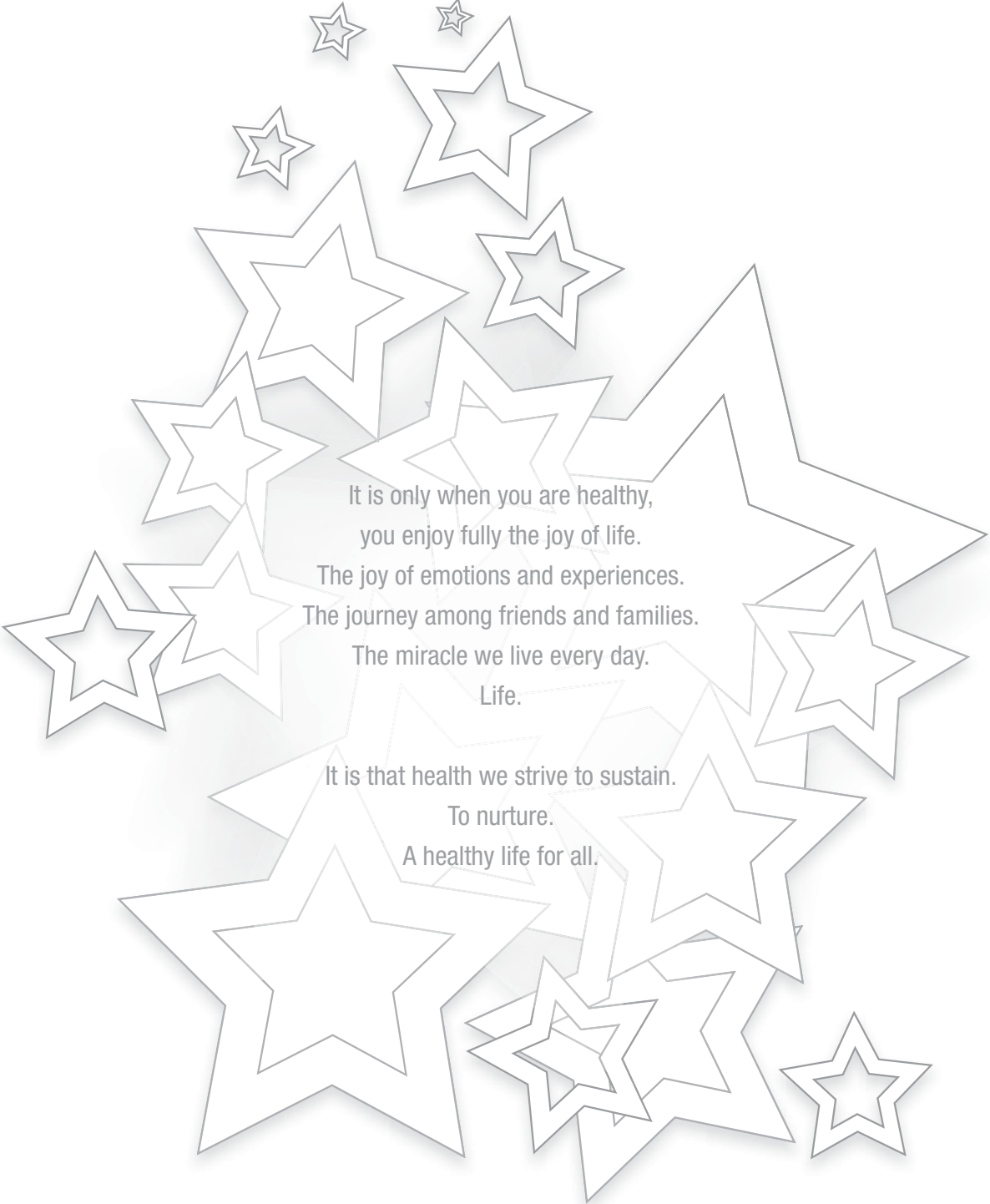


Annual Report 2013



BEXIMCO PHARMACEUTICALS LIMITED



It is only when you are healthy,
you enjoy fully the joy of life.
The joy of emotions and experiences.
The journey among friends and families.
The miracle we live every day.
Life.

It is that health we strive to sustain.
To nurture.
A healthy life for all.

Annual Report 2013



BEXIMCO PHARMACEUTICALS LIMITED

Mission

We are committed to enhancing human health and well being by providing contemporary and affordable medicines, manufactured in full compliance with global quality standards. We continually strive to improve our core capabilities to address the unmet medical needs of the patients and to deliver outstanding results for our shareholders.

Vision

We will be one of the most trusted, admired and successful pharmaceutical companies in the region with a focus on strengthening research and development capabilities, creating partnerships and building presence across the globe.

Core Values

Our core values define who we are; they guide us to take decisions and help realize our individual and corporate aspirations.

Commitment to quality

We adopt industry best practices in all our operations to ensure highest quality standards of our products.

Customer satisfaction

We are committed to satisfying the needs of our customers, both internal and external.

People focus

We give high priority on building capabilities of our employees and empower them to realize their full potential.

Accountability

We encourage transparency in everything we do and strictly adhere to the highest ethical standards. We are accountable for our own actions and responsible for sustaining corporate reputation.

Corporate Social Responsibility

We actively take part in initiatives that benefit our society and contribute to the welfare of our people. We take great care in managing our operations with high concern for safety and environment.

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ଶିଶୁର ଉତ୍ସାହ

BEXIMCO PHARMA



**HAVE YOU FELT
THE JOY OF
LIFE!**

Let's celebrate being alive



About the Company

Beximco Pharmaceuticals Ltd. (Beximco Pharma) is a leading manufacturer of medicines and active pharmaceutical ingredients (APIs) based in Bangladesh. Incorporated in the late 70s, Beximco Pharma began as a distributor, importing products from global MNCs like Bayer, Germany and Upjohn, USA and selling them in the local market, which were later manufactured and distributed under licensing arrangement. Over the years the company has grown from strength to strength and today it has become a leading exporter of medicines in the country winning National Export (Gold) Trophy a record four times. Benchmarked to global standards, Company's manufacturing facilities have been accredited by the major global regulatory authorities, and it has so far expanded its geographic footprint across all the continents.

Beximco Pharma currently has a portfolio of more than 500 products encompassing all major therapeutic categories, and it has successfully differentiated itself by offering technology driven specialized products. With a dedicated workforce of around 3,000 people, the simple principle on which it was founded remains the same: producing high-quality generic drugs and making them affordable to our people.



Key Milestones



2013

First Bangladeshi company to export ophthalmic products to Europe

2012

First Bangladeshi company to launch Salbutamol HFA inhaler (Azmasol®) in Singapore

2011

Received GMP accreditation from AGES, Austria (for European Union); only pharmaceutical company to win 'National Export Trophy (Gold)' for the fourth time

2010

The only pharmaceutical company in Bangladesh to enter the US market through acquisition of an Abbreviated New Drug Application (ANDA)

2009

Only Bangladeshi company to receive GMP approval from ANVISA, Brazil

2008

First Bangladeshi company to receive GMP accreditation from Therapeutic Goods Administration (TGA), Australia, and Gulf Central Committee for Drug Registration, for GCC states; Technology transfer arrangement to manufacture Roche's ARV drug Saquinavir

2006

Launched CFC free HFA inhalers for the first time in Bangladesh

2005

Only company in Bangladesh to be listed on the Alternative Investment Market (AIM) of London Stock Exchange (LSE) through issuance of GDRs

2003

First company to introduce anti-retroviral (ARV) drugs in Bangladesh

1993

Russia became the first export destination for formulation products

1992

Export operations started with APIs

1985

Listed on Dhaka Stock Exchange

1983

Launched own formulation brands

1980

Started manufacturing products of Bayer AG, Germany and Upjohn Inc., USA, under license agreements

1976

Company incorporated

Here's to the future, Here's to life





Salman F Rahman
Vice Chairman

A S F Rahman
Chairman

Board and Management

The Board of Directors



A S F Rahman
Chairman



Salman F Rahman
Vice Chairman



Nazmul Hassan MP
Managing Director



Osman Kaiser Chowdhury
Director



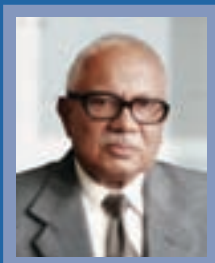
Abu Bakar Siddiqur Rahman
Director



Iqbal Ahmed
Director



Mahbubul Alam
Independent Director



Dr. Abdur Rahman Khan
Independent Director

Company Secretary



Md. Asad Ullah, FCS
Executive Director

Management Committee



Nazmul Hassan MP
Managing Director



Osman Kaiser Chowdhury
Member of the Board of Directors



Rabbur Reza
Chief Operating Officer



Ali Nawaz
Chief Financial Officer



Afsar Uddin Ahmed
Director, Commercial



Zakaria Seraj Chowdhury
Director, International Marketing



Lutfur Rahman
Director, Manufacturing



A R M Zahidur Rahman
Executive Director, Production



Shamim Momtaz
Executive Director, Manufacturing



Mohd. Tahir Siddique
Executive Director, Quality



Jamal Ahmed Choudhury
Executive Director, Accounts & Finance



Prabir Ghose
Executive Director, Quality Assurance

Executive Committee

Osman Kaiser Chowdhury
Nazmul Hassan MP
Rabbur Reza
Ali Nawaz
Afsar Uddin Ahmed

Member of the Board of Directors
Managing Director
Chief Operating Officer
Chief Financial Officer
Director, Commercial

**BEXIMCO
PHARMA**

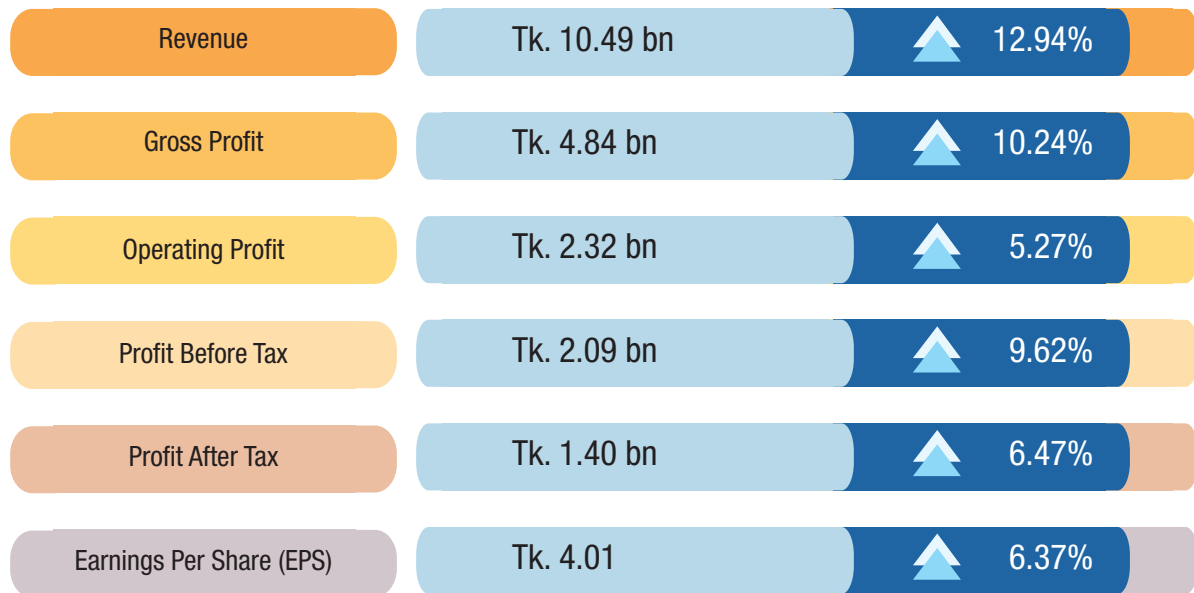
here's to life



Specialized
Products

We are committed to providing better access to quality medicines which are affordable because we know good health is priceless

2013 Highlights



- Launched 23 products in the domestic market; 6 of which were launched for the first time in Bangladesh
- Registered 38 products in 14 different countries; Madagascar, Estonia and Uganda being new to the list
- Commenced export of two ophthalmic products to Europe (Germany and Austria) for the first time from Bangladesh
- Obtained marketing authorization for a product in Australia
- Marketing authorization submission[s] made for one molecule in 5 European countries
- 3 ANDAs (Abbreviated New Drug Application) filed with US FDA (Food and Drug Administration)



Nazmul Hassan MP
Managing Director

Managing Director's Statement

In 2013, we achieved a sales turnover of BDT 10.49 billion with a year-on-year growth of 12.94%. Our domestic business posted a growth of 11.34% while the industry grew by 8.12%.

Dear Shareholder,

2013 was an extremely challenging year for the country's economy. Political turmoils and certain unprecedented events seriously disrupted our business activities. Despite all these uncertainties, however, Bangladesh was able to maintain GDP growth of 6% in the year. Steady growth in exports and growing remittance backed by firm monetary policy boosted the country's foreign currency reserve to a record high.

In 2013, we achieved a sales turnover of BDT 10.49 billion with a year-on-year growth of 12.94%. Our domestic business posted a growth of 11.34% while the industry grew by 8.12%, failing to maintain double digit growth for the first time since 2008.

We started the year with a renewed focus on export to regulated markets, and we reached another major milestone in March when we began exporting our own formulations to Germany and Austria. This was the very first time a Bangladeshi pharma company exported sterile ophthalmic products to Europe, known for stringent quality standards. Two ophthalmic products for treating glaucoma namely Latanoprost and a combination of Latanoprost and Timolol, are being exported to these countries with other European countries to follow. We remain focused on entering these markets, as they offer tremendous opportunities for generic drugs, and your company is advantageously positioned to gain from such opportunities with its strong generic drug skills. The Company successfully registered 38 products in 14 different countries including New Zealand, Panama, Gabon, Nigeria, Cambodia, Azerbaijan, Philippines, Myanmar, Sri Lanka, Nepal, Hong Kong, Uganda, Madagascar, EU-Estonia. We entered

3 new markets namely Madagascar, Estonia and Uganda in the said period. Export sales posted an excellent 43% growth over the previous year.

In the domestic market we continue to offer a diverse product portfolio and in the year we launched 23 products; six of them (Calorate Tablet, Jointec Max Tablet, Hemofix Tablet, Hemofix FZ Tablet, Citical Injection and Voligel 30g Tube) were launched for the first time in Bangladesh.

We have maintained a strong position in several key therapeutic segments. Our respiratory and cardiovascular categories continued to perform well growing by 11% and 22% respectively; while our multivitamins category posted an impressive 27% growth.

Our core strength is reverse engineering and we continue to focus on simplifying manufacturing processes and enhancing cost efficiency. On the technology front, our company embraced a series of positive developments during the year. We have identified specialized drug delivery as a compelling opportunity and we are developing our expertise in exciting new delivery systems like prefilled syringes, lyophilized injectables, metered dose inhalers, dry powder inhalers etc.

Our in-house R&D efforts recently saw the introduction of Oral Thin Film (OTF), a highly sophisticated technology platform, another first-time in the country. Our growth prospects remain excellent with these tech-driven products and our aim is to offer these new treatment options and make them affordable to our patients.

Our major focus currently remains the development of international markets and in 2013 we submitted three ANDAs (Abbreviated New Drug Application) with the USFDA. We obtained marketing authorization for a product in Australia while submissions were made for Marketing Authorization of one molecule in five European countries.

With our increasing number of global regulatory approvals and competitive advantages in manufacturing, we also actively look for potential contract manufacturing partners from developed markets. We believe, Company's sustained growth in emerging, as well as developed markets, will allow us to increase export turnover significantly, and we are now well on course in terms of our product line, robust manufacturing and R&D. We are actively evaluating opportunities to extend our geographic reach and replicate our successful operating model in other emerging markets.

We always recognize that our people are our most valuable asset, and thus we continue investing in our employees, providing them with high quality training to broaden and consolidate their professional skills. We have devoted considerable resources to help our executives to be the best they can be. In the year a number of comprehensive training programs were arranged both at home and abroad.

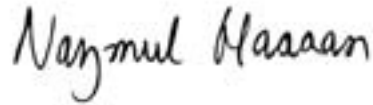
Our commitment to quality has truly been the cornerstone of our success. Our strategy is to deliver value to our stakeholders by focusing on unmet patient need and providing better and newer treatment options to patients. In all aspects of our business, we place emphasis on maintaining the highest standards of quality, to ensure that our products deliver the maximum potential benefit to patients. This investment has differentiated us from our competitors and helped to drive strong demand for our products.

Our company won the prestigious Asia's Most Promising Brand award at the Asian Brand Summit 2013, held in Dubai. Beximco Pharma ranked among the top 30 from more than 200 emerging brands in Asia and also received the Industry #1 award in the Pharma category. I was honored and selected as one of the top 15 Most Influential Asian Leaders.

The Scrip Award is one of the industry's most prestigious contested awards to highlight the achievements in the pharmaceutical and biotech industry. It was indeed a great recognition for our company to get shortlisted and nominated in the category of Best Management Team of the Year.

As a socially responsible company, we have continued investing in several health and education initiatives. Notable among these are our support to Rana Plaza victims, Jaago Foundation, Centre for the Rehabilitation of the Paralysed (CRP), and USAID-led MAMA initiative.

Going forward we will continue to invest in building our capabilities and focus our strategy in areas where we believe we have ample opportunities to grow. I would like to thank each of our shareholders and all other stakeholders for their continued support and confidence in Beximco Pharma.



Nazmul Hassan MP
Managing Director



Beximco Pharma Managing Director Nazmul Hassan MP has been honored with the highly prestigious Asia's Most Influential Leader Award, in recognition of his visionary leadership and outstanding contribution to private sector development and economic growth of the country as well as in the region.

Mr. Hassan has been selected as one of the top 15 most influential Asian corporate leaders and the award was given at a gala ceremony of the Asian Brand & Leadership Summit 2013 held in Dubai during August 26-27, 2013.

An initiative of the World Consulting and Research Corporation (WCRC), the Summit brought together the biggest and most promising brands and corporate leaders from across 50 industry categories. The entire process of evaluation and selection was done by KPMG, a leading global audit and accounting firm, along with an eminent panel of international jury members.



SLD-M-EQ-09-037





Manufacturing
Capabilities

One of our core capabilities that will allow the Company to realize aspirations of becoming one of the most trusted, admired and successful Pharma companies in the region is our manufacturing facility which is in line with cGMP. Situated near Dhaka, the capital city of Bangladesh, our manufacturing site extends over an area of 23 acres. This main site houses manufacturing facilities for producing a wide range of pharmaceutical products in different dosage forms and delivery systems such as capsules, tablets, intravenous fluids, metered dose inhalers, sterile ophthalmic drops, pre-filled syringes, dry powder inhalers, injectables, lyophilized products and nebulizer solutions. The bulk drug unit for producing paracetamol is also located within this site while the penicillin API and formulation units are situated at Kaliakoir, a few kilometers from the main site.

The salient features of our manufacturing facilities are:

- Own utility infrastructure in place
- 10MW installed electricity generation capacity
- Purified water and liquid nitrogen generation facilities
- Plant and machinery sourced predominantly from European manufacturers e.g. Germany, Switzerland, Sweden, Italy, UK etc.
- Entire site situated above sea level (10 m)
- Highest number of international GMP accreditations in the country in pharma sector.





Oral Solid dosage

The facility incorporates contemporary technological advancements with automated material handling systems and multilevel designs to enable gravity feed between various processing stages. This facility houses a total of five lines with an annual capacity to produce 5 billion tablets on a single shift basis.



Metered Dose Inhaler

The MDI units have been designed with the technical collaboration from Pamasol, Switzerland; which now have an annual production capacity of 20 million canisters.



Ophthalmic

Beximco Pharma's ophthalmic facility has been accredited by the regulatory authorities of the EU and Australia and the Company has differentiated itself by maintaining global quality standards.



Intravenous Fluid

Our Intravenous (IV) fluid unit is ISO 9001: 2010 certified and was designed in collaboration with Pharmaplan, a sister concern of Fresenius AG of Germany. Rigorously maintained sterile manufacturing conditions in a Class 100 clean room and a series of fully automated manufacturing facility including robotics ensure the highest standards of quality and purity.



Liquid and Semisolid

Beximco Pharma has a broad range of liquid formulations including syrups and semisolid dosage forms such as creams and ointments. At present the capacity of the liquid dosage facility is 37 million units per annum and the Company has embarked on an expansion program along with further upgrading the existing unit in order to meet the growing demand.



Pre-filled Syringe

Our high precision PFS line employs sophisticated technology and the entire filling operation is done under laminar flow in a Class 100 environment to provide absolute sterile conditions.



Dry Powder Inhaler

Beximco Pharma offers dry powder inhaler in innovative patient-friendly packaging. We use Alu-Alu blister pack and HPMC capsule shell to ensure maximum protection against moisture. Our unique and simple Bexihaler device, imported from Europe, and consisting of 8 pins, ensures optimum dose delivery.



Lyophilized Injectables

Within a short span of time, Beximco Pharma has emerged as an important player in Lyophilized Injectables market with its high quality lyophilized PPIs and other formulations.

**BEXIMCO
PHARMA**

here's to life

Beximco Pharma produces 500+ products in different dosage forms covering broad therapeutic categories. These include antibiotics, gastro-intestinals, respiratory, analgesics, cardiovascular, anti-diabetics and many others.

A portfolio
of
500+ products





BEXTRAM

GOLD

High Potency

From **A** to **Z**

ADVANCED FORMULA

INCLUDING THE COMPLETE ANTIOXIDANT GROUP

32 Multivitamin & Multimineral

30 Tablets

BEXTRAM

Teen HM

High Potency

21 Multivitamin & Multimineral

30 Tablets

BEXT

Teen H

High Potency

21 Multivitamin & Multimineral

30 Tablets



Diversifying Value with New Products

Our success is driven by great science which has consistently delivered meaningful advancements for patients over existing therapies. In 2013, we launched 20 new generics in 23 different dosage forms and strengths that greatly contributed to our growth.

New Products



Adafil®

Tadalafil 10 mg and 20 mg Tablet

Adafil® contains Tadalafil which is a potent, selective, reversible inhibitor of cyclic Guanosine Monophosphate specific Phosphodiesterase type 5 (PDE5). Adafil® is indicated in erectile dysfunction (ED).

Arlin® IV

Linezolid IV infusion

Arlin® contains Linezolid, which is a synthetic antibacterial agent of the oxazolidinone class. There is little chance of developing resistance due to unique mechanism of action, high susceptibility to MRSA, and it is highly effective in bacteremia caused by VRE & MRSA. The drug is well tolerated and is equivalent or superior to vancomycin in its action.



Calorate®

Calcium Orotate 400 mg Tablet

Calorate is a calcium supplement with a functional amino acid chelating ligand - orotic acid. Orotic Acid assists the transport of calcium through cellular membrane structures, thus facilitating the intracellular uptake of calcium, particularly in bone. Calcium Orotate also helps in the maintenance of healthy cartilage. Calorate® is used to prevent or treat low blood calcium levels in people who do not get enough calcium from their diet.



Calorate® Kit

1 tablet of Ibandronic Acid 150 mg
+ 60 tablets of Calcium Orotate 400 mg

Calorate® kit comprises 1 tablet of Ibandronic Acid 150 mg and 60 tablets of Calcium Orotate 400 mg and is indicated for the treatment and prevention of osteoporosis. Ibandronic acid increases bone mineral density (BMD) and reduces the incidence of vertebral fractures.



Citicol®

Citicoline 500 mg/4ml IV/IM Injection



Citicol® is a psychostimulant/nootropic agent indicated for patients suffering from stroke, age-associated memory impairment (AAMI), head injury, cerebrovascular disorders (disease of the blood vessels supplying the brain). Citicoline is also indicated for cognitive support and support for nerves of the eye.

Diapro® 30 MR

Gliclazide 30 mg Modified Release Tablet

Diapro® MR is a preparation of Gliclazide, a second generation sulfonylurea, which has been developed as modified release tablet. It is indicated for 24-hr sustained glycemic control in type 2 diabetes. The consistent dissolution and release pattern of Diapro® MR is not affected by food or by variation of pH leading to predictable and reproducible blood glucose level over a 24 hr period with an excellent safety profile. The comparative dissolution study performed at R&D of Beximco Pharmaceuticals Ltd has shown that release profile of Diapro® MR perfectly matches that of Innovator's and also matches its exact performance.





Feburic®

Febuxostat 40 mg Tablet

Feburic® tablet is a preparation containing Febuxostat 40 mg in a tablet. It is a type of medicine called xanthine oxidase inhibitor. It is an anti-gout preparation indicated to treat chronic gout and hyperuricaemia.

Hemofix®

Ferrous ascorbate Tablet

Hemofix® tablet contains Ferrous Ascorbate 275 mg equivalent to elemental iron 33 mg. Ferrous ascorbate is a synthetic molecule of Ascorbic Acid and Iron. Ascorbic Acid plays an important role in the movement of plasma iron to storage depots in tissues. Hemofix® is indicated in the treatment of iron deficiency anemia.



Hemofix® FZ

Ferrous ascorbate + Folic Acid + Zinc

Hemofix® FZ is a film coated tablet containing Ferrous Ascorbate equivalent to elemental Iron 48 mg, Folic Acid 0.5 mg & Zinc Sulfate Monohydrate 61.8 mg equivalent to elemental Zinc 22.5 mg. It is indicated on prophylaxis of Iron deficiency especially when an inadequate diet calls for supplementary Zinc and Iron during pregnancy and anemia.



Jointec® Max

Glucosamine + Diacerin Tablet

Jointec® Max is a combination of Diacerein 50 mg and Glucosamine sulfate 750 mg tablet, which is indicated for the treatment of osteoarthritis. Diacerein is a new anti-inflammatory drug, developed specially for the treatment of osteoarthritis. Glucosamine Sulfate is a naturally occurring chemical found in the human body. The dosage form contains more Glucosamine than that found in conventional glucosamine preparations. As a result treatment becomes more cost effective and dosage convenient.



Lopidam®

Iopamidol IV Injection 100 ml

Lopidam® (Iopamidol Injection) is indicated for intrathecal administration as contrast media in adult neuroradiology including myelography (lumbar, thoracic, cervical, total columnar), and for contrast enhancement of computed tomographic (CECT) cisternography and ventriculography. Lopidam® (Iopamidol Injection) is indicated for thoraco-lumbar myelography in children over the age of two years.



Metazine® MR

Trimetazidine Hydrochloride 35 mg Tablet

Metazine® MR is a modified release formulation of Trimetazidine. It is designed to release the Trimetazidine slowly over several hours, thus producing a steady blood level of the medicine throughout the day. Trimetazidine is indicated in adults as add-on therapy for the symptomatic treatment of stable angina pectoris who are inadequately controlled by, or intolerant to, first-line antianginal therapies.

Metoprol®- XL

Metoprol 50 & 100 mg Tablet

Metoprolol Succinate, is a beta1-selective (cardio selective) adrenoceptor blocking agent, for oral administration, available as extended release tablets. Metoprol-XL has been formulated to provide a controlled and predictable release of Metoprolol for once-daily administration. The tablets comprise a multiple unit system containing Metoprolol Succinate in a multitude of controlled release pellets. Each pellet acts as a separate drug delivery unit and is designed to deliver Metoprolol continuously over the dosage interval.



Navsol® Irrigating Solution

Balanced Salt Solution

Navsol® Sterile Irrigating Solution is a sterile physiological balanced salt solution of Sodium Chloride, Potassium Chloride, Calcium Chloride Dihydrate, Magnesium Chloride Hexahydrate, Sodium Acetate Trihydrate and Sodium Citrate Dihydrate. Navsol® is isotonic to the tissues of the eyes and is indicated as irrigation solution during various surgical procedures of the eyes, ears, nose and/or throat.



Nervalin®

Pregabalin 50 & 75 mg Capsule.

Nervalin is a modulator of voltage-gated calcium channels, designed to affect neurological transmission in multiple systems. It is specifically indicated for the treatment of neuropathic pain associated with spinal cord injury. It is also indicated for the treatment of neuropathic pain associated with diabetic peripheral neuropathy, post herpetic neuralgia, fibromyalgia, and as an adjunctive therapy for adults with partial onset seizures.

Odeson®

(Dexamethasone Phosphate 4 mg/ml IV/IM Injection)

Odeson® is a preparation of 4 mg/ml Dexamethasone Phosphate Injection. It is indicated in cerebral edema, shock, bronchial asthma, rheumatoid arthritis, severe allergic reactions, inflammatory bowel diseases, certain types of cancer and other inflammatory conditions that require rapid and intense corticosteroid therapy or when treatment by mouth is not possible.



Omastin® IV

Fluconazole 2mg/5ml

Omastin injection is used to treat serious fungal or yeast infections, such as vaginal candidiasis, oropharyngeal candidiasis (thrush, oral thrush), esophageal candidiasis (candida esophagitis), other candida infections (including urinary tract infections, peritonitis [inflammation of the lining of the abdomen or stomach], and infections that may occur in different parts of the body), or fungal (cryptococcal) meningitis.



Tranexil®

Tranexamic Acid 500 mg/5ml Injection

Tranexil® IV injection is the preparation of Tranexamic Acid (500 mg/ampoule). Tranexil® is a antifibrinolytic agent, effective to reverse the effects of streptokinase or other fibrinolytic activity. It may be used for conditions in which bleeding control is required such as after surgery or injury, recurrent nosebleeds or abnormal vaginal bleeding.

Tyclav®

Amoxicillin + Clavulanic Acid (375 mg, 625 mg and 1 g) Tablet

Tyclav® (375 mg, 625 mg and 1 g tablet) is an extended spectrum antibiotic, consisting of Amoxicillin and the beta-lactamase inhibitor, Clavulanate Potassium. The formulation of Amoxicillin and Clavulanic Acid in Tyclav protects Amoxicillin from degradation by beta-lactamase enzymes and extends the antibiotic spectrum of Amoxicillin more than ever.



Voligel®

Diclofenac Sodium 30 gm & 50 gm gel



Voligel® is the unique topical preparation of Diclofenac Sodium. It gives instant relief from any kind of muscle & joint pain such as back ache, neck & shoulder pain, joint pain etc. The launching of Voligel® offers patients a new way to treat daily aches with excellent safety.

Accolades

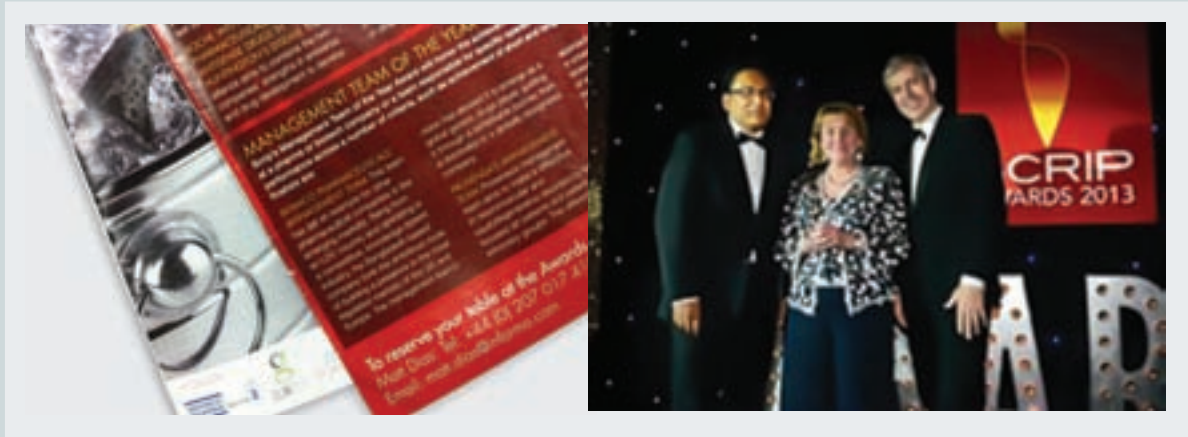


Beximco Pharma — Asia's Most Promising Brand

Beximco Pharmaceuticals Ltd. won the prestigious Asia's Most Promising Brand award at the Asian Brand & Leadership Summit 2013 held during 26-27 August, 2013 in Dubai. Beximco Pharma ranked among Top 30 from 200 emerging brands in Asia. It also received Industry's #1 award in pharma category. Beximco Pharma COO, Mr. Rabbur Reza received the award at a gala ceremony held in Dubai.

This was an initiative by World Consulting & Research Corporation (WCRC) where leading global audit and accounting firm KPMG was the process advisor and evaluator along with an eminent panel of international jury members. Professor Malcolm McDonald, one of the world's foremost marketing gurus, was the Chairman of this jury board. A total of 200 brands were featured across 50 industry categories to form the Most Promising Brands of Asia, bringing to the fore companies that have shown tremendous growth over the last few years. The two-day summit which honored brands and industry leaders in different categories was attended by luminaries of the marketing, advertising and branding spectrum including corporate leaders, marketing communication heads, brand custodians and business professionals across Asia.





Beximco Pharma Nominated for Prestigious SCRIP Awards 2013

The SCRIP Award is among the most prestigious awards in the pharmaceutical industry recognizing highly successful global companies. We feel proud to have been shortlisted for the award from among hundreds of pharma companies around the world in the category of "Management Team of the Year". Our COO, Mr. Rabbur Reza attended the Award Ceremony in UK on November 22 and also handed over the best Contract Research Organisation (CRO) award 2013 to Quintiles. Beximco Pharma sponsored the award in the category of *Best CRO of the year*.



Beximco Pharma
Featured in
Generics Bulletin

Beximco Pharma featured in Generics Bulletin, the world's leading newsletter for the generic pharma industry that is published in London.

**BEXIMCO
PHARMA**

here's to life



Millions of
smiles
made in
Bangladesh

Here's to the future, Here's to life

Global Accreditations access 50+ countries:



4 National Gold
Export Trophies
(1994-2010)



Global Accreditations

Benchmarked to international standards, our manufacturing facilities have been already approved by the regulatory authorities of Australia, Europe, Brazil and Columbia, among others. Currently we have the highest number of international accreditations in the country in pharma sector. Beximco Pharma also has the unique distinction as the only Bangladeshi company to get listed on the AIM of London Stock Exchange.

Participation at CPhI Worldwide 2013

Beximco Pharma, as in previous years, attended the biggest pharmaceutical expo CPhI Worldwide, held during October 22-24, 2013 in Frankfurt, Germany. BPL had a stall for showcasing its products to prospective clients from all over the world.



Factory Visits

Beximco Pharma always welcomes delegations from home & abroad to visit the state-of-the-art manufacturing facilities at Tongi with the aim of attracting new business opportunities.

During the year, we had overseas visitors from Germany, Azerbaijan, Australia, Malaysia, Jordan, UK, Nepal, Sri Lanka, Dubai, Tunisia, Canada Peru and Guatemala. Moreover, the Russian ambassador, delegates from UNDP, doctors from different institutes also visited the Beximco Pharma facility.



Our People

At Beximco we give top priority to the learning and development of our people because we recognize that they are our most valuable asset. Currently there are about 3,000 employees working at Beximco Pharma and its strong pool of talent includes professionals like pharmacists, chemists, doctors, engineers, microbiologists, and business graduates. To ensure that our people are enabled, and remain responsive to a rapidly changing world, we continue to provide them with high quality training to broaden and enrich their professional skills. Throughout the year we arranged a good number of training programs for our employees both at home and abroad with internationally renowned speakers and trainers. These include comprehensive training on KPI, KRA and corporate objectives of each department, special training on business creativity, strategic thinking, etc. As we look ahead to the future possibilities, our focus remains on building leadership skills at different levels, which is crucial for Company's future growth. The Company also provides libraries and on-line resources for the employees to encourage self-development.



Training 2013



Finance Conference 2013



Annual Sales and Marketing Meet 2013



Our R&D Capabilities

R&D is key to success for any pharma company and we have given top priority in building and strengthening our capabilities to excel in formulating technologically complex products. Our formulation R&D team develops a wide range of generic products including difficult to copy formulations in defined specialty areas. We have successfully developed multi-layer tablet, sustained release formulation, dispersible tablet, CFC-free inhalers, prefilled syringes, lyophilized injectables, sterile ophthalmics, oral thin films etc. Our team provided a robust product flow with 23 products in the year, and 6 of them were launched for the first time in the country. Currently we have a number of products in the pipeline for submission in the regulated markets. Our research and development activities are closely focused on market needs and driven by technological progress. A new, state-of-the-art research lab is being set up to facilitate the development of innovative and difficult products with a focus to create unique market opportunities.



**BEXIMCO
PHARMA**

here's to life

Exporting
Care to
the world.



A Bangladeshi company
touching lives globally.

More than 50 countries across 4 continents. From the utterly deprived African heartland to the highly privileged European elite, we are humbled by the opportunity to bring the smile of good health to humanity across colors, creed and communities.

A string of 4 Export Gold Trophies, an array of international accreditations, and a sea to travel lying open in front – we at Beximco Pharma constantly strive to explore new frontiers.

Here's to the future. Here's to life.



4 National Gold
Export Trophies
(1994-2010)



Global Footprint

38 products registered in 14 countries and entered 3 new markets.

As we are expanding our global footprint, our position in many Asian and African countries is now stronger than ever while our focus remains high on the regulated markets of the USA and EU for value added generics. Our export business registered an excellent growth of 43% over the previous year. We have successfully filed 3 ANDAs (Abbreviated New Drug Application) with the US FDA (Food and Drug Administration) and also made submission for Marketing Authorization in several EU countries. During the year we registered 38 products in 14 countries, and became the first Bangladeshi company to enter the European market with ophthalmic products. The company has a clear strategy to capitalize on generic drug opportunities and it continues to expand its pipeline for submission in overseas markets .

At the moment, we have highest number of international accreditations among local companies.

Beximco Pharma Enters EU Pharmaceutical Market



Beximco Pharmaceuticals Limited has commenced export of medicines to Europe. This was the very first time a local pharmaceutical company started exporting ophthalmic products to Europe.

Currently two ophthalmic products are being exported to Germany and Austria.



Asia

Singapore
Hong Kong
Cambodia
Nepal
Sri Lanka
Philippines
Thailand
Bhutan
Macau
Malaysia
Afghanistan
Azerbaijan
Vietnam

Africa

Kenya
Ghana
Somalia
Nigeria
Benin
Liberia
South Africa
Ethiopia
Mauritius
Mozambique
Nicaragua
Sudan
Burundi
Uganda
Lesotho

Middle East

Yemen
Jordan

Europe

Austria
Germany

Latin & Central America

Chile
Belize
El Salvador
Colombia
Surinam

Pacific Island

Fiji
Papua New Guinea
Solomon Island
Kiribati
Tonga
Samoa

Caribbean

Jamaica
Netherlands Antilles



here's to life

Working with healthcare professionals is essential to understand the need of patients and our relationship with doctors is based on sound science and focused on offering benefits to patients. Beximco has successfully established its brand value within the medical community. The company seeks to further reinforce its relationship with all stakeholders in the healthcare value chain providing value added, academic services.



Corporate Social Responsibility

Corporate social responsibility (CSR) is an integral part of Beximco Pharma's business. CSR has been incorporated as one of the core values of the organization and the company actively takes part in initiatives that benefit the society and contribute to the welfare of the people. Our firm commitment to building a healthier tomorrow is largely based on our CSR activities and we always strive to integrate those to our business strategies. We work together with non-profit organizations, international development agencies, and various healthcare institutes to improve people's lives through research, information, and advocacy. As BPL writes its success story as an emerging generic drug company in the region, it realizes that responsibility towards all its stakeholders increases in tandem. Some of our CSR activities in this year are described below.



Mobile Alliance for Maternal Action (MAMA)

We continued extending our support to Mobile Alliance for Maternal Action (MAMA) in Bangladesh, as its founding corporate partner. The United States Agency for International Development (USAID) catalyzed the creation of a public-private coalition in Bangladesh to support the execution of the service which aims to reach 5,00,000 pregnant women and new mothers within three years. Under the brand name 'Aponjon' this delivers life-saving health messages to Bangladeshi women and their families using mobile phones. The Ministry of Health and Family Welfare (MoHFW) and Access to Information (A2I) Program at the Prime Minister's Office are official partners of the initiative while Global partners include Johnson & Johnson and United Nations Foundation, among others.



Extending Support to Jaago Foundation

Jaago Foundation, the largest youth based volunteer organization in Bangladesh with more than 10,000 volunteers, aims to bring about substantial improvement in the lives of disadvantaged people with special emphasis on their literacy and nourishment. Jaago runs a number of schools to provide free education to the children in slum areas, besides running awareness campaigns on youth leadership, and other important social, environmental and health issues. Beximco Pharma provided both cash and in-kind supports to Jaago's various health and education initiatives.



Support to Rana Plaza Victims

CRP (Centre for the Rehabilitation of the Paralysed) Bangladesh has been actively providing full support for the victims of Rana Plaza disaster from the very beginning. More than 1,000 people have died and more than 600 injured in this tragedy. Beximco Pharma extended its support for the treatment of Rana Plaza victims and handed over a cheque of Tk 3.7 lac and donated large quantities of medicine to Valerie Taylor, Founder, CRP, Savar on 25 July at BPL's Head Office.



Free Medicines for UN Health Camps

Beximco Pharma helps the UN mission in different countries through providing free medicines for running health camps. In the year Beximco Pharma provided all the medicines free of cost for the health camp organized by the UN peace keeping mission in the Congo.



Sponsoring Friendly Cricket Match to Promote Maternal and Newborn Health

Mushfiqur Rahim, the Captain of Bangladesh's national cricket team, who is also a Brand Ambassador of USAID-supported Maternal and Newborn Health program ("Ma Moni") in Bangladesh, played a cricket match on April 4, 2013 with local cricketers in Sylhet to raise fund and increase awareness about maternal health. Beximco Pharma sponsored the cricket match as a part of its corporate social responsibility. The raised funds will be used by Save the Children for treating mothers in rural areas who have experienced health problems.

Sponsoring National Campaign on Healthy Living



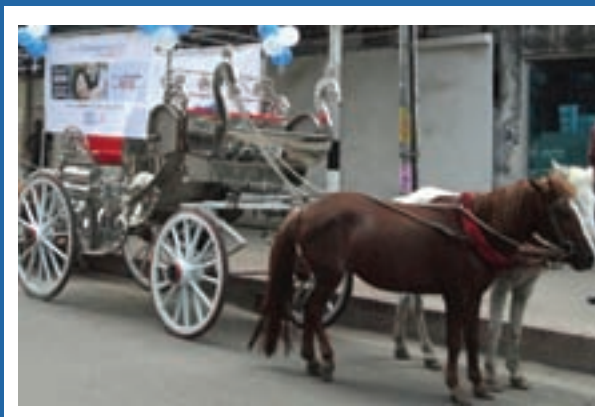
“Alchemy” is a nationwide healthy living campaign launched on March 6, 2013 to promote physical and mental wellbeing of people. Alchemy is being promoted by campaign specialists, health experts, trainers, and role models in Bangladesh. Beximco Pharma is one of the key sponsors of this unique initiative in Bangladesh.

World Heart Day 2013



Beximco Pharma celebrated the World Heart Day 2013 (September 29), a global awareness day, which aims to promote preventative measures that reduce the risk of cardiovascular diseases. On this occasion, Beximco Pharma together with Volunteer for Bangladesh (volunteer wing of Jaago Foundation) and BD Cyclists (biggest cyclist group in the country) arranged different programs to promote this year's theme 'Take the road to a healthy heart' which included distribution of awareness leaflets, a health camp, a TV program with leading cardiologists, cycle rally, marathon walk etc. Independent TV was the media partner for the events.

World Osteoporosis Day 2013



Beximco Pharma celebrated the World Osteoporosis Day with a number of programs under this year's global theme “Strong women make stronger women”. Beximco Pharma, for the first time in the country, organized a special bone health check-up to measure Bone Mineral Density (BMD) in order to instantly detect osteoporosis. BPL also arranged free health camp at jogger's park in the city, distributing awareness leaflets among people and organizing discussions with doctors in various medical institutes. The company handed over medicines and WOD campaign materials to CRP founder Ms. Valerie Taylor on this occasion. A colorful horse rally in the city was also arranged to promote awareness about bone health.

World Diabetes Day 2013

On the occasion of World Diabetes day 2013, Beximco Pharma arranged a number of awareness programs in different areas of capital city which included free diabetes check, providing leaflets, guide books etc. in association with Bangladesh Diabetic Samity.



Universal Children's Day 2013

Jaago Foundation celebrated the Universal Children's Day (UCD) 2013 on November 30 at Banani playground. This annual event aims to promote children's rights and their equal access to education. Beximco Pharma was a sponsor of the daylong UCD carnival and also arranged free health camp on this occasion.



Free Health Camps 2013



Post Balance Sheet Update

- Launched 13 new products during the first quarter of 2014
- Mucomist DT (N- Acetylcysteine) dispersible tablet was launched for the first time in Bangladesh.

Onsat OSF (Ondansetron) was launched using oral soluble film (OSF) technology for the first time in the country

- 12 products registered in different overseas markets, including Columbia and Costa Rica



Notice

BEXIMCO PHARMACEUTICALS LIMITED
17, Dhanmondi R/A, Road No. 2, Dhaka-1205

Notice of the thirty- eighth annual general meeting

Notice is hereby given that the Thirty-Eighth Annual General Meeting of the Shareholders of Beximco Pharmaceuticals Limited will be held on Saturday, the 21st June, 2014 at 10.30 a.m. at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st December, 2013 together with reports of the Auditors and the Directors thereon.
2. To declare 10% Cash and 5% Stock Dividend.
3. To elect Directors.
4. To confirm the re-appointment of Managing Director.
5. To approve the appointment of Independent Directors.
6. To appoint Auditors for the year 2014 and to fix their remuneration.
7. To transact any other business of the Company with the permission of the Chair.

By order of the Board,



(MOHAMMAD ASAD ULLAH, FCS)
Executive Director & Company Secretary

Dated : 8 May, 2014

NOTES:

- (1) The Record Date of the Company shall be on 18 May, 2014.
- (2) The Shareholders whose names will appear in the Share Register of the Company or in the Depository Register on the record date i.e. 18 May, 2014, will be entitled to attend at the Annual General Meeting and to receive the dividend.
- (3) 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.
- (4) Admission to the meeting room will be strictly on production of the attendance slip sent with the Notice as well as verification of signature of Member(s) and/or Proxy-holder(s).
- (5) No gift or benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No.SEC/ SRMI/2000-953/1950 dated 24 October 2000 for attending the AGM of the Company.

Chairman's Statement



Dear Shareholders,

I am happy to welcome you all to the thirty-eighth annual general meeting of Beximco Pharmaceuticals Limited. 2013 has been a challenging year for the Company. I am glad to inform you that the Company has successfully overcome those challenges delivering solid growth in all key business areas. You will note in the MD's statement and the Directors' report that, despite tough trading conditions we have maintained growth in our domestic and export sales, achieved our profit targets, improved earnings per share and attained progress as planned in all our key operational areas.

As we grow, we at the same time are concentrating on investing in facilities to enhance our manufacturing capacity to support and sustain growth. In the recent past, we have built and strengthened our capabilities in specialized drug delivery systems namely Sterile Ophthalmic, Prefilled Syringe, Lyophilized Injectable & Liquid Vials and Dry Powder Inhaler. We need to build additional manufacturing facilities to further diversify our portfolio. Moreover, some of our manufacturing units particularly those built in the 1980s and 1990s need upgrading, expansion and replacement to meet the increasing demand as well as the changed global regulatory standards. The Company therefore plans to continue its investment in facilities and processes to drive growth, improve productivity and achieve excellence in operation.

I am pleased to share with you that our Managing Director Mr. Nazmul Hassan MP has been selected as one of the Top 15 most influential Asian Corporate Leaders by World Consulting and Research Corporation (WCRC). Beximco Pharma has also won the "Asia's Most Promising Brand" award and was shortlisted for the prestigious SCRIP award in the category of "Management Team of the Year" - yet another testimony to Beximco Pharma management's commitment to excellence.

There have been a few changes in the Board of directors. I am deeply saddened to mention that in this period we lost two of our Board members. Dr. Abdul Alim Khan and Mohammed Abul Qasem both long time directors of the Company passed away on 29 September, 2013 and 19 April, 2014 respectively. Both of them had tremendous contribution to the progress of the Company and their experience and guidance will be greatly missed.

Barrister Faheemul Huq an independent director on the Board has resigned on personal grounds. I would like to take this opportunity to thank Mr. Huq for his contribution to the Company during his time as an independent director.

I am pleased to welcome the two new members who have joined the Board as independent directors. Mr. Mahbul Alam is a retired senior public administrator and prominent media personality who has held various important positions in both public and private sectors. Dr. Abdur Rahman Khan is a senior and prominent physician in Bangladesh and is currently the chief consultant physician and a professor of Medicine at BIRDEM (Bangladesh Institute of Research and Rehabilitation in Diabetes, Endocrine and Metabolic Disorders). Both of them will also serve as members of the Audit Committee, with Mr. Mahbul Alam holding the position of chairman.

We hope 2014 will continue to be a good year for us and we are confident we will be able to achieve our strategic goals. I would like to express my sincere gratitude to all our employees without whose hard work the Company would not be what it is today. I would also like to extend my thanks to all our valued shareholders and other stakeholders including customers, suppliers, healthcare professionals, government agencies, partners and financial institutions, for their continued support to the Company at all times.

Thank you

A handwritten signature in black ink, which appears to read "A. S. F. Rahman".

A S F Rahman
Chairman.

চেয়ারম্যানের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

বেল্লিমকো ফার্মাসিউটিক্যালস লিমিটেড-এর আটত্রিশতম বার্ষিক সাধারণ সভায় আমি আপনাদের সবাইকে স্বাগত জানাচ্ছি। আমি অত্যন্ত আনন্দের সাথে জানাচ্ছি যে, প্রতিকূল পরিস্থিতি সত্ত্বেও ২০১৩ সালে কোম্পানী তার অগ্রগতির ধারা অব্যাহত রাখতে সমর্থ হয়েছিল। আপনারা অবহিত আছেন যে সারা বছরব্যাপী রাজনৈতিক অস্থিরতার প্রেক্ষাপটে দেশের সার্বিক অর্থনৈতিক কর্মকান্ড গভীরভাবে বাধাগ্রস্ত হয়েছে। এতদসত্ত্বেও আমাদের অভ্যন্তরীণ এবং রপ্তানী বাজারে উল্লেখযোগ্য বিক্রয় প্রবৃদ্ধি অর্জিত হয়েছে। মুনাফা লক্ষ্য মাত্রা অর্জনের মাধ্যমে আমরা আমাদের শেয়ার প্রতি আয় বৃদ্ধি করতে সমর্থ হয়েছি। এছাড়া ব্যবসায়ের গুরুত্বপূর্ণ ক্ষেত্রসমূহে লক্ষ্য মাত্রা অনুযায়ী অগ্রগতি অর্জিত হয়েছে। ব্যবস্থাপনা পরিচালক এবং পরিচালনা পর্ষদের প্রতিবেদনে এ ব্যাপারে বিস্তারিত আলোচনা রয়েছে।

প্রবৃদ্ধির সাথে সামঞ্জস্যপূর্ণ উন্নয়ন সক্ষমতা অর্জন এবং উন্নয়নের ধারাকে টেকসই করার লক্ষ্যে যথোপযুক্ত বিনিয়োগের ব্যাপারেও আমরা সচেষ্ট রয়েছি। ইতিমধ্যে আমরা Sterile Ophthalmic, Prefilled Syringe, Lyophilized Injectable & Liquid Vials, Dry Powder Inhaler ইত্যাদি বিশেষায়িত ঔষধ তৈরীর জন্য প্রয়োজনীয় নূতন উৎপাদন ইউনিট প্রতিষ্ঠা করেছি। বাজার চাহিদার সাথে সামঞ্জস্য রেখে পণ্য সম্ভার বহুমুখীকরণের জন্য আরো নূতন উৎপাদন ইউনিট তৈরী করা দরকার। এছাড়া আমাদের কিছু কিছু উৎপাদন ইউনিট আশি এবং নব্বই দশকে প্রতিষ্ঠা করা হয়। চাহিদার ক্রমবৃদ্ধি এবং আন্তর্জাতিক উৎপাদন নীতিমালায় পরিবর্তনের প্রেক্ষিতে এইসব ইউনিট এর আধুনিকায়ন, উৎপাদন ক্ষমতা বৃদ্ধিকরণ এবং প্রতিস্থাপন প্রয়োজন। উৎপাদন সক্ষমতা বৃদ্ধি, উৎকর্ষতা অর্জন এবং উৎপাদনশীলতার উন্নয়নের জন্যে সার্বিক অবকাঠামো খাতে আমাদের বিনিয়োগ পরিকল্পনা রয়েছে।

আমি আনন্দের সাথে আপনাদের জানাচ্ছি যে, আমাদের ব্যবস্থাপনা পরিচালক জনাব নাজমুল হাসান এমপি “World Consulting and Research Corporation (WCRC)” কর্তৃক এশিয়ার প্রথম ১৫ জন প্রভাবশালী ব্যবসায়ীক নেতার একজন হিসাবে মনোনীত হয়েছেন। এছাড়া এ বৎসর বেল্লিমকো ফার্মা Asia's Most Promising Brand Award অর্জনের পাশাপাশি মর্যাদাপূর্ণ SCRIP পুরস্কারের জন্যেও মনোনীত হয়। Management Team for the Year বিভাগে বেল্লিমকো ফার্মাকে এই মনোনয়ন দেয়া হয় যা উৎকর্ষ ব্যবস্থাপনায় আমাদের নিরবচ্ছিন্ন প্রচেষ্টারই স্বীকৃতি।

ইতিমধ্যে আমাদের ব্যবস্থাপনা পরিষদে কিছু পরিবর্তন এসেছে। আমি দুঃখের সাথে জানাচ্ছি আমাদের দুইজন পরিষদ সহকর্মী ডাঃ আব্দুল আলীম খান এবং মোহাম্মদ আবুল কাশেম যথাক্রমে ২৯/০৯/২০১৩ ও ১৯/০৪/২০১৪ ইং তারিখে ইস্তফা করেছেন। তারা উভয়েই দীর্ঘদিন পরিচালনা পরিষদে

ছিলেন এবং কোম্পানীর উন্নয়নে গুরুত্বপূর্ণ ভূমিকা পালন করেছেন। তাদের অভিজ্ঞতা ও পথনির্দেশনার অভাব আমরা সবসময় অনুভব করি। স্বাধীন পরিচালক ব্যারিস্টার ফাহিমুল হক ব্যক্তিগত কারণে পরিচালনা পর্ষদ থেকে পদত্যাগ করেছেন। আমি পরিষদ সদস্যদের পক্ষ থেকে জনাব হককে কোম্পানীতে তার অবদানের জন্য ধন্যবাদ জানাচ্ছি। জনাব মাহবুবুল আলম ও জনাব আব্দুর রহমান খান পরিচালনা পর্ষদে স্বাধীন পরিচালক হিসাবে যোগদান করেছেন। আমি তাদের স্বাগত জানাই। জনাব মাহবুবুল আলম একজন অবসরপ্রাপ্ত জ্যেষ্ঠ জনপ্রশাসক এবং বিশিষ্ট গনমাধ্যম ব্যক্তিত্ব। তিনি সরকারী এবং বেসরকারী উভয় ক্ষেত্রে বিভিন্ন গুরুত্বপূর্ণ পদে কর্মরত ছিলেন। ডাঃ আব্দুর রহমান খান দেশের একজন প্রবীন এবং বিশিষ্ট চিকিৎসক। তিনি বর্তমানে BIRDEM হাসপাতালে চীফ কনসালটেন্ট ফিজিসিয়ান এন্ড প্রফেসর হিসাবে কর্মরত আছেন। পরিচালনা পর্ষদ জনাব মাহবুবুল আলমকে অডিট কমিটির চেয়ারম্যান এবং ডাঃ আব্দুর রহমান খানকে অডিট কমিটির সদস্য হিসাবে মনোনয়ন প্রদান করেছে।

আমরা আশা করি ২০১৪ সালে ও আমাদের সফলতার ধারাবাহিকতা অব্যাহত থাকবে এবং আমরা আমাদের কৌশলগত লক্ষ্যসমূহ অর্জনে সক্ষম হব। পরিশেষে আমি ধন্যবাদ জানাচ্ছি আমাদের প্রত্যয়ী কর্মীবাহিনীকে যাদের অক্লান্ত পরিশ্রমের ফলে কোম্পানী আজকের অবস্থানে পৌছতে সক্ষম হয়েছে। আমাদের প্রতি অবিচল সমর্থনের জন্য আমি আমাদের সম্মানিত শেয়ারহোল্ডারবৃন্দকে আন্তরিক ধন্যবাদ জানাচ্ছি। একই সাথে কোম্পানীর স্বার্থ সংশ্লিষ্ট সকল ব্যক্তি ও প্রতিষ্ঠান যথা আমাদের ক্রেতা, সরবরাহকারী, চিকিৎসা ব্যবস্থার সাথে সংশ্লিষ্ট সকল পেশাজীবী, সরকারী সংস্থা, ব্যাংকার সহ সকলকে আমাদের আন্তরিক কৃতজ্ঞতা জানাচ্ছি।

সবাইকে ধন্যবাদ।

X. S. P. Laluda.

এ.এস.এফ রহমান
চেয়ারম্যান

Directors' Report to the Shareholders

Dear Shareholders,

On behalf of the Board of Directors of Beximco Pharmaceuticals Limited, I welcome you all to the 38th Annual General Meeting (AGM) of Beximco Pharmaceuticals Limited, I am pleased to place before you the Directors' Report and the Audited Accounts of the company for the year ended December 31, 2013 along with the report of the auditors thereon.

1. Operating Performance

1.1 Business Outlook- A General Overview

The Bangladesh economy against all odds remained positive with GDP growing at 6% in 2013. Moderate growth in export and robust foreign remittances surpassed the fall in agricultural and service sector contributions to GDP and helped to achieve this growth despite the weakening of a number of other key macro-economic fundamentals. The inflation rate remained more or less stable, point to point inflation being reported at 7.35% in December 2013 as against 7.14% in December 2012. Strong inflow of remittances coupled with decline in payment for import including capital machinery resulted in a record high foreign exchange reserve that crossed USD 18 billion. This in turn helped the appreciation of the taka against all major currencies and specifically the US dollar.

The political crisis, predominantly centering on the national election, persisted throughout 2013 and reached its worst at the end of the year, disrupting overall business activities. Turbulence caused by frequent strikes and blockades swept throughout the economy particularly hitting the supply-chain of the country which in turn hampered production and dampened the demand for goods and services.

With political unrest in the backdrop, the pharmaceutical industry in Bangladesh like many other sectors experienced lower than expected growth in 2013. For the first time since 2008 the industry failed to achieve double digit growth and attained 8.12% sales growth in domestic market (IMS, Q4 Report) as against 11.91% in 2012 and over 23% both in 2011 and 2010.

However, 2014 has seen some normalcy return to the overall environment of the country with the holding of the election at the beginning of the year. We hope the situation will remain calm and conducive for business growth.

1.2 Sales and Profitability

Net sales revenue in 2013 has grown by 12.94% to reach at Taka 10,490.1 million as against Tk. 9,289.1 million of 2012. Domestic sales continued to remain as the key driver with 94% of the total revenue coming from the domestic market. We achieved an appreciable 11.34% growth in domestic sales as compared to 8.12% of industry average. In 2013 we have further reinforced our domestic base and have been successful in retaining and expanding our market share in all of our key therapeutic segments.

During 2013, Profit before tax increased by 9.62% compared to that of last year to reach at Taka 2,093.6 million. Profit after tax also increased by 6.47% to reach Taka 1,404.8 million. Gross profit declined by 1.13% in 2013; 46.12% as against 47.25% of prior year due to rise in cost of materials and notable increase in the research and development expense incurred in connection with development of new product formulations for domestic as well as for the overseas markets. However, relative appreciation of Taka against dollar and improved sales mix coupled with changes in prices of certain

products have helped to minimize the effect of increase in the cost of material and overhead thus containing the gross profit erosion at this minimal level.

We continued to explore new export destinations for our products with 38 new products registered in 14 different countries. Our effort to increase export and diversify into new markets has resulted export growth of 42.79% in 2013 to Taka 671 million as against Taka 470 million of 2012.

During the year we have commenced exports to Europe (Germany and Austria) with two eye drops for the first time from Bangladesh, obtained marketing authorization for a product in Australia and made submission for Marketing Authorization of one molecule in five European countries. Additionally, we submitted three ANDAs (Abbreviated New Drug Application) with USFDA during this period.

2. Profit and its Appropriation

The Directors take pleasure in reporting the financial results of the Company for the year ended 31 December, 2013 and recommend the appropriation as mentioned below:

Taka in Thousand

	2013	2012
Net Profit after Tax	1,404,763	1,319,389
Adjustment for depreciation on re-valued assets	18,235	20,719
Profit brought forward from previous years	6,244,222	5,361,073
Profit Available for Appropriation	7,667,220	6,701,181
Proposed Dividend		
Stock Dividend	(175,167)	(456,959)
Cash Dividend	(350,335)	—
Profit Carried Forward	7,141,718	6,244,222

3. Dividend

The Board of Directors is pleased to recommend 10% Cash Dividend i.e. Tk. 1 per share and 5% Stock Dividend i.e. 5 shares for every 100 shares held for the year 2013 for onward approval in the Annual General Meeting.

4. Directors

4.1 Appointment of Independent Directors

We are pleased to announce that Mr. Mahbubul Alam and Dr. Abdur Rahman Khan have joined the Board in March 2014 as Independent Directors.

Mr. Mahbubul Alam is a retired senior public administrator and prominent media personality. He was the editor of The Independent and served as the Chairman of Newspaper Owners Association of Bangladesh (NOAB). He is a former Advisor (Cabinet Minister) to the Caretaker Government of Bangladesh. He also served as Press Minister at the Embassy of Bangladesh in Washington D.C. with the rank and the status of an Ambassador. He was the press counselor at the Bangladesh High Commission in London and the Ambassador of Bangladesh in Bhutan. He was also the Director General, External Publicity Wing and Spokesman for the Ministry of Foreign Affairs, Dhaka. He received an M.A. in Political Science from University of Dhaka and also received training in journalism and commonwealth relations as a fellow of commonwealth press union.

Dr. Abdur Rahman Khan is a very senior and prominent physician in Bangladesh. He is the Chief Consultant Physician and Professor of Medicine, BIRDEM; Chairman, Board of Management of BIRDEM and Member of National Council of Diabetic Association of Bangladesh. He is a fellow of the Royal College of Physicians of London and a fellow of the College of Physicians and Surgeons of Bangladesh. He is also a member of the International Diabetes Federation and an honorary member of the Association of Military Surgeons, USA. He joined the Bangladesh Army as a Commissioned Officer in Army medical Corps and retired as a Major General. He was an Advisor to the Caretaker Government of Bangladesh and previously Vice President of the Red Crescent and Red Cross society of Bangladesh. He also holds a Bachelor of Medicine and Bachelor of Surgery (MBBS) (Calcutta) and is a Member of the Royal College of Physicians (MRCP) (London and Glasgow).

4.2. Death and Resignation

Mohammad Abul Qasem and Dr. Abdul Alim Khan two members of our Board have passed way during this time. The Board of Directors recalls with appreciation and gratitude their contribution towards the establishment and growth of Beximco Pharmaceuticals Ltd.

Barrister Faheemul Huq, a Director of the Board, has tendered his resignation on personal grounds. Mr. Huq's resignation was accepted by the Board on 13th March, 2014. We are thankful to Mr. Huq for his valuable contribution and guidance during his tenure with the Company.

4.3. Retirement and Re-election

Mr. Osman Kaiser Chowdhury and Mr. Abu Bakar Siddiqur Rahman, 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.

Both Mr. Osman Kaiser Chowdhury and Mr. Abu Bakar Siddiqur Rahman are long term directors in the Board. Mr. Chowdhury has been with the Company since 1991. He is a member of the Institute of Chartered Accountants of England and Wales and a Fellow of the Institute of Chartered Accountants of Bangladesh. He has over 13 years' experience working abroad, including the United Kingdom.

Mr. Siddiqur Rahman has been in the Board since 1993. He holds senior positions at a number of entities within the Beximco Group of companies.

As per provision of Companies Act 1994, Mr. Nazmul Hassan was appointed as Managing Director of the Company for a period of 5 years which expired on 7th May 2014. The Board has re-appointed him as Managing Director of the Company for another 5 years w.e.f. May 7, 2014 to May 6, 2019, subject to the confirmation by the shareholders in this Annual General Meeting.

Mr. Hassan is also the Managing Director of Shinepukur Ceramics Ltd., and Director of different companies of Beximco group. He is the current President of Bangladesh Cricket Board and also an elected Member of the National Parliament of Bangladesh and a member of parliamentary standing committee for Health and Agriculture. Mr. Hassan obtained Bachelors degree in Public Administration, an MBA degree from the University of Dhaka and Executive Education in Marketing & Strategy at University of California, Los Angeles & North Western University, Chicago, USA. Mr. Nazmul Hassan was awarded prestigious Asia's Most Influential Leader at the Asian Brand Summit 2013, Dubai for his outstanding business leadership. Mr. Hassan is currently the Advisor to Bangladesh Association of Pharmaceutical Industries (BAPI) where he had served as the Secretary General for four consecutive terms. He has been on various national and international committees and task force on healthcare and drugs policy, including Consultant to Commonwealth Secretariat in London, UK. He is considered an expert on issues related to Drug Policy, Intellectual Property Rights, TRIPs etc.

5. Auditors

The existing Auditors, M. J. Abedin & Co., Chartered Accountants, National Plaza, 109, Bir Uttam C. R. Datta Road, Dhaka-1205 who were appointed as Auditors of the Company in the Thirty-seventh Annual General Meeting of the Company has carried out the audit for the year ended 31 December 2013.

M. J. Abedin & Co., Chartered Accountants, National Plaza, 109, Bir Uttam C.R. Datta Road, Dhaka-1205, the Auditors of the Company retires at this meeting and has expressed their willingness to continue in office for the year 2014.

6. Audit Committee

Due to resignation of Barrister Faheemul Huq and death of Dr. Abdul Alim Khan, Chairman and Member of the Audit Committee respectively, the Board reconstituted the Audit Committee as follows:

Mahbubul Alam	Chairman
Osman Kaiser Chowdhury, FCA	Member
Dr. Abdur Rahman Khan	Member
Mohammad Asad Ullah, FCS	Secretary

The details of the activities of the Audit Committee have been provided in the “Audit Committee Report”.

7. Statement of Directors on Financial Reports

Directors are pleased to report that:

- a. The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994 and Securities and Exchange Rules, 1987. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
- b. Proper books of accounts of the Company have been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of the financial statements except those referred to in the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d. The International Accounting Standards (IASs)/ Bangladesh Accounting Standards (BASs)/International Financial Reporting Standards (IFRSs)/Bangladesh Financial Reporting Standards (BFRSs), as applicable in Bangladesh, have been followed in preparation of the financial statements.
- e. Internal Control System is sound in design and has been effectively implemented and monitored.
- f. There is no significant doubt about the ability of the Company to continue as a going concern.

Directors also report that the Managing Director (Chief Executive Officer) and the Chief Financial Officer have certified to the Board that they have reviewed the Financial Statements for the year 2013 and to the best of their knowledge and belief:

- a. The Financial Statements present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards and applicable laws
- b. There is no statement which is materially untrue or misleading and there is no omission of facts in such statements
- c. No transaction has been entered into by the Company which are fraudulent, illegal or in violation of the Company's code of conduct.

8. Key Operating and Financial Data

The summarized key operating and financial data for 2013 and immediately preceding four years are presented below:

Taka in Thousand

Particulars	2013	2012	2011	2010	2009
Authorized Capital	9,100,000	9,100,000	9,100,000	9100000	9,100,000
Paid up Capital	3,503,349	3,046,390	2,517,678	2,098,065	1,511,493
Total Sales	10,490,699	9,289,115	7,890,242	6,490,847	4,868,255
Export Sales	671,289	470,116	390,315	330,541	272,126
Gross Profit	4,838,800	4,389,401	3,786,533	3,173,207	2,302,048
Profit Before Tax	2,093,594	1,909,829	1,677,849	1,361,532	867,467
Net Profit	1,404,763	1,319,389	1,198,525	1,051,649	624,740
Fixed Assets (Gross)	23,051,128	20,316,639	19,289,344	18,191,956	15,621,366
Shareholders' Equity	19,775,552	18,408,162	17,128,128	15,974,086	10,885,707
Dividend :					
Stock	5%	15%	21%	20%	15%
Cash	10%	—	—	—	—
Net Assets Value (NAV) Per Share	56	60	68	79	72
EPS / Restated EPS	4.01	3.77	3.93	4.18	3.50
Market Price Per Share (at end of the year)	47.20	55.90	93.60	135.1	155.8
Price Earning Ratio (Times)	11.77	14.83	23.82	32.32	44.51
Number of shareholders	92,831	86,290	88,697	93,371	80,189
Foreign Investors	68	66	58	57	54
ICB including ICB Investors Account	880	898	896	899	890
Sponsors, General Public & Other Institutions	91,883	85,326	87,743	92,415	79,245
Number of employees	2,897	2,748	2,670	2,507	2,511

9. Board Meetings and Attendance

Fourteen Board Meetings were held during the year. The attendance records of the Directors are as follows:

Directors	Number of Meetings Attended	Directors	Number of Meetings Attended
A S F Rahman	14	Salman F Rahman	14
Nazmul Hassan MP	14	Iqbal Ahmed	13
M. A. Qasem	14	Osman Kaiser Chowdhury	13
Dr. Abdul Alim Khan	3	Barrister Faheemul Huq	5
A. B. Siddiqur Rahman	14		

10. The Pattern of Shareholding

Name-wise details	Number of Shares held
i) Parent/Subsidiary/Associate Companies and Other Related Parties :	
Beximco Holdings Ltd.	19,430,807
Bangladesh Export Import Company Ltd.	2,505,072
New Dacca Industries Ltd.	9,159,867
Beximco Engineering Ltd.	1,920,270
National Investment & Finance Company Ltd.	993,022
(ii) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their Spouses and Minor Children:	
A S F Rahman, Chairman	7,114,009
Salman F Rahman, Vice Chairman	7,130,663
Nazmul Hassan MP, Managing Director & CEO	11,512
Company Secretary, Spouse and Minor Children	—
Chief Financial Officer, Spouse and Minor Children	—
Head of Internal Audit, Spouse and Minor Children	—
(iii) Executives	—
(iv) Shareholders holding 10% or more voting interest in the Company:	—

11. Corporate Governance Compliance Report

In accordance with the requirement of the Securities and Exchange Commission Notification No SEC/CMRRCD/2006-158/134/Admin/44, Report on “Corporate Governance Compliance” is annexed.

On behalf of the Board



A S F Rahman
Chairman

Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/ Admin/44 dated 07 August, 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status ("√" in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1	BOARD OF DIRECTORS (BOD)			
1.1	Board's Size [number of Board members to be 5 – 20]	√		
1.2	Independent Directors (ID)			
1.2 (i)	Number of Independent Directors [at least 1/5]	√		
1.2 (ii) (a)	Holding no share or holding less than 1% shares	√		
1.2 (ii) (b)	Not being a sponsor and connected with any sponsor or director or shareholder holding 1% or more shares	√		
1.2 (ii) (c)	Not having any pecuniary or otherwise relationship with the company or its subsidiary/associated companies	√		
1.2 (ii) (d)	Not being member/director/officer of any stock exchange	√		
1.2 (ii) (e)	Not being shareholder/director/officer of any member of stock exchange or intermediary of capital market	√		
1.2 (ii) (f)	Not being partner/executive at present or during the preceding 3 years of the company's statutory audit firm	√		
1.2 (ii) (g)	Not being an ID in more than 3 listed companies	√		
1.2 (ii) (h)	Not convicted as defaulter in any loan of a bank or NBF	√		
1.2 (ii) (i)	Not convicted for a criminal offence	√		
1.2 (iii)	To be appointed by BOD and approved in the AGM	√		Appointment of two of the Independent Directors is placed for approval by the Shareholders in this AGM
1.2 (iv)	The post cannot remain vacant for more than 90 days	√		
1.2 (v)	Laying down of code of conduct of Board members and recording of annual compliance of the code	√		
1.2 (vi)	Tenure of Independent Director	√		
1.3	Qualification of Independent Director			
1.3 (i)	Being knowledgeable, having integrity, ability to ensure compliance with laws and make meaningful contribution	√		
1.3 (ii)	Being a Business Leader/ Corporate Leader/ Bureaucrat/ University Teacher (Economics/Business/Law)/CA/CMA/CS having 12 years of management/professional experience	√		
1.3 (iii)	Prior approval of the Commission in special cases	—	—	N/A
1.4	Appointment of Chairman and CEO, defining their roles	√		
1.5	Inclusions in Director's Report to Shareholders			
1.5 (i)	Industry outlook and possible future developments	√		
1.5 (ii)	Segment-wise or product-wise performance	√		Company Operates in a Single Product Segment- Pharmaceuticals. However, in relevant cases market segment performance has been analyzed.
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	Discussion on COGS, Gross Profit and Net Profit Margins	√		
1.5 (v)	Discussion on continuity of Extra-Ordinary gain or loss	—	—	N/A
1.5 (vi)	Basis for and a statement of related party transactions	√		
1.5 (vii)	Utilization of proceeds from issuing instruments	—	—	N/A
1.5 (viii)	Explanation, if the financial results deteriorate after going for IPO, RPO, Right Offer, Direct Listing, etc.	—	—	N/A

Condition No.	Title	Compliance Status (“√” in appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.5 (ix)	Explanation about significant variance between Quarterly Financial performance and Annual Financial Statements	—	—	N/A
1.5 (x)	Remuneration to directors including Independent Directors	√		No remuneration were paid to any Director during 2013 except Managing Director for serving as Chief Executive and the Independent Directors for their attendance in Meetings.
1.5 (xi)	Fair presentation in financial statements	√		
1.5 (xii)	Maintaining proper books of accounts	√		
1.5 (xiii)	Consistent application of appropriate accounting policies, and accounting estimates being reasonable and prudent	√		
1.5 (xiv)	Following applicable IAS/BAS/IFRS/BFRS, and adequate disclosure for any departure there-from, if any	√		
1.5 (xv)	Soundness and monitoring of internal control system	√		
1.5 (xvi)	Statement regarding ability to continue as going concern	√		
1.5 (xvii)	Significant deviations from last year’s operating results	—	—	N/A
1.5 (xviii)	Summary of key operating/financial data of last 5 years	√		
1.5 (xix)	Reason for non declaration of Dividend	—	—	N/A
1.5 (xx)	Number of Board meetings and attendance of directors	√		
1.5 (xxi)	Pattern of shareholding (along with name wise details)			
1.5 (xxi) (a)	Parent/Subsidiary/Associate Companies & related parties	√		
1.5 (xxi) (b)	Directors, CEO, CS, CFO, HOIA, their spouses & children	√		
1.5 (xxi) (c)	Executives (Top 5 salaried employees other than above)	√		
1.5 (xxi) (d)	Shareholders holding 10% or more voting interest	√		
1.5 (xxii)	Appointment/re-appointment of a director			
1.5 (xxii) (a)	A brief resume of the director	√		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	√		
1.5 (xxii) (c)	Names of companies in which he/she holds directorship and the membership of committees of the board	√		
2	CFO, Head of Internal Audit and CS			
2.1	Appointment of a CFO, a Head of Internal Audit and a CS and defining their roles, responsibilities & duties	√		
2.2	Attendance of CFO and CS in the meetings of the Board	√		
3	Audit Committee			
3 (i)	Having Audit Committee as a sub-committee of the BOD	√		
3 (ii)	Audit Committee to assist the BOD in ensuring fairness of financial statements and a good monitoring system	√		
3 (iii)	Audit Committee being responsible to the BOD; duties of Audit Committee to be clearly set forth in writing	√		
3.1	Constitution of the Audit Committee			
3.1 (i)	Audit Committee to be composed of at least 3 members	√		
3.1 (ii)	Audit Committee members to be appointed by BOD and at least one Independent Director to be included	√		
3.1 (iii)	Audit Committee members to be “financially literate” and at least one to have accounting/financial experience	√		
3.1 (iv)	Vacancy in Audit Committee making the number lower than 3 to be filled up immediately and within 1 month	—	—	N/A
3.1 (v)	The CS to act as the secretary of the Audit Committee	√		
3.1 (vi)	No quorum in Audit Committee meeting without one Independent Director	√		
3.2	Chairman of the Audit Committee			
3.2 (i)	Chairman to be an Independent Director, selected by the BOD	√		
3.2 (ii)	Chairman of audit committee to remain present in AGM	√		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		

Condition No.	Title	Compliance Status (“√” in appropriate column)		Remarks (If any)
		Complied	Not Complied	
3.3 (iii)	Monitor Internal Control Risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors	√		
3.3 (v)	Review the annual financial statements	√		
3.3 (vi)	Review the quarterly and half yearly financial statements	√		
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transactions	√		
3.3 (ix)	Review Letters issued by statutory auditors	√		
3.3 (x)	Review disclosures/statements/declarations about uses of funds raised through IPO/RPO/Rights Issue	—	—	N/A
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	Reporting on the activities of Audit Committee	√		
3.4.1 (ii) (a)	Reporting on conflicts of interests	—	—	N/A
3.4.1 (ii) (b)	Reporting on suspected/presumed fraud or irregularity or material defect in the internal control system	—	—	N/A
3.4.1 (ii) (c)	Reporting on suspected infringement of laws	—	—	N/A
3.4.1 (ii) (d)	Reporting on any other matter to disclose immediately	—	—	N/A
3.4.2	Reporting to BSEC	—	—	N/A
3.5	Reporting to the Shareholders and General Investors	√		
4	External / Statutory Auditors			
4.00 (i)	Non-engagement in appraisal/valuation/fairness opinions	√		
4.00 (ii)	Non-engagement in designing & implementation of FIS	√		
4.00 (iii)	Non-engagement in Book Keeping or accounting	√		
4.00 (iv)	Non-engagement in Broker-Dealer services	√		
4.00 (v)	Non-engagement in Actuarial services	√		
4.00 (vi)	Non-engagement in Internal Audit services	√		
4.00 (vii)	Non-engagement in services determined by Audit Committee	√		
4.00 (viii)	Possessing no share by any partner or employee of the external audit firm during the tenure of assignment	√		
5	Subsidiary Company			
5 (i)	Composition of BOD to be similar to holding company	—	—	N/A
5 (ii)	One ID to be in both holding and subsidiary company	—	—	N/A
5 (iii)	Minutes of Board meetings of subsidiary company to be placed at following Board meeting of holding company	—	—	N/A
5 (iv)	Minutes of respective Board meeting of holding company to state that affairs of subsidiary company be reviewed	—	—	N/A
5 (v)	Audit Committee of holding company to review financial statements / investments of subsidiary company	—	—	N/A
6	Duties of CEO and CFO			
6 (i) (a)	To certify that they have reviewed Financial Statements which contain no untrue or misleading statement or omit no material fact	√		
6 (i) (b)	To certify that the statements present a true and fair view of affairs and are in compliance with accounting standards and applicable laws	√		
6 (ii)	To certify that no transaction is fraudulent, illegal or violation of company's code of conduct	√		
7	Reporting and Compliance of Corporate Governance			
7 (i)	Obtaining certificate regarding compliance and sending it to shareholders along with the Annual Report	√		
7 (ii)	To state, in accordance with annexure, in directors' report whether the conditions has been complied with	√		

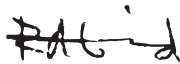
Certificate on Compliance of Corporate Governance Guidelines

[Issued under Condition # 7(i) of Corporate Governance Guidelines of BSEC vide
Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012]

I have reviewed the Compliance of Conditions of the Corporate Governance Guidelines by Beximco Pharmaceuticals Limited (“the Company”) for the year ended 31 December 2013. Such compliance is the responsibility of the Company as stipulated in the above mentioned notification issued by Bangladesh Securities and Exchange Commission (“BSEC”).

I have conducted my review in a manner that has provided me a reasonable basis for evaluating the compliances and expressing my opinion thereon. This review has been limited to the measures adopted by the Company in ensuring such compliances and this has not been for expression of opinion on the financial statements or future viability of the Company.

According to the information and explanations provided to me by the Company, I hereby certify that the Company has complied with all the conditions of aforesaid Corporate Governance Guidelines of BSEC.



S. Abdur Rashid FCS



Dhaka, 08 May, 2014

Report on the Activities of The Audit Committee

Dear Shareholders,

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

Reviewing the Financial Statements:

The committee held its first meeting on April 20, 2013 to review along with the management the Annual Financial Statements of the Company for the year 2012 and to authorize onward submission of the same to the Board for their approval. The Committee thoroughly reviewed the Annual Financial Statements of the company including detailed examination of the related party transactions for the year 2012. The Annual Financial Statements of the Company was then authorized for onward submission to the Board for approval.

The next meeting of the Committee was held on May 12, 2013 prior to the release of the Unaudited First quarter Financial Statements of the Company for the year 2013. The committee reviewed the financial progress during the first quarter and examined in detail the reported numbers. Being satisfied the committee unanimously agreed to recommend to the Board for approval of the 1st quarter financial statements.

The third meeting of 2013 was held in July 28, to review the Unaudited Half Yearly Financial Statements of the company. The Chief Financial Officer of the company made a presentation on the financial performance of the company during the first half of 2013. The committee after due review of the financial statements recommended the Board to approve issuance of the financial statements to the shareholders of the company.

The fourth meeting of the Committee was held on 23 October, prior to the release of the Unaudited Third Quarter Financial Statements of the company. The detailed review of the financial statements was held and the committee recommended the Board for approval of the financial statements for release to the shareholders.

The fifth meeting of the committee was held on 24 April 2014 to review along with management the annual financial statement of the company for the year ending on 31 December 2013. The draft financial statements along with detailed explanatory notes were placed before the committee. Detailed discussions on the financial statements were held with the representative of the management of the Company. No material audit observation that warrants for Board's attention was noted. As part of review of the annual accounts of the company the committee also thoroughly examined the related party transactions that occurred during 2013. The committee was fully satisfied that the transactions between the related parties were held in the normal course of business and on arm's length basis and adequate disclosure to that effect has been made in the financial statements. The Committee therefore, authorized for onward submission of the Audited Financial Statements to the Board for approval.

External Auditor

The Committee considered and made recommendation to the Board on the appointment and remuneration of the existing auditors M/S M J Abedin & Company, Chartered Accountants for the year 2014 subject to the approval by the shareholders in the 38th Annual General Meeting.

Death of Committee Member

Dr. Abdul Alim Khan, a director of the company and a member of the Audit Committee expired on 29 September 2013. The members of the audit committee expressed deep condolence at the sad demise and recalled with appreciation the valuable contribution of Mr. Khan during his long tenure with the company.

Reconstitution of the Audit Committee

Barrister Faheemul Huq a Non-Executive Independent Director of the Company and Chairman of the Audit Committee resigned from the Board on personal ground. The Board appointed Mr. Abdur Rahman Khan a prominent professor of medicine and myself as Non-Executive independent Directors in the Board for an initial period of three years subject to the approval of the shareholders in the Annual General Meeting. The Board of Directors at the same time appointed me Chairman and Mr. Abdur Rahman Khan a member of the audit committee.

Other Reviews and Activities

The senior management of the company time to time on invitation attended various meetings of the audit committee to apprise the members of the committee on various issues. During the 2013 the audit committee also reviewed and monitored various work of the internal audit team. Assessment and evaluation of internal control policy were made to ensure that the company employs a sound system of internal control including internal financial control. The committee amongst others periodically reviewed the financial reporting process of the company and the related disclosures. Appropriate review was also made on the compliance of various rules regulations, policies and procedures. The committee noted no material deviations or non-compliance or adverse audit finding that warrant for Board or shareholders' attention during the period under review.



Mahbubul Alam
Chairman
Audit Committee

Shareholders' Meeting

The thirty seventh Annual General Meeting (AGM) of the shareholders of Beximco Pharmaceuticals Limited was held on June 29, 2013 at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur. Mr. A S F Rahman, Chairman of the Company presided over the meeting. All resolutions put before the shareholders were duly passed including the agenda of paying a 15% stock dividend for the year 2012. Performance of the Company in 2012 as well as future strategies was briefly discussed in the meeting. At the end of the meeting the Chairman expressed his appreciation towards shareholders for their interest in the Company and their continued support.





ফার্মাসিউটিক্যালস্ লিঃ
৩৭তম বার্ষিক সাধারণ সভা, ২০১৩
PHARMACEUTICALS LIMITED
37TH ANNUAL GENERAL MEETING, 2013

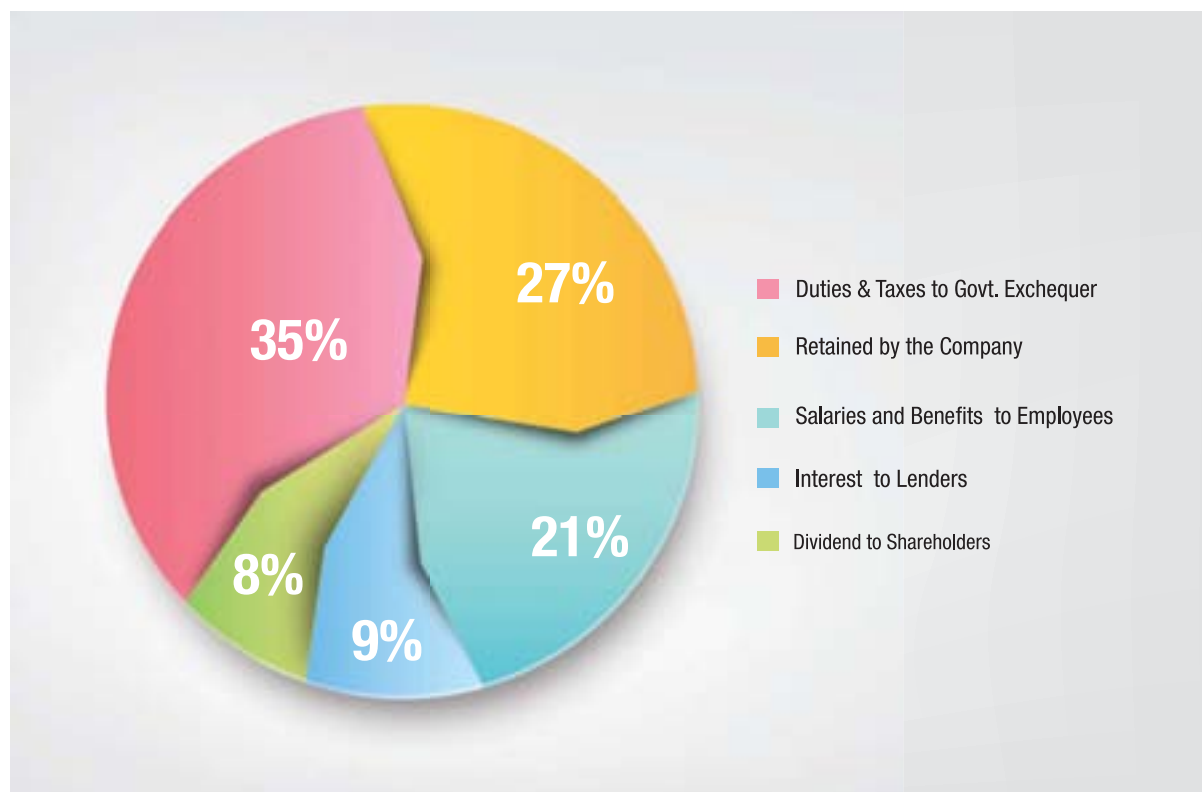


Value Added Statement

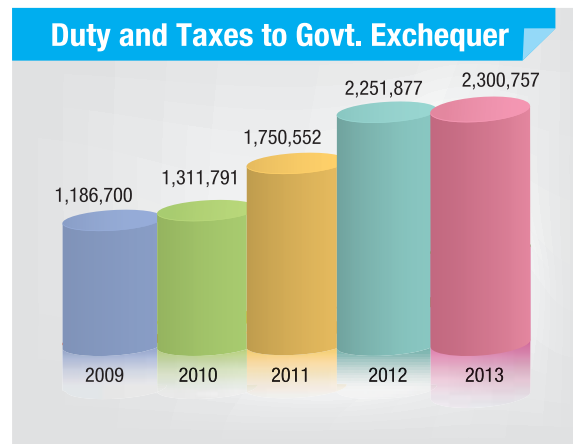
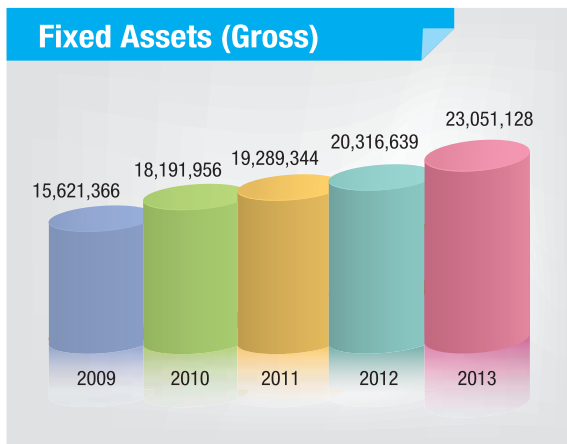
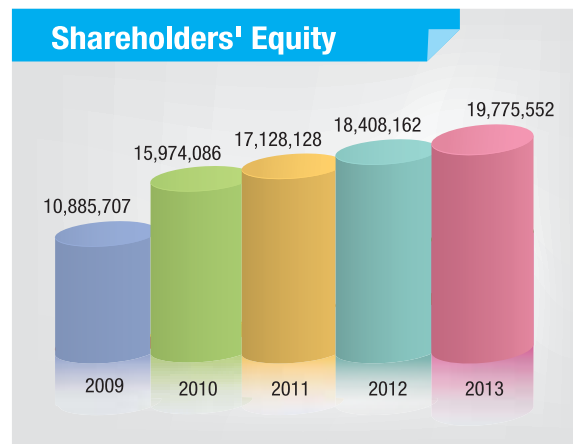
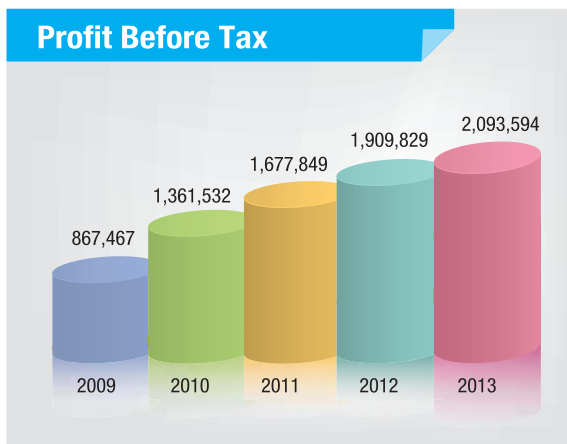
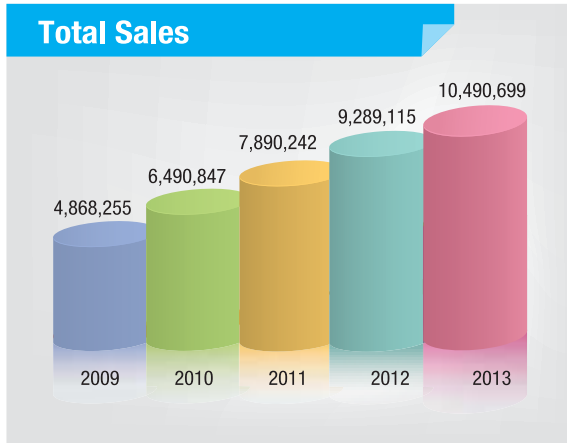
For the Year Ended 31 December 2013

Taka in thousand

	Tk.	%
Value Added :		
Sales & Other Income	12,655,911	
Bought-in-Materials & Services	(5,925,855)	
	6,730,056	100
Applications :		
Retained by the Company	1,834,884	27
Salaries and Benefits to Employees	1,432,326	21
Interest to Lenders	636,587	9
Dividend to Shareholders	525,502	8
Duties & Taxes to Govt. Exchequer	2,300,757	35
	6,730,056	100



Graphical View of Selected Growth Indicators



Independent Auditors' Report

To The Shareholders of
Beximco Pharmaceuticals Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Beximco Pharmaceuticals Limited, which comprise the Statement of Financial Position as at 31 December 2013, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1994 and the Securities and Exchange Rules 1987, we report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- (c) the Statement of Financial Position (Balance Sheet) and Statement of Comprehensive Income (Profit and Loss Account) dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purposes of the company's business.

Dhaka
29 April, 2014



M.J. Abedin & Co.
Chartered Accountants

Beximco Pharmaceuticals Limited
Statement of Financial Position
As at 31 December 2013

		Amount in Taka	
	Notes	2013	2012
ASSETS			
Non-Current Assets			
Property, Plant and Equipment- Carrying Value	4 (a)	18,364,313,070	16,201,858,216
Intangible Assets	3.3 & 5	198,223,509	187,079,147
Investment in Shares	6	4,792,895	3,451,276
		18,567,329,474	16,392,388,639
Current Assets			
Inventories	7	2,411,881,986	2,433,987,981
Spares & Supplies	8	433,352,407	396,175,790
Accounts Receivable	9	1,249,434,697	1,162,404,807
Loans, Advances and Deposits	10	1,186,637,111	965,276,373
Short Term Investment	11	3,026,383,161	2,686,598,326
Cash and Cash Equivalents	12	595,732,966	552,978,676
		8,903,422,328	8,197,421,953
TOTAL ASSETS		27,470,751,802	24,589,810,592
EQUITY AND LIABILITIES			
Shareholders' Equity			
Issued Share Capital	13	3,503,349,070	3,046,390,500
Share Premium		5,269,474,690	5,269,474,690
Excess of Issue Price over Face Value of GDRs	14	1,689,636,958	1,689,636,958
Capital Reserve on Merger		294,950,950	294,950,950
Revaluation Surplus	4(b)	1,349,578,805	1,406,527,880
Fair Value Gain on Investment	6	1,341,619	—
Retained Earnings		7,667,220,373	6,701,180,881
		19,775,552,465	18,408,161,859
Non-Current Liabilities			
Long Term Borrowings-Net off Current Maturity (Secured)	15	1,151,400,702	1,469,621,611
Liability for Gratuity and WPPF & Welfare Funds	16	610,628,150	499,622,784
Deferred Tax Liability	17	1,550,589,207	1,147,459,569
		3,312,618,059	3,116,703,964
Current Liabilities and Provisions			
Short Term Borrowings (Secured)	18	2,776,266,125	1,526,449,918
Long Term Borrowings-Current Maturity (Secured)	19	754,903,558	664,712,728
Creditors and Other Payables	20	383,170,553	470,097,685
Accrued Expenses	21	141,582,304	128,598,961
Dividend Payable		973,367	1,020,948
Income Tax Payable	22	325,685,371	274,064,529
		4,382,581,278	3,064,944,769
TOTAL EQUITY AND LIABILITIES		27,470,751,802	24,589,810,592

The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on 29 April, 2014 and signed for and on behalf of the Board :



Salman F Rahman
Vice Chairman

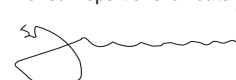


Nazmul Hassan
Managing Director



Ali Nawaz
Chief Financial Officer

Per our report of even date.



M. J. Abedin & Co.
Chartered Accountants

Dhaka
29 April, 2014

Beximco Pharmaceuticals Limited
Statement of Comprehensive Income
For the Year ended 31 December 2013

	Notes	Amount in Taka	
		2013	2012
Net Sales Revenue	23	10,490,699,094	9,289,115,284
Cost of Goods Sold	24	(5,651,898,878)	(4,899,713,857)
Gross Profit		4,838,800,216	4,389,401,427
Operating Expenses		(2,514,527,446)	(2,181,521,867)
Administrative Expenses	27	(375,565,912)	(332,225,347)
Selling, Marketing and Distribution Expenses	28	(2,138,961,534)	(1,849,296,520)
Profit from Operations		2,324,272,770	2,207,879,560
Other Income	29	510,588,200	442,847,713
Finance Cost	30	(636,587,090)	(645,406,575)
Profit Before Contribution to WPPF & Welfare Funds		2,198,273,880	2,005,320,698
Contribution to WPPF & Welfare Funds	31	(104,679,709)	(95,491,462)
Profit Before Tax		2,093,594,171	1,909,829,236
Income Tax Expenses	32	(688,831,391)	(590,439,908)
Current Tax		(324,415,546)	(445,712,907)
Deferred Tax		(364,415,845)	(144,727,001)
Profit after Tax for the Year		1,404,762,780	1,319,389,328
Other Comprehensive Income - Fair Value Gain on Investment in Listed Shares	6	1,341,619	—
Total Comprehensive Income for the Year		1,406,104,399	1,319,389,328
Earnings Per Share (EPS) / Adjusted EPS (2012)	33	4.01	3.77
Number of Shares used to compute EPS		350,334,907	350,334,907

The Notes are an integral part of the Financial Statements.

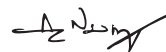
Approved and authorised for issue by the Board of Directors on 29 April, 2014 and signed for and on behalf of the Board :



Salman F Rahman
Vice Chairman



Nazmul Hassan
Managing Director



Ali Nawaz
Chief Financial Officer

Dhaka
29 April, 2014

Per our report of even date.



M. J. Abedin & Co.
Chartered Accountants


Beximco Pharmaceuticals Limited
Statement of Changes in Equity
For the Year ended 31 December 2013

Amount in Taka

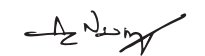
	Share Capital	Share Premium	Excess of Issue Price over Face Value of GDRs	Capital Reserve on Merger	Revaluation Surplus	Fair Value Gain on Investment	Retained Earnings	Total	
Balance as on January 01, 2013	3,046,390,500	5,269,474,690	1,689,636,958	294,950,950	1,406,527,880	—	6,701,180,881	18,408,161,859	
Total Comprehensive Income for 2013:									
Profit for the year	—	—	—	—	—	—	1,404,762,780	1,404,762,780	
Other Comprehensive Income	—	—	—	—	—	1,341,619	—	1,341,619	
Transactions with the Shareholders:									
Stock Dividend for 2012	456,958,570	—	—	—	—	—	(456,958,570)	—	
Adjustment for Depreciation on Revalued Assets	—	—	—	—	(18,235,282)	—	18,235,282	—	
Adjustment for Deferred Tax on Revalued Assets	—	—	—	—	(38,713,793)	—	—	(38,713,793)	
Balance as on December 31, 2013	3,503,349,070	5,269,474,690	1,689,636,958	294,950,950	1,349,578,805	1,341,619	7,667,220,373	19,775,552,465	
Number of Shares								350,334,907	
Net Asset Value (NAV) Per Share									56.45

The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on 29 April, 2014 and signed for and on behalf of the Board :


Salman F Rahman
Vice Chairman


Nazmul Hassan
Managing Director


Ali Nawaz
Chief Financial Officer

Dhaka
29 April, 2014

Per our report of even date.


M. J. Abedin & Co.
Chartered Accountants

Beximco Pharmaceuticals Limited
Statement of Cash Flows
For the Year ended 31 December 2013

	Amount in Taka	
	2013	2012
Cash Flows from Operating Activities :		
Receipts from Customers and Others	10,407,897,987	9,107,836,251
Payments to Suppliers and Employees	(7,880,610,113)	(6,855,119,972)
Cash Generated from Operations	2,527,287,874	2,252,716,279
Interest Paid	(636,587,090)	(645,406,575)
Interest Received	512,424,678	437,201,038
Income Tax Paid	(272,794,704)	(187,130,672)
Net Cash Generated from Operating Activities	2,130,330,758	1,857,380,070
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(2,739,061,076)	(1,033,862,245)
Intangible Assets	(25,370,921)	(65,272,280)
Disposal of Property, Plant and Equipment	5,401,817	4,730,688
Short Term Investment	(339,784,835)	(493,174,766)
Net Cash Used in Investing Activities	(3,098,815,015)	(1,587,578,603)
Cash Flows from Financing Activities :		
Net Decrease in Long Term Borrowings	(228,030,079)	(119,484,493)
Net Increase / (Decrease) in Short Term Borrowings	1,239,316,207	(115,766,090)
Dividend Paid	(47,581)	(340,504)
Net Cash Generated from Financing Activities	1,011,238,547	(235,591,087)
Increase in Cash and Cash Equivalents	42,754,290	34,210,380
Cash and Cash Equivalents at Beginning of Year	552,978,676	518,768,296
Cash and Cash Equivalents at End of Year	595,732,966	552,978,676
Net Operating Cash Flow Per Share	6.08	6.10
Number of Shares used to compute Net Operating Cash Flow Per Share	350,334,907	304,639,050

The Notes are an integral part of the Financial Statements.

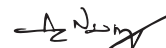
Approved and authorised for issue by the Board of Directors on 29 April, 2014 and signed for and on behalf of the Board :



Salman F Rahman
Vice Chairman

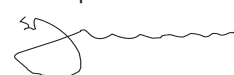


Nazmul Hassan
Managing Director



Ali Nawaz
Chief Financial Officer

Per our report of even date.



M. J. Abedin & Co.
Chartered Accountants

Dhaka
29 April, 2014

Beximco Pharmaceuticals Limited

Notes to the Financial Statements

As at and for the year ended 31 December 2013

1. Reporting Entity

1.1 About the company

Beximco Pharmaceuticals Limited (BPL/ the Company) was incorporated as a public limited company in Bangladesh in 1976. It commenced its manufacturing operation in 1980. The company was listed with Dhaka Stock Exchange in 1985 and with Chittagong Stock Exchange on its debut in 1995. In 2005, BPL took over Beximco Infusions Ltd., a listed company of the Beximco Group engaged in manufacturing and marketing of intravenous fluids and got enlisted with the Alternative Investment Market (AIM) of the London Stock Exchange through issuance of Global Depository Receipts (GDRs). Shares of the Company are traded in Dhaka and Chittagong Stock Exchanges of Bangladesh and its GDRs in AIM of the London Stock Exchange.

The registered office of the company is located at House No. 17, Road No. 2, Dhanmondi R/A, Dhaka. The industrial units are located at Tongi and Kaliakoir of Gazipur district – vicinities close to the capital city Dhaka.

1.2 Nature of Business

The company is engaged in manufacturing and marketing of generic pharmaceuticals formulation products including life saving intravenous fluids and Active Pharmaceutical Ingredients (APIs). Products of the company are sold in domestic and international markets. The company also provides contract manufacturing services.

2. Basis of Preparation of Financial Statements

2.1 Basis of Measurement

The financial statements have been prepared on Historical Cost Basis except land, building and plant & machinery being revalued on 31 December 2008, investment in shares of listed company being valued at year end quoted price and the cash flow statement being prepared on cash basis.

2.2 Statement of Compliance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, the Securities & Exchange Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws as applicable and in accordance with the International Financial Reporting Standards (IFRSs), and Bangladesh Financial Reporting Standards (BFRSs).

2.3 Presentation of Financial Statements

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

The financial statements comprises of:

- (a) a Statement of Financial Position as at the end of the year 2013;
- (b) a Statement of Comprehensive Income for the year 2013;
- (c) a Statement of Changes in Equity for the year 2013;
- (d) a Statement of Cash Flows for the year 2013; and
- (e) notes, comprising summary of significant accounting policies and explanatory information.

2.4 Reporting Period

The financial statements cover one calendar year from January 01, 2013 to December 31, 2013.

2.5 Authorisation for issue

The financial statements have been authorised for issue by the Board of Directors on April 29, 2014.

2.6 Functional and Presentation Currency

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

2.7 Comparative Information

Comparative information has been disclosed in respect of the year 2012 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the year 2012 have been re-arranged wherever considered necessary to ensure better comparability with the current year.

2.8 Use of Estimates and Judgments

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

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

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

3. Significant Accounting Policies

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

3.1 Revenue Recognition

In compliance with the requirements of IAS 18: Revenue, revenue receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Revenue from sales is exclusive of VAT.

Cash dividend income on investment in shares is recognized on approval of said dividend in the annual general meeting. Stock dividend income (Bonus Shares) is not considered as revenue.

3.2 Property, Plant and Equipment

3.2.1 Recognition and Measurement

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

3.2.2 Maintenance Activities

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

3.2.3 Depreciation

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

Building and Other Construction	2 %- 10%
Plant and Machinery	5% -15%
Furniture & Fixtures	10%
Transport & Vehicle	20%
Office Equipment	10% -15%

3.2.4 Retirements and Disposals

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

3.3 Intangible Assets

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

3.4 Leased Assets

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

3.5 Financial Instruments

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

3.5.1 Financial assets

Financial assets of the company include cash and cash equivalents, accounts receivable and other receivables. The company initially recognizes receivable on the date they are originated. All others financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

3.5.1(a) Accounts Receivable

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

3.5.1(b) Cash and Cash Equivalents

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

3.5.1(c) Investment in Shares

Investment in shares of listed company is valued at a price quoted in the stock exchange at year end. Investment in other shares is valued at cost.

3.5.2 Financial Liability

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Finance liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

3.6 Impairment

(a) Financial Assets

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

(b) Non-Financial Assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its

value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

3.7 Inventories

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

3.8 Provisions

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

3.9 Income Tax Expense

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the Statement of Comprehensive Income and accounted for in accordance with the requirements of IAS 12 : Income Tax.

Current Tax

Current tax is the expected tax payable on the taxable income for the year, and any adjustment to tax payable in respect of previous years. The company qualifies as a "Publicly Traded Company"; hence the applicable Tax Rate is 27.50%.

Deferred Tax

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

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

3.10 Interest Income

Interest income is recognized on accrual basis.

3.11 Borrowing Cost

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

3.12 Employee Benefits

The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

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

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

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

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

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

(b) Defined Benefit Plan (Gratuity)

This represents unfunded gratuity scheme for its permanent employees. Employees are entitled to gratuity benefit after completion of minimum five years of service in the company. The gratuity is calculated on the latest applicable basic pay and is payable at the rate of one month basic pay for every completed year of service.

Though no valuation was done to quantify actuarial liabilities as per the IAS 19 : Employee Benefits, such valuation is not likely to yield a result significantly different from the current provision.

(c) Short-term employee benefits

Short-term employee benefits include salaries, bonuses, leave encashment, etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

(d) Contribution to Workers' Profit Participation and Welfare Funds

This represents 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labor (amendment) Act 2013 and is payable to workers as defined in the said law.

(e) Insurance Scheme

Employees of the company are covered under insurance schemes.

3.13 Share Premium

The Share Premium shall be utilized in accordance with the provisions of the Companies Act, 1994 and as per direction of the Securities and Exchange Commission in this respect.

3.14 Proposed Dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts in accordance with the requirements of International Accounting Standard (IAS) 1: Presentation of Financial Statements. Also, the proposed dividend has not been considered as "Liability" in accordance with the requirements of International Accounting Standard (IAS) 10: Events After The Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board of Directors.

3.15 Earnings per Share (EPS)

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

Current Year (2013)

The Bonus Shares issued during the year 2013 were treated as if they always had been in issue. Hence, in computing the Basic EPS of 2013, the total number of shares including the said bonus shares has been considered as the Weighted Average Number of Shares outstanding during the year 2013.

Earlier Year (2012)

The number of shares outstanding before the bonus issue has been adjusted for the proportionate change in the number of shares outstanding as if the bonus issue had occurred at the beginning of the earliest period reported (2012), and accordingly, in calculating the adjusted EPS of 2012, the total number of shares including the subsequent bonus issued in 2013 has been considered as the Weighted Average number of Shares outstanding during the year 2012.

The basis of computation of number of shares as stated above is in line with the provisions of IAS 33: Earning per Share. The logic behind this basis, as stated in the said IAS is that the bonus Shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources.

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.

3.16 Foreign Currency Transactions

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

3.17 Statement of Cash Flows

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

3.18 Events after Reporting Period

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

4 (a). Property, Plant and Equipment

Amount in Taka

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Transport and Vehicle	Office Equipment	Total
Cost							
At January 01, 2013	3,302,101,973	6,333,171,363	7,393,575,590	157,600,585	458,376,716	329,522,045	17,974,348,272
Additions during the year	780,509	13,549,431	309,357,824	15,883,407	92,035,614	28,841,271	460,448,056
Transferred & Capitalized	—	24,037,626	2,333,797,946	—	—	—	2,357,835,572
Disposal during the year	—	—	(2,087,118)	(150,000)	(2,335,090)	—	(4,572,208)
Cost at December 31, 2013	3,302,882,482	6,370,758,420	10,034,644,242	173,333,992	548,077,240	358,363,316	20,788,059,692
Accumulated Depreciation							
At January 01, 2013	—	883,415,433	2,765,654,219	59,740,937	184,696,202	221,274,036	4,114,780,827
Depreciation during the year	—	169,131,203	326,077,583	9,779,965	54,651,369	15,999,024	575,639,144
Adjustment for assets disposed off	—	—	(1,603,706)	(90,000)	(1,911,424)	—	(3,605,130)
Accumulated Depreciation at December 31, 2013	—	1,052,546,636	3,090,128,096	69,430,902	237,436,147	237,273,060	4,686,814,841
Net Book Value December 31, 2013	3,302,882,482	5,318,211,784	6,944,516,146	103,903,090	310,641,093	121,090,256	16,101,244,851
Capital Work in Progress							2,263,068,219
Carrying Value as on December 31, 2013							18,364,313,070

Assets include lease hold assets of Tk. 1,018,806,938 at cost and Tk.776,468,607 at carrying value.

Capital Work in Progress is arrived at as follows :

Amount in Taka

	2013	2012
Balance as on January 01	2,342,290,771	1,853,876,341
Addition during the year	2,278,613,020	844,005,530
	4,620,903,791	2,697,881,871
Transferred & Capitalized	(2,357,835,572)	(355,591,100)
Building and Other Constructions	(24,037,626)	(42,208,332)
Plant & Machinery	(2,333,797,946)	(313,373,868)
Office Equipment	—	(8,900)
Balance as on December 31	2,263,068,219	2,342,290,771

4 (b). Revaluation Surplus

S.F. Ahmed & Co, Chartered Accountants and Valuers revalued the land, building and plant & machinery of the Company as of 31 December 2008, following "Current cost method". Such revaluation resulted into a revaluation surplus aggregating Tk. 1,711,174,747. Current balance is arrived at as follows:

	Amount in Taka	
	2013	2012
Balance as on January 01	1,406,527,880	1,466,602,600
Adjustment for depreciation on revalued assets	(18,235,282)	(20,719,074)
Adjustment for Deferred Tax on revalued assets	(38,713,793)	(39,355,646)
	1,349,578,805	1,406,527,880

5. Intangible Assets

This is arrived at as follows :

Balance as on January 01	187,079,147	135,933,879
Addition during the year	25,370,921	65,272,280
Total	212,450,068	201,206,159
Amortized during the year	(14,226,559)	(14,127,012)
Balance as on December 31	198,223,509	187,079,147

6. Investment in Shares

This consists of as follows :

(a) Bangladesh Export Import Co. Ltd.	3,223,445	1,881,826
(b) Central Depository Bangladesh Ltd. (CDBL)	1,569,450	1,569,450
	4,792,895	3,451,276

Share details:

	No. of Shares	Amount in Taka
(a) Bangladesh Export Import Co. Ltd		
As on January 01, 2013	87,050	1,881,826
Stock Dividend for 2012	13,057	—
Fair Value Gain on Investment - [Note 3.5.1 (c)]	—	1,341,619
Total	100,107	3,223,445
(b) Central Depository Bangladesh Ltd.	571,182	1,569,450
(CDBL) [Note 3.5.1 (c)]		4,792,895
(c) The shares of Bangladesh Export Import Co. Ltd. are listed in Dhaka and Chittagong Stock Exchanges. The market value of each share of Bangladesh Export Import Co. Ltd. on last working day of the year was Tk. 32.2 in Dhaka Stock Exchange Ltd. and Tk. 32.10 in Chittagong Stock Exchange Ltd. Shares of CDBL are not traded.		

7. Inventories

Amount in Taka

This consists of as follows :

	2013	2012
Finished Goods	644,005,694	629,828,725
Work in Process	204,755,943	246,214,085
Raw Materials	787,194,854	832,312,053
Packing Materials	440,279,801	455,793,262
Laboratory Chemicals	800,984	1,051,434
Physician Samples	92,234,008	65,863,326
Raw & Packing Materials in Transit	242,610,702	202,925,096
	2,411,881,986	2,433,987,981

8. Spares & Supplies

This consists of as follows :

Spares & Accessories	318,538,085	286,649,212
Stock of Stationery	9,829,034	5,712,885
Literature & Promotional Materials	104,985,288	103,813,693
	433,352,407	396,175,790

9. Accounts Receivable

This includes receivable of Tk. 158,658,136 equivalent to US\$ 2,049,754 (on 31-12-2012 Tk. 138,233,280 equivalent to US\$ 1,727,916) against export sales.

This also includes Tk.1,018,513,082 due from I & I Services Ltd., who provides distribution service to the Company and a "Related Party". The maximum amount due from that company during the year was Tk. 1,051,200,320 on 31-10-2013.

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

10. Loans, Advances and Deposits

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

Clearing & Forwarding	43,788,956	19,350,585
VAT	224,271,781	215,793,398
Claims Receivable	12,824,382	15,735,731
Security Deposit & Earnest Money	21,814,251	23,151,164
Lease Deposit	18,238,318	15,262,058
Capital Expenditure/ Project	39,234,247	54,725,188
Expenses	85,456,445	57,125,828
Bank Guarantee Margin	39,939,537	869,546
Advance against Salary	51,306,101	64,266,534
Rent Advance	9,692,064	6,573,135
Motor Cycle	156,328,603	132,314,896
Raw & Packing Material	409,577,706	330,283,008
Prepaid Expenses	28,932,441	—
Overseas Liaison Office	9,968,983	—
Others	35,263,296	29,825,302
	1,186,637,111	965,276,373

(a) The maximum amount due from the employees during the year was Tk.63,249,485 on 31-01-2013.

(b) No amount was due from 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 from any related party.

11. Short Term Investment

This represents the Company's temporary investment with Bangladesh Export Import Company Limited (Beximco Ltd.), carrying interest 1% above bank interest rate. This investment is returnable as and when required by the Company.

12. Cash and Cash Equivalents

Amount in Taka

This consists of as follows :

	2013	2012
(a) Cash in Hand (including Imprest Cash)	3,474,616	2,540,331
(b) Cash at Bank :		
(i) Current & FC Account	85,680,218	85,034,470
(ii) FDR Account	506,578,132	465,403,875
	595,732,966	552,978,676

13. Issued Share Capital

This represents :

A. Authorized :

500,000,000 Ordinary Shares of Tk. 10/- each	5,000,000,000	5,000,000,000
41,000,000 Fully Convertible, 5% Dividend, Preference Shares of Tk. 100/- each	4,100,000,000	4,100,000,000
	9,100,000,000	9,100,000,000

B. Issued, Subscribed and Paid-up :

51,775,750 shares of Tk. 10/- each fully paid-up in cash	517,757,500	517,757,500
261,316,760 Bonus Shares (2012: 215,620,903) of Tk. 10/- each	2,613,167,600	2,156,209,030
5,951,250 Shares of Tk. 10/-each issued in Exchange of Shares of Beximco Infusions Ltd.	59,512,500	59,512,500
31,291,147 Shares issued on conversion of Preference Shares	312,911,470	312,911,470
	3,503,349,070	3,046,390,500

The movement of Ordinary Shares during the year 2013 is as follows :

Number of Shares Amount in Taka

Balance as on January 01, 2013	304,639,050	3,046,390,500
Bonus Shares issued during the year 2013 (for 2012)	45,695,857	456,958,570
Balance as on December 31, 2013	350,334,907	3,503,349,070

C. Composition of Shareholding of Ordinary Shares:

	2013		2012	
	No. of shares	%	No. of shares	%
Sponsors:				
A S F Rahman	7,114,009	2.03	6,186,095	2.03
Salman F Rahman	7,130,663	2.04	6,200,577	2.04
Associates and Other Directors	34,020,550	9.71	30,109,655	9.88
Foreign Investors	85,094,612	24.29	71,829,205	23.58
ICB including ICB Investors Account	41,994,537	11.98	40,281,087	13.22
General Public & Institutions	174,980,536	49.95	150,032,431	49.25
	350,334,907	100	304,639,050	100

D. Distribution Schedule of Ordinary Shares:

Range of Holdings In number of shares	No. of Shareholders		% of Shareholders		Number of Shares		% of Share Capital	
	2013	2012	2013	2012	2013	2012	2013	2012
1 to 499	68,939	65,708	74.26%	76.15%	8,836,043	8,097,306	2.52%	2.66%
500 to 5,000	21,066	18,277	22.69%	21.18%	29,757,275	24,648,855	8.49%	8.09%
5,001 to 10,000	1,509	1,216	1.63%	1.41%	10,448,670	8,417,999	2.98%	2.76%
10,001 to 20,000	674	517	0.73%	0.60%	9,334,640	7,136,417	2.67%	2.34%
20,001 to 30,000	187	156	0.20%	0.18%	4,535,749	3,837,480	1.29%	1.26%
30,001 to 40,000	101	73	0.11%	0.08%	3,520,388	2,525,253	1.01%	0.83%
40,001 to 50,000	55	46	0.06%	0.05%	2,457,436	2,042,473	0.70%	0.67%
50,001 to 100,000	94	99	0.10%	0.12%	6,548,929	7,089,661	1.87%	2.33%
100,001 to 1,000,000	166	159	0.18%	0.18%	49,278,664	47,429,395	14.07%	15.57%
Over 1,000,000	40	39	0.04%	0.05%	225,617,113	193,414,211	64.40%	63.49%
Total	92,831	86,290	100%	100%	350,334,907	304,639,050	100%	100%

E. Market Price of Ordinary Shares:

The shares are listed with Dhaka, Chittagong and London Stock Exchanges. On the last working day of the year, each share was quoted at Tk. 47.20 (in 2012 Tk.55.90) in Dhaka Stock Exchange Ltd., Tk.47.00 (in 2012 Tk. 55.80) in Chittagong Stock Exchange Ltd., and GBP 0.1375 in London Stock Exchange (in 2012 GBP 0.178).

F. Option on unissued Ordinary shares :

There was no option on unissued shares as on 31-12-2013.

14. Excess of Issue Price over Face Value of GDRs

This represents the issue price of 28,175,750 GDRs at Tk. 2,244,080,670 net off face value of underlying shares against GDRs and GDR issue expenses.

15. Long Term Borrowings - Net off Current Maturity (Secured)

This arrived at as follows :

Amount in Taka

	2013	2012
(a) Project Loan	1,001,325,040	1,336,416,545
(b) Obligation Under Finance Leases	150,075,662	133,205,066
	1,151,400,702	1,469,621,611

(a) Project Loan

This loan was sanctioned under the consortium arrangement of Janata Bank Ltd., Sonali Bank Ltd., Agrani Bank Ltd., Rupali Bank Ltd. and United Commercial Bank Ltd. for the US FDA standard oral solid dosage facility of the company. Janata Bank Ltd. is the lead bank to the consortium.

This Loan is secured against :

- (i) First (registered mortgage) charge on paripassu basis with the participating banks on 1,113 decimals of land at Kathaldia, Aushpara, Tongi of Gazipur along with the building and other constructions thereon ; and
- (ii) First paripassu charge by way of hypothecation on all assets of the company both present and future.
- (iii) This Loan, carrying interest at 13.00% to 15.50% per annum, is repayable in quarterly installments ending by 2017.

16. Liability for Gratuity and WPPF & Welfare Funds

Liability for gratuity is the amount payable to the permanent employees at the time of separation from the company. The liability for WPPF refers to the undistributed portion of Workers Profit Participation and Welfare Fund lying with the company.

	Amount in Taka	
	2013	2012
(a) Gratuity Payable		
Balance as on January 01	223,962,507	187,501,076
Provisions during the year	68,652,000	49,207,664
	292,614,507	236,708,740
Paid during the year	(8,450,838)	(12,746,233)
	284,163,669	223,962,507
(b) Workers Profit Participation and Welfare Fund		
	326,464,481	275,660,277
	610,628,150	499,622,784

17. Deferred Tax Liability

This arrived at as follows :

Balance as on January 01	1,147,459,569	963,376,922
Addition during the year:		
Deferred Tax on Assets (cost basis)-Note : 32	364,415,845	144,727,001
Deferred Tax on revalued amount	38,713,793	39,355,646
	1,550,589,207	1,147,459,569

18. Short Term Borrowings (Secured)

This consists of :

Janata Bank Ltd. -Cash Credit-Hypothecation Loan	1,219,126,718	1,526,449,918
AB Bank, Principal Branch - Overdraft	775,639,407	—
Noor Islamic Bank, Dubai - Commodity Murabaha Facility *	781,500,000	—
	2,776,266,125	1,526,449,918

* This represents US\$ 10 million Commodity Murabaha Facility bearing interest @ 6 month's LIBOR + 4.5% and repayable by September, 2014.

19. Long Term Borrowings-Current Maturity (Secured)

This consists of as follows and is payable within next twelve months from the Balance Sheet date :

Project Loan	652,689,720	568,588,942
Interest & PAD Block	—	3,792,100
Obligation under Finance Leases	102,213,838	92,331,686
	754,903,558	664,712,728

20. Creditors and Other Payables

This consists of :

Goods & Services	123,397,754	140,659,520
Provident Fund	254,356,090	323,432,697
Advance Against Export	915,874	472,333
Others	4,500,835	5,533,135
	383,170,553	470,097,685

21. Accrued Expenses

This is unsecured, falling due within one year and consists of as follows :

For Expenses	38,282,595	33,107,499
Workers' Profit Participation and Welfare Funds - current year's expense (net off interim payments)	103,299,709	95,491,462
	141,582,304	128,598,961

22. Income Tax Payable

This is arrived at as follows :

	Amount in Taka	
	2013	2012
Balance on January 01	274,064,529	15,482,294
Provision for the year	305,845,595	334,871,966
Short Provision for previous years	18,569,951	110,840,941
	598,480,075	461,195,201
AIT & Treasury deposits during the year	(272,794,704)	(187,130,672)
	325,685,371	274,064,529

23. Net Sales Revenue

This consists of as follows :

Local Sales	9,819,409,651	8,818,999,143
Export Sales US\$ 8,614,393 (in 2012 US\$ 5,791,113)	671,289,443	470,116,141
	10,490,699,094	9,289,115,284

Sales represents:

Product Category	Unit	Quantity	
		2013	2012
Tablet, Capsule, Suppository & DPI	Million pcs.	3,173.13	2,981.40
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable and Inhaler	Million pcs.	66.75	63.05
Active Pharmaceutical Ingredients	Kg	170,516	158,852
Liquid Nitrogen	Liter	387,153	236,597

24. Cost of Goods Sold

This is made-up as follows :

Work-in-Process (Opening)	246,214,085	169,345,787
Materials Consumed (Note: 25)	4,257,643,464	3,831,308,573
Factory Overhead (Note: 26)	1,493,080,956	1,269,375,857
Total Manufacturing Cost	5,996,938,505	5,270,030,217
Work-in-Process (Closing)	(204,755,943)	(246,214,085)
Cost of Goods Manufactured	5,792,182,562	5,023,816,132
Finished Goods (Opening)	629,828,725	639,241,751
Finished Goods available	6,422,011,287	5,663,057,883
Cost of Physician Sample transferred to Sample Stock	(126,106,715)	(133,515,301)
Finished Goods (Closing)	(644,005,694)	(629,828,725)
	5,651,898,878	4,899,713,857

Item wise quantity and value of Finished Goods Stock are as follows :

Stock as January 01, 2013	Unit	Quantity	Value (Tk.)
Tablet, Capsule, Suppository & DPI	Million pcs.	527.72	424,313,622
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable and Inhaler	Million pcs.	6.35	200,971,815
Active Pharmaceutical Ingredients	Kg	1,546	4,543,288
			629,828,725
Stock as December 31, 2013			
Tablet, Capsule, Suppository & DPI	Million pcs.	518.83	394,979,619
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable and Inhaler	Million pcs.	6.69	243,292,676
Active Pharmaceutical Ingredients	Kg	1,867	5,733,399
			644,005,694

25. Materials Consumed

	Amount in Taka	
	2013	2012
This is made-up as follows :		
Opening Stock	1,289,156,749	1,316,611,230
Purchase	4,196,762,354	3,803,854,092
Closing Stock	(1,228,275,639)	(1,289,156,749)
	4,257,643,464	3,831,308,573

26. Factory Overhead

This consists of as follows :

	2013	2012
Salary & Allowances	451,123,633	372,287,293
Repairs and Maintenance	91,719,472	81,645,875
Insurance Premium	15,542,159	22,173,473
Municipal Tax & Land Revenue	1,582,778	1,817,215
Advertisement	23,570	74,850
Registration & Renewal	10,397,369	19,997,450
Travelling & Conveyance	4,627,240	3,253,966
Entertainment	937,973	872,098
Research and Development	136,216,539	31,065,735
Printing & Stationery	12,171,521	12,280,051
Telephone, Internet & Postage	4,736,650	4,038,923
Toll Expense / (Income) - Net	127,098,536	86,795,076
Electricity, Gas & Water	65,589,318	60,986,526
Training & Conference	4,940,526	4,162,341
Plant Certification and Regulatory Approvals	38,338,641	41,286,575
Depreciation	520,953,425	520,837,622
Other Expenses	7,081,606	5,800,788
	1,493,080,956	1,269,375,857

- (a) Salary and allowances include Company's Contribution to provident fund of Tk. 8,531,034 (in 2012 Tk. 8,002,823).
- (b) The value of imported stores and spares consumed is Tk. 53,993,111 which is included in repairs & maintenance expense. This also includes maintenance of office, premises, vehicles, building, machinery, equipment and other infrastructures.
- (c) Other Expenses does not include any item exceeding 1% of total revenue.

27. Administrative Expenses

Amount in Taka

This consists of as follows :	2013	2012
Salary & Allowances	177,266,156	154,929,932
Rent	9,879,000	9,667,400
Repairs and Maintenance	28,111,235	24,581,182
Registration & Renewals	7,262,546	2,680,277
Travelling & Conveyance	18,280,955	18,055,645
Entertainment	3,749,384	4,198,442
Printing & Stationery	2,926,769	2,222,786
Audit Fee	1,200,000	1,000,000
Telephone, Internet & Postage	4,682,370	4,405,177
Electricity, Gas & Water	10,715,700	10,182,415
Legal & Consultancy	13,779,574	7,720,328
AGM, Company Secretarial and Regulatory Expense	41,284,006	44,985,864
Advertisement	19,126	100,000
Training & Conference	6,590,078	5,938,817
Depreciation	20,147,370	20,142,891
Remuneration to Independent Directors	140,000	—
Other Expenses	29,531,643	21,414,191
	375,565,912	332,225,347

- (a) Salary and allowances include provident fund contribution of Tk.4,899,089 (in 2012 Tk. 4,238,310).
(b) Repairs and maintenance includes maintenance of office, premises, vehicles, building, equipment and other infrastructures.
(c) Remuneration is paid to the Independent Directors for attending Board, Audit Committee and Other Meetings.

28. Selling, Marketing and Distribution Expenses

This consists of as follows :

Salary & Allowances	699,256,429	599,784,362
Rent	22,457,790	19,488,948
Repairs and Maintenance	5,559,593	4,618,564
Travelling & Conveyance	293,119,372	260,081,060
Entertainment	21,939,089	20,875,724
Printing & Stationery	26,237,688	22,265,791
Telephone, Internet & Postage	8,985,010	8,854,384
Electricity, Gas & Water	6,191,556	5,888,612
Market Research & New Products	27,872,397	24,876,321
Training & Conference	53,463,511	48,331,042
Insurance Premium	17,460,874	18,280,838
Sample	144,655,691	119,778,787
Promotional Expenses	303,056,182	268,478,952
Literature/News Letter	84,480,104	78,266,167
Registration & Renewals	32,613,811	6,879,929
Export Insurance, Freight and C&F Expenses	60,743,782	36,329,864
Delivery Expense	266,173,800	240,216,876
Depreciation & Amortization	48,764,908	48,657,683
Other Expenses	15,929,947	17,342,616
	2,138,961,534	1,849,296,520

- (a) Salary and allowances include provident fund contribution of Tk. 15,749,142 (in 2012 Tk. 12,805,617).
(b) Delivery expense includes distribution service fee for local sales of Formulation and IV Fluid products paid to I & I Services Ltd., a “Related Party”.
(c) Repairs and maintenance includes maintenance of office, premises, vehicles, building, equipment and other infrastructures.

29. Other Income

Amount in Taka

This is arrived at as follows :

	2013	2012
Interest on FDR & Short term Investment	512,424,678	437,201,038
Dividend Income	3,141,501	456,945
Royalty	7,785,736	3,499,537
Exchange Rate Fluctuation Gain / (Loss)*	(17,198,454)	(1,055,025)
Profit on Sale of Fixed Assets (Note 35)	4,434,739	2,745,218
	510,588,200	442,847,713

* This includes loss of Tk. 10,500,000 arising from conversion of foreign currency loan at prevailing exchange rate on the date of Statement of Financial Position.

30. Finance Cost

This is arrived at as follows :

Interest on Working Capital Loan	256,763,094	252,076,640
Interest on Project / Consortium Loan	219,205,840	235,182,666
Interest on Lease Finance	51,362,542	48,268,802
Interest on Loan from PF, WPPF & Welfare Fund	81,687,639	77,425,824
Other Bank Charges	27,567,975	32,452,643
	636,587,090	645,406,575

31. Contribution To WPPF & Welfare Funds

This represents statutory contribution by the company as per Bangladesh Labour (amendment) Act 2013. The amount is computed @ 5% of net profit before tax (but after charging such contribution).

32. Income Tax Expenses

This consists of as follows :

(a) Current Tax :			
(i) Tax provision for current year (Note 3.9)		305,845,595	334,871,966
(ii) Short provision for earlier year		18,569,951	110,840,941
		324,415,546	445,712,907
(b) Deferred Tax Expense (Note 3.9)			
		364,415,845	144,727,001
		688,831,391	590,439,908

33. Earnings Per Share (EPS)

(a) Earnings attributable to the Ordinary Shareholders	Tk.	1,404,762,780	1,319,389,328
(b) Weighted average number of Ordinary Shares outstanding during the year	Nos.	350,334,907	350,334,907
Earnings Per Share (EPS) / Adjusted EPS (2012)	Tk.	4.01	3.77

34. Related Party Disclosures

Following transactions were carried out with related parties in the normal course of business on arms length basis:

Name of Related Parties	Nature of Transactions	Value of Transaction in 2013	Balance at year end
(a) I & I Services Ltd.	Local Delivery Distribution Service Fee	10,777,493,691 172,137,233	1,018,513,082
(b) Bangladesh Export Import Co. Ltd.	Short Term Investment & Interest there on	460,034,835	3,026,383,161

The Companies are subject to common control from same source.

35. Particulars of Disposal of Property, Plant and Equipment

The following assets were disposed off during the year ended 31 December 2013:

Particulars of Assets	Cost	Accumulated Depreciation	Written Down Value	Sales Price	Profit / (Loss)	Mode of Disposal	Name of Parties
Plant and Machinery	2,087,118	1,603,706	483,412	2,505,937	2,022,525	Negotiation	Various Individuals
Furniture	150,000	90,000	60,000	60,000	—	Negotiation	Various Individuals
Transport & Vehicle	2,335,090	1,911,424	423,666	2,835,880	2,412,214	Negotiation	Various Individuals
Tk.	4,572,208	3,605,130	967,078	5,401,817	4,434,739		

36. Payment / Perquisites to Managers and Directors

(a) The aggregate amounts paid to/ provided for the Managers and Directors of the company is disclosed below :

	Amount in Taka	
	2013	2012
Remuneration	129,950,600	113,343,480
Gratuity	5,088,500	4,393,600
Contribution to Provident Fund	6,106,200	5,175,720
Bonus	10,177,000	8,787,200
Medical	3,303,706	3,229,995
Others	29,345,360	28,736,153
Total	183,971,366	163,666,148

(b) The above includes salary, allowances and perquisites amounting to Tk. 13,818,434 paid to the Managing Director. This also includes Tk. 140,000 paid to the Independent Directors for attending Board, Audit Committee and other meetings.

(c) Excepting as stated in (b) above, no board meeting fee was paid to any Directors of the Company.

(d) No amount of money was expended by the company for compensating any member of the board for special services rendered.

37. Production Capacity and Utilization

Item	Unit	Production Capacity		Actual Production		Capacity Utilization	
		2013	2012	2013	2012	2013	2012
Tablet, Capsule, Suppository & DPI	Million Pcs	3,973.90	3,890.93	3,287.61	3,096.81	82.73%	79.59%
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectible and Inhaler	Million Pcs	87.62	86.90	68.88	60.75	78.61%	69.91%

Production does not include goods manufactured under contract manufacturing arrangement from third parties' manufacturing sites.

38. Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for at 31-12-2013.

39. Finance Lease Commitment

At 31 December 2013, the company had annual commitment under finance leases as set out below :

Leases expiring within 1 year	102,213,838
Leases expiring within 2-5 years (inclusive)	150,075,662
Tk.	<u>252,289,500</u>

40. Claim not Acknowledged as Debt

There was no claim against the company not acknowledged as debt as on 31-12-2013.

41. Un-availed Credit Facilities

There is no credit facilities available to the company under any contract, not availed of as on 31-12-2013 other than trade credit available in the ordinary course of business.

42. Payments Made in Foreign Currency :

	Foreign Currency (Equivalent US\$)	Taka
Import of Machinery, Equipments & Spares	4,710,544	368,364,542
Import of Raw & Packing Material	32,923,653	2,618,088,893
Regulatory Fees & Other Expenses	3,254,024	253,501,312

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

43. Foreign Exchange Earned / Received :

- (a) Collection from Export Sales of US\$ 8,288,577.
- (b) Commodity Murabaha Facility of US\$ 10 million received from Noor Islamic Bank, Dubai.

44. Commission / Brokerage to selling agent :

No commission was incurred or paid to any sales agent nor any brokerage or discount other than conventional trade discount was incurred or paid against sales.

45. Contingent Liability

The company has a contingent liability aggregating Tk. 101,289,446 against disputed income tax claims for the year 1999, 2007, 2008 and 2010. The company has filed Income Tax Reference cases with the High Court Division of the Supreme Court against these claims.

There is also a disputed VAT claim aggregating Tk. 144,113,691 against the company. The Company own the verdict of the Appellate Tribunal in it's favour. The concerned authority filed appeal to the honorable High Court against this verdict. Additionally, there are claims of custom duty aggregating Tk. 22,507,358 against the indemnity bond issued by the company in connection with import of certain plant and machinery. The company has filed writ petitions against these claims.

If any liability arises on disposal of the cases, the company shall provide for such liability in the year of final disposal.

46. Events after The Reporting Period

The directors recommended 10% Cash Dividend (i.e. Tk. 1 per share) and 5% Stock Dividend (i.e. 5 shares for every 100 shares held) for the year 2013. The dividend proposal is subject to shareholders' approval in the forthcoming annual general meeting. Excepting to that, no circumstances have arisen since the date of Statement of Financial Position which would require adjustment to, or disclosure in, the financial statements or notes thereto.

47. Financial Risk Management

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

- Credit risk
- Liquidity risk
- Market risk

47.01 Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. As at 31 December 2013 substantial part of the receivables are those from its related company and subject to insignificant credit risk. Risk exposures from other financial assets. i.e. Cash at bank and other external receivables are nominal.

47.02 Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses including financial obligations through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. In extreme stressed conditions the company may get support from the related company in the form of short term financing.

47.03 Market Risk

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(a) Currency risk

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

(b) Interest rate risk

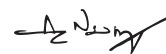
Interest rate risk is the risk that arises due to changes in interest rates on borrowing. The foreign currency loan is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.



Salman F Rahman
Vice Chairman



Nazmul Hassan
Managing Director



Ali Nawaz
Chief Financial Officer

Dhaka
29 April 2014



Proxy Form

BEXIMCO PHARMACEUTICALS LTD.

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

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 38th Annual General Meeting of the Company to be held on Saturday, the 21st June, 2014 at 10.30 a.m. at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur and at any adjournment thereof.

As witness my/our hand this _____ day of June, 2014.

Signed by the said in presence of _____



(Signature of the Proxy)

Signature of the Shareholder(s)

Dated: _____

Register Folio / BOID No. : _____

Dated: _____

(Signature of the Witness)

Note: A member entitled to attend and vote at the Annual 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

Signature Verified

Authorised Signatory



BEXIMCO PHARMACEUTICALS LTD.

SHAREHOLDERS' ATTENDANCE SLIP

I/We hereby record my/our attendance at the 38th Annual General Meeting being held on 21st June, 2014 at 10.30 a.m. at Beximco Industrial Park, Sarabo, Kasimpur, Gazipur.

Name of Member(s) _____

Register Folio/BOID No _____

holding of _____ ordinary Shares of Beximco Pharmaceuticals Ltd.

Signature(s) of Shareholder(s)

- N.B. 1. Please note that the AGM can only be attended by the honourable shareholder or properly constituted Proxy. Therefore, any friend or children accompanying with honourable Shareholder or Proxy cannot be allowed into the meeting.
2. Please present this slip at the reception desk.

Corporate Information

Operational Headquarters

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Fax : +880-2-8613888
E-mail : info@bpl.net
Website : www.beximcopharma.com

Corporate Headquarters

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Fax : +880-2-8613470
E-mail : beximchq@bol-online.com

Factory

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126 Kathaldia, Tongi, Gazipur
Bangladesh

Kaliakoir Unit
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Kaliakoir, Gazipur
Bangladesh

Stock Exchange Listing

Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.
AIM of London Stock Exchange plc (GDRs)

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Legal Advisor

Rafique-ul Huq
Barrister-at-Law
47/1 Purana Paltan
Dhaka-1000, Bangladesh

Auditors

M. J. Abedin & Co.
Chartered Accountants
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Dhaka- 1205, Bangladesh

Banker

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Local office
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Dhaka- 1000, Bangladesh

For GDRs

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