

The cover features a collage of pharmaceutical-related images. At the top right, a brown pill bottle is tipped over, spilling numerous red, oval-shaped capsules onto a light green surface. In the center, a large, semi-transparent map of India is overlaid on a green and blue background. In the bottom left, a green Azmasul inhaler is shown, with its label clearly visible. In the bottom center, a complex piece of industrial machinery, likely a tablet press, is depicted. The overall color palette is dominated by greens and blues, with red accents from the capsules.

# Annual *Report 2002*

BEXIMCO  
PHARMA

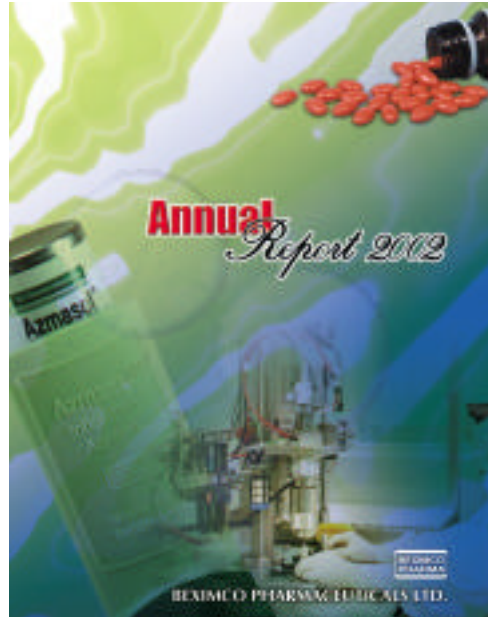
BEXIMCO PHARMACEUTICALS LTD.



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 2002



**BEXIMCO PHARMACEUTICALS LTD.**

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# Board and Management

## Board of Directors

|               |                      |
|---------------|----------------------|
| Chairman      | A S F Rahman         |
| Vice Chairman | Salman F Rahman      |
| Director      | 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         |

## Management Committee

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

## Company Secretary

Md. Asad Ullah



# History

## Key milestones

- 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 : The first pharmaceutical company in the country to receive 'National Export Trophy (Gold)'
- 1996 : Introduction of Sustained Release dosage form in the market
- 1997 : Commissioning of Metered Dose Inhaler (MDI) plant and introduction of Suppository dosage form
- 1998 : Introduction of Metered Dose Nasal Spray
- 1999 : UNICEF approval of BPL as an enlisted supplier
- 2000 : Contract manufacturing agreement of Metered Dose Inhaler (MDI) with Glaxo SmithKline
- 2001 : Introduction of small volume parenteral products (Injectables)  
Establishment of Analgesic-Anti-inflammatory bulk-drug plant
- 2002 : The first Bangladeshi company to supply pharmaceuticals to Raffles Hospital of Singapore

# The Profile

|  |   |
|--|---|
| <b>Corporate Headquarters</b>          | 17 Dhanmondi R/A, Road No. 2<br>Dhaka 1205, Bangladesh  |
| <b>Operational Headquarter</b>         | 19 Dhanmondi R/A, Road No. 7<br>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<br>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,<br>Myanmar, Nepal, Pakistan, Russia, Singapore, South Korea, Taiwan,<br>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 2002</b>  | 2,523 million   |
| <b>Number of Shareholders</b>          | 49,960  |
| <b>Stock Exchange Listings</b>         | Dhaka, Chittagong   |
| <b>Number of Employees</b>             | 1,218   |



# Beximco Pharmaceuticals Ltd.

## Trendsetter in Bangladesh pharma market

BPL has been the trendsetter in Bangladesh Pharmaceutical Market since its inception in 1979. Over the last decade BPL actually rose to a new standard – moving beyond manufacturing quality medicines to win mind share of patients, physicians, shareholders, business partners, and communities where we work and live. Our dedication to add more value to the common wealth of the society compounded by innovative strategies for growth and diversification, pioneering role in bringing new technology and implementing new ideas, and commitment for total quality management distills the glory of our success. Today BPL is not merely a market leader. Most of the products that it actively markets enjoy leadership position demonstrating incomparable trust of the healthcare professionals. This is the reward for the outstanding quality of our products- at BPL we never compromise with the quality of our products so that our fellow citizens can live long, happy and better.

BPL is the pioneer in introducing medical service activities: publishing a full-fledged medical newsletter regularly, conducting clinical seminars and symposiums to have better understanding of various diseases and their management. BPL is the first national company who dared to diversify its business into manufacturing bulk drugs to integrate itself backwards as well as develop the nation's pharma industry. While it would have been relatively easy to diversify the business into consumer products, BPL chose the harder path with a long-term vision. Today BPL is ready to face the challenge of scarce sourcing of Active Pharmaceutical Ingredients (API) in the post-WTO era, with its advanced API manufacturing capability.



BPL is one of the first companies to have an extensively computerized and automated working environment connecting every corner of the country to the centre. Productivity through connectivity is one of our heritage of progress. BPL is the first company to go beyond the national boundary, exporting its quality products in overseas markets in Asia, Africa, and Europe. More than that, BPL has probably fulfilled a national aspiration of turning a once import dependent country into an exporter of quality medicines. We believe, with our technological and managerial know-how and ability to take on challenges, we will be able to progress much faster towards our objective of becoming the nation's most visionary company.



# People

## BPL's key success factor

An organization is as good as its human resources. Based on this very basic fundamental philosophy, Beximco Pharma believes that human beings are its most valuable assets and prime movers. BPL also believes that the potential of human resource is limited only to the extent to what one can put to use. Realizing this, BPL makes considerable investments in attracting and developing talented and dynamic professionals, not only to do their job flawlessly, but also to give them an environment which fosters innovation and entrepreneurship. The extent of empowerment that is enjoyed by our people at various levels of the organization enables each employee, from the very bottom to the top, to contribute to the overall momentum of the company. The employees of Beximco Pharma are differentiated not just on the strength of their professional competence, but also on the basis of individual resilience of character and the spirit of enterprise.

In the face of today's competitive business environment, BPL develops and retains high achievers and a motivated workforce. We create an excellent working environment for them that reflects and promotes a high level of loyalty and commitment, both to our employees and from our employees. At BPL, good work is always expected and rewarded. Over the years, the company has been successful in providing an environment and culture that nurtures individual growth and development, and allows people to attain personal fulfillment as well as achieve company objectives. It is our competent workforce that provides us with every reason to be optimistic about the future.



# Quality

**Committed to making a difference**

BPL is committed to cater to the healthcare needs of the nation. This commitment demands immense social responsibility of ensuring quality in terms of quantity, purity, stability, safety, efficacy and presentation of the product. At every stage of the production, a stringent control mechanism involving raw material testing, in-process quality control, packaging, labeling, finished product testing as well as stability monitoring and documentation is maintained to ensure the highest quality product consistently.

Standard Operating Procedures (SOPs) developed according to the cGMP guidelines of WHO and EU are being strictly followed in every steps to ensure full compliance with the process parameters.

Well equipped with most modern and sophisticated equipment like High Performance Liquid Chromatography (HPLC), Gas Chromatography (GC), Infrared (IR) Spectrophotometer, Ultraviolet (UV) Spectrophotometer, Homogenizer, In-vitro Bioavailability tester, Lung simulator, Disintegrator, Dissolution tester, & many other latest computer-aided quality control instruments & accessories, BPL ensures the highest quality products. This is how BPL has succeeded in gaining uncompromising trust and confidence of doctors and patients all over the country.

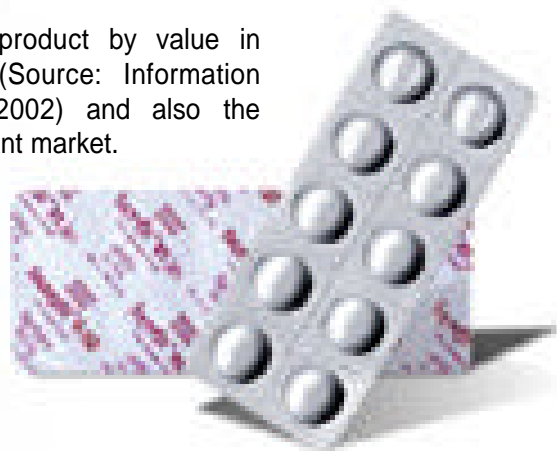
BPL's priority is to build a healthier tomorrow for the nation.

# Top Ranking Products

**Yielding the glory as well as the value**

## Neoceptin R

Neoceptin R is the highest selling product by value in Bangladesh Pharmaceutical market (Source: Information Medical Statistics, Fourth Quarter, 2002) and also the undisputed brand leader in the antiulcerant market.



## Napa

Napa is the highest selling product by unit sales in Bangladesh Pharmaceutical market (Source: Information Medical Statistics, Fourth Quarter, 2002). Napa is now a popular household brand among all classes of people because of its unique efficacy and safety profile in pain and fever.

Apart from Neoceptin R and Napa, BPL has maintained its leadership position in many therapeutic categories like Aristovit M in Multivitamin-Minerals, Amdocal in Cardiovascular, Omastin in Antifungal, and Tofen in Asthma Prophylactic market etc.





# R & D



## Carrying innovation forward

Beximco Pharmaceuticals Ltd. employs a significant part of its resources in its R&D with a view to retaining its leadership position in the Bangladesh Pharmaceutical market through introduction of innovative products. The R&D team comprises of academically sound & professionally competent diversified professionals who have firm commitment to new product development. R&D team of Beximco Pharmaceuticals Ltd. is consistently striving towards

- developing new formulations
- simplifying manufacturing processes
- bringing cost efficiency

The untiring effort of the R&D team has enabled the company to introduce twelve new products with 23 presentation forms and strengths in 2002 while a good number of products are in the pipeline.

In the wake of the highly competitive scenario, our R&D is focusing on innovations of some high-value, high-margin new products. We believe our continuous efforts in R&D will give us a competitive edge in the years to come.





# New Products

## Securing our future

To keep pace with the ever-changing global market scenario and to cater to the unmet healthcare needs of the nation, BPL always concentrates its efforts in introducing new products. In 2002, BPL introduced twelve new products with 23 presentation forms and strengths, which has already gained significant brand equity in the market. Some of the newly introduced products are:

### Sibulin

To meet the increasing social consciousness about the health hazards of obesity, the anti-obesity drug Sibulin was introduced by BPL in 2002. Extensive consumer promotion, in addition to promotion to the healthcare providers, built a solid base to meet the changing social needs.

### Pacet

Pacet is a first-time-in-Bangladesh product designed to capitalize a niche market—the anti-arrhythmic market.

### Intracef Injection

To capitalize market potential of one of the fastest growing antibiotic generics, Intracef injection completes the brand extension of Intracef in all dosage forms. Intracef is now available as capsule, suspension, pediatric drops and injection.

### Premil

Designed to serve the growing number of diabetic patient of Bangladesh, Premil is a new approach to control diabetes- the tablet has to be taken before meal or pre-meal.

### Cosmotrin

Cosmotrin is an anti-acne cream, designed to address the true cause of acne. It cures acne in a scientific way, and works where the anti-acne cosmetics fail.



# Training & Development

## Investment for future

The ever-changing market place has fuelled BPL's determination to keep up with the changing times by constantly strengthening the information base, exploring new lines of business and expanding domestic as well as its overseas marketing network. This prompted the company to undertake infrastructural development to build competitive advantage in order to retain its position as a leading pharmaceutical company. BPL is committed to developing individual human, technical and conceptual skills through various educational and a wide range of internal and external human resource development and job related training programs each and every year.

At BPL, a well planned and structurally designed in-house training activity involving sales, marketing, manufacturing, QC, QA etc. is conducted throughout the calendar year. These training programs are conducted by in-house resource persons on a regular basis and as per schedule. BPL employees also received training from faculties of Kellogg Business School, USA and London School of Business, UK on the following topics:

- Strategies for excellence in manufacturing management,
- Supply chain management,
- Negotiation and decision making,
- Finance for senior managers,
- Competing in a global economy,
- Leadership skills for top management,
- Strategic brand management,
- Marketing strategies in a competitive environment.

Apart from these, BPL employees also participated in a month-long training program on TQM in Japan.





# International Marketing

**Strive at becoming global**

In BPL we are proactive in our approach to aggressively search for new avenues in the international market place:

- Beximco Pharma is the pioneer in entering the CIS countries.
- BPL is the first pharmaceutical company in Bangladesh to receive NATIONAL EXPORT TROPHY GOLD in 1998.
- In Pakistan, BPL took proactive measures in launching its products with Multimedia CD-ROM replacing the age-old printed promotional materials.
- In Myanmar, BPL further consolidated its position by donating Medical Information Kiosks to the Myanmar Medical Association.
- Beximco Pharma is the only Bangladeshi pharmaceutical company operating in Singapore market- one of the most stringent and regulated markets in Asia.
- Beximco Pharma was the first company from Bangladesh to enter the African Market.



We are delighted and proud of our pioneering achievements. More than that, we have probably fulfilled a national aspiration of turning an import dependent country into an exporter of quality medicines. Despite the fact that there is no incentive for pharmaceutical export in Bangladesh, till today, we have not deviated from our proactive and pioneering role in international marketing.

Our endeavor that began amidst many obstacles has expanded to more than sixteen countries. In 2002, BPL's major emphasis in international marketing was to consolidate and grow in all its existing overseas markets by ensuring sustainable competitive advantage over our competitors and competitive brands. In 2002, we were awarded a tender order for our Neoceptin R for the whole year's consumption of Raffles Hospital- the most expensive and prestigious hospital in Singapore. In order to expand our product portfolio in Myanmar, we have launched liquid/ bottle items by organizing a huge scientific seminar. In Kenya, we have started supplying to MEDS – the largest institution and Kenyatta Hospital –the largest hospital in Kenya.

While consolidating in all our existing overseas markets, we are determined to continue deploying our efforts and resources to develop new overseas markets in Asia, Africa, and Europe. As a part of our ongoing new market exploration activities, in 2002 we participated in all major exhibitions held in Russia, Ukraine, Afghanistan and Nepal. For evaluating business opportunities in new overseas markets, we conducted market research in various markets in Asia and Europe.



# Specialized Products

**Our endless endeavor**

Manufacturing specialized products so that our people can live happier and better is BPL's heritage of progress. At BPL, we see the specialized products through the eyes of the people.

Once people of our country were fully dependent on multinational companies for high-tech dosage forms such as metered dose inhalers, nasal sprays, suppositories etc. despite their high price. These dosage forms were considered very sophisticated requiring extraordinary technical know-how as well as highly expensive machinery possessed by multinational giants only in the developed countries. Our continued endeavor to be the pioneer in introducing hi-tech products for better patient care, made it possible to manufacture inhalation aerosols, suppositories, nasal sprays for the first time in Bangladesh.

The world-class facilities at the new inhaler plant of BPL are now producing Azmasol inhaler, Decomit-100 and Decomit-250 inhaler, and Bexitrol inhaler, ensuring the highest possible quality at every stage of manufacturing and quality control.

We believe, it is the need of the people which is our prime concern and that leads us to undertake pioneering works and reach greater heights.





# Environment

## Caring concern of BPL

**BPL is highly concerned about environmental safety. We are continuously striving to minimize the environmental impact through our operational excellence.**

**BPL is committed to an eco-friendly environment and its facilities are carefully designed and operated to prevent all forms of pollution. One of the primary concerns of the company is to contribute in keeping the earth clean. BPL is aware of its responsibility of caring for the environment and the importance of reducing the environmental effects of manufacturing activities to a practical minimum.**



# Creating a Virtual Future

## Facing challenges of globalization

We are living in a time that promises a future that is anything but certain. Market globalization after 2005 can lead to unprecedented threats or opportunities. The future technological breakthrough may reshape the way we work, think or communicate.

At Beximco Pharma, we do not wait to react to changes, we create a "virtual future" so that when the future arrives, we will be ready to face it. Beximco Pharma is one of the first companies to have an extensively computerized and automated work environment. The state-of-the-art Management Information System (MIS) forms a common information platform for the organization so that everything—from the production floor to the sales people working in a rural area, from the quality assurance department to the distribution operation of thirteen depots located throughout the country—is interconnected. In BPL, information technology is used as a decision support system and coordination tool to facilitate human and machine performance and fast communication.

Our commitment to create a virtual future is reflected in our activities. We are the leading pharmaceutical company in promoting products and providing medical information on CD-ROM, and through Kiosk and Internet Websites. With a vision into the new millennium, BPL has taken proactive actions to face the challenges posed by a fast changing world economy and the advent of the information age by assimilating it into the work culture.



# Annual

## Sales Conference 2002

The Annual Sales Conference 2002 was held at the Hotel Sonargaon on January 9, 2003. 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. During the day session of the conference achievements of 2002 and strategies for 2003 were discussed. In the evening session Mr. Nadim Shafiqullah distributed prizes and crests among the top achievers. The prize distribution ceremony was followed by a dinner and cultural show.



# Starting 2003

## Holding greater promises

Year 2003 holds new promises for BPL. In the first 4 months of 2003, we introduced 9 new products. Those include Napa drops- launched first ever in Bangladesh for pain and fever of neonates; Neo Kit – a 7 day anti-ulcer therapy for millions of ulcer patients; Diaglit 15 and Diaglit 30- helping diabetes patients live better; Eplon 5 and Eplon 10- offering world's best selling hypnotic; and Alendon 70- once weekly therapy of osteoporosis, a silent disease; Terbex- a superior antifungal; and Protolan- a different treatment for acid pepsin disorder.

At present our research and development team are working with several drugs for either preparing better formulations so that people can be benefited, or introducing new innovative dosage forms for chronic diseases which would offer better hope to millions of people suffering from various ailments.





# Twenty-Sixth

## Annual General Meeting

The 26th Annual General Meeting of the shareholders of BPL was held on 29th June 2002. Around 9,000 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 performance of the company in 2001. Strategies and future vision of the company were also briefed at the AGM.

The meeting approved 15% dividend for its shareholders for the year 2001.

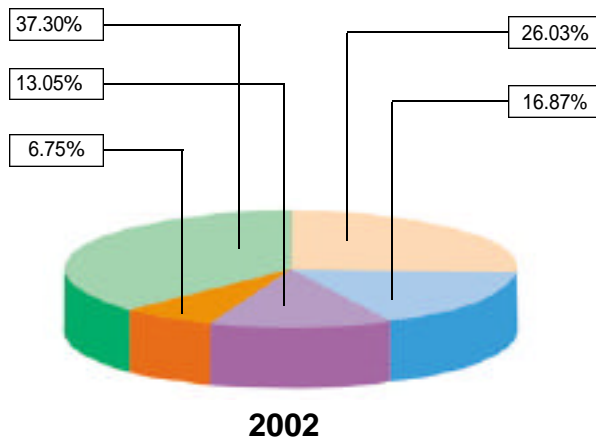




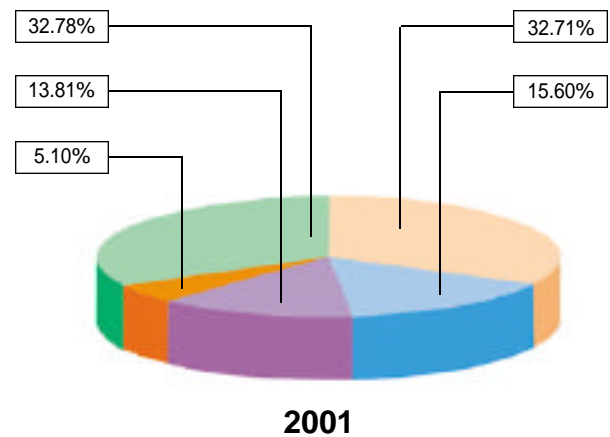
# Value Added Statement

Figures in Taka

|   | 2002                 | %             | 2001                 | %             |
|---|----------------------|---------------|----------------------|---------------|
| Turnover & Other Income                     | 2,928,398,454        |               | 2,743,551,749        |               |
| Less : Materials Cost & Expenses            | 1,617,629,993        |               | 1,443,320,343        |               |
| <b>Value Added</b>                          | <b>1,310,768,461</b> |               | <b>1,300,231,406</b> |               |
| <b>Applications</b>                         |                      |               |                      |               |
| Retained by the Company                     | 341,192,723          | 26.03         | 425,289,003          | 32.71         |
| Salaries and Benefits paid to Employees     | 221,178,053          | 16.87         | 202,817,441          | 15.60         |
| Interest paid to Lenders                    | 170,994,495          | 13.05         | 179,520,085          | 13.81         |
| Dividend to Shareholders                    | 88,500,000           | 6.75          | 66,375,000           | 5.10          |
| Duties & Taxes paid to Government Exchequer | 488,903,190          | 37.30         | 426,229,877          | 32.78         |
| <b>Total</b>                                | <b>1,310,768,461</b> | <b>100.00</b> | <b>1,300,231,406</b> | <b>100.00</b> |



- Retained by the Company
- Salaries and Benefits paid to Employees
- Interest paid to Lenders
- Dividend to Shareholders
- Duties & Taxes paid to Government Exchequer

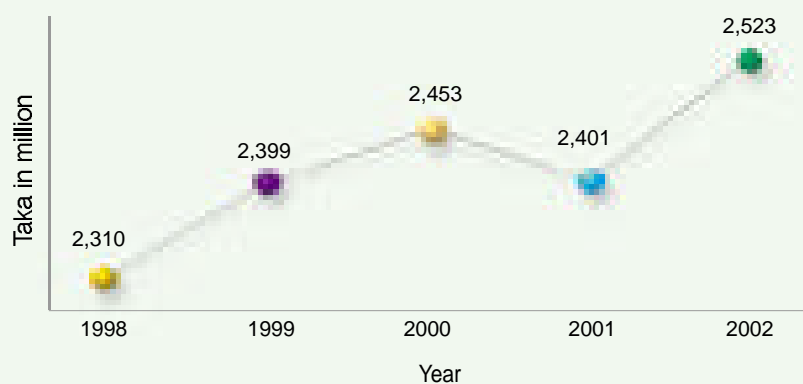


# 2002 at a Glance

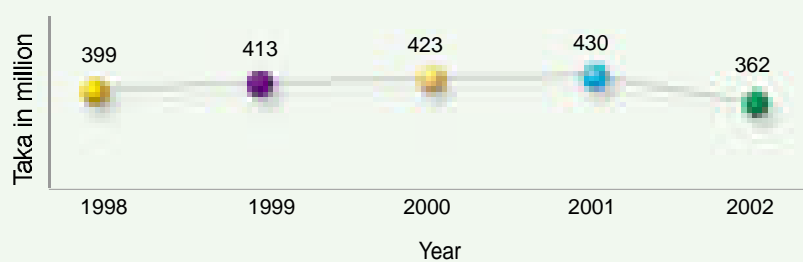
Figures in thousand Taka

|                                   | 2002      | 2001      | Growth   |         |
|-----------------------------------|-----------|-----------|----------|---------|
|                                   |           |           | Amount   | %       |
| <b>Income &amp; Profitability</b> |           |           |          |         |
| Turnover (Net)                    | 2,522,943 | 2,401,241 | 121,702  | 5.07    |
| Net Profit                        | 341,680   | 401,780   | (60,100) | (14.96) |
| Earnings per share                | 7.72      | 9.08      | (1.36)   | (14.98) |

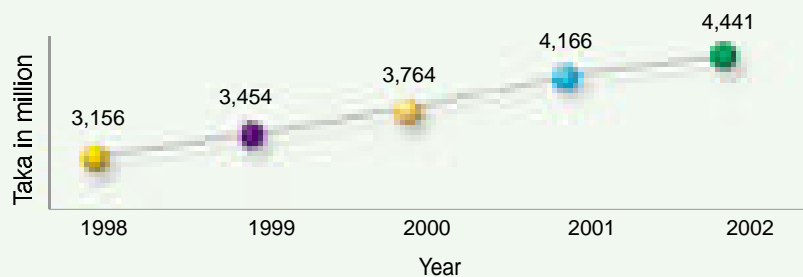
## Net Turnover



## Profit Before Tax



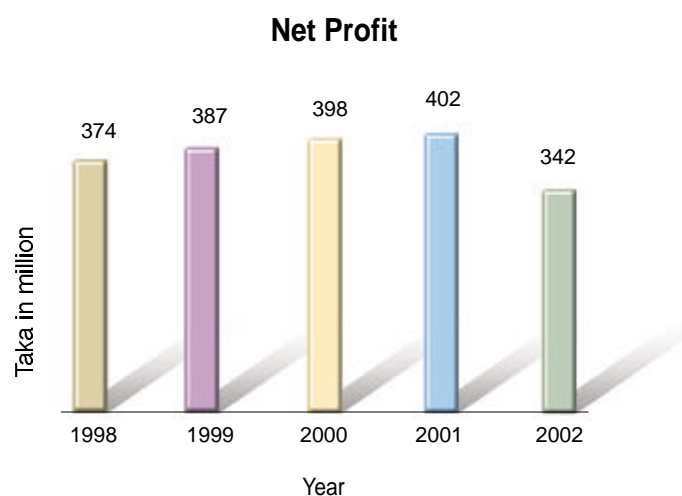
## Shareholders' Equity



# 5 Years' Statistics

Figures in thousand Taka

| Particulars                    | 2002          | 2001          | 2000          | 1999          | 1998          |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| 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       |
| Total Turnover                 | 2,522,943     | 2,401,241     | 2,452,524     | 2,398,985     | 2,310,362     |
| Export Turnover                | 50,284        | 47,325        | 44,268        | 35,846        | 38,721        |
| Gross Margin                   | 902,449       | 942,133       | 895,783       | 816,089       | 729,932       |
| Profit Before Tax              | 362,232       | 430,420       | 422,644       | 413,312       | 398,788       |
| Net Profit                     | 341,680       | 401,780       | 398,295       | 386,576       | 374,211       |
| Tangible Fixed Assets at cost  | 5,422,598     | 5,141,780     | 4,062,660     | 3,759,880     | 3,349,420     |
| Shareholders' Equity           | 4,441,096     | 4,165,791     | 3,764,011     | 3,454,217     | 3,156,141     |
| Dividend                       | 20%           | 15%           | 20%           | 20%           | 15%           |
| Return on Paid up Capital      | 82%           | 97%           | 96%           | 93%           | 90%           |
| Shareholders' Equity Per Share | 100           | 94            | 85            | 78            | 71            |
| Earnings Per Share             | 7.72          | 9.08          | 9.00          | 8.74          | 8.46          |
| Market Price Per Share         | 41.83         | 49.50         | 66.90         | 32.31         | 51.83         |
| Price Earnings Ratio (Time)    | 5.42          | 5.45          | 7.43          | 3.70          | 6.13          |
| <b>Number of shareholders</b>  | <b>49,960</b> | <b>50,367</b> | <b>50,618</b> | <b>50,733</b> | <b>49,453</b> |
| General Public & Sponsors      | 37,317        | 37,568        | 38,447        | 38,426        | 37,989        |
| Foreign Investors              | 43            | 43            | 43            | 43            | 44            |
| ICB & Investors'Account        | 12,600        | 12,756        | 12,128        | 12,264        | 11,420        |
| <b>Human Resources</b>         |               |               |               |               |               |
| Number of Employees            | 1,218         | 1,151         | 1,047         | 1,010         | 1,004         |
| Officers                       | 747           | 695           | 581           | 544           | 530           |
| Staff                          | 471           | 456           | 466           | 466           | 474           |



# Beximco Pharmaceuticals Limited

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

## Notice of The Twenty - Seventh Annual General Meeting

Notice is hereby given that the TWENTY-SEVENTH ANNUAL GENERAL MEETING of the Shareholders of Beximco Pharmaceuticals Limited will be held on Tuesday, the 24th June, 2003 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-Sixth Annual General Meeting of the Company held on 29th June, 2002.
2. To receive, consider and adopt the Audited Accounts as of 31st December, 2002 together with reports of the Auditors and the Directors thereon.
3. To elect Directors.
4. To declare 5% cash dividend and 15% stock dividend (Bonus Share).
5. To appoint Auditors for the year 2003 and to fix their remuneration.
6. To transact any other business of the Company with the permission of the Chair.

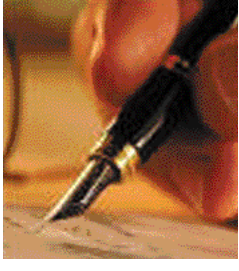
By order of the Board

Sd/-  
( **MD. ASAD ULLAH, FICS** )  
Company Secretary

Dated : April 29, 2003

#### NOTES :

- (1) The Register of Members and Share Transfer Book of the Company will remain closed from 2nd June, 2003 to 24th June, 2003 (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 1st June, 2003 will be entitled to the cash dividend and stock 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 ২৭তম বার্ষিক সাধারণ সভায় আপনাদের সকলকে সাদর আমন্ত্রণ জানাচ্ছি। পরিচালকমণ্ডলীর চেয়ারম্যান হিসাবে কোম্পানীর ২০০২ সালের সামগ্রিক কার্যক্রম এবং ভবিষ্যত পরিকল্পনার একটি সংক্ষিপ্ত চিত্র আপনাদের সামনে উপস্থাপন করতে পেরে আমি আনন্দিত বোধ করছি।

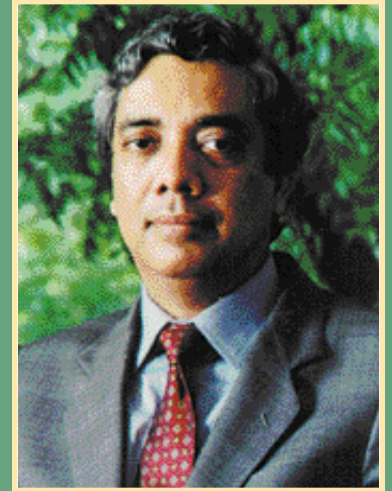
## ব্যবসায়িক কার্যক্রম

২০০২ সালেও আপনাদের কোম্পানীর বিক্রয় প্রবৃদ্ধি অব্যাহত রয়েছে। আলোচ্য বৎসরে কোম্পানীর মোট বিক্রয়ের পরিমাণ ২,৫২২.৯৪ মিলিয়ন টাকা যা ২০০১ সালের মোট বিক্রয় ২,৪০১.২৪ মিলিয়ন টাকা অপেক্ষা ৫.০৭% বেশী। আমাদের মূল ব্যবসা ফরমুলেশন পণ্যের বিক্রয় প্রবৃদ্ধি হয়েছে ১২.৩৩%, যা প্রশংসার দাবীদার। আন্তর্জাতিক অর্থনীতিতে অস্থিতিশীলতা সত্ত্বেও আমরা রপ্তানী বাজার ধরে রাখতে সমর্থ হয়েছি। ২০০১ সালের ৪৭.৩২ মিলিয়ন টাকা রপ্তানীর বিপরীতে ২০০২ সালে রপ্তানী আয় হয়েছে ৫০.২৮ মিলিয়ন টাকা। তবে আমাদের করপূর্ব মুনাফা তুলনামূলকভাবে হ্রাস পেয়েছে। ২০০২ সালে করপূর্ব মুনাফার পরিমাণ ৩৬২.২৩ মিলিয়ন টাকা যা পূর্ববর্তী বৎসরে ছিল ৪৩০.৪২ মিলিয়ন টাকা। আপনারা অবগত আছেন যে, আমাদের ব্যবহৃত কাঁচামালের শতকরা ৭১ ভাগই আমদানীকৃত কাঁচামাল। ডলারের বিপরীতে ২০০২ সালে টাকার অবমূল্যায়ন এবং ২০০১ সালের একাধিক অবমূল্যায়নের পুঞ্জীভূত প্রভাবে আমদানীকৃত কাঁচামালের মূল্য বৃদ্ধি পাওয়ায় আমাদের মোট মুনাফা হ্রাস পেয়েছে।

এছাড়া বেসিক কেমিক্যাল বাজারে অনেক নতুন প্রতিযোগীর আবির্ভাব ঘটেছে। গুটি কয়েক পণ্য নিয়ে আমাদের বেসিক কেমিক্যাল বাজার আর এ সমস্ত পণ্যের চাহিদা বৃদ্ধির অবকাশও কম। বিগত বার্ষিক প্রতিবেদনে আমি এ বিষয়ে আপনাদেরকে অবহিত করেছি। এহেন বাজার অবস্থায় কাঁচামালের উর্ধ্বগতি ও নতুন প্রতিযোগীর আবির্ভাব এ দুয়ে মিলে বেসিক কেমিক্যালস্ এর বিক্রয় এবং মুনাফা উভয়ই বেশ সংকুচিত হয়েছে।

## নতুন পণ্য

অতীতের মত ২০০২ সালেও আমরা আমাদের পণ্য তালিকায় উল্লেখযোগ্য সংখ্যক নতুন পণ্য সংযোজন করেছি। জনগণের উন্নততর স্বাস্থ্যসেবা প্রদানের লক্ষ্যে উন্নতমানের পণ্য উদ্ভাবনের ধারাবাহিক প্রচেষ্টায় আলোচ্য বৎসরে আমরা ২৩টি ডোজে ১২টি নতুন পণ্য বাজারজাত করেছি। ২০০২ সালে সংযোজিত পণ্যসমূহের ব্র্যান্ড নামগুলো হচ্ছে - সিবুলিন, এজমাসল রিফিল, পেসেট, থ্রিমিল, অডরেল, ডায়ালিট, এপিলেপ, লুসিডল, রিলেনটাস, টারবেস্ক্র ক্রীম, ফিলমেট ডিএস ট্যাবলেট এবং কসমোট্রিন ক্রীম। এ সকল নতুন পণ্য চিকিৎসক মহলে ব্যাপক গ্রহণযোগ্যতা এবং সুনাম অর্জন করেছে।



## সম্প্রসারণ প্রকল্প

বিগত কয়েক মাস ধরে আন্তর্জাতিক অর্থনীতিতে ব্যাপক পরিবর্তনের ফলে আমরা আমাদের সম্প্রসারণ প্রকল্প নিয়ে নতুন করে ভাবতে বাধ্য হয়েছি। পরিবর্তিত প্রেক্ষাপটের কারণে আন্তর্জাতিক অর্থনীতি সম্পূর্ণরূপে স্থিতিশীল না হওয়া পর্যন্ত নতুন যন্ত্রপাতি ক্রয় এবং প্রকল্প সমাপণ বিলম্বিতকরণ সমীচিন বলে মনে করছি। তবে প্রকল্পের পূরকর্ম এবং অন্যান্য আনুষঙ্গিক কার্যাবলী পরিকল্পনা অনুযায়ী বাস্তবায়িত হয়েছে।

## ভবিষ্যত পরিকল্পনা

আপনারা জানেন সারা বিশ্বের মত বাংলাদেশেও ঔষধ ব্যবসা অত্যন্ত প্রতিযোগিতামূলক। ২০০৫ সালে WTO চুক্তি বাস্তবায়িত হলে এই প্রতিযোগিতা আরও তীব্রতর হবে। বিশেষ করে উন্নয়নশীল এবং স্বল্পোন্নত দেশসমূহের ক্ষেত্রে একথা আরও বেশী প্রযোজ্য। আমি আনন্দের সাথে জানাচ্ছি যে, আপনাদের কোম্পানী ভবিষ্যত চ্যালেঞ্জ সম্পর্কে সর্বদা সচেতন এবং একই সাথে এ থেকে উত্তরনের সামর্থ্য সম্পর্কে আস্থাশীল। প্রতিযোগিতায় টিকে থাকার জন্য একদিকে আমরা আমাদের ভিত্তিকে যেমন সুদৃঢ় করছি, অন্যদিকে নতুন আন্তর্জাতিক মুক্ত অর্থনীতির সুযোগ ও সম্ভাবনাকে কাজে লাগানোর জন্য আমাদের প্রচেষ্টা অব্যাহত রেখেছি।

আন্তর্জাতিক বাজারে আমাদের অবস্থান ধরে রাখা এবং এর উত্তরোত্তর বৃদ্ধির কৌশল অতীতের মত ভবিষ্যতেও বজায় থাকবে। আমাদের ভিত্তিকে আরও সুদৃঢ় করার জন্য নতুন পণ্য এবং বাজার উন্নয়নে আমাদের বিনিয়োগ অব্যাহত থাকবে। আমরা বেসিক কেমিক্যাল পণ্যতালিকা আরও সমৃদ্ধ করার পরিকল্পনা গ্রহণ করেছি। নতুন পণ্য উদ্ভাবনের জন্য গবেষণা এবং উন্নয়ন কার্যক্রম আরও জোরদার করছি। দেশে আমাদের বাজার বৃদ্ধির পাশাপাশি রপ্তানী প্রবৃদ্ধির জন্য অব্যাহত প্রচেষ্টা চালিয়ে যাব। এই লক্ষ্যে আমাদের কৌশল হচ্ছে বর্তমান আন্তর্জাতিক বাজার ধরে রাখার পাশাপাশি নতুন বাজার অন্বেষণ করা।

## জাতীয় কোষাগারে অবদান

বেল্লিমকো ফার্মাসিউটিক্যালস্ ২০০২ সালে আমদানীসম্পূর্ণ কর, মূল্য সংযোজন কর এবং আয়কর বাবদ ৪৮৮.৯০ মিলিয়ন টাকা জাতীয় কোষাগারে প্রদান করেছে।

## পরিবেশ

পরিবেশকে দূষণমুক্ত রাখতে আমাদের দায়িত্ব সম্পর্কে আমরা সদা সচেতন। আন্তর্জাতিক মানসম্পন্ন কোম্পানী হিসাবে দূষণমুক্ত পরিবেশ বজায় রাখাকে বেল্লিমকো ফার্মাসিউটিক্যালস্ সর্বদাই অপরিসীম গুরুত্ব দিয়ে থাকে। আমরা পরিবেশবান্ধব প্রযুক্তি ব্যবহার করি এবং পরিবেশ সংক্রান্ত নিয়মনীতি কঠোরভাবে মেনে চলি। কারখানা হতে নির্গত বর্জ্যাদি পরিশোধন করার যথোপযুক্ত ব্যবস্থা আমরা গ্রহণ করেছি, ফলে পরিবেশের উপর উৎপাদন কার্যক্রমের প্রভাব গ্রহণযোগ্য মাত্রায় রাখতে সক্ষম হয়েছি। আমাদের সকল উৎপাদন কার্যস্থল পরিবেশ অধিদপ্তর কর্তৃক অনুমোদিত।

## সামাজিক প্রতিশ্রুতি

বেল্লিমকো ফার্মা তার সামাজিক দায়িত্ব সম্পর্কে অত্যন্ত সচেতন এবং বিশ্বস্ততার সাথে এ দায়িত্ব পালন করে যাচ্ছে। বিভিন্ন জনহিতকর ও সামাজিক উন্নয়নমূলক কর্মকাণ্ডে আমরা প্রত্যক্ষ বা পরোক্ষভাবে সারা বছর ধরেই জড়িত ছিলাম। এছাড়াও সাংস্কৃতিক সংগঠন, পেশাজীবী সংগঠন ও অন্যান্য সামাজিক সংস্থাকে সহায়তা প্রদান ২০০২ সালেও অব্যাহত ছিল।

## কৃতজ্ঞতা

আমাদের ক্রেতা, ব্যাংকার, সরবরাহকারী, সরকারী বিভাগ, নিয়ন্ত্রণকারী সংস্থাসমূহ এবং আমাদের ব্যবসায়িক কার্যক্রমের সাথে সম্পৃক্ত সকলকে আমার আন্তরিক ধন্যবাদ জানাচ্ছি। পেশাগতভাবে নিবেদিত, সৎ ও আন্তরিক কর্মীবাহিনী আমাদের মূল চালিকা শক্তি। আমি কৃতজ্ঞতার সাথে তাদের অবদান স্বরণ করছি। আমাদের সম্মানিত শেয়ারহোল্ডারগণের মূল্যবান সহযোগিতা এবং সমর্থনে কোম্পানী আজকের অবস্থানে পৌঁছাতে সক্ষম হয়েছে। এ জন্যে আমরা তাদের সকলের নিকট গভীরভাবে কৃতজ্ঞ। এ পর্যন্ত আমাদের যে সাফল্য তা সকলের সম্মিলিত প্রচেষ্টার ফসল।

পরিশেষে, আমি পুনরায় আপনাদের সকলকে আন্তরিক ধন্যবাদ জানাচ্ছি এবং ভবিষ্যতেও আপনাদের সক্রিয় সমর্থন এবং সহযোগিতা কামনা করছি।

*X. R. P. Rahman*

এ এস এফ রহমান

চেয়ারম্যান

ঢাকা।

এপ্রিল ২৯, ২০০৩

# Chairman's Statement

*Dear Shareholders,*

It is my pleasure to welcome you all to the 27th Annual General Meeting of your company. As chairman of the board of directors of the company, I am privileged to present before you, a brief resume of the affairs of the company for the year 2002 and its future plan.

## **Operations**

I am pleased to inform you that sales of your company continued to grow in 2002 as well. During the year, the company attained net sales of Tk. 2,522.94 million as against Tk. 2,401.24 million of prior year. This represents a modest 5.07% overall growth. The sales of our formulation products-our core business, however, grew by an impressive 12.33%. Despite turbulence in the global economy, we have been successful in maintaining our exports sales. Our exports reached Tk. 50.28 million in 2002 as against Tk. 47.32 million in 2001. The pre-tax profit however, declined on comparable basis. The net profit before tax in 2002 was at Tk. 362.23 million down from Tk. 430.42 million of 2001. As you know imports constitutes approximately 71% of our total raw material cost. The depreciation of Taka against the dollar in the year 2002 fuelled by the cumulative effect of consecutive devaluations in 2001, have raised the material cost and hence effected the profitability.

In addition, as we noted in our last AGM, emergence of new competitors in the basic chemical market having only a few matured products in the portfolio, coupled with rising material cost have squeezed both sales and profitability of this business segment. This has pulled down the overall profitability. As a bailout to such a situation we are planning to introduce some high value high margin products in the basic chemical portfolio.

## **New products**

As in the past, during 2002 also we added a good number of products to our existing portfolio. Consequent to our consistent drive to innovate quality products to better serve the health care needs of the people, we have introduced 12 new products with 23 presentation forms and strength, during the year. The brand name of the products introduced in 2002 are: Sibulin, Azmasol Refill, Pacet, Premil, Odrel, Diaglit, Epilep, Lucidol, Relentus, Terbex Cream, Filmet DS Tablet & Cosmotrin Cream. I am pleased to inform that, these new products have got wide acceptance and appreciation from the medical community.

## **Expansion Program**

Major changes in the global economic scenario over past few months have forced us to re-visit the total project. In view of the new global context, we have found it prudent to defer procurement of plant and machinery and completion of the project till such time as the depressed economic scenario in the developed countries undergo sustainable improvement. However, civil and other hard and soft tasks of the project progressed as per plan during the year.

## **Future Plan**

As you know, pharmaceuticals business in Bangladesh, as in the world, is highly competitive. In the post-WTO regime, it is going to be further intensely competitive. This is particularly true for the developing and least developed countries. I am pleased to announce that your company is quite mindful of the challenges ahead and confident of its capabilities to face them. While reinforcing our base to survive competition, we at the same time are putting our best effort to take advantage of the potential avenues that the new global economic order is going to bring about.

As in the past, retaining and expanding the domestic market share will continue to be the main focus of our



marketing strategy. Our investment for new product and increased market share will continue to consolidate the base. We plan to further strengthen the basic chemicals portfolio. Increased focus will also be on R & D activities to develop new products and dosage forms.

Alongside with growing in the domestic market, BPL will aggressively pursue to secure significant growth in export sales. In this direction, our strategy is to expand the already explored international markets and further intensify our search for potential new geographic locations.

### **Contribution to National Exchequer**

During 2002 Beximco Pharmaceuticals Limited has contributed Tk. 488.90 million to the national exchequer in the form of import related taxes, VAT and income tax.

### **Environment**

We are aware of our responsibilities to keep our earth clean. As a company of international repute and excellence, Beximco Pharmaceuticals Limited places high importance on maintaining a sustainable eco-friendly environment. We use technologies that are friendly to the environment and comply with the environmental codes. We have created adequate facilities and employed appropriate process that can naturally recycle the effluent coming out of the manufacturing plant and keep the environmental effects of the manufacturing activities to acceptable minimum levels. All our manufacturing facilities have certification from the Department of Environment.

### **Social Commitments**

In BPL, we believe in our responsibilities towards the society we operate in. All our activities are therefore directed to the well being of the society in general. Recognizing our responsibilities, Beximco Pharmaceuticals Limited actively takes part in different philanthropic and social activities that have a direct implication on the well being of the people. As part of its social commitments, the company sponsored news supplements on important occasions. We also provided active co-operation and support to different socio-cultural organizations and professional institutions in their healthcare awareness development programs.

### **Acknowledgement**

I take this opportunity to express my sincere thanks to our customers, bankers, suppliers, government agencies, regulatory bodies and everyone the company interacted with in conducting its business. Our main strength is our professionally dedicated and sincere human resources. I thankfully acknowledge their contribution to the company. We are grateful to our shareholders for extending, at all times, their invaluable support and cooperation to bring the company to the level it has reached today. The success we have achieved so far was only possible because of the collective efforts of all concerned.

Once again, I convey my heartiest thanks to all our stakeholders and look forward to their continued support and cooperation in the future as well.



**A S F Rahman**

Chairman

Dhaka

April 29, 2003

# Statement on Corporate Governance

The board of directors of Beximco Pharmaceuticals Limited is committed to promote the highest standards of corporate governance within the Company. Driven by such commitment, management of BPL places utmost importance on proper accountability and transparency in every sphere of its activities. While a statement on corporate governance and its compliance is not a mandatory requirement as per the existing law of this country, in recognition of the importance, BPL makes a voluntary disclosure on this issue. The paragraphs below reports on how the principles of good governance are applied in BPL.

## **Board of Directors**

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. It is the highest level of authority in the organization. The board is responsible to the shareholders for attainment of strategic objectives of the company and stewardship of the company's resources.

The board meets at periodic interval to deal with the issues that require board's approval and/or directives. The key activities of the business are reviewed and strategic policy directives are given to the management. Full and timely information are provided to enable the directors to give decisions on issues placed before them.

## **Management Committee**

A four member management committee headed by the chief executive officer is responsible for implementation of the strategic and operating plans of the business as well as the strategic policy directives of the board. The day to day business operations are carried out by a very highly experienced team of professional managers drawn from diversified fields.

## **Internal Control**

The board of directors has the overall responsibility for the system of internal control of the company. BPL's internal control including internal financial control is designed to effectively achieve its business objective through best utilization of its resources. There is provision for periodic assessment of the effectiveness of the control framework already in operation.

Properly designed management structure, clearly defined responsibility, delegation of authority, establishment of accountability at each segment of the business function and system of periodic reporting and monitoring of performance are the key elements of the internal control framework employed in BPL.

The company has a specially assigned team to carry out internal financial audits at periodic intervals. The audit team submits their reports to the CEO along with their findings and suggestion for corrective action, if any, needed.

Periodic reporting by each segment of the business is a continuous process at BPL. Each of the operational units has its own business plan and budget. Actual performances are periodically monitored.

## Shareholder Relations

The Company has about fifty thousand shareholders. The directors place a high importance on maintaining good relationships with its shareholders and ensure to keep informed of significant company developments. The company reports formally to shareholders twice a year through summarized half yearly report and detailed annual report. Annual general meeting is an important opportunity to meet and communicate with shareholders. Every Shareholder or his duly authorized representative has the right to attend such meeting. It provides the forum for discussion of the business, its future prospects and other matters of interest and concern to the shareholders. In addition, the Company has a full fledged corporate affairs secretarial department who addresses different issues like dividend payment enquiries, share transfer, loss of share certificate/dividend warrants etc.

## Statement on Directors' Responsibilities for preparation and presentation of the financial statements

The following statement is made to distinguish the responsibilities of the directors and the auditors in relation to the preparation of financial statements.

The Companies Act 1994 requires the directors to prepare financial statements for each financial year. In preparing those financial statements directors are required:

- To select suitable accounting policies and apply those policies consistently;
- To make reasonable and prudent judgments and estimates where necessary;
- To state whether all applicable accounting standards have been followed, subject to any material departure disclosed and explained in the notes to the financial statements;
- To take such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- To ensure that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the requirements of the Companies Act 1994 and the Securities and Exchange Rules 1987; and
- To prepare the financial statement on going concern basis unless it is inappropriate to presume that the Company will continue in business;

## Going Concern

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



# Directors' Report

## For the year ended 31 December 2002

The Directors are pleased to present their report to the shareholders together with the audited accounts for the year ended 31 December, 2002.

### Financial Results and Profit Appropriations

|   | <i>Figure in '000 Taka</i> |                  |
|---|----------------------------|------------------|
|   | 2002                       | 2001             |
| <b>Net Profit Before Providing Income Tax</b>   | <b>362,232</b>             | <b>430,421</b>   |
| Less : Provision for Income Tax                 | (20,552)                   | (28,641)         |
| <b>Net Profit After Tax</b>                     | <b>341,680</b>             | <b>401,780</b>   |
| Add : Profit brought forward from previous year | 1,294,000                  | 1,067,085        |
| <b>Profit Available for Appropriation</b>       | <b>1,635,680</b>           | <b>1,468,865</b> |
| <b>Recommended for Appropriation:</b>           |                            |                  |
| Transfer to Tax-holiday Reserve                 | (125,524)                  | (108,490)        |
| Proposed Dividend                               | (88,500)                   | (66,375)         |
| Transfer to share premium Account               | (599,765)                  | -                |
|   | (813,789)                  | (174,865)        |
| <b>Un-appropriated Profit Carried Forward</b>   | <b>821,891</b>             | <b>1,294,000</b> |

### Dividend

The Board of Directors have recommended 5% cash dividend and 15% stock dividend for your approval for the year ended 31st December, 2002. Against the stock dividend, necessary amount has been transferred to Share Premium Account as per the statutory notification dated September 11, 2001 issued by the Securities and Exchange Commission. While paying the dividend, deduction of income tax shall be made as per Income Tax Law.

### Directors

Mr. A S F Rahman, Director of the company retires by rotation as per Articles 126 and 127 of the Articles of Association of the Company and being eligible, offer himself for re-election.

Mr. M. A. Qasem (Nominee of Bangladesh Export Import Company Limited) and Dr. Abdul Alim Khan (Nominee of Beximco Holdings Limited) 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.

### 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, Sonargoan Road, Dhaka-1205 who were appointed as Auditors of the Company in the Twenty-sixth Annual General Meeting of the Company has carried out the audit for the year ended 31 December 2002.

M/S M.J.Abedin & Co., Chartered Accountants, National Plaza (6th Floor), 1/G Free School Street, Sonargoan Road, Dhaka-1205, the Auditors of the Company retire at this meeting and have expressed their willingness to continue in office for the year 2003.

On behalf of Board



**A S F Rahman**  
Chairman

Dhaka.  
29 April, 2003

# Auditors' Report

## To The Shareholders of Beximco Pharmaceuticals Limited

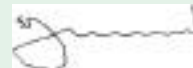
We have audited the financial statements of Beximco Pharmaceuticals Limited comprising of Balance Sheet as at 31 December 2002 and the Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement for the year then ended and the related notes. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with Auditing Standards adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates and judgments made by the directors, as well as evaluating the overall financial statements presentation. We planned and performed the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present a true and fair view, in all material respects, of the financial position of the Company at 31 December 2002 and the results of its operation and its cash flows for the year then ended in conformity with the Companies Act 1994, the Securities and Exchange Rules 1987 and the Accounting Standards adopted by the ICAB.

We also report that :

- (a) 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;
- (b) 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;
- (c) the Company's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts; and
- (d) the expenditures incurred were for the purpose of the Company's business.



**M. J. Abedin & Co.**  
Chartered Accountants

National Plaza (6th Floor)  
1/G, Sonargaon Road  
Dhaka - 1205

29 April, 2003.

## Beximco Pharmaceuticals Limited

# Balance Sheet

As at 31 December 2002

| ASSETS   | Notes      | 2002                 | 2001                 |
|--|------------|----------------------|----------------------|
| <b>Non-Current Assets</b>                        |            | <b>4,780,464,825</b> | <b>4,576,093,546</b> |
| Property, Plant and Equipment - Carrying Value   | 14         | 4,649,544,673        | 4,454,495,125        |
| Pre-Production Expenses                          | 15         | 90,376,402           | 81,054,671           |
| Investment in Shares of Padma Textile Mills Ltd. | 16         | 40,543,750           | 40,543,750           |
| <b>Current Assets</b>                            |            | <b>1,982,226,375</b> | <b>1,784,174,322</b> |
| Inventories                                      | 17         | 1,113,539,289        | 1,144,320,036        |
| Accounts Receivable                              | 18         | 447,307,967          | 333,884,395          |
| Loans, Advances and Deposits                     | 19         | 258,562,676          | 167,044,720          |
| Current Account with Related Parties             | 20         | 157,898,170          | 95,903,770           |
| Cash and Cash Equivalents                        | 21         | 4,918,273            | 43,021,401           |
| <b>TOTALASSETS</b>                               | <b>Tk.</b> | <b>6,762,691,200</b> | <b>6,360,267,868</b> |
| <b>EQUITYAND LIABILITIES</b>                     |            |                      |                      |
| <b>Shareholders' Equity</b>                      |            | <b>4,441,096,192</b> | <b>4,165,791,144</b> |
| Issued Share Capital                             | 22         | 442,500,000          | 442,500,000          |
| Share Premium                                    | 23         | 1,489,750,000        | 1,489,750,000        |
| Tax-Holiday Reserve                              | 24         | 998,690,522          | 873,166,091          |
| Retained Earnings                                |            | 1,510,155,670        | 1,360,375,053        |
| <b>Non-Current Liabilities</b>                   |            | <b>812,591,999</b>   | <b>704,155,151</b>   |
| Long Term Borrowing (Secured)                    | 25         | 757,115,841          | 656,646,364          |
| Deferred Liability - Provision for Gratuity      | 26         | 55,476,158           | 47,508,787           |
| <b>Current Liabilities and Provisions</b>        |            | <b>1,509,003,009</b> | <b>1,490,321,573</b> |
| Customs Debentures                               | 27         | 1,758,387            | 1,758,387            |
| Short Term Borrowing from Banks                  | 28         | 1,171,975,598        | 1,081,904,675        |
| Creditors and Other Payables                     | 29         | 155,928,586          | 250,693,220          |
| Accrued Expenses                                 | 30         | 129,682,896          | 115,690,840          |
| Dividend Payable                                 |            | 1,750,944            | 2,880,935            |
| Provision for Income Tax                         | 31         | 47,906,598           | 37,393,516           |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS'EQUITY</b> | <b>Tk.</b> | <b>6,762,691,200</b> | <b>6,360,267,868</b> |

Contingent Liabilities and Commitments 53, 54 & 55

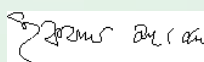
Accounting Policies 5

The notes are an integral part of the Financial Statements.

Approved and authorised for issue by the board of directors on 29 April 2003 and signed for and on behalf of the Board :



**C. H. Rahman**  
Director



**Iqbal Ahmed**  
Director



**Md. Asad Ullah**  
Company Secretary

Per our report of even date.



**M. J. Abedin & Co.**  
Chartered Accountants

Dhaka  
29 April 2003



## Beximco Pharmaceuticals Limited

# Profit and Loss Account

For the year ended 31 December 2002

|   | Notes | 2002                     | 2001                 |
|---|-------|--------------------------|----------------------|
| <b>Revenue (Turnover) from Net Sales</b>                      | 32    | <b>2,522,942,523</b>     | <b>2,401,241,111</b> |
| Cost of Goods Sold  | 33    | (1,620,493,149)          | (1,459,108,308)      |
| <b>Gross Profit</b>   |       | <b>902,449,374</b>       | <b>942,132,803</b>   |
| <b>Operating Expenses :</b>                                   |       | <b>(357,339,989)</b>     | <b>(322,483,320)</b> |
| Administrative Expenses                                       | 38    | (79,926,759)             | (76,595,834)         |
| Selling and Distribution Expenses                             | 39    | (277,413,230)            | (245,887,486)        |
| <b>Profit from Operations</b>                                 |       | <b>545,109,385</b>       | <b>619,649,483</b>   |
| Other Income  | 40    | 7,266,435                | 11,812,076           |
| Finance Cost  | 41    | (170,994,495)            | (179,520,085)        |
| <b>Net Profit Before Contribution to WPPF</b>                 |       | <b>381,381,325</b>       | <b>451,941,474</b>   |
| Contribution to Workers' Profit Participation / Welfare Funds | 42    | (19,148,862)             | (21,521,023)         |
| <b>Net Profit Before Tax</b>                                  |       | <b>362,232,463</b>       | <b>430,420,451</b>   |
| Income Tax Expense  | 43    | (20,552,415)             | (28,640,643)         |
| <b>Net Profit After Tax</b>                                   |       | <b>Tk. 341,680,048</b>   | <b>401,779,808</b>   |
| Transfer to Tax-Holiday Reserve                               | 44    | (125,524,431)            | (108,489,817)        |
| <b>Surplus for the Year</b>                                   |       | <b>216,155,617</b>       | <b>293,289,991</b>   |
| Surplus brought forward                                       |       | 1,360,375,053            | 1,067,085,062        |
| Appropriation of Dividend declared for 2001                   |       | (66,375,000)             | -                    |
| <b>Available Surplus Carried Forward</b>                      |       | <b>Tk. 1,510,155,670</b> | <b>1,360,375,053</b> |
| Earnings Per Share (Par value Tk. 10/-)                       | 45    | <b>Tk. 7.72</b>          | <b>9.08</b>          |
| Number of Shares used to Compute EPS                          |       | 44,250,000               | 44,250,000           |

*Accounting Policies* 5

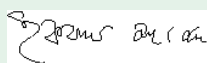
Figures in brackets indicate deductions.

*The notes are an integral part of the Financial Statements.*

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**C. H. Rahman**  
Director

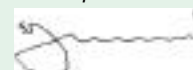


**Iqbal Ahmed**  
Director



**Md. Asad Ullah**  
Company Secretary

*Per our report of even date.*



**M. J. Abedin & Co.**  
Chartered Accountants

Dhaka  
29 April 2003



# Statement of Changes in Equity

For the year ended 31 December 2002

|   | 2002                     | 2001                 |
|---|--------------------------|----------------------|
| <b>Net Profit After Tax for the year</b>  | <b>341,680,048</b>       | <b>401,779,808</b>   |
| Net Gains not Recognised in the Profit and Loss Account                               | -                        | -                    |
| <b>Total Recognised Gains for the Year being Net Addition to Shareholders' Equity</b> | <b>341,680,048</b>       | <b>401,779,808</b>   |
| Shareholders' Equity at Beginning of the Year   | 4,165,791,144            | 3,764,011,336        |
| Appropriation of Dividend of Previous Year (2001)                                     | (66,375,000)             | -                    |
| <b>Shareholders' Equity at End of the Year</b>  | <b>Tk. 4,441,096,192</b> | <b>4,165,791,144</b> |
| Number of Ordinary Shares   | 44,250,000               | 44,250,000           |
| Face Value Per Share (Par Value)  | 10.00                    | 10.00                |
| <b>Shareholders' Equity Per Share</b>   | <b>Tk. 100.36</b>        | <b>94.14</b>         |

A reconciliation of opening and closing balances of each component of shareholders' equity is given in the Note 46 to the Financial Statements.

*Accounting Policies (Note 5).*

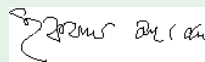
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Director

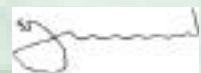


**Iqbal Ahmed**  
Director



**Md. Asad Ullah**  
Company Secretary

*Per our report of even date.*



**M. J. Abedin & Co.**  
Chartered Accountants

Dhaka  
29 April 2003

Beximco Pharmaceuticals Limited

# Cash Flow Statement

For the year ended 31 December 2002

|  | Notes | 2002                 | 2001                   |
|--|-------|----------------------|------------------------|
| <b>Cash Flows from Operating Activities :</b>                |       |                      |                        |
| Cash Receipts from Customers and Others                      |       | 2,416,212,879        | 2,387,968,293          |
| Cash Paid to Suppliers and Employees                         |       | (2,030,592,004)      | (1,681,791,740)        |
| <b>Cash Generated from Operations</b>                        |       | <b>385,620,875</b>   | <b>706,176,553</b>     |
| Interest Paid  |       | (161,521,864)        | (171,404,878)          |
| Income Tax Paid & Deducted at Source                         |       | (31,431,703)         | (24,591,042)           |
| <b>Net Cash Generated from Operating Activities</b>          | 47    | <b>192,667,308</b>   | <b>510,180,633</b>     |
| <b>Cash Flows from Investing Activities :</b>                |       |                      |                        |
| Acquisition of Property, Plant and Equipment                 |       | (283,739,051)        | (1,082,771,667)        |
| Disposal of Property, Plant and Equipment                    |       | 1,249,336            | 1,207,782              |
| Payments for Pre-Production Expenses                         |       | (9,321,731)          | (11,539,017)           |
| <b>Net Cash Used in Investing Activities</b>                 |       | <b>(291,811,446)</b> | <b>(1,093,102,902)</b> |
| <b>Cash Flows from Financing Activities :</b>                |       |                      |                        |
| (Increase)/ Decrease in Current Account with Related Parties |       | (61,994,400)         | 10,464,202             |
| Proceeds from Long Term Borrowings                           |       | 100,469,477          | 656,646,364            |
| Cash Credit & other Short Term Loan Received                 |       | 90,070,923           | 14,196,910             |
| Dividend Paid  |       | (67,504,990)         | (87,129,211)           |
| <b>Net Cash Generated in Financing Activities</b>            |       | <b>61,041,010</b>    | <b>594,178,265</b>     |
| (Decrease)/ Increase in Cash and Cash Equivalents            |       | (38,103,128)         | 11,255,996             |
| Cash and Cash Equivalents at Beginning of Year               |       | 43,021,401           | 31,765,405             |
| <b>Cash and Cash Equivalents at End of Year</b>              | Tk.   | <b>4,918,273</b>     | <b>43,021,401</b>      |

Accounting Policies

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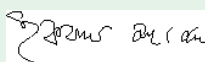
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The notes are an integral part of the Financial Statements.

Approved and authorised for issue by the board of directors on 29 April 2003 and signed for and on behalf of the Board:



**C. H. Rahman**  
Director



**Iqbal Ahmed**  
Director



**Md. Asad Ullah**  
Company Secretary

Per our report of even date.



**M. J. Abedin & Co.**  
Chartered Accountants

Dhaka  
29 April 2003

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35. Packing material consumed
36. Laboratory chemical consumed
37. Factory overhead
38. Administrative expenses
39. Selling and distribution expenses
40. Other income
41. Finance cost
42. Contribution to workers' profit participation / welfare funds
43. Income tax expenses
44. Tax-holiday reserve
45. Basic earnings per share (EPS)
46. Reconciliation of shareholders' equity
47. Cash flow from operation under indirect method
48. Related party transactions
49. Financial instruments and related disclosures
50. Particulars of disposal of property, plant and equipment
51. Payment/perquisites to directors and officers
52. Production capacity, actual production in 2002 and reason of excess/(shortfall)
53. Contingent liabilities
54. Capital expenditure commitment
55. Operating lease commitment
56. Claim not acknowledged as debt
57. Un-availed credit facilities
58. Payments made in foreign currency
59. Dividend paid to the non-resident shareholders in 2002
60. Dividend subject to income tax deduction at source
61. Foreign exchange earned
62. Commission, brokerage or discount against sales
63. Post closing events

# Notes to the Financial Statements

31 December 2002

## 1. Statutory Background of the Company and Overview of its Operational Activities

Beximco Pharmaceuticals Ltd. (the "Company"), a member of BEXIMCO Group, is a company incorporated in Bangladesh as a public limited company. It commenced commercial operation in 1980 and went for public issue of shares in 1985. The shares of the Company are listed with 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, 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 1,218 employees (1,151 in 2001) as of 31 December 2002.

## 2. Basis of Presenting Financial Statements

The following underlying assumptions, measurement base, laws, rules, regulations and accounting pronouncements have been considered in preparing and presenting the financial statements :

*Going concern*

*Accrual*

*Historical cost convention*

*Generally accepted accounting principles and practices in Bangladesh*

*The Companies Act, 1994*

*The Securities and Exchange Rules, 1987*

*The Listing Regulations of Dhaka and Chittagong Stock Exchanges and*

*The Accounting Standards issued by the Institute of Chartered Accountants of Bangladesh (ICAB).*

The Board of Directors are responsible for preparing and presenting the financial statements, who have approved and authorised issue of these financial statements on 29 April, 2003.

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 of contingent assets and liabilities at the date of and during the reporting period. Due to the inherent uncertainty involved in making estimates, actual result reported could differ from those estimates.

## 3. Adoption of International Accounting Standards (IASs)

In preparing and presenting these financial statements, considering relevant for the significant accounting issues of the company, following IASs have been adopted by the company, which were issued by the ICAB formulated in the light of the IASs originally issued by the International Accounting Standards Board and the conditions and practices prevailing in Bangladesh, and valid as on the balance sheet date :

IAS 1 Presentation of Financial Statements

IAS 2 Inventories

IAS 7 Cash Flow Statements

IAS 8 Net Profit or Loss for the period, Fundamental Errors and Changes in Accounting Policies

IAS 10 Events after the Balance Sheet Date

IAS 16 Property, Plant and Equipment

IAS 18 Revenue

IAS 21 The effects of Changes in Foreign Exchange Rates

IAS 23 Borrowing Costs

IAS 33 Earnings Per Share

#### 4. Impact of Recently Issued Accounting Standards

There was no such impact on these financial statements as no new accounting standard was issued by the ICAB during the year under review.

#### 5. Critical Corporate Accounting Policies in respect of Recognition and Valuation of Key Accounting Issues

Following are the accounting policies relating to recognition and valuation of items in financial statements which are material and critical in determining the company's results of operations for the year and financial position as on the balance sheet date and are consistent with those adopted in the financial statements for the previous year :

##### (a) Recognition of Income

Sales are accounted for on preparation of invoices alongwith delivery of goods.

Dividend income on investment in shares has been recognised on approval of said dividend in the annual general meeting of relevant company.

##### (b) Property, Plant and Equipment

These are initially stated at cost of acquisition and subsequently stated at cost less accumulated depreciation. 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 pre-operational borrowing cost. 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 profit and loss account which is determined with reference to the net book value of the assets and the net sales proceeds.

##### (c) Depreciation

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 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% |

##### (d) Capital Work-in-Progress

Advances paid to acquire fixed assets and the cost of assets not put to use before the year-end are reported under capital work-in-progress. This shall be capitalised to proper fixed assets as and when the related project goes into commercial operation.

##### (e) Investment in Shares of Padma Textile Mills Ltd.

The cost method of accounting is followed whereby the investment is recorded at cost.

The Profit and Loss Account reflects income from the investment only to the extent of distributions from accumulated net profit of the investee company in the form of dividend, which is recognised when the

company's right to receive payment is established, that is, approval as dividend in the annual general meeting of the said company.

**(f) Pre-production Expenses**

This shall be capitalised to the factory building and plant and machinery when the relevant project goes into commercial operation.

**(g) Promotional Expenses**

All costs associated with product promotion are generally expensed in the year in which they are incurred.

**(h) Borrowing Costs**

In respect of existing projects, borrowing costs are charged as expenses for the year under review. In respect of projects not yet commenced its commercial production, borrowing costs are debited to Capital Work in Progress.

**(i) Lease Rental**

Fixed assets acquired under leases are considered as operating lease, and therefore, lease rentals are charged as expenses.

**(j) Inventories**

Inventories are stated at the lower of cost and net realizable value.

The cost is calculated on weighted average method. Costs comprise of 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.

**(k) Accounts Receivable**

These are carried at original invoice amount which represents net realisable value only. 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.

**(l) Cash and Cash Equivalents**

This represents cash consisting of cash in hand and at banks.

**(m) Other Current Assets**

Other current assets have a value on realisation in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the balance sheet.

**(n) Income Taxes**

Income taxes are accounted for on an accrual basis with respect to currently payable amounts. The tax effect resulting from timing differences (deferred tax) in recognizing revenues and expenses for financial statements and tax returns is not recognized. The existing income tax rate of 30% has been considered.

**(o) Provisions for Cost of Post Employment Benefits**

The Company provides a variety of post employment benefit plans to eligible employees that consists of recognized contributory provident fund, unfunded gratuity scheme and group insurance scheme. Assets of provident fund are held in a separate trustee administered 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.



**(p) Other Corporate Debt, Accounts Payable, Trade and Other Liabilities**

These liabilities are carried at the anticipated settlement amount in respect of goods and services received, whether or not billed by the supplier.

**(q) Provisions**

Provisions are liabilities of uncertain timings or amount. Provisions are recognized when the company has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

**(r) Share Premium**

The Share Premium shall be utilized in accordance with provisions of the Companies Act 1994 and direction of the Securities and Exchange Commission. The details of which are given in the Note 23.

**(s) Tax Holiday Reserve**

This is being created out of tax holiday profit 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 for other purposes as specified in the Income Tax Ordinance 1984.

**(t) Proposed Dividend**

Dividend proposed by the board of directors for the year under review has not been recognized as a liability in the Balance Sheet. This will be accounted for after the approval by the shareholders in the annual general meeting.

**(u) Earnings Per Share (EPS)**

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

*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.

*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.

**(v) Foreign Currencies**

Foreign Currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

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.

The rate of relevant foreign exchange at year end is :

|                   |               |         |
|-------------------|---------------|---------|
|                   | 2002          | 2001    |
| 1 U S Dollar (\$) | = Tk. 59.1200 | 57.6450 |

**6. Concentrations**

As of 31 December 2002, the Company does not have any significant concentration of business transacted with a particular customer, supplier or lender that could, if suddenly eliminated, severely impact the company's operations. The company also does not have a concentration of available sources of labour, services, or licences or other rights that could, if suddenly eliminated, severely impact the operations of the company.

## 7. Profit and Loss Account

The results for the year were not materially affected by :

- (a) transactions of a nature not usually undertaken by the company ;
- (b) circumstances of an exceptional or non-recurring nature ;
- (c) charges or credits relating to prior years ; and
- (d) changes in accounting policies.

## 8. Reporting Currency

The amounts shown in these financial statements are presented in Bangladesh Taka, which have been rounded off to the nearest Taka except where indicated otherwise.

## 9. Re-Arrangement

Certain amounts for previous year have been re-arranged to conform with 2002 presentation.

## 10. Information by Industry Segments and Geographical Areas

### *Industry Segment Information*

No mention is made because the company does not have any segment other than the pharmaceutical business.

### *Geographic Segment Information*

Not applicable as the company does not have any business unit abroad.

## 11. Recognised Gains and Losses

No gain or loss was directly dealt with through the shareholders' equity without being recognized in the profit and loss account.

Therefore, net profit after tax for the year is the total recognized gains.

## 12. Historical Cost Profit and Losses

As there was no extra ordinary item, there was no difference in profit from ordinary activities before taxation and the net profit before tax. Furthermore, 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.

## 13. Appropriation of Dividend of Previous Year (2001)

In the 26th Annual General Meeting held on June 29, 2002, the shareholders of the Company approved a dividend of Tk. 1.50 per share (15%) for the year 2001. Accordingly, total dividend amount of Tk. 66,375,000 in respect of 2001 has been provided for in the accounts of 2002.

## 14. Property, Plant and Equipment - Tk. 4,649,544,673

| Particulars                       | Freehold Land          | Building and Other Constructions | Plant and Machinery | Furniture and Fixtures | Transport and Vehicle | Office Equipment  | Total                |
|-----------------------------------|------------------------|----------------------------------|---------------------|------------------------|-----------------------|-------------------|----------------------|
| <b>Cost</b>                       |                        |                                  |                     |                        |                       |                   |                      |
| At 31 December, 2001              | 408,219,855            | 435,122,718                      | 744,026,791         | 28,044,606             | 33,435,314            | 86,434,400        | 1,735,283,684        |
| Additions in 2002                 | 13,361,237             | 2,359,562                        | 2,427,149           | 3,963,926              | 1,784,552             | 12,512,013        | 36,408,439           |
| Disposal in 2002                  | -                      | -                                | -                   | (181,200)              | (2,739,840)           | -                 | (2,921,040)          |
| Transferred & Capitalized in 2002 | -                      | 28,579,068                       | 58,499,125          | -                      | -                     | -                 | 87,078,193           |
| <b>At 31 December, 2002</b>       | <b>421,581,092</b>     | <b>466,061,348</b>               | <b>804,953,065</b>  | <b>31,827,332</b>      | <b>32,480,026</b>     | <b>98,946,413</b> | <b>1,855,849,276</b> |
| <b>Depreciation</b>               |                        |                                  |                     |                        |                       |                   |                      |
| At 31 December, 2001              | -                      | 188,573,815                      | 400,326,527         | 12,065,229             | 24,265,874            | 62,053,136        | 687,284,581          |
| For 2002                          | -                      | 24,247,088                       | 54,438,001          | 1,783,693              | 2,075,790             | 5,468,103         | 88,012,675           |
| Adjustment on disposal            | -                      | -                                | -                   | (79,408)               | (2,164,804)           | -                 | (2,244,212)          |
| <b>At 31 December, 2002</b>       | <b>-</b>               | <b>212,820,903</b>               | <b>454,764,528</b>  | <b>13,769,514</b>      | <b>24,176,860</b>     | <b>67,521,239</b> | <b>773,053,044</b>   |
| <b>Net Book Value</b>             |                        |                                  |                     |                        |                       |                   |                      |
| <b>31 December, 2002</b>          | <b>Tk. 421,581,092</b> | <b>253,240,445</b>               | <b>350,188,537</b>  | <b>18,057,818</b>      | <b>8,303,166</b>      | <b>31,425,174</b> | <b>1,082,796,232</b> |
| Capital Work in Progress          | Tk. -                  | -                                | -                   | -                      | -                     | -                 | 3,566,748,441        |
| <b>Carrying Value</b>             |                        |                                  |                     |                        |                       |                   |                      |
| <b>31 December, 2002</b>          | <b>Tk. 421,581,092</b> | <b>253,240,445</b>               | <b>350,188,537</b>  | <b>18,057,818</b>      | <b>8,303,166</b>      | <b>31,425,174</b> | <b>4,649,544,673</b> |

Capital Work in Progress of Taka 3,566,748,441 is arrived as follows :

|                                  |                          |
|----------------------------------|--------------------------|
| As on 01.01.2002                 | 3,406,496,022            |
| Addition in 2002                 | 247,330,612              |
|                                  | <b>3,653,826,634</b>     |
| Capitalized in 2002:             |                          |
| Building and other Constructions | (28,579,068)             |
| Plant and Machinery              | (58,499,125)             |
|                                  | <b>(87,078,193)</b>      |
| <b>As on 31.12.2002</b>          | <b>Tk. 3,566,748,441</b> |

## 15. Pre-Production Expenses - Tk. 90,376,402

This is in respect of the expansion project and represents :

|                               | 2002              | 2001              |
|-------------------------------|-------------------|-------------------|
| Salaries and related expenses | 57,964,222        | 51,388,013        |
| Utilities                     | 4,279,411         | 3,931,514         |
| Foreign Travel                | 5,377,142         | 5,335,661         |
| Entertainment                 | 1,804,369         | 1,686,806         |
| Other Expenses                | 20,951,258        | 18,712,677        |
| <b>Tk.</b>                    | <b>90,376,402</b> | <b>81,054,671</b> |

## 16. 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., a listed company with foreign collaboration.

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, 2002 was Tk. 17.52 (on 31-12-01 Tk.19.06) in the Dhaka Stock Exchange Ltd. and Tk. 17.50 (on 31-12-01 Tk. 19.35) in the Chittagong Stock Exchange Ltd.

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

## 17. Inventories - Tk. 1,113,539,289

This consists of as follows :

|                                     | 2002                        | 2001                        |
|-------------------------------------|-----------------------------|-----------------------------|
| Finished Goods                      | 411,049,204                 | 368,956,089                 |
| Work in Process                     | 80,625,166                  | 71,803,128                  |
| Raw Material                        | 391,493,587                 | 487,421,624                 |
| Packing Material                    | 104,790,428                 | 104,502,699                 |
| Laboratory Chemical                 | 417,427                     | 449,162                     |
| Literature & Promotional Material   | 6,948,712                   | 6,428,970                   |
| Physician Sample                    | 4,856,124                   | 3,035,875                   |
| Raw and Packing Material in Transit | 61,408,282                  | 46,082,254                  |
| Stock of Stationery                 | 1,696,259                   | 1,718,424                   |
| Spares & Accessories                | 50,254,100                  | 53,921,811                  |
| <b>Tk.</b>                          | <b><u>1,113,539,289</u></b> | <b><u>1,144,320,036</u></b> |

## 18. Accounts Receivable - Tk. 447,307,967

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

This includes receivable of Tk. 43,907,765 equivalent to US \$ 775,512.77 (on 31-12-2001 Tk. 21,797,784 equivalent to US \$ 398,494.84) against export sales.

This also includes Tk. 387,549,191 (on 31-12-2001 Tk. 292,661,848) 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. 387,549,191 on 31-12-2002 (on 31-12-2001 Tk. 292,661,848).

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.

## 19. Loans, Advances and Deposits - Tk. 258,562,676

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

### Loans and advances :

|                        |                    |                   |
|------------------------|--------------------|-------------------|
| Clearing & Forwarding  | 24,002,407         | 9,109,237         |
| Office Rent            | 1,520,209          | 1,019,900         |
| Officers               | 9,683,474          | 5,353,168         |
| Income Tax             | 41,983,412         | 20,591,042        |
| Staffs House Rent      | 958,997            | 1,775,746         |
| Motor Cycle            | 23,894,888         | 24,441,894        |
| Raw & Packing Material | 1,947,515          | 2,673,713         |
| Imprest Cash           | 950,968            | 685,272           |
| Foreign Travel         | 6,825,284          | 6,018,587         |
| Others                 | 7,268,680          | 7,515,974         |
|                        | <b>119,035,834</b> | <b>79,184,533</b> |

### Deposits :

|                       |                           |                           |
|-----------------------|---------------------------|---------------------------|
| VAT                   | 65,332,848                | 51,606,145                |
| Claim Receivable      | 16,058,743                | 8,419,342                 |
| Security Deposit      | 8,402,466                 | 7,555,574                 |
| Lease Deposit         | 48,161,262                | 18,850,070                |
| Earnest Money         | 1,337,978                 | 1,395,511                 |
| Bank Guarantee Margin | 233,545                   | 33,545                    |
|                       | <b>139,526,842</b>        | <b>87,860,187</b>         |
| <b>Tk.</b>            | <b><u>258,562,676</u></b> | <b><u>167,044,720</u></b> |

(a) The maximum amount due from the officers during the year was Tk. 9,683,474 on 31-12-2002 (on 01-01-2001 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.

## 20. Current Account with Related Parties - Tk. 157,898,170

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

## 21. Cash and Cash Equivalents - Tk. 4,918,273

This consists of as follows :

- (a) Cash in Hand  
 (b) Cash at Banks :  
 (i) In Current Accounts  
 (ii) In S.T.D. Accounts  
 (iii) In F.C. Accounts (US\$ 35,356.77) (on 31-12-2001 US\$ 16,109.60)  
 (iv) In FDR

|            | 2002             | 2001              |
|------------|------------------|-------------------|
|            | 558,703          | 495,387           |
|            | 2,263,035        | 10,773,762        |
|            | 6,243            | 2,621             |
|            | 2,090,292        | 928,638           |
|            | -                | 30,820,993        |
|            | <b>4,359,570</b> | <b>42,526,014</b> |
| <b>Tk.</b> | <b>4,918,273</b> | <b>43,021,401</b> |

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

This represents :

### Authorised :

100,000,000 Ordinary Shares of Tk. 10/- each

### Issued, Subscribed and Paid-up :

23,600,000 Ordinary Shares of Tk. 10/- each fully paid-up in cash

20,650,000 Bonus Shares of Tk. 10/- each

**44,250,000 Shares**

|            | 2002                 | 2001                 |
|------------|----------------------|----------------------|
| <b>Tk.</b> | <b>1,000,000,000</b> | <b>1,000,000,000</b> |
|            | 236,000,000          | 236,000,000          |
|            | 206,500,000          | 206,500,000          |
| <b>Tk.</b> | <b>442,500,000</b>   | <b>442,500,000</b>   |

### (a) Composition of Shareholding :

- Sponsors  
 Foreign Investors  
 General Public

|                   | 2002              |               | 2001              |               |
|-------------------|-------------------|---------------|-------------------|---------------|
|                   | No. of shares     | %             | No. of shares     | %             |
| Sponsors          | 11,922,631        | 26.94         | 11,922,631        | 26.94         |
| Foreign Investors | 501,581           | 1.13          | 1,788,971         | 4.04          |
| General Public    | 31,825,788        | 71.93         | 30,538,398        | 69.02         |
|                   | <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<br>In number of shares | No. of Shareholders |               | % of Shareholders |                | No. of Shares     |                   | % of Share Capital |                |
|--|---------------------|---------------|-------------------|----------------|-------------------|-------------------|--------------------|----------------|
|  | 2002                | 2001          | 2002              | 2001           | 2002              | 2001              | 2002               | 2001           |
| 1 to 499                                 | 40,392              | 41,055        | 80.85%            | 81.51%         | 5,770,971         | 5,982,885         | 13.04%             | 13.52%         |
| 500 to 5,000                             | 8,945               | 8,730         | 17.91%            | 17.33%         | 11,538,540        | 11,073,916        | 26.08%             | 25.03%         |
| 5,001 to 10,000                          | 369                 | 355           | 0.74%             | 0.71%          | 2,597,736         | 2,505,178         | 5.87%              | 5.66%          |
| 10,001 to 20,000                         | 155                 | 142           | 0.31%             | 0.28%          | 2,192,424         | 1,985,145         | 4.96%              | 4.49%          |
| 20,001 to 30,000                         | 40                  | 30            | 0.08%             | 0.06%          | 984,365           | 726,664           | 2.23%              | 1.64%          |
| 30,001 to 40,000                         | 21                  | 16            | 0.04%             | 0.03%          | 713,704           | 559,403           | 1.61%              | 1.26%          |
| 40,001 to 50,000                         | 7                   | 9             | 0.01%             | 0.02%          | 314,475           | 415,080           | 0.71%              | 0.94%          |
| 50,001 to 100,000                        | 17                  | 15            | 0.03%             | 0.03%          | 1,329,508         | 1,133,852         | 3.00%              | 2.56%          |
| 100,001 to 1,000,000                     | 9                   | 9             | 0.02%             | 0.02%          | 1,907,897         | 1,929,817         | 4.31%              | 4.36%          |
| Over 1,000,000                           | 5                   | 6             | 0.01%             | 0.01%          | 16,900,380        | 17,938,060        | 38.19%             | 40.54%         |
| <b>Total</b>                             | <b>49,960</b>       | <b>50,367</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 31-12-2002 each share was quoted at Tk. 41.83 (on 31-12-01 Tk. 49.50) in the Dhaka Stock Exchange Ltd. and Tk. 41.89 (on 31-12-01 Tk. 49.47) 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.

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

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

|   | 2002                        | 2001                        |
|---|-----------------------------|-----------------------------|
| (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><u>1,489,750,000</u></b> | <b><u>1,489,750,000</u></b> |

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 of 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.

### 24. Tax-Holiday Reserve - Tk. 998,690,522

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

|   |                           |                           |
|---|---------------------------|---------------------------|
| Opening Balance                           | 873,166,091               | 764,676,274               |
| Add: Provided during the year (Note - 44) | 125,524,431               | 108,489,817               |
| <b>Tk.</b>                                | <b><u>998,690,522</u></b> | <b><u>873,166,091</u></b> |

### 25. Long Term Borrowing (Secured) - Tk. 757,115,841

This loan was sanctioned under the consortium arrangement of Janata Bank, Sonali Bank, Agrani Bank, Rupail Bank Ltd. and United Commercial Bank Ltd. for the expansion project of the company. Janata bank was the lead bank to the consortium. A repayment re-arrangement of the disbursed amount is under progress.

#### Nature of Security :

This loan is secured against:

- (a) 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
- (b) 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.

### 26. Deferred Liability (Provision for Gratuity) - Tk. 55,476,158

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

|                                |                          |                          |
|--------------------------------|--------------------------|--------------------------|
| Opening Balance                | 47,508,787               | 40,308,478               |
| Add : Provided during the year | 10,391,496               | 9,137,495                |
|                                | <b><u>57,900,283</u></b> | <b><u>49,445,973</u></b> |
| Less : Paid during the year    | (2,424,125)              | (1,937,186)              |
| <b>Tk.</b>                     | <b><u>55,476,158</u></b> | <b><u>47,508,787</u></b> |



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

This is as per last account and represents :

|                 | 2002                    | 2001                    |
|-----------------|-------------------------|-------------------------|
| Installment due | 265,854                 | 265,854                 |
| Interest due    | 1,492,533               | 1,492,533               |
| <b>Tk.</b>      | <b><u>1,758,387</u></b> | <b><u>1,758,387</u></b> |

## 28. Short Term Borrowing From Banks - Tk. 1,171,975,598

This represents :

|                              |                             |                             |
|------------------------------|-----------------------------|-----------------------------|
| (a) Janata Bank :            |                             |                             |
| Cash Credit-Pledge           | 163,642,057                 | 155,337,898                 |
| Cash Credit-Hypothecation    | 691,970,393                 | 625,133,177                 |
| LIM                          | 20,225,824                  | 43,695,796                  |
| PAD                          | 103,074,258                 |                             |
| (b) Citibank N.A.            | 77,354,361                  | 76,015,905                  |
| (c) Credit Agricole Indosuez | 398,924                     | 51,521,670                  |
| (d) Standard Chartered Bank  | 115,309,781                 | 130,200,229                 |
| <b>Tk.</b>                   | <b><u>1,171,975,598</u></b> | <b><u>1,081,904,675</u></b> |

## 29. Creditors and Other Payables - Tk. 155,928,586

These are unsecured, and falling due within one year.

This consists of :

|  |                           |                           |
|--|---------------------------|---------------------------|
| Suppliers                                      | 66,668,887                | 178,236,892               |
| Payable to RAJUK                               | 14,833,258                | 9,423,531                 |
| Loan from Workers' Participation/Welfare Funds | 74,426,441                | 63,032,797                |
| <b>Tk.</b>                                     | <b><u>155,928,586</u></b> | <b><u>250,693,220</u></b> |

## 30. Accrued Expenses - Tk. 129,682,896

This is falling due within one year.

This consists of as follows:

|                                      |                           |                           |
|--------------------------------------|---------------------------|---------------------------|
| For Expenses-Unsecured               | 72,081,994                | 70,277,976                |
| Workers' Participation/Welfare Funds | 19,148,863                | 21,521,023                |
| Provident Fund                       | 38,452,039                | 23,891,841                |
| <b>Tk.</b>                           | <b><u>129,682,896</u></b> | <b><u>115,690,840</u></b> |

## 31. Provision for Income Tax - Tk. 47,906,598

This is arrived at as follows :

|  |                          |                          |
|--|--------------------------|--------------------------|
| Opening Balance                        | 37,393,516               | 72,913,988               |
| Add : Tax provided in 2002 (Note - 43) | 20,552,415               | 28,640,644               |
|  | <b>57,945,931</b>        | <b>101,554,632</b>       |
| Less : Tax paid during the year        | (10,039,333)             | (4,000,000)              |
|  | <b>47,906,598</b>        | <b>97,554,632</b>        |
| Less : Advance tax adjusted            | -                        | (60,161,116)             |
| <b>Tk.</b>                             | <b><u>47,906,598</u></b> | <b><u>37,393,516</u></b> |

## 32. Revenue (Turnover) from Net Sales - Tk. 2,522,942,523

This represents net sales and consists of as follows :

|  |                             |                             |
|--|-----------------------------|-----------------------------|
| Local Sales  | 2,472,659,005               | 2,353,916,337               |
| Export Sales - US\$ 860,012 (in 2001 US\$ 842,652) | 50,283,518                  | 47,324,774                  |
| <b>Tk.</b>   | <b><u>2,522,942,523</u></b> | <b><u>2,401,241,111</u></b> |

**Sales Represents :**

|                   |     |               |               |
|-------------------|-----|---------------|---------------|
| Tablet & Capsules | Pcs | 1,457,850,760 | 1,320,438,707 |
| Bottle & Tubes    | Pcs | 25,568,572    | 21,474,310    |
| Basic Chemicals   | Kg  | 67,518        | 101,890       |

### 33. Cost of Goods Sold - Tk. 1,620,493,149

|                              |       | 2002                        | 2001                        |
|------------------------------|-------|-----------------------------|-----------------------------|
| This is made-up as follows : |       |                             |                             |
|                              | Notes |                             |                             |
| Work-in-Process (Opening)    |       | 71,803,128                  | 69,175,003                  |
| Raw Material Consumed        | 34    | 1,195,594,016               | 1,168,189,896               |
| Packing Material Consumed    | 35    | 250,678,370                 | 234,078,428                 |
| Laboratory Chemical Consumed | 36    | 4,650,034                   | 4,119,057                   |
|                              |       | <b>1,522,725,548</b>        | <b>1,475,562,384</b>        |
| Work-in-Process (Closing)    |       | (80,625,166)                | (71,803,128)                |
| TOTAL CONSUMPTION            |       | <b>1,442,100,382</b>        | <b>1,403,759,256</b>        |
| Factory Overhead             | 37    | 230,508,370                 | 213,326,017                 |
| COST OF PRODUCTION           |       | <b>1,672,608,752</b>        | <b>1,617,085,273</b>        |
| Finished Goods (Opening)     |       | 368,956,089                 | 219,959,153                 |
| Finished Goods Available     |       | <b>2,041,564,841</b>        | <b>1,837,044,426</b>        |
| Finished Goods (Closing)     |       | (411,049,204)               | (368,956,089)               |
|                              |       | <b>1,630,515,637</b>        | <b>1,468,088,337</b>        |
| Cost of Physician Sample     |       | (10,022,488)                | (8,980,029)                 |
|                              | Tk.   | <b><u>1,620,493,149</u></b> | <b><u>1,459,108,308</u></b> |

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

| Item                          | Unit | Quantity    | Value                         |
|-------------------------------|------|-------------|-------------------------------|
| <b>Stock as on 01-01-2002</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                    |
|                               |      |             | Tk. <b><u>368,956,089</u></b> |
| <b>Stock as on 31-12-2002</b> |      |             |                               |
| Tablet & Capsules             | Pcs  | 370,291,749 | 264,618,403                   |
| Bottle & Tubes                | Pcs  | 5,407,219   | 92,295,515                    |
| Basic Chemicals               | Kg   | 9,028       | 54,135,286                    |
|                               |      |             | Tk. <b><u>411,049,204</u></b> |

### 34. Raw Material Consumed - Tk. 1,195,594,016

This is made-up as follows :

|               | 2002                            | 2001                        |
|---------------|---------------------------------|-----------------------------|
| Opening Stock | 487,421,624                     | 681,283,898                 |
| Purchase      | 1,099,665,979                   | 974,327,622                 |
| Closing Stock | (391,493,587)                   | (487,421,624)               |
|               | Tk. <b><u>1,195,594,016</u></b> | <b><u>1,168,189,896</u></b> |

Itemwise quantity and value :

|                         |      | SOLID      | LIQUID  | BASIC   | TOTAL(Qnty) | TOTAL(Value)         |
|-------------------------|------|------------|---------|---------|-------------|----------------------|
| Opening 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>   |
| Add : Purchase          | Kg   | 2,289,578  | 729,305 | 528,718 | 3,547,601   | 1,082,530,327        |
| (Consists of 349 items) | Ltr. | 5,147      | -       | -       | 5,147       | 4,315,967            |
|                         | Unit | 75,394,552 | -       | -       | 75,394,552  | 12,819,685           |
|                         |      |            |         |         |             | <b>1,099,665,979</b> |
| Less : Closing Stock    | Kg   | 424,313    | 116,387 | 423,668 | 964,368     | 377,226,521          |
| (Consists of 390 items) | Ltr. | 4,420      | -       | -       | 4,420       | 3,336,435            |
|                         | Unit | 67,923,593 | -       | -       | 67,923,593  | 10,930,631           |
|                         |      |            |         |         |             | <b>391,493,587</b>   |
| Consumption             | Kg   | 2,469,607  | 845,631 | 414,427 | 3,729,665   | 1,181,339,964        |
| (Consists of 365 items) | Ltr. | 2,970      | -       | -       | 2,970       | 1,094,915            |
|                         | Unit | 83,312,313 | -       | -       | 83,312,313  | 13,159,137           |

Raw material consumed is 71% imported.

Tk. **1,195,594,016**

### 35. Packing Material Consumed - Tk. 250,678,370

This is made-up as follows :

|               | 2002                      | 2001                      |
|---------------|---------------------------|---------------------------|
| Opening Stock | 104,502,699               | 81,117,431                |
| Purchase      | 250,966,099               | 257,463,696               |
| Closing Stock | (104,790,428)             | (104,502,699)             |
| <b>Tk.</b>    | <b><u>250,678,370</u></b> | <b><u>234,078,428</u></b> |

Packing material consumed is 36% imported.

Particulars in respect of quantity of each packing material as well as value of each class of packing material are not given as the number of items as well as classes of items are numerous.

### 36. Laboratory Chemical Consumed - Tk. 4,650,034

This is made-up as follows :

|               |                         |                         |
|---------------|-------------------------|-------------------------|
| Opening Stock | 449,162                 | 412,569                 |
| Purchase      | 4,618,299               | 4,155,650               |
| Closing Stock | (417,427)               | (449,162)               |
| <b>Tk.</b>    | <b><u>4,650,034</u></b> | <b><u>4,119,057</u></b> |

Particulars in respect of quantity of each laboratory chemical as well as value of each class of laboratory chemical are not given as the number of items as well as classes of items are numerous.

### 37. Factory Overhead - Tk. 230,508,370

This consists of as follows :

|  |                           |                           |
|--|---------------------------|---------------------------|
| Salary & Allowances (including welfare expenses and retiral benefit) | 76,319,180                | 69,576,106                |
| Repairs & Maintenance  | 13,007,586                | 13,513,925                |
| Insurance Premium  | 5,988,427                 | 4,678,307                 |
| Municipal Tax & Land Revenue   | 432,228                   | 165,000                   |
| Advertisement & Subscription   | 225,135                   | 92,760                    |
| Travelling & Conveyance  | 1,143,891                 | 1,589,703                 |
| Entertainment  | 112,088                   | 177,800                   |
| Printing & Stationery  | 2,100,103                 | 1,505,707                 |
| Telephone & Postage  | 1,505,214                 | 1,407,721                 |
| Toll Charge (net)  | 4,608,013                 | (699,259)                 |
| Electricity, Gas & Water   | 11,672,266                | 12,510,329                |
| Lease Rental   | 21,945,012                | 14,159,678                |
| Other Expenses   | 3,436,552                 | 4,764,045                 |
| Depreciation   | 88,012,675                | 89,884,195                |
| <b>Tk.</b>   | <b><u>230,508,370</u></b> | <b><u>213,326,017</u></b> |

- Salary and allowances include company's contribution to provident fund of Tk. 1,676,199 (in 2001 Tk. 1,335,654).
- In 2002, all the 441 factory employees received annual salary and allowances of Tk. 36,000 and above.
- The value of imported stores and spares consumed is Tk. 6,054,125 (in 2001 Tk. 5,276,985) which is 57% (55% in 2001) of total stores and spares consumed as included in repairs & maintenance.
- Other expenses does not include any item exceeding 1% of total revenue.

### 38. Administrative Expenses -Tk. 79,926,759

This consists of as follows :

|  | 2002                     | 2001                     |
|--|--------------------------|--------------------------|
| Salary & Allowances (including welfare expenses and retrial benefit) | 24,315,143               | 20,171,116               |
| Rent Expenses  | 1,995,921                | 2,255,160                |
| Repairs & Maintenance (including car maintenance)                    | 3,300,665                | 2,695,418                |
| Donation & Subscription  | 620,632                  | 222,928                  |
| Travelling & Conveyance  | 674,027                  | 596,790                  |
| Entertainment  | 217,685                  | 285,640                  |
| Printing & Stationery  | 584,807                  | 571,578                  |
| Auditors' Remuneration   | 150,000                  | 150,000                  |
| Telephone & Postage  | 1,965,711                | 2,014,732                |
| Software Development Expenses  | 4,400,000                | 3,200,000                |
| Electricity, Gas & Water   | 1,135,862                | 1,228,752                |
| Legal & Consultancy Fee  | 441,431                  | 163,200                  |
| AGM Expenses   | 7,143,832                | 6,108,937                |
| Other Expenses   | 1,253,303                | 796,349                  |
| Lease Rental   | 31,727,740               | 36,135,234               |
| <b>Tk.</b>   | <b><u>79,926,759</u></b> | <b><u>76,595,834</u></b> |

- (a) Salary and allowances include provident fund contribution of Tk. 735,029 (in 2001 Tk. 639,595).
- (b) In 2002, all the 92 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 2002. In addition, an aggregate amount of Tk. 71,752 (in 2001 Tk. 72,000) was paid to auditors for income tax consultancy and other services as included in legal and consultancy fee stated above.

### 39. Selling and Distribution Expenses - Tk. 277,413,230

This consists of as follows :

|  |                           |                           |
|--|---------------------------|---------------------------|
| Salary & Allowances (including welfare expenses and retrial benefit) | 101,394,868               | 91,549,196                |
| Rent Expenses  | 7,791,252                 | 11,154,708                |
| Repairs & Maintenance (including car maintenance)                    | 7,155,807                 | 6,206,237                 |
| Travelling & Conveyance  | 35,253,370                | 29,369,733                |
| Entertainment  | 1,142,392                 | 1,092,674                 |
| Printing & Stationery  | 3,190,115                 | 2,762,430                 |
| Telephone & Postage  | 7,600,265                 | 6,114,850                 |
| Electricity, Gas & Water   | 3,117,677                 | 3,076,382                 |
| Market Research & New Products                                       | 3,405,881                 | 3,033,965                 |
| Training & Conference  | 6,406,263                 | 5,467,473                 |
| Sample Expenses  | 13,179,005                | 10,175,291                |
| Promotional Expenses   | 15,457,363                | 11,803,028                |
| Literature/News Letter   | 7,765,505                 | 6,802,522                 |
| Special Discount   | 14,154,455                | 12,458,295                |
| Export Expenses  | 2,791,160                 | 2,476,049                 |
| Lease Rental   | 6,562,732                 | 6,570,069                 |
| Distribution Commission  | 34,520,436                | 30,732,376                |
| Other Expenses   | 6,524,684                 | 5,042,208                 |
| <b>Tk.</b>   | <b><u>277,413,230</u></b> | <b><u>245,887,486</u></b> |

- (a) Salary and allowances include provident fund contribution of Tk. 3,219,611 (in 2001 Tk. 2,580,967).
- (b) In 2002, all the 685 employees relates to selling and distribution received annual salary and allowances of Tk. 36,000 and above.
- (c) Distribution commission represents 1.5% 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 a related party.

#### 40. Other Income -Tk. 7,266,435

This is arrived at as follows :

|  | Note       | 2002                    | 2001                     |
|--|------------|-------------------------|--------------------------|
| Interest income  |            | 5,251,359               | 4,835,807                |
| Dividend income received on investment in shares of Padma Textile Mills Ltd. |            | 1,316,250               | 3,948,750                |
| Technical assistance fee   |            | -                       | 2,862,500                |
| Exchange gain on retention quota (F.C.) accounts                             |            | 126,318                 | 163,943                  |
| Profit on sale of fixed assets   | 50         | 572,508                 | 1,076                    |
|  | <b>Tk.</b> | <b><u>7,266,435</u></b> | <b><u>11,812,076</u></b> |

#### 41. Finance Cost - Tk. 170,994,495

This is made-up as follows :

|   |            |                           |                           |
|---|------------|---------------------------|---------------------------|
| Interest on Cash Credit and others              |            | 161,521,864               | 171,404,878               |
| Interest on loan from PF and WPP & Welfare Fund |            | 9,472,631                 | 8,115,207                 |
|   | <b>Tk.</b> | <b><u>170,994,495</u></b> | <b><u>179,520,085</u></b> |

#### 42. Contribution to Workers' Profit Participation/Welfare Funds - Tk. 19,148,862

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.

#### 43. Income Tax Expense - Tk. 20,552,415

This represents :

(a) Estimated Tax liability of the year 2002 :

(i) 30% tax on the net profit of taxable units

(ii) 15% tax on dividend income

(b) Short provision of income tax

|            |                          |                          |
|------------|--------------------------|--------------------------|
|            | 20,354,977               | 22,693,641               |
|            | 197,438                  | 592,313                  |
|            | <b>20,552,415</b>        | <b>23,285,954</b>        |
|            | -                        | 5,354,689                |
| <b>Tk.</b> | <b><u>20,552,415</u></b> | <b><u>28,640,643</u></b> |

#### 44. Tax-Holiday Reserve - Tk. 125,524,431

This represents 40% of net profit of the Tax-Holiday units.

#### 45. Basic Earnings Per Share (EPS):

The computation of EPS is given below :

(a) Earnings attributable to the Ordinary Shareholders (Net Profit after Tax)

(b) Weighted average number of Ordinary Shares outstanding during the year

(c) **Basic EPS**

|            |                    |                    |
|------------|--------------------|--------------------|
|            | 341,680,048        | 401,779,808        |
|            | 44,250,000         | 44,250,000         |
| <b>Tk.</b> | <b><u>7.72</u></b> | <b><u>9.08</u></b> |

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

#### 46. Reconciliation of Shareholders Equity :

|   | Share Capital          | Share Premium        | Tax Holiday Reserve | Retained Earnings    | Total Shareholders' Equity |
|---|------------------------|----------------------|---------------------|----------------------|----------------------------|
| At the beginning of year                  | 442,500,000            | 1,489,750,000        | 873,166,091         | 1,360,375,053        | 4,165,791,144              |
| Net Profit after Tax for 2002             | -                      | -                    | -                   | 341,680,048          | 341,680,048                |
| Transfer to Tax Holiday Reserve (Note-44) | -                      | -                    | 125,524,431         | (125,524,431)        | -                          |
| Dividend of previous year (2001)          | -                      | -                    | -                   | (66,375,000)         | (66,375,000)               |
| <b>At the end of year</b>                 | <b>Tk. 442,500,000</b> | <b>1,489,750,000</b> | <b>998,690,522</b>  | <b>1,510,155,670</b> | <b>4,441,096,192</b>       |

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

|   | 2002                   | 2001               |
|---|------------------------|--------------------|
| Net profit after tax for the year   | 341,680,048            | 401,779,808        |
| Adjustment to reconcile net profit to net cash provided by operating activities : |                        |                    |
| (a) Non-Cash Expenses:  | 95,980,045             | 97,084,504         |
| Depreciation  | 88,012,675             | 89,884,195         |
| Gratuity  | 7,967,370              | 7,200,309          |
| (b) Gain on Sale of Fixed Assets  | (572,508)              | (1,076)            |
| Fund from Operation before Changes in Working Capital                             | 437,087,585            | 498,863,236        |
| (c) Changes in Working Capital  | (244,420,277)          | 11,317,397         |
| Decrease in Inventories   | 30,780,747             | 29,253,467         |
| Increase in Accounts Receivable   | (113,423,572)          | (25,083,818)       |
| Decrease/(increase) in Loans, Advances & Deposits                                 | (91,517,956)           | 50,319,501         |
| Increase/(Decrease) in Creditors and Other Payables                               | (94,764,634)           | 10,039,036         |
| (Decrease)/Increase in Accrued Expenses   | 13,992,056             | (17,690,317)       |
| Increase/(Decrease) in Provision for Income Tax                                   | 10,513,082             | (35,520,472)       |
| <b>Net Cash Provided by Operating Activities</b>                                  | <b>Tk. 192,667,308</b> | <b>510,180,633</b> |

#### 48. Related Party Transactions :

| Nature of Transactions            | 2002        | 2001        |
|-----------------------------------|-------------|-------------|
| (a) Accounts Receivable           | 387,549,191 | 292,661,848 |
| (b) Trade Creditors               | 500,000     | 13,523,810  |
| (c) Current Account Balances      | 157,898,170 | 95,903,770  |
| (d) Interest Income               | 3,068,245   | 2,464,760   |
| (e) Distribution Commission       | 34,520,436  | 30,732,376  |
| (f) Software Development Expenses | 4,400,000   | 3,200,000   |
| (g) Investment in Shares          | 40,543,750  | 40,543,750  |
| (h) Dividend Income               | 1,316,250   | 3,948,750   |

#### 49. Financial Instruments and Related Disclosures

##### (a) Primary (On Balance Sheet) Financial Instruments :

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 of Padma Textile Mills Ltd. | -                          | -                       | 40,543,750           | 40,543,750             |
| Accounts Receivable                              | -                          | -                       | 447,307,967          | 447,307,967            |
| Current Account with Related Parties             | 157,898,170                | -                       | -                    | 157,898,170            |
| Cash & Cash Equivalents                          | -                          | -                       | 4,918,273            | 4,918,273              |
|  | <b>157,898,170</b>         | <b>-</b>                | <b>492,769,990</b>   | <b>650,668,160</b>     |
| <b>Financial Liabilities</b>                     |                            |                         |                      |                        |
| Customs Debentures                               | 1,758,387                  | -                       | -                    | 1,758,387              |
| Short Term Borrowings from Banks                 | 1,171,975,598              | -                       | -                    | 1,171,975,598          |
| Creditors and Other Payables                     | -                          | -                       | 155,928,586          | 155,928,586            |
| Accrued Expenses                                 | -                          | -                       | 129,682,896          | 129,682,896            |
| Deferred Liability - Provision for Gratuity      | -                          | -                       | 55,476,158           | 55,476,158             |
| Long Term Loan                                   | -                          | 757,115,841             | -                    | 757,115,841            |
|  | <b>Tk. 1,173,733,985</b>   | <b>757,115,841</b>      | <b>341,087,640</b>   | <b>2,271,937,466</b>   |
| <b>Net Financial Assets/(Liabilities)</b>        | <b>Tk. (1,015,835,815)</b> | <b>(757,115,841)</b>    | <b>151,682,350</b>   | <b>(1,621,269,306)</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 16. The market value of other financial instruments are not available as these are not traded on organized markets in standardized form.

##### (i) 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.



(ii) **Concentration of Credit Risk**

The company's management believe that there was no significant concentration of credit risk in Accounts Receivable.

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

(iii) **Foreign Currency Risk**

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

**(b) Derivative (Off Balance Sheet) 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.

**50. Particulars of Disposal of Property, Plant and Equipment :**

The following assets were disposed off during the Year ended 31-12-2002 :

| PARTICULARS OF ASSETS            | COST             | DEP. UPTO        | W.D.V. AS ON   | SALES PRICE      | PROFIT/ (LOSS) | NAME OF PARTIES       | MODE OF DISPOSAL |
|----------------------------------|------------------|------------------|----------------|------------------|----------------|-----------------------|------------------|
|                                  |                  | 31-12-01         | 31-12-01       |                  |                |                       |                  |
| Motor Cycle Hero 100CC           | 44,795           | 26,447           | 18,348         | 15,120           | (3,228)        | M/S Shar Bitan        | Tender           |
| Motor Cycle Hero 100CC           | 52,655           | 31,088           | 21,567         | 15,100           | (6,467)        | M/S Shar Bitan        | Tender           |
| Motor Cycle Hero 100CC           | 40,573           | 23,954           | 16,619         | 15,150           | (1,469)        | M/S Shar Bitan        | Tender           |
| Toyota Car                       | 3,850            | 770              | 3,080          | 211,500          | 208,420        | Dolphin Car Center    | Tender           |
| Hundai excel 1.8 LS              | 755,395          | 628,661          | 126,734        | 71,000           | (55,734)       | Nahid Auto            | Tender           |
| Toyota Car                       | 3,850            | 770              | 3,080          | 155,000          | 151,920        | M/S Alif Enterprise   | Tender           |
| Toyota Corolla Tx 1300 CC        | 494,154          | 390,523          | 103,631        | 170,000          | 66,369         | M/S Alif Enterprise   | Tender           |
| Recondition EE 90 Toyota Corolla | 485,414          | 383,615          | 101,799        | 185,000          | 83,201         | M/S Alif Enterprise   | Tender           |
| Toyota Corolla Tx 1300 CC        | 499,154          | 394,474          | 104,680        | 180,000          | 75,320         | Kazi Badir uddin Babu | Tender           |
| Recondition EL30 Toyota Corolla  | 360,000          | 284,503          | 75,497         | 127,500          | 52,003         | Mr. Dipak Roy         | Tender           |
| Furniture & Fixture              | 3,800            | 1,982            | 1,818          | 5,300            | 3,482          | Mr. Nazrul Islam Khan | Tender           |
| Furniture & Fixture              | 5,500            | 1891             | 3,609          | 2,300            | (1,309)        | Mr. Nazrul Islam Khan | Tender           |
| Furniture & Fixture              | 29,700           | 13,916           | 15,784         | 15,784           | -              | Mr. Afsar Uddin Ahmed | Negotiation      |
| Furniture & Fixture              | 30,000           | 14,057           | 15,943         | 15,943           | -              | Mr. Afsar Uddin Ahmed | Negotiation      |
| Furniture & Fixture              | 25,000           | 8,598            | 16,402         | 16,402           | -              | Mr. Afsar Uddin Ahmed | Negotiation      |
| Furniture & Fixture              | 15,200           | 5,227            | 9,973          | 9,973            | -              | Mr. Afsar Uddin Ahmed | Negotiation      |
| Furniture & Fixture              | 36,000           | 16,868           | 19,132         | 19,132           | -              | Mr. Afsar Uddin Ahmed | Negotiation      |
| Furniture & Fixture              | 36,000           | 16,868           | 19,132         | 19,132           | -              | Mr. Afsar Uddin Ahmed | Negotiation      |
| <b>Tk.</b>                       | <b>2,921,040</b> | <b>2,244,212</b> | <b>676,828</b> | <b>1,249,336</b> | <b>572,508</b> |                       |                  |

**51. 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 :

|  | 2002              | 2001              |
|--|-------------------|-------------------|
| Managerial Remuneration                  | 16,582,454        | 16,178,004        |
| Gratuity                                 | 1,077,860         | 1,018,722         |
| Company's Contribution to Provident Fund | 1,091,662         | 1,065,036         |
| Bonus                                    | 1,950,720         | 1,703,690         |
| <b>Perquisites :</b>                     |                   |                   |
| Housing                                  | 5,193,461         | 5,068,742         |
| Transport                                | 4,093,864         | 3,894,501         |
| Medical                                  | 1,086,447         | 1,030,680         |
| Telephone                                | 1,907,864         | 1,861,330         |
| Electricity, Gas & Water                 | 1,025,197         | 980,680           |
| <b>Tk.</b>                               | <b>34,009,529</b> | <b>32,801,385</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.

## 52. Production Capacity, Actual Production in 2002 and Reason of Excess/(Shortfall) :

(Production capacity on single shift basis)

|                | Unit                                 | Production Capacity |       | Actual Production |       | Excess / (Shortfall) |      | Reason of Excess or Shortfall      |
|----------------|--------------------------------------|---------------------|-------|-------------------|-------|----------------------|------|------------------------------------|
|                |                                      | 2002                | 2001  | 2002              | 2001  | 2002                 | 2001 |                                    |
| Solid Section  | Tablet & Capsule<br>(in million pcs) | 1,275               | 1,216 | 1,523             | 1,537 | 248                  | 321  | Overtime work for increased demand |
| Liquid Section | Bottle & Tube<br>(in million pcs)    | 22                  | 20    | 29                | 23    | 7                    | 3    | Overtime work for increased demand |
| Basic Chemical | Metric ton                           | 180                 | 172   | 67                | 92    | (113)                | (80) | As per market demand               |

## 53. Contingent Liability

The aggregate amount of disputed income tax in respect of assessment years 2000-2001, 2001-2002 and 2002-2003 is Taka 14,084,634 which is not provided for in the financial statements. The company has filed appeals with appropriate authority in this regard.

## 54. Capital Expenditure Commitment

At the balance sheet date, there was no commitment for capital expenditure.

## 55. Operating Lease Commitment

At 31 December, 2002 the company had annual commitment under operating leases as set out below :

|  |                   |
|--|-------------------|
| Leases expire within 1 year                | 11,846,592        |
| Leases expire within 2-5 years (inclusive) | 51,554,172        |
| Leases expire after five years             | -                 |
| <b>Tk.</b>                                 | <b>63,400,764</b> |

## 56. Claim not Acknowledged as Debt

There was no claim against the company not acknowledged as debt as on 31-12-02.

## 57. Unavailed Credit Facilities

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 31-12-02.

## 58. Payments made in Foreign Currency :

|   | Foreign Currency<br>(Equivalent US\$) | Taka        |
|---|---------------------------------------|-------------|
| Import of Machinery                         | 776,681                               | 45,710,691  |
| Import of Raw & Packing Material and Spares | 11,338,594                            | 662,060,523 |
| Consultancy Fee                             | 114,500                               | 6,709,085   |

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

## 59. Dividend Paid to the Non-Resident Shareholders in 2002 :

- Dividend for 2001 was declared on 29-06-2002 and therefore, dividend for 2001 was paid in 2002.
- Net dividend of Tk. 20,447.17 relating to the year 2001 was paid to 3 non-resident shareholders against 16,037 shares held by them after deduction of Income Tax at source of Tk. 3,608.33
- No dividend was remitted in foreign currency but paid in local currency to their local custodian banks.

## 60. 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. 25,000/- | Nil                             |
|                                     | Amount exceeding Tk. 25,000/-     | 10%                             |
| (d) Non-resident other than Company | Any amount                        | 25%                             |

### 61. Foreign Exchange Earned :

- (a) Export Sales of US\$ 860,012 (in 2001 US\$ 842,652).
- (b) No other income including royalty, technical assistance and professional advisory fee, interest and dividend was earned or received in foreign currency.

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

- (a) Distribution commission of Tk. 34,520,436 (in 2001 Tk. 30,732,376) and special discount of Tk. 14,154,455 (in 2001 Tk. 12,458,295) as stated in the Note - 39 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.

### 63. Post Closing Events

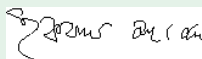
Subsequent to the balance sheet date, the directors recommended 5% cash dividend and 15% stock dividend (Bonus Share). The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting. The stock dividend shall be accounted for in terms of a statutory notification issued by the Securities and Exchange Commission in 2001.

Except the fact stated above, no circumstances have arisen since the balance sheet date which would require adjustment to, or disclosure in the financial statements or notes thereto.



**C. H. Rahman**  
Director

Dhaka  
29 April, 2003



**Iqbal Ahmed**  
Director



**Md. Asad Ullah**  
Company Secretary





## Beximco Pharmaceuticals Limited

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

# Proxy Form

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member of Beximco Pharmaceuticals Ltd. hereby appoint

Mr/Ms \_\_\_\_\_

of \_\_\_\_\_

as my/our proxy to attend and vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company to be held on Tuesday the 24th June, 2003 at 10:30 a.m. at 1, Shahbagh C/A, Dhaka and at any adjournment thereof.

As witness my/our hand this \_\_\_\_\_ day of June, 2003.

Signed by the said in presence of \_\_\_\_\_



\_\_\_\_\_  
(Signature of the Proxy)

Dated : \_\_\_\_\_

\_\_\_\_\_  
Signature of the Shareholder (s)

Register Folio No. : \_\_\_\_\_

Dated : \_\_\_\_\_

\_\_\_\_\_  
(Signature of the Witness)

**Note :**

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 appointed for the meeting.

Signature Verified



\_\_\_\_\_  
Authorised Signatory



### Corporate Headquarter

17 Dhanmondi R/A, Road No. 2  
Dhaka 1205, Bangladesh  
Phone : 880-2-8611891 (5 lines)  
Fax : 880-2-8613470  
Email : beximchq@bol-online.com  
Website : www.beximco.net

### Operational Headquarter

19 Dhanmondi R/A, Road No. 7  
Dhaka 1205, Bangladesh  
Phone : 8619151 (5 lines), 8619091 (5 lines)  
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

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

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**BEXIMCO  
PHARMA**

**BEXIMCO PHARMACEUTICALS LTD.**