	<b>1,168,189,896</b>	<b>1,150,785,452</b>

Itemwise quantity and value :

		SOLID	LIQUID	BASIC	TOTAL(Qnty)	TOTAL(Value)
Opening Stock	Kg	837,717	552,901	402,726	1,793,344	672,571,340
(Consists of 354 items)	Ltr.	892	-	-	892	278,050
	Unit	46,020,933	-	-	46,020,933	8,434,508
						<b>681,283,898</b>
Add : Purchase	Kg	1,402,741	718,390	559,620	2,680,751	955,604,308
(Consists of 378 items)	Ltr.	4,160	-	-	4,160	260,794
	Unit	117,551,950	-	-	117,551,950	18,462,520
						<b>974,327,622</b>
Less : Closing Stock	Kg	604,342	232,713	309,377	1,146,432	476,036,158
(Consists of 381 items)	Ltr.	2,243	-	-	2,243	115,383
	Unit	75,841,354	-	-	75,841,354	11,270,083
						<b>487,421,624</b>
Consumption	Kg	1,636,116	1,038,578	652,969	3,327,663	1,152,139,490
(Consists of 389 items)	Ltr.	2,809	-	-	2,809	423,461
	Unit	87,731,529	-	-	87,731,529	15,626,945
						<b>Tk. 1,168,189,896</b>

Raw material consumed is 72% imported.

## 28. Cost of Goods Sold - Tk. 1,459,108,308

This is made-up as follows :

	Notes	2001	2000
Work-in-Process (Opening)		69,175,003	48,214,306
Raw Material Consumed	29	1,168,189,896	1,150,785,452
Packing Material Consumed	30	234,078,428	221,563,689
Laboratory Chemical Consumed	31	4,119,057	3,735,738
		<b>1,475,562,384</b>	<b>1,424,299,185</b>
Work-in-Process (Closing)		(71,803,128)	(69,175,003)
TOTALCONSUMPTION		<b>1,403,759,256</b>	<b>1,355,124,182</b>
Factory Overhead	32	213,326,017	209,813,876
COSTOF PRODUCTION		<b>1,617,085,273</b>	<b>1,564,938,058</b>
Finished Goods (Opening)		219,959,153	220,388,544
Finished Goods Available		<b>1,837,044,426</b>	<b>1,785,326,602</b>
Finished Goods (Closing)		(368,956,089)	(219,959,153)
		<b>1,468,088,337</b>	<b>1,565,367,449</b>
Cost of Physician Sample		(8,980,029)	(8,626,241)
	Tk.	<b>1,459,108,308</b>	<b>1,556,741,208</b>

Itemwise quantity and value of Finished Goods Stock are as follows :

Item	Unit	Quantity	Value
<b>Stock as on 01-01-2001</b>			
Tablet & Capsules	Pcs	165,699,674	160,678,564
Bottle & Tubes	Pcs	2,776,793	24,454,224
Basic Chemicals	Kg	19,200	34,826,365
			<b>Tk. 219,959,153</b>
<b>Stock as on 31-12-2001</b>			
Tablet & Capsules	Pcs	366,587,102	245,282,899
Bottle & Tubes	Pcs	3,066,408	67,551,432
Basic Chemicals	Kg	9,527	56,121,758
			<b>Tk. 368,956,089</b>

## 29. Raw Material Consumed - Tk. 1,168,189,896

This is made-up as follows :

	Notes	2001	2000
Opening Stock		681,283,898	622,105,498
Purchase		974,327,622	1,209,963,853
Closing Stock		(487,421,624)	(681,283,898)
	Tk.	<b>1,168,189,896</b>	<b>1,150,785,452</b>

Itemwise quantity and value :

		SOLID	LIQUID	BASIC	TOTAL(Qnty)	TOTAL(Value)
Opening Stock	Kg	837,717	552,901	402,726	1,793,344	672,571,340
(Consists of 354 items)	Ltr.	892	-	-	892	278,050
	Unit	46,020,933	-	-	46,020,933	8,434,508
						<b>681,283,898</b>
Add : Purchase	Kg	1,402,741	718,390	559,620	2,680,751	955,604,308
(Consists of 378 items)	Ltr.	4,160	-	-	4,160	260,794
	Unit	117,551,950	-	-	117,551,950	18,462,520
						<b>974,327,622</b>
Less : Closing Stock	Kg	604,342	232,713	309,377	1,146,432	476,036,158
(Consists of 381 items)	Ltr.	2,243	-	-	2,243	115,383
	Unit	75,841,354	-	-	75,841,354	11,270,083
						<b>487,421,624</b>
Consumption	Kg	1,636,116	1,038,578	652,969	3,327,663	1,152,139,490
(Consists of 389 items)	Ltr.	2,809	-	-	2,809	423,461
	Unit	87,731,529	-	-	87,731,529	15,626,945
						<b>Tk. 1,168,189,896</b>

Raw material consumed is 72% imported.

### 33. Administrative Expenses -Tk. 76,595,834

This consists of as follows :

	2001	2000
Salary & Allowances (including welfare expenses and retriial benefit)	20,171,116	18,252,021
Rent Expenses	2,255,160	1,193,641
Repairs & Maintenance (including car maintenance)	4,416,812	3,846,402
Donation & Subscription	222,928	77,165
Travelling & Conveyance	596,790	494,456
Entertainment	285,640	392,679
Printing & Stationery	571,578	442,913
Auditors' Remuneration	150,000	150,000
Postage & Telephone	2,014,732	1,685,511
Software Development Expenses	3,200,000	7,200,000
Electricity, Gas & Water	1,228,752	995,530
Legal & Consultancy Fee	163,200	109,999
AGM Expenses	6,108,937	5,844,964
Other Expenses	796,349	490,733
Lease Rental	34,413,840	34,413,839
<b>Tk.</b>	<b>76,595,834</b>	<b>75,589,853</b>

- (a) Salary and allowances include provident fund contribution of Tk. 639,595 (in 2000 Tk. 495,934).
- (b) In 2001, all the 95 employees of Head Office (excluding employees relating to selling and distribution) received annual salary and allowances of Tk. 36,000 and above.
- (c) Auditors remuneration represents audit fee for auditing the accounts for the year 2001. In addition, an aggregate amount of Tk. 72,000 (in 2000 Tk. 63,000) was paid to auditors for income tax consultancy and other services as included in legal and consultancy fee stated above.

### 34. Selling and Distribution Expenses - Tk. 245,887,486

This consists of as follows :

	2001	2000
Salary & Allowances (including welfare expenses and retriial benefit)	91,549,196	84,004,633
Rent Expenses	11,154,708	3,843,923
Repairs & Maintenance (including car maintenance)	9,034,726	8,444,945
Travelling & Conveyance	29,369,733	28,304,240
Entertainment	1,092,674	912,103
Printing & Stationery	2,762,430	2,064,395
Postage & Telephone	6,114,850	4,288,817
Electricity, Gas & Water	3,076,382	2,322,622
Market Research & New Products	3,033,965	2,650,930
Training & Conference	5,467,473	5,224,621
Sample Expenses	10,175,291	8,633,753
Advertisement	11,803,028	10,104,971
Literature/News Letter	6,802,522	4,513,368
Special Discount	12,458,295	11,020,062
Export Expenses	2,476,049	2,166,961
Distribution Commission	30,732,376	42,132,951
Other Expenses	8,783,788	6,953,165
<b>Tk.</b>	<b>245,887,486</b>	<b>227,586,460</b>

- (a) Salary and allowances include provident fund contribution of Tk. 2,580,967 (in 2000 Tk. 2,371,674).
- (b) In 2001, all the 631 employees relating to selling and distribution received annual salary and allowances of Tk. 36,000 and above.
- (c) Distribution commission represents 1.5% (2% in 2000) of net sales other than export sales and Basic chemical products sale which has been paid to the I & I Services Ltd., the sole distributor of the company and an associated undertaking.

### 35. Other Income / (Loss) (Net) -Tk. 11,812,076

This is arrived at as follows :

Note	2001	2000
Interest Income	4,835,807	4,667,938
Dividend income received on investment in shares of Padma Textile Mills Ltd.	3,948,750	5,265,000
Technical assistance fee (US\$ 50,000) (in 2000 US\$ 50,000)	2,862,500	2,712,500
Exchange gain on retention quota (F.C.) accounts	163,943	145,735
Profit/(Loss) on sale of Fixed Assets	45 1,076	(1,678,160)
<b>Tk.</b>	<b>11,812,076</b>	<b>11,113,013</b>

### 36. Finance Cost - Tk. 179,520,085

This is made-up as follows :

	2001	2000
Interest on Cash Credit	170,260,171	152,977,057
Interest on IDLC A/C	1,144,707	-
Interest on loan from PF & WPP & Welfare Fund	8,115,207	6,966,227
<b>Tk.</b>	<b>179,520,085</b>	<b>159,943,284</b>

### 37. Contribution to Workers' Profit Participation / Welfare Funds - Tk. 21,521,023

This represents 5% of net profit before tax after charging the contribution as per provisions of the Companies Profit (Workers' Participation) Act, 1968 and is payable to workers as defined in the said Act.

### 38. Income Tax Expense - Tk. 28,640,643

This represents :

(a) Estimated Tax liability of the year 2001 :		
(i) 35% tax on the net profit of taxable units Dry -1, Dry -2, Dry -3, Dry -4, Dry-5 (DEC), Wet-1, Wet-2, Basic Chemical -1 and Basic Chemical -2	22,693,641	23,559,786
(ii) 15% tax on dividend income	592,313	789,750
	<b>23,285,954</b>	<b>24,349,536</b>
(b) Short provision of income tax	5,354,689	-
<b>Tk.</b>	<b>28,640,643</b>	<b>24,349,536</b>

### 39. Appropriation during the year

In accordance with IAS 1 "Presentation of Financial Statements", the appropriations for the year have been reflected in the statement of changes in equity.

During the year under review, an amount of Tk. 108,489,817 has been transferred to Tax holiday reserve being 30% of year's net profit of tax holiday units as per section 45 of the Income Tax Ordinance 1984. A part of the balance of net profit though carried forward in the balance sheet will be applied for payment of this year's dividend proposed by the board of directors @ 10% and will be recognised as liability in the accounts as and when approved by the shareholders in the annual general meeting. The total amount of proposed dividend for the year 2001 is Tk. 44,250,000.

### 40. Basic Earnings Per Share (EPS)- Disclosure Under IAS 33 "Earnings Per Share" :

The computation of EPS is given below :

(a) Earnings attributable to the Ordinary Shareholders (Net Profit after Tax)	401,779,808	398,294,673
(b) Weighted average number of Ordinary Shares outstanding during the year	44,250,000	44,250,000
<b>(c) Basic EPS</b>	<b>9.08</b>	<b>9.00</b>

The definition of numerator (Earnings) and denominator (weighted average number of shares) are stated in Note-5.

### 41. Tax-Holiday Reserve - Tk. 108,489,817

This represents 30% of net profit of the Tax-Holiday units Dry-5 (Jan-Nov), Dry-6, Dry-7, MDI, Wet-3, and Basic Chemical-3.

#### 42. Cash flow from Operation Under Indirect Method :

	2001	2000
Net profit after tax for the year	401,779,808	398,294,673
Adjustment to reconcile net profit to net cash provided by operating activities :		
(a) Non-Cash Expenses:	97,084,504	103,088,922
Depreciation	89,884,195	97,144,525
Gratuity	7,200,309	5,944,397
(b) (Profit)/Loss on Sale of Fixed Assets	(1,076)	1,678,160
Fund from Operation before Changes in Working Capital	498,863,236	503,061,755
(c) Changes in Working Capital	11,317,397	(111,325,337)
Decrease/(Increase) in Inventories	29,253,467	(126,959,659)
Increase in Sundry Debtors	(25,083,818)	(56,948,972)
Decrease/(increase) in Loans, Advances & Deposits	50,319,501	(44,972,219)
Increase in Creditors	10,039,036	119,151,882
Decrease in Accrued Expenses	(17,690,317)	(23,232,460)
(Decrease)/Increase in Provision for Income Tax	(35,520,472)	21,636,091
<b>Net Cash Provided by Operating Activities</b>	<b>Tk. 510,180,633</b>	<b>391,736,418</b>

#### 43. Related Party Transactions - Disclosure under IAS 24 "Related Party Disclosures" :

During the year under review, the company carried out a number of transactions with related parties in the normal course of business and on an arms'length basis. The nature of these transactions and their total value have been set out in accordance with the provisions of IAS 24 'Related Party Disclosures'.

Nature of Transactions	2001	2000
(a) Trade Debtors	292,661,848	270,336,894
(b) Trade Creditors	13,523,810	5,378,150
(c) Current Account Balances	95,903,770	106,367,972
(d) Interest Income	2,464,760	2,320,672
(e) Distribution Commission	30,732,376	42,132,951
(f) Software Development Expenses	3,200,000	7,200,000

#### 44. Financial Instruments and Related Disclosures Under IAS 32 "Financial Instruments : Disclosure and Presentation"

Set out below is a year-end balance of carrying amounts (book values) of all financial assets and liabilities (financial instruments) :

	Interest Bearing		Non Interest Bearing	Total
	Maturity within one year	Maturity after one year		
<b>Financial Assets</b>				
Investment in Shares	-	-	40,543,750	40,543,750
Trade Debtors	-	-	333,884,395	333,884,395
Current Account with Related Parties	95,903,770	-	-	95,903,770
Cash & Cash Equivalents	-	-	43,021,401	43,021,401
	<b>95,903,770</b>	-	<b>417,449,546</b>	<b>513,353,316</b>
<b>Financial Liabilities</b>				
Customs Debentures	1,758,387	-	-	1,758,387
Short Term Borrowing from Banks	1,081,904,675	-	-	1,081,904,675
Creditors	-	-	250,693,220	250,693,220
Accrued Expenses	-	-	115,690,840	115,690,840
Deferred Liability - Provision for Gratuity	-	-	47,508,787	47,508,787
Long Term Loan	-	656,646,364	-	656,646,364
<b>Tk.</b>	<b>1,083,663,062</b>	<b>656,646,364</b>	<b>413,892,847</b>	<b>2,154,202,273</b>
<b>Net Financial Assets/(Liabilities)</b>	<b>Tk. (987,759,292)</b>	<b>(656,646,364)</b>	<b>3,556,699</b>	<b>(1,640,848,957)</b>

#### Carrying Amounts (Book value)

The basis of carrying amounts have been stated in accounting policies (Note 5)

#### Fair Value

Management believe that the fair value of all financial assets and liabilities approximate their carrying value.

#### Market Value

The market value of investment in shares has been stated in Note 11. The market value of other financial instruments are not available as these are not traded on organized markets in standardized form.

#### (a) Interest Rate Risk Exposure

The company's short term borrowings are subject to market rate fluctuations which are reviewed with lenders on an ongoing basis. The interest rate of long term borrowing (consortium loan) is 13% p.a.

#### (b) Concentration of Credit Risk

The company's management believe that there was no significant concentration of credit risk in trade debtors, although the sole distributor is a related party and a significant amount is receivable from it.

The company monitors its exposure to credit risk on an ongoing basis. Trade debtors are evaluated for recoverability.

#### (c) Foreign Currency Risk

The company is subject to foreign currency fluctuations as the local currency (Taka) varies with US Dollar and other foreign currencies.

#### 45. Particulars of Disposal of Property, Plant and Equipment :

The following assets were disposed off :

During the Year Ended 31-12-2001 :

PARTICULARS OF ASSETS	COST	DEP. UPTO 31-12-00	W.D.V. AS ON 31-12-00	SALES PRICE	PROFIT/ (LOSS)	NAME OF PARTIES	MODE OF DISPOSAL
Toyota S. Wagon	375,301	276,918	98,383	122,001	23,618	Mr. Hemayetullah	Tender
Toyota S. Wagon	365,416	269,624	95,792	141,300	45,508	Mr. Antanu Roy	Tender
Toyota S. TX	485,000	357,860	127,140	198,150	71,010	Mr. Shantanu Roy	Tender
Maruti	303,850	249,686	54,164	47,100	(7,064)	Mr. Afsar Hossain	Tender
Maruti	303,850	249,686	54,164	53,000	(1,164)	Syed Fatema Khan	Tender
Toyota Starlet	370,416	273,314	97,102	122,100	24,998	Mr. Abu Mia	Tender
Toyota Starlet	370,416	273,314	97,102	129,000	31,898	Mr. Harun-ur-Rashid	Tender
Toyota Corsa	370,416	273,314	97,102	143,000	45,898	Mr. Mahbulul Islam	Tender
Office Equipment	363,146	134,300	228,846	-	(228,846)		Stolen
Furniture	24,500	15,720	8,780	4,000	(4,780)	Mr. Sayeedur Rahman	Negotiation
Furniture	235,316	62,965	172,351	172,351	-	Mr. Syed Mahbulul Alam	Negotiation
Furniture	84,200	8,420	75,780	75,780	-	Mr. Mushtaq Habib	Negotiation
<b>Tk.</b>	<b>3,651,827</b>	<b>2,445,121</b>	<b>1,206,706</b>	<b>1,207,782</b>	<b>1,076</b>		

During the Year Ended 31-12-2000 :

PARTICULARS OF ASSETS	COST	DEP. UPTO 31-12-99	W.D.V. AS ON 31-12-99	SALES PRICE	PROFIT/ (LOSS)	NAME OF PARTIES	MODE OF DISPOSAL
Diesel Generator	8,001,907	3,031,543	4,970,364	3,300,000	(1,670,364)	N.N. International	Tender
Furniture	49,400	9,386	40,014	40,014	-	Mrs. Hasneen Mukhtadir	Negotiation
Furniture	76,300	20,677	55,623	55,623	-	Mr. Sunil Chandra	Negotiation
Maruti Suzuki-800 CC Car	316,500	252,622	63,878	35,000	(28,878)	Dolphin	Tender
Maruti Suzuki-800 CC Car	306,425	244,975	61,450	36,000	(25,450)	Dolphin	Tender
Diahatsu Mira-800 CC Car	419,059	295,473	123,586	28,300	(95,286)	S.N. Motors	Tender
Fiat 800 CC Car	18,240	12,861	5,379	12,150	6,771	S.N. Motors	Tender
Toyoto Starlet-1300 CC Car	375,416	264,701	110,715	120,250	9,535	Mr. Asadullah Chowdhury	Tender
Toyoto Corolla-1300 CC Car	350,414	247,073	103,341	115,000	11,659	Dolphin	Tender
Nissan Sunny-1000 CC Car	720,960	603,951	117,009	152,500	35,491	Mr. Hamidul Haque	Tender
Maruti Suzuki-800 CC Car	303,850	242,916	60,934	66,000	5,066	Dolphin	Tender
Toyoto Starlet-1300 CC Car	370,416	261,177	109,239	141,250	32,011	Mr. Mohsin	Tender
Toyoto Corolla-1300 CC Car	375,416	264,701	110,715	152,000	41,285	Mr. Aziz Bhuiyan	Tender
<b>Tk.</b>	<b>11,684,303</b>	<b>5,752,056</b>	<b>5,932,247</b>	<b>4,254,087</b>	<b>(1,678,160)</b>		

#### 46. Payment/Perquisites to Directors and Officers :

- (a) The aggregate amount paid/provided during the year in respect of officers of the company as defined in the Securities and Exchange Rules 1987 are disclosed below :

	2001	2000
Managerial Remuneration	16,178,004	14,315,004
Gratuity	1,018,722	738,425
Company's Contribution to Provident Fund	1,065,036	886,110
Bonus	1,703,690	1,476,850
<b>Perquisites :</b>		
Housing	5,068,742	4,661,183
Transport	3,894,501	3,709,247
Medical	1,030,680	735,410
Telephone	1,861,330	1,941,822
Electricity, Gas & Water	980,680	885,474
	<b>Tk. 32,801,385</b>	<b>29,349,525</b>

- (b) No compensation was allowed by the company to the Directors of the company.  
(c) No amount of money was expended by the company for compensating any member of the board for special services rendered.  
(d) No board meeting attendance fee was paid to the directors of the company.

#### 47. Production Capacity and Actual Production in 2001 :

(Production capacity on single shift basis)

	Unit	Production Capacity		Actual Production		Excess / (Shortfall)		Reason of Excess or Shortfall
		2001	2000	2001	2000	2001	2000	
Solid Section	Tablet & Capsule (in million pcs)	1,216	1,216	1,537	1,654	321	438	Due to overtime work for increased demand
Liquid Section	Bottle & Tube (in million pcs)	20	18	23	21	3	3	Due to overtime work for increased demand
Basic Chemical	Metric ton	172	165	92	130	(80)	(35)	As per market demand

48. There was no contingent liability as on 31-12-01.

#### 49. Capital Expenditure Commitment :

There was a capital expenditure commitment of Tk. 265 million as on 31-12-01 in respect of import of plant and machinery for the expansion project.

50. There was no claim against the company not acknowledged as debt as on 31-12-01.

51. There was no credit facilities available to the company under any contract, other than trade credit available in the ordinary course of business and not availed of as on 31-12-01.

#### 52. Payments Made in Foreign Currency :

	Foreign Currency (US\$)	Taka
Import of Machinery	514,249	29,376,033
Import of Raw & Packing Material and Spares	14,105,310	797,655,306
Consultancy Fee for Expansion Project	143,005	8,086,940

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

#### 53. Dividend Paid to the Non-Resident Shareholders in 2001 :

- (i) Dividend for 2000 was declared on 30-04-2001 and therefore, payments for the year were made in 2001 to non-resident shareholders.  
(ii) Net dividend of Tk. 2,835,748 relating to the year 2000 was paid to 4 non-resident shareholders against 1,668,087 shares held by them after deduction of Income Tax at source of Tk. 500,426.  
(iii) No dividend was remitted in foreign currency but paid in local currency to their local custodian banks.

#### 54. Dividend Subject to Income Tax Deduction at Source :

Nature of Shareholders	Amount of Dividend	Rate of Tax Deduction at Source
(a) Resident Company	Any amount	15%
(b) Non-resident Company	Any amount	15%
(c) Resident other than Company	Amount not exceeding Tk. 40,000/-	Nil
	Amount exceeding Tk. 40,000/-	10%
(d) Non-resident other than Company	Any amount	25%

#### 55. Foreign Exchange Earned :

- (a) Export Sales of US\$ 842,652 (in 2000 US\$ 848,925).  
(b) Technical Assistance Fee of US\$ 50,000 (in 2000 US\$ 50,000).  
(c) No other income including royalty, technical assistance and professional advisory fee, interest and dividend was earned or received in foreign currency.

#### 56. Commission, Brokerage or Discount against Sales :

- (a) Distribution commission of Tk. 30,732,376 (in 2000 Tk. 42,132,951) and special discount of Tk. 12,458,295 (in 2000 Tk. 11,020,062) as stated in the Note - 34 were incurred and paid during the year under review.  
(b) No other commission was incurred or paid to the sales agent/distributor nor any brokerage or discount other than conventional trade discount was incurred or paid against sales except as stated in (a) above.

#### 57. Subsequent Events - Disclosures Under IAS 10 "Events after the Balance Sheet Date" :

- (a) Subsequent to the balance sheet date, the directors recommended the payment of cash dividend of Tk. 1/- per share. The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting.  
(b) Application has been made to the NBR for obtaining Tax-Holiday for the MDI unit which has gone into commercial production on 16th October 2001.

#### 58. Comparative Figures :

Certain comparative figures have been reclassified from statements previously presented to conform to the presentation adopted during the year ended 31 December 2001.

#### 59. Reporting Currency and Level of Precision :

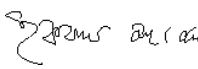
The figures in the financial statement represent Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except where indicated otherwise.

#### 60. Approval of the Financial Statements :

These financial statements were authorized for issue in accordance with a resolution of the Company's board of directors on 29th April 2002.

  
**C. H. Rahman**  
Director

Dhaka  
29 April, 2002

  
**Iqbal Ahmed**  
Director

  
**Md. Asad Ullah**  
Company Secretary

## Corporate Headquarters

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Fax : 880-2-8613470  
Email : beximchq@bol-online.com  
Website : www.beximco.net

## Operational Headquarter

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Fax : 880-2-8613888  
Email : info@bpl.net  
Website : www.beximco-pharma.com

## Factory

126 Auspara  
Tongi, Gazipur

## Legal Advisor

M/S HUQ & CO.  
47/1 Purana Paltan, Dhaka

## Auditors

M/S M. J. ABEDIN & CO.  
Chartered Accountants  
National Plaza (6<sup>th</sup> Floor)  
1/G Free School Street  
Sonargaon Road  
Dhaka-1205

## Bankers

**Janata Bank**  
Local office  
1 Dilkusha C/A, Dhaka-1000

**CitiBank N.A.**  
Chamber Building (9th floor)  
122-124 Motijheel C/A, Dhaka-1000

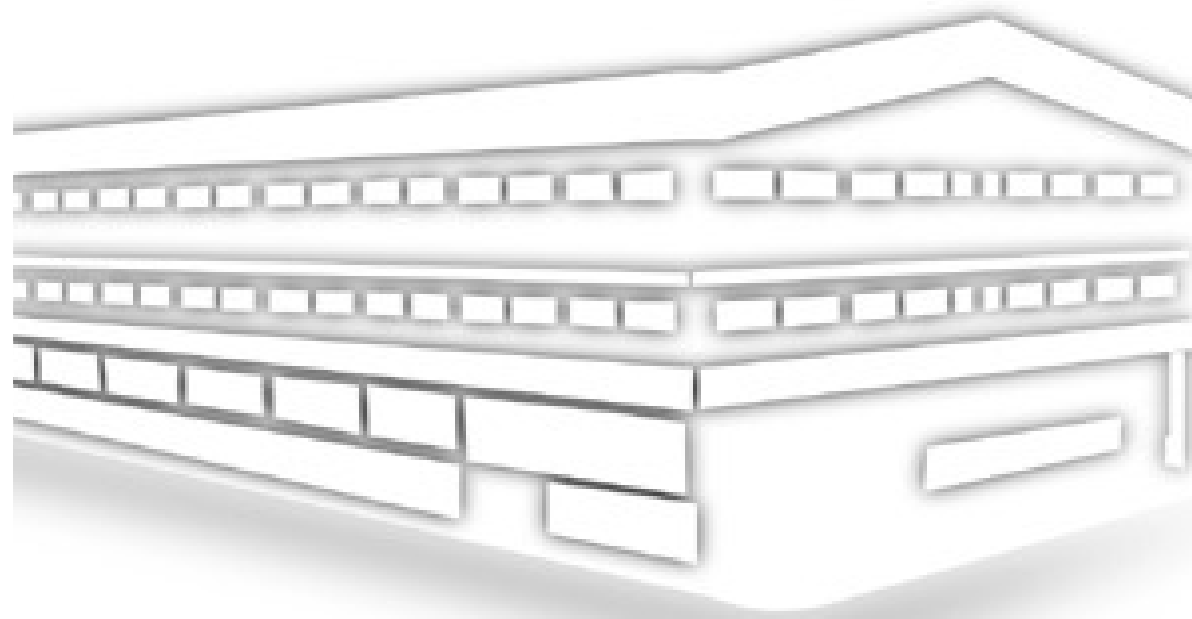
**Credit Agricole Indosuez**  
47 Motijheel C/A  
P.O. Box 3490  
Dhaka-1000

**Standard Chartered Grindlays Bank**  
Hadi Mansion  
2 Dilkusha C/A  
Dhaka-1000



State-of-the-Art MDI Plant, Tongi, Gazipur

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