

Annual Report
2014

**BEXIMCO
PHARMA**

here's to life



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 2014



BEXIMCO PHARMACEUTICALS LIMITED



Mission

We are committed to enhancing human health and wellbeing 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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The background features a light blue molecular structure pattern of interconnected circles and lines. Scattered throughout are various sizes of stars, some in a darker blue and others in a lighter, greyish-blue. The stars are positioned around the central data points, creating a celebratory and scientific atmosphere.

3000
People

500
Products

35
Years



Our Story

50
Countries

Celebrating 35 years of health & wellbeing

Incorporated in 1976, Beximco Pharma started its operation by importing products from global MNCs like Bayer AG, Germany and Upjohn Inc., USA and selling them in the local market. In 1980 the Company began manufacturing these products under licensing arrangement. From that humble beginning, Beximco Pharma has grown from strength to strength, and today it has become a leading manufacturer and exporter of medicines in Bangladesh. Company's manufacturing facilities have been accredited by the major global regulatory bodies, and it has expanded its geographic footprint across all the continents.

In its long journey of 35 years, the Company remains committed to make a difference in the lives of people by providing high quality medicines at affordable cost.

We know good health is priceless and that's why we always strive to provide our patients with high quality and affordable medicines







We continually strive to provide access to safe, effective and affordable medicines. Over the last 35 years of operation, our motto has remained the same: ensure health and wellbeing of the people.

The Board of Directors



Salman F Rahman
Vice Chairman

A S F Rahman
Chairman



Nazmul Hassan MP
Managing Director



Osman Kaiser Chowdhury
Director



Abu Bakar Siddiqur Rahman
Director



Iqbal Ahmed
Director



Dr. Abdur Rahman Khan
Independent Director



Shah Monjurul Hoque
Independent Director

Company Secretary

Mohammad Asad Ullah, FCS
Executive Director



Management Committee



Nazmul Hassan MP
Managing Director



Osman Kaiser Chowdhury
Member of the Board of Directors



Ali Nawaz
Chief Financial Officer



Rabbur Reza
Chief Operating Officer



Afsar Uddin Ahmed
Director, Commercial



Lutfur Rahman
Director, Manufacturing



Zakaria Seraj Chowdhury
Director, International Marketing



A R M Zahidur Rahman
Executive Director, Production



Shamim Momtaz
Executive Director, Manufacturing



Jamal Ahmed Choudhury
Executive Director, Accounts & Finance



Rizvi Ul Kabir
Executive Director, Sales



Mohd. Tahir Siddique
Executive Director, Quality



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

Key Events in History



2014

Received GMP accreditation from Taiwan Food & Drug Administration (TFDA) and "Health Canada" as the first Bangladeshi company; First Bangladeshi company to export to Romania

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



Nazmul Hassan MP
Managing Director

Managing Director's Statement

Dear Shareholders,

In 2014 we have consolidated our position with sales turnover of BDT 11,206.9 million posting a growth of 6.8% over 2013. In its 35 years of operation, Beximco Pharma has been consistently delivering on its promise of performance. From the humble beginning as a small distributor of medicines from global MNCs, today it has become a leading exporter of medicines in the country. The company has achieved this by staying focused on creating value for all its customers and shareholders.

Despite political turbulence and headwinds, Bangladesh's economy continued to grow above 6%, largely due to agricultural expansion, modest growth in apparel export, remittance from abroad and record foreign exchange reserve. The Bangladesh Pharma market is currently valued at more than \$1.5 billion which is clearly dominated by local manufacturers. Ninety eight percent of country's demand is met by local production; all the top 10 companies are local who have consistently occupied nearly 70% of the market share.

Political unrest in the country, which started in late 2013 and continued till first quarter of 2014, seriously disrupted our business activities. Despite all the challenges, we were able to register a growth of 9% in domestic formulation business. In the year we added 28 new products to our portfolio, 3 of which were launched for the first time in the country. Our in-house R&D efforts also saw the introduction of oral soluble film, a unique drug delivery system, for the first time in Bangladesh. Key to all our efforts has always been to offer the best possible solutions to our patients and to make them affordable. In the highly competitive market, we have maintained our strong position in key therapeutic segments like analgesics, respiratory, and anti-diabetic categories with excellent growth rate in each segment. We have also performed well with our gastrointestinal and cardiovascular range.

Our planned investment in upgrading our facility and expanding capacity continued throughout the year to maintain a sound platform towards sustainable growth. We have also taken up a major project of expansion and upgradation along with relocation of some of our existing units to the new site, just opposite to our current site.

As a generic drug company with global aspirations, our major focus remains on research and development for bringing high quality, differentiated products. Our R & D team has been continually working on diverse delivery systems, as well as regulatory filings in different markets. With increasing developmental work on complex generics and regulatory submissions, a new state of the art pharma R & D Centre is being built at our Tongi facility.

The global pharmaceutical market is showing signs of recovery with total spending reaching \$1 trillion in 2014, an increase of 7 per cent over the previous year, according to IMS. This impressive rise is driven mainly by high prices and uptake for several breakthrough cancer and hepatitis C drugs entering the market in developed countries. By 2018, this spending is expected to rise to \$1.3 trillion due to new breakthrough therapies. The year 2014 also saw approval of 44 new drugs in world market, making it the best year for pharmaceutical innovation since 1996. On the other hand, global generic drugs market currently stands at more than \$250 billion, with consistent double digit growth, driven by increasing demand both in developed and emerging economies.

The opportunities in generic drugs are increasing day by day with increasing government pressure around the world to cut healthcare costs. The country has tremendous opportunities for pharma export, particularly for value added generics in regulated markets. In 2015 alone, patented drugs worth \$60 billion are going off patent which opens up opportunities for generic manufacturers around the world. Bangladesh could be ideally positioned to gain from generic drug opportunities with its cost advantages and skilled manpower as India and China are losing cost advantages owing to rapid increase in wages in these countries.

We have strengthened our presence in several Asian and African countries and we are actively evaluating opportunities to extend our geographic footprint by replicating our successful model in other emerging markets. Although our current export turnover is still low and contributes little to the overall sales, we strongly believe there is ample opportunity to expand our export business. In the year we have made 55 registrations in 15 countries

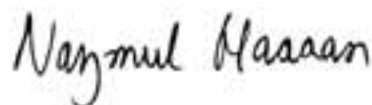
and entered the new markets of Romania and Uganda. We have also submitted 3 ANDAs with US FDA and registered two products in 7 EU countries. Our continued focus on regulatory approvals earned us GMP clearance from TFDA and Health Canada – both first-time for a Bangladeshi company. As the first Bangladeshi company, we also commenced export of medicines to Australia following our foray into several EU countries. We also received marketing authorization from UK MHRA for a product. I am also delighted to inform you that, in January 2015, Beximco Pharma became the first Bangladeshi pharma company to successfully complete US FDA inspection. This is a major milestone for the Bangladesh pharma industry as this will give us the tremendous impetus to build presence in US and other regulated markets and thus helping the country emerge as a true generic drug hub.

Bangladesh continues to remain a role model for Millennium Development Goals (MDGs) achievement. The country has made remarkable progress in areas such as reducing poverty and the prevalence of underweight children, increasing enrolment at primary schools, lowering the infant mortality rate and maternal mortality ratio, improving immunization coverage and reducing the incidence of communicable diseases. This is indeed a great achievement for the country and we believe our company and the pharma industry will continue to play a very important role in promoting access to affordable healthcare.

I have spent more than 25 years in this company. I am often asked why I chose to work for Beximco Pharma and spend my entire career at this company. For me, I always believe working in healthcare or a pharmaceutical company is an honor and a privilege. To carry out the work with responsibility and care, I couldn't think of any better place than Beximco Pharma. This has been an amazing experience to work with the wonderful and talented people who have also given me the opportunity to grow as a person while serving the society at large. I always feel proud to be able to lead a company which continues to make a difference by providing newer, better solutions for the patients and making them affordable.

Putting patients at the heart of our business has always remained our guiding principle. Our mission is to ensure health and wellbeing of the people by providing affordable medicines. We always strive to align our initiatives to our objectives and as we continue to grow they are clearly directed towards value creation for our shareholders.

As our vision statement encapsulates - we aspire to be among the most admired companies in the region, and that is only possible with your continued support and trust. My sincere gratitude to all the shareholders of the company for being with us in our journey. I would also like to extend my thanks to each and every employee of Beximco Pharma for their dedication and hard work and I want them to take on new challenges for the eventual benefit of the company. I'm sure together we will continue to deliver strong results and accomplish our long term goals.



Nazmul Hassan MP
Managing Director

How We Performed in 2014



- ❑ Launched 28 products (24 generics) in the domestic market; three of which were launched for the first time in Bangladesh
- ❑ Introduced Oral Soluble Film (OSF) technology with the launch of an antiemetic drug (Ondansetron)
- ❑ Entered two new markets (Romania and Uganda)
- ❑ A total of 55 new registrations done in 15 different countries
- ❑ Became the first Bangladeshi company to receive Good Manufacturing Practice (GMP) approval from the Taiwan Food & Drug Administration (TFDA) and the Canadian regulatory authority (Health Canada); also received approval from BPOM (Indonesian Agency for Drug And Food Control) for the Metered Dose Inhaler (MDI) unit
- ❑ Net sales increased to BDT 11,206.9 million, registering a y-o-y growth rate of 6.8%
- ❑ Net Profit after tax increased 8.8% to BDT 1,528.3 million
- ❑ EPS rose by 8.64% to BDT 4.15



Beximco Pharma has started exporting to Romania with its multi-vitamin product “Sunvita Gold”. This is for the first time a pharmaceutical company from Bangladesh has launched product in Romania.

What We Offer

Beximco Pharma currently produces about 300 generics in more than 500 strengths and dosage forms. It also produces a number of active pharmaceutical ingredients (APIs). Beximco Pharma's portfolio encompasses various therapeutic categories, including antibiotics, analgesics, respiratory, cardiovascular, central nervous system, dermatology, gastrointestinal etc. The Company has strong capabilities with specialized drug delivery systems that have differentiated itself from others. Many of its brands remain consistent leaders in their respective therapeutic categories and the Company continuously reviews and expands its product portfolio in order to ensure that people have access to newer, better treatment options at affordable cost.

In 2014 Beximco Pharma expanded its portfolio with: 24 new generics in a total of 28 presentations across 9 different therapeutic categories. Three products were launched for the first time in Bangladesh.

Beximco Pharma, with its well established and balanced portfolio of generics, is able to respond to the needs of physicians, patients, and health care providers, both therapeutically and economically.





New Products of 2014



Our Manufacturing Capabilities

Our main manufacturing site is spread across a 22-acre area located near the capital city, Dhaka, which houses facilities for manufacturing tablets, capsules, intravenous fluids, liquids, creams, ointments, suppositories, metered dose inhalers, ophthalmic drops, intravenous fluids and lyophilized injectables. The site has its own utility infrastructure to ensure adequate generation and distribution of electricity with an installed capacity of 10 MW. There are also water purifying and liquid nitrogen generation facilities. Our penicillin API and formulation units are located separately at Kaliakoir, 21 km from Company's main manufacturing premises at Tongi.





A company's achievement. A country's pride. Celebrating the successful completion of the US FDA audit as the first Bangladeshi Pharma Company.

here's to



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Our Global Regulatory Approvals

Benchmarked to international standards, our manufacturing facilities have been approved by the regulatory authorities of Australia, Europe, Brazil, Canada and Taiwan, among others. Recently Beximco Pharma has become the first Bangladeshi company to successfully complete the US FDA inspection.



Health
Canada



Certified



Beximco Pharma Introduces Hormone Range

Beximco Pharma has recently launched its Hormone range with the introduction of Femzole®(Letrozole), Norestin® (Norethisterone), Tibilon® (Tibolone) and Synroid® (Levothyroxine).

FEMZOLE[®]
Letrozole USP 2.5 mg tablet

Indication: Breast Cancer and Ovulation Induction

NORESTIN[®]
Norethisterone BP 5 mg tablet

Indication: Menstrual Dysfunctions


TIBILON[®]
Tibolone 2.5 mg tablet

Indication: HRT in Post Menopausal Woman

Synroid[®]
Levothyroxine 50 mcg tablet
Indication: Hypothyroidism



Our People our life-blood



We recognize that if we want to see our business successful today and sustainable tomorrow, we must invest in our people who are making a difference. Our 3000-strong dedicated workforce—their collective resolve to excel—have always guided us towards newer achievements. We constantly seek to attract and retain the best talent in the industry and always take initiatives to ensure that our people are enabled and motivated. We try to create a culture in which all our employees feel valued, empowered and inspired to grow personally and professionally along with the company. Our ability to transform ourselves is driven by a strong emphasis on employee empowerment at every level. We regularly invest in training and development of our employees, and our Learning and Development Program (LDP) is planned for enhancing skills through focused, professional training in order to create and maintain our competitive edge. We actively encourage equality of opportunity for all our employees and we currently have a good number of female employees working throughout the organization including senior level management.



Annual Business Review 2014

A special day long strategic briefing session was held in a city hotel to review Beximco Pharma business in the year 2014. Vice Chairman Salman F Rahman, Managing Director Nazmul Hassan MP, Chief Operating Officer Rabbur Reza and Executive Director (Sales) Rizvi ul Kabir were present during the strategic sessions.



Annual Sales & Marketing Meet Thailand 2014

Beximco Pharma's Annual Sales & Marketing Meet 2014 was held on December 20 in Phuket, Thailand. The theme for this year was "We Believe We Can. So We Will". Members from Company's sales, marketing and other departments as well as the top management attended the event.



8th Annual Finance Conference

8th Annual Finance conference of Accounts & Finance Department was held on 14 February 2015. The focus of this year was 'Personal Responsibility in Developing Excellence (PRIDE)'.

Annual Sales & Marketing Conference Cox's Bazar 2014



Specialized Products

We continue to expand our product portfolio and our focus on specialized dosage delivery systems has created strong differentiation.

Oral Solid Dosage | Metered Dose Inhaler | Ophthalmic
Intravenous Fluid | Liquid and Semisolid | Pre-filled Syringe
Dry Powder Inhaler | Lyophilized Injectables | Oral Soluble Film



Exporting care

Beximco Pharma, the leading manufacturer and exporter of pharmaceuticals in Bangladesh, is proud to launch **SALPRAZ** (Pantoprazole 20 mg and 40 mg) and **PANTOPRAZOLE Heartburn Relief** (Pantoprazole 20 mg) in Australia.



Certified



here's to life

**BEXIMCO
PHARMA**

Every capsule, every tablet, every drop of suspension, every molecule of every medicine is prepared with care to enhance the quality of life. That's our humble goal, everyday. More than 50 countries around the world, from the utterly deprived African heartland to the incredibly privileged European elite, from Rangpur to Kuakata, we are humbled by the opportunity to deliver the smiles 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, are discovering the child within trying to explore new frontiers.

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



Right here. We start the celebration of a healthy life!

www.beximcopharma.com



4 National Export Trophies (1994-2010)

Global Accreditations:



Research and Development key to our sustainable future

R&D remains the driving force behind our efforts to transform Beximco into a truly international company. Our product development team continues its strong research orientation in generic formulation development and we have already proven our skills with successful development of specialized, high-tech formulations which are very difficult to imitate. In the year we have further expanded our dosage delivery portfolio with Oral Soluble Film (OSF) – a unique drug delivery system to provide drugs in the form of oral film. We became the first company to launch this technology in Bangladesh. Our new state-of-the-art R&D Centre is being built which will facilitate the development of products and processes in line with our R&D strategy. This will provide the company stronger differentiation in terms of efficient product development, drug delivery sytem expansion, regulatory filings etc. We are also pursuing research collaborations with universities and biotech companies both at home and abroad for strengthening our research capability in selected areas.





We are building a global generic drug company focused on providing high quality, affordable generic drugs to patients around the world.

here's to life



Spreading Our Wings

Beximco Pharma has a clear focus on expanding its global footprint. Over the years we have strengthened our presence in many Asian and African countries and our export sales are mainly derived from these semi regulated markets. However, we are increasingly focused on regulated markets for value added generics. At the same time we are actively evaluating opportunities in other emerging markets by replicating our successful operating model in key markets. We are planning to strengthen our distribution and marketing efforts in potential new territories based on surveys and responses.

During the year a total of 55 registrations were made in 15 countries, and we entered 2 new markets – Romania and Uganda. At the beginning of 2015, Beximco Pharma started exporting medicines to Australia, and became the first Bangladeshi company to do so.

To expand our export business and to capitalize on the generic drug opportunities in overseas markets –we continue to pursue approvals from leading global drug regulatory authorities and in the year we received approvals from the regulatory authorities of Taiwan, Canada, and Indonesia. We have also become the first Bangladeshi pharma company to be audited by the US FDA. The audit took place in January 2015 and it was completed without any 483 observations issued by the US drug regulatory authority- a remarkable feat for any generic drug company.



Participation at CPhI Worldwide 2014

The CPhI worldwide, the largest expo for global pharma industry, was held during 7-9 October, 2014 in Paris, France. Beximco Pharma, like the previous years, had a stall for showcasing its products to prospective clients from all over the world.



At Beximco Pharma, we strive to do what matters most to patients:
provide high quality, contemporary treatment options and make them affordable.

here's to life

**BEXIMCO
PHARMA**

What We Do for the Society

As we grow, we continually strive to meet the needs and expectations of our stakeholders and society as a whole. We strongly believe we can only be successful if we create value not just for the company but also for the society we live in. That's why CSR has been incorporated as one of our core values which remains an integral part of our strategic commitment, and we are always guided by strong ethical values to operate responsibly within broader social and economic context. Some of our CSR activities during the year are described below.

Donation to CRP

Mr. Salman F Rahman, Vice Chairman of Beximco Group, along with other senior officials, visited the Centre for the Rehabilitation for the Paralyzed (CRP) in Savar on October 20 and donated large quantities of medicines and made cash contribution to CRP founder Ms. Valerie Taylor. During the visit he was briefed about the overall activities of CRP, especially the rehabilitation programs for the Rana Plaza victims. Then CRP management showed him around the CRP premises where Mr. Rahman interacted with patients undergoing treatments in different units.



Support to Professor K S Rabbani for Developing Low Cost Mechanical Prosthetic Hand

As a part of its CSR commitment, Beximco Pharma extended financial grants to Professor K S Rabbani, Chairperson, Department of Biomedical Physics & Technology, Dhaka University in his project of developing low cost mechanical prosthetic hand. Beximco Pharma COO Mr. Rabbur Reza handed over the cheque to Professor Rabbani in a small ceremony held in the head office on March 13, 2014. This small support from Beximco will help provide prosthetic hands at a minimal cost to thousands of amputees.



Sponsoring 'Spreading Care'

Beximco Pharma sponsored 'Spreading Care' a unique day long program to honour the contribution of nursing professionals nationwide. On February 14, 2014 volunteers from Jaago Foundation distributed flowers and cards to the nurses in major hospitals as a token of respect and love for this noble profession.



Medical Camp

Beximco Pharma sponsored medical camp at Rayerbazar with free medicines on March 15 which was organized by Active Citizens (Durjoy), an NGO associated with Democracy Watch.





World Environment Day

Beximco Pharma celebrated World Environment Day 2014 with the volunteering wing of Jaago Foundation on June 5. The day was observed with 3 different programs organized nationwide namely– *Riding Green* a bicycle rally, *March for Green* a tree plantation program and *Green Message* a wall painting program– all to raise awareness about environment and for taking positive action to preserve it. More than 5000 volunteers participated in these programs where Beximco Pharma was a major sponsor.



Universal Children's Day

Jaago Foundation, the largest youth based volunteer organization in Bangladesh organised nationwide programs on November 20 in observance of Universal Children's Day. More than 10,000 volunteers across the country participated to create awareness about children's right to education with the theme "Invest in Education". A day long free health camp was run by Beximco Pharma on this occasion.



13th Asian Spinal Cord Network (ASCoN) Conference 2014

Beximco Pharma was a major sponsor of the 13th Asian Spinal Cord Network (ASCoN) conference held during 27-29 November 2014 at BRAC CDM, Savar. This year's theme was "Living life to the full" and the event was hosted by CRP. Mohammed Nasim MP, Honorable Minister, Ministry of Health and Family Welfare, was present as the chief guest. More than 60 delegates from 15 different countries attended the conference which highlighted the recent advances in rehabilitation for the spinal cord injury patients through scientific papers, poster presentations, workshops, exhibition etc. Beximco Pharma had a pavilion in this event.



Victory Day Golf Tournament

Beximco Pharma sponsored the '2nd Beximco Pharma Victory Day Golf Tournament 2014' held at Comilla Cantonment, Mainamati. Inaugurated by GOC of the 33rd Infantry Division Major General Zahidur Rahman PSC, the tournament was participated by more than a hundred golfers from Mainamati, Kurmitola, Savar, Bhatiari, Army Golf club and several other clubs of the country.

World Osteoporosis Day

Beximco Pharma celebrated the World Osteoporosis Day on October 20 with a number of programs under this year's global theme "Real men build strength from within". Major activities included free health camp at jogger's park in the city, distributing awareness leaflets among people, organizing discussions with doctors in various medical institutes, a special bone health check-up to measure Bone Mineral Density (BMD) etc.



World Heart Day

Beximco Pharma celebrated the World Heart Day on September 29, which is a global awareness day, aiming to promote preventive measures that reduce the risk of cardiovascular diseases. On this occasion, BPL arranged different programs which included distribution of awareness leaflets, arranging health camp, organizing clinical meetings with leading cardiologists in the country and so on.



World Diabetes Day

On November 14, Beximco Pharma arranged a number of awareness programs including free diabetes check-up, providing leaflets, guide books etc. in association with Bangladesh Diabetic Samity.



World COPD Day

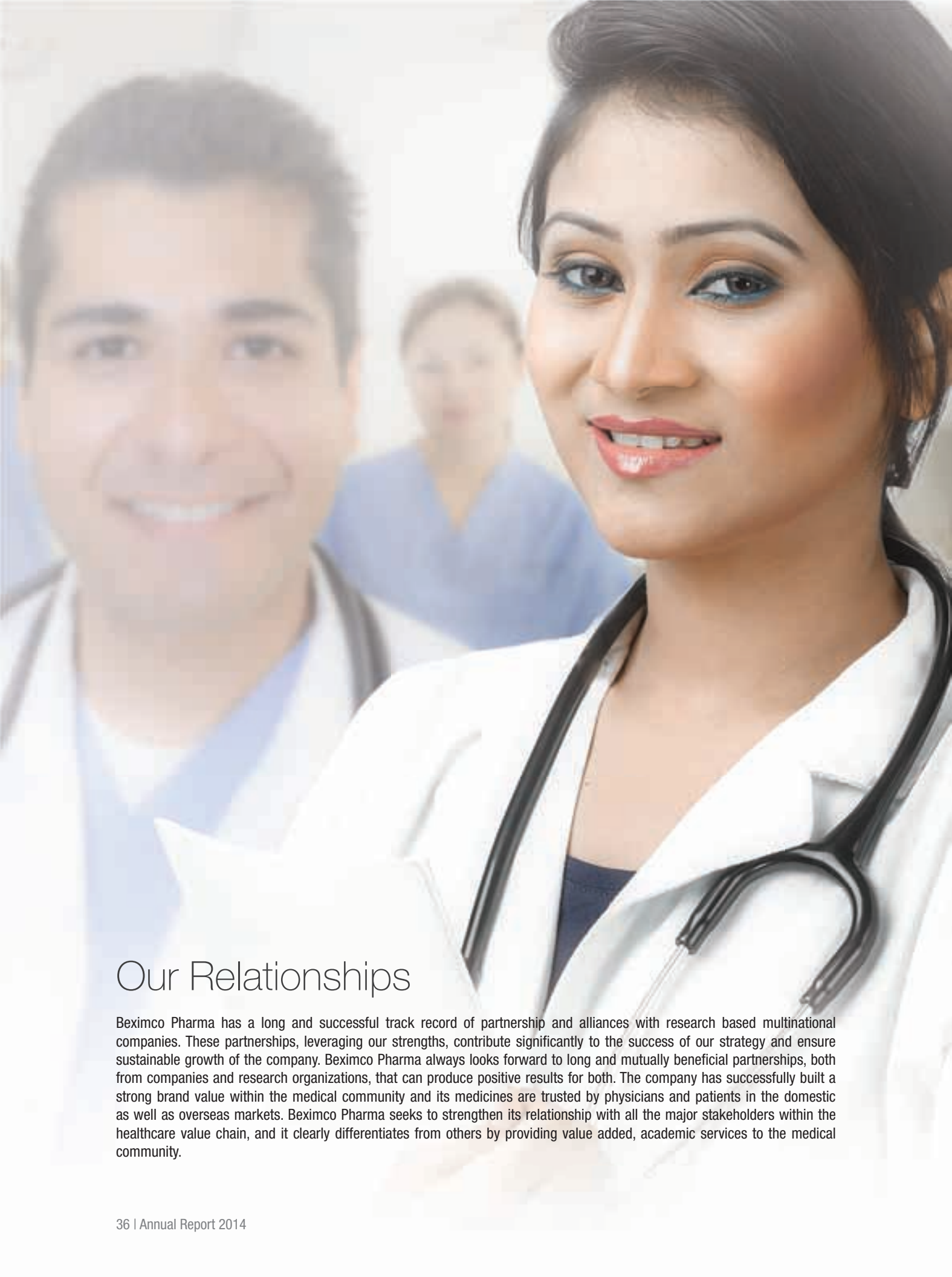
Beximco Pharma celebrated the World COPD Day 2014 (November 19) under the year's global theme "It's Not Too Late" aiming to promote preventive measures against chronic obstructive pulmonary disease (COPD) and to improve COPD care across the country. Beximco Pharma's programs included 'Happy Breath' campaign, distribution of awareness leaflets, and seminars.



World Asthma Day

World Asthma Day was observed on May 06 worldwide. Asthma Association Bangladesh organized a grand program to observe the day in partnership with Beximco Pharma.





Our Relationships

Beximco Pharma has a long and successful track record of partnership and alliances with research based multinational companies. These partnerships, leveraging our strengths, contribute significantly to the success of our strategy and ensure sustainable growth of the company. Beximco Pharma always looks forward to long and mutually beneficial partnerships, both from companies and research organizations, that can produce positive results for both. The company has successfully built a strong brand value within the medical community and its medicines are trusted by physicians and patients in the domestic as well as overseas markets. Beximco Pharma seeks to strengthen its relationship with all the major stakeholders within the healthcare value chain, and it clearly differentiates from others by providing value added, academic services to the medical community.

NHK WORLD



[Beximco Group Vice Chairman featured in NHK Japan](#)

NHK Japan (Japan Broadcasting Corporation) is the national broadcasting entity in Japan, globally known for its high quality TV programs and documentary. NHK has recently chosen Beximco Group Vice Chairman Mr. Salman F Rahman for their highly acclaimed documentary series “The Asian Entrepreneur”. The 45-minute special documentary, already aired several times in Japan and globally, highlights the success stories of Mr. Salman Rahman and his outstanding contribution to country’s economic development. The documentary also shows how Beximco Pharma has emerged over the years.

Corporate Events



US Ambassador visits Beximco Pharma

The US Ambassador to Bangladesh, His Excellency Dan W. Mozena, visited the state-of-the-art manufacturing facilities of Beximco Pharmaceuticals Ltd. at Tongi on November 4, 2014. He was accompanied by Daniel Keen, Economic Commercial Officer and other officials of the Embassy. US Ambassador was welcomed at the plant premises by company's managing director Nazmul Hassan, MP. Other senior officials from the Company were present on this occasion. After visiting the facilities, Dan Mozena and the delegation expressed high satisfaction over the world class operation and quality control practices of Beximco Pharma.



Beximco Pharma starts exporting medicines to Australia

Beximco Pharma has made a foray into Australian pharma market with the launch of Pantoprazole, a drug for treating gastrointestinal disorder. This is for the first time pharmaceutical product from Bangladesh is being exported to Australia. To mark this auspicious occasion, and to celebrate this milestone achievement, a brief ceremony was held at the company's factory premises in presence of the Australian High Commissioner to Bangladesh, His Excellency Greg Wilcock. He was accompanied by Minhaz Chowdhury, Country Manager, Australian Trade Commission. Beximco Pharma Chief Operating Officer Rabbur Reza received the delegation at the factory premises. Senior officials from the Company as well as representatives from Singapore Airlines and Capital Logistics were present on this occasion.

SCRIP

Intelligence

www.scripintelligence.com

Bangladesh's contract manufacturing expands as Beximco ships to Romania

17 November 2014
Apar Ghargurte

Bangladesh's Beximco Pharmaceuticals has commenced supplies to the Romanian market – a move which highlights the emerging prowess of the South Asian nation in the contract manufacturing segment.

Beximco told Scrip that it had delivered its first consignment of a multivitamin/mineral product (marketed as Sunvita Gold) to Romania in October under a contract manufacturing deal with a Romania-based firm. The product is made at Beximco's Tongji site in Bangladesh.

"Sunvita will be distributed throughout 5,000 pharmacies in Romania and the Romanian company has plans to market this in other territories in the future. This is the first time a pharmaceutical company from Bangladesh has contract manufactured any product for the Romanian market," Dr Shaikat Haider, general manager (business development), Beximco Pharma told Scrip.

Sunvita Gold will compete with biggies such as Bayer's Supradin in the €6.97m market for multivitamins and mineral products. Supradin is said to lead the segment with sales of around €2m.

Contract manufacturing currently accounts for around 15% of Beximco's total exports and the firm already has a similar arrangement with GlaxoSmithKline for a metered dose inhaler product.

Beximco debuts in Australia via multi-partner alliance

17 January 2015
Apar Ghargurte

apar.ghargurte@informa.com

Beximco Pharmaceuticals has tied with two leading firms including Sigma Pharmaceuticals to supply of paracetamol to Australia – the first time a drug made in Bangladesh would be available in the nation.

Beximco's chief operating officer Raouf Reza told Scrip that the company had its own registration for paracetamol in Australia and had given access to its license to two companies so far including Sigma (now part of Asper). The second partner firm is a leading generic player.

Paracetamol supplies are being made from Beximco's Tongji site in Bangladesh.

"We are working on several molecules with a number of partners including Sigma and are talking to a few others. We have more than 15 products in the pipeline for the Australian market," Mr Reza told Scrip.

The ophthalmic product latanoprost may be among the other products under consideration for the Australian market.

While the license with Sigma pertains only to the OTC version of paracetamol, which is expected to hit the market in April, Beximco's other partner has access to both the prescription version that has been launched and the OTC offering.



Brick by brick: Bangladesh's Beximco builds for play in the US

Bangladesh's Beximco Pharmaceuticals is taking small but decisive steps for a larger play in the US, including shoring up the number of ANDA filings and readying for what probably may emerge as one of the first-ever US FDA audits of a local drug manufacturing site in the country.

These plans come even as political turmoil cast a shadow on the Bangladeshi pharmaceutical industry last year, causing what Beximco termed as "serious" disruption to business activities, particularly during the last quarter.

had contract manufacturing pacts with international firms such as Bayer and is currently working with other multinational and leading global generic drug companies in this area, though the details could not immediately be ascertained.

Square Pharmaceuticals, another leading Bangladeshi firm, had last year also indicated that its dossiers had been accepted in the US and the firm was awaiting an FDA inspection (scripintelligence.com 22 November 2013).

On the ophthalmic products exported

domestic market

Back home, despite the political strife Beximco maintained growth momentum, buoyed by a slew of new introductions including products such as Jointec Max (glucosamine and diacerein) and Voligel (diclofenac sodium 50mg gel) launched for the first time in Bangladesh.

The company launched 23 products in the domestic market last year, with 13 new introductions in the first quarter of 2014, but admitted that the political turmoil had hurt business both domestic and local.



Our individual and collective experiences allow us to better understand the needs of our patients and further our work to improve health and wellbeing of our people.

here's to life

**BEXIMCO
PHARMA**

Post Balance Sheet Developments



7 new products launched in Q1;
1 of them being first time
in Bangladesh



Achieved 16% sales growth
in Q1-2015 over Q1-2014



Entered 5 new markets



Registered 16 products in
7 countries

In Memory of...



Mahbubul Alam
Independent Director



Mohammad Abul Qasem
Director

Mr. Mahbubul Alam, Independent Director of Beximco Pharmaceuticals Ltd., passed away on 6th June, 2014. He was 78. He was also the Chairman of the Audit Committee. A former adviser to the caretaker government, Mr. Alam also served as the editor of The Independent for 18 years. He left behind his wife and three daughters.

Mr. M A Qasem, Founding Director of Beximco group, died on April 19, 2014. He was 85. Mr. Qasem joined Beximco Group in 1974 and served there till his death. He held senior positions in a number of entities within the Beximco Group. He is survived by his wife, three sons, and a daughter.

The Board of Directors and all the employees of Beximco Pharma recall with appreciation and gratitude the contribution they have made for the company during their lifetime.

Notice of Annual General Meeting

BEXIMCO PHARMACEUTICALS LIMITED

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

Notice of the thirty- ninth annual general meeting

Notice is hereby given that the Thirty-Ninth Annual General Meeting of the Shareholders of Beximco Pharmaceuticals Limited will be held on Saturday, the 13th June, 2015 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, 2014 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 approve the appointment of Independent Director.
5. To appoint Auditors for the year 2015 and to fix their remuneration.
6. To transact any other business of the Company with the permission of the Chair.

By order of the Board,



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

Dated : 11 May, 2015

NOTES:

- (1) The Record Date of the Company shall be on 21 May, 2015.
- (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. 21 May, 2015, 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) Members are requested to update particulars of their Bank Account, change of address (if any) and 12 digit Taxpayer's Identification Number (E-TIN) through their respective Depository Participant.
- (6) 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,

It is great pleasure to welcome you all to the thirty-ninth annual general meeting of Beximco Pharmaceuticals Limited.

In 2014 the Company crossed Taka 10 billion mark in domestic sales for the first time in its history. This is a proud achievement for all of us. Despite political turmoil, especially in the first quarter of 2014, the Company managed to achieve 9% growth in the domestic market. With our continued focus on research and development to strengthen the product portfolio, strategic priority on export business and investment to enhance our manufacturing, marketing and supply chain capabilities, the Company continues to progress in the right direction to deliver sustainable returns for the shareholders.

In my last report, I mentioned that we needed to make investment in building manufacturing facilities to further diversify our portfolio and increase capacity to meet the growing demands. Moreover, some of our manufacturing facilities built in the late 80s need up-gradation, replacement and expansion. You will be happy to note that the Company is now implementing a number of projects worth Taka 1,000 crore over the period of 2014-17. The projects include creating facilities for a number of new therapeutic categories and relocation, expansion and up-gradation of some of our old facilities. The projects are to be financed using the Company's own funds as well as through the use of external debt. We have already made a significant amount of investment in this regard from our own sources. We have signed a loan agreement for US \$ 51.559 million with BHF Bank, Germany to partly finance the plant and machinery to be procured for the projects. We believe, once implemented, these projects will help secure Company's current and future growth.

As stated in the Managing Director's Statement and Directors' Report, your Company has achieved GMP clearance from Health Canada and Taiwan FDA, both first-time for a Bangladeshi company. The Company also successfully completed US FDA inspection in January 2015, without any 483 observations. In the first quarter of 2015, we commenced export to Australia which is again a milestone achievement for the Bangladesh pharma industry. We believe that export of generic medicines has high potential for growth and our reputation as a manufacturer of high quality medicine and reliable supplier will help us further expand our footprint in the global market.

Our Board of Directors has seen some changes during the year. It is with deep regret I inform you that one of our Independent Directors Mr. Mahbulul Alam passed away on 6th June, 2014. Mr. Alam was also the Chairman of the Audit Committee. As mentioned in my last report, Mr. Mohammad Abul Qasem- one of the founding directors of Beximco Group also passed away on April 19, 2014. On behalf of the Board of Directors I would like to express my sincere appreciation and gratitude for their valued contribution to the Company. Their experience and guidance will be greatly missed.

On a positive note, I am pleased to welcome Mr. Shah Monjurul Hoque who has joined the Board as an Independent Director. He will also serve as a member of the Audit Committee.

2015 also began with political turmoil hampering normal business activities. However, there are visible signs of recovery and we hope the situation in the country will remain peaceful in the coming days. Our focus as always will be on achieving the targets we have set for the year and striving to exceed them. We also hope to reach new milestones during the year.

I would like to conclude my statement by conveying my personal appreciation to all our shareholders for their continued support at all times and special thanks to all our employees for their dedication and hard work that have made Beximco Pharma what it is today.

Thank You,

A handwritten signature in dark ink, appearing to read 'A. S. F. Rahman'.

A S F Rahman
Chairman

চেয়ারম্যানের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

বেক্সিমকো ফার্মাসিউটিক্যালস লিমিটেড এর ৩৯তম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে স্বাগত জানাচ্ছি।

২০১৪ সালে কোম্পানী প্রথমবারের মত অভ্যন্তরীণ বাজারে ১,০০০ কোটি টাকার বিক্রয় লক্ষ্যমাত্রা অতিক্রম করেছে। এটি নিঃসন্দেহে একটি উল্লেখযোগ্য অর্জন এবং আমাদের সকলের জন্যে একটি গর্বের বিষয়। রাজনৈতিক অস্থিরতা বিশেষ করে ২০১৪ সালের প্রথম প্রান্তিকে সৃষ্ট অচলাবস্থার কারণে স্বাভাবিক ব্যবসায়িক কার্যক্রম দারুণভাবে ব্যহত হয়। এসব প্রতিকূলতার মধ্যেও কোম্পানী অভ্যন্তরীণ বাজারে ৯% বিক্রয় প্রবৃদ্ধি অর্জন করেছে। পণ্যসম্ভারকে আরও সমৃদ্ধকরণের লক্ষ্যে আমরা গবেষণা ও উদ্ভাবনী কার্যক্রমে আমাদের প্রচেষ্টা অব্যাহত রেখেছি। রপ্তানী প্রবৃদ্ধি অর্জনের লক্ষ্যে নিবিড় কর্মকৌশল অনুসরণ ও বাস্তবায়ন করা হচ্ছে। এছাড়া উৎপাদন সামর্থ্য বৃদ্ধি এবং বাজারজাতকরণ ও সরবরাহ ব্যবস্থাপনাকে আরও শক্তিশালীকরণের লক্ষ্যে আমরা পরিকল্পিতভাবে বিনিয়োগ করছি। শেয়ারহোল্ডারদের দীর্ঘমেয়াদী আয় সুনিশ্চিত করার লক্ষ্যে কোম্পানীর অগ্রযাত্রা যথাযথভাবে অব্যাহত রয়েছে।

বিগত প্রতিবেদনে আমি উল্লেখ করেছিলাম বর্তমান ও ভবিষ্যত বাজার চাহিদা পূরণের লক্ষ্যে আমাদের উৎপাদন ক্ষমতা বৃদ্ধি করা প্রয়োজন। এছাড়া পণ্য সম্ভারকে আরও বিস্তৃতকরণের জন্য নতুন উৎপাদন ইউনিট স্থাপন করা জরুরী। আপনারা জেনে খুশী হবেন যে, আমরা ইতিমধ্যেই প্রায় ১,০০০ কোটি টাকার বিভিন্ন বিনিয়োগ প্রকল্প হাতে নিয়েছি। ২০১৪-২০১৭ সাল সময়ে এ প্রকল্পগুলো বাস্তবায়িত হবে। এসব প্রকল্পের মধ্যে রয়েছে নতুন Therapeutic খাতে উৎপাদন অবকাঠামো তৈরী, পুরাতন অবকাঠামোগুলোর স্থানান্তর, বর্ধিতকরণ এবং আধুনিকায়ন। কোম্পানীর নিজস্ব তহবিল ও বহিঃস্থানের মাধ্যমে প্রকল্পসমূহের অর্থায়ন করা হবে। আমরা ইতিমধ্যে আমাদের নিজস্ব তহবিল থেকে উল্লেখযোগ্য পরিমাণ অর্থ এসকল প্রকল্পে বিনিয়োগ করেছি। এছাড়া এসব প্রকল্পসমূহের প্র্যান্ট এবং মেশিনারীজ ক্রয় খাতে আংশিক অর্থায়নের জন্য জার্মানীর BHF ব্যাংকের সাথে আমাদের ৫১.৫৫৯ মিলিয়ন ইউ এস ডলারের একটি ঋণচুক্তি স্বাক্ষরিত হয়েছে। আমাদের বিশ্বাস, এসব প্রকল্পসমূহ কোম্পানীর বর্তমান ও ভবিষ্যত প্রবৃদ্ধিকে আরও সুরক্ষিত করবে।

কোম্পানীর ব্যবস্থাপনা পরিচালক এবং পরিচালকবৃন্দের প্রতিবেদনে লক্ষ্য করে থাকবেন যে, বেক্সিমকো ফার্মা প্রথম বাংলাদেশী কোম্পানী হিসেবে Health Canada এবং Taiwan FDA হতে GMP Clearance লাভ করেছে। তাছাড়া ২০১৫ সালের জানুয়ারীতে US FDA কর্তৃক আমাদের কারখানার অডিট সফলতার সাথে শেষ করেছে। ২০১৫ সালের প্রথম প্রান্তিকে আমরা অস্ট্রেলিয়াতে রপ্তানি শুরু করেছি যা কোনো বাংলাদেশী কোম্পানীর জন্য একটি মাইলফলক। আমরা

বিশ্বাস করি, জেনেরিক ঔষধসমূহের রপ্তানী বাজার অত্যন্ত সম্ভাবনাময় এবং রপ্তানি খাতে প্রবৃদ্ধি অর্জনের বিরাট সুযোগ রয়েছে। মানসম্পন্ন ঔষধ প্রস্তুতকারী এবং নির্ভরযোগ্য সরবরাহকারী হিসেবে আমাদের যে সুনাম রয়েছে, আন্তর্জাতিক বাজারে প্রবৃদ্ধি অর্জনে তা সহায়ক হবে।

আমাদের ব্যবস্থাপনা পরিষদে এবছর কিছু পরিবর্তন এসেছে। প্রথমত আমি অত্যন্ত দুঃখের সাথে জানাচ্ছি যে, আমাদের একজন স্বাধীন পরিচালক জনাব মাহবুবুল আলম ২০১৪ সালে ৬ই জুন তারিখে ইন্তেকাল করেছেন। জনাব আলম অডিট কমিটিরও চেয়ারম্যান ছিলেন। এছাড়া আমাদের আর একজন পরিচালক জনাব মোহাম্মদ আবুল কাশেম ২০১৪ সালের ১৯শে এপ্রিল ইন্তেকাল করেন যা আমি গত প্রতিবেদনে উল্লেখ করেছি। পরিচালক হিসেবে কোম্পানীর অগ্রগতিতে তারা গুরুত্বপূর্ণ ভূমিকা পালন করেছেন। পরিচালকবৃন্দের পক্ষ থেকে আমি অত্যন্ত শ্রদ্ধার সাথে তাদের অবদান স্মরণ করছি। তাদের অভিজ্ঞতা ও পথনির্দেশনার অভাব আমরা সবসময় অনুভব করি।

জনাব শাহ মঞ্জুরুল হক স্বাধীন পরিচালক হিসেবে পর্ষদে যোগ দিয়েছেন। আমরা তাকে স্বাগত জানাচ্ছি। তিনি কোম্পানীর অডিট কমিটির সদস্য হিসেবেও দায়িত্ব পালন করবেন।

২০১৫ সাল রাজনৈতিক অস্থিরতার মধ্যে শুরু হলেও বর্তমানে সার্বিক অবস্থার লক্ষণীয় উন্নতি হয়েছে এবং আশা করা যায় এই স্থিতিশীলতা বজায় থাকবে। আমাদের লক্ষ্য অর্জনের ব্যাপারে আমরা সবসময় সজাগ। অতীতের মতো এবছরও আমরা শুধু লক্ষ্য অর্জন নয় বরং তা অতিক্রমের মাধ্যমে নতুন মাইলফলক সৃষ্টির ব্যাপারে সচেষ্ট থাকব।

পরিশেষে, আমাদের প্রতি সবসময় অবিচল সমর্থন প্রদানের জন্য আমি আমাদের সম্মানিত শেয়ারহোল্ডারবৃন্দকে আন্তরিক ধন্যবাদ জানাচ্ছি। আমাদের প্রত্যয়ী কর্মীবাহিনীকেও বিশেষ ধন্যবাদ। তাদের নিষ্ঠা ও অক্লান্ত পরিশ্রমের ফলে কোম্পানী আজকের অবস্থানে পৌঁছতে সক্ষম হয়েছে।

সবাইকে আন্তরিক ধন্যবাদ।

X. L. P. Lakshmi

এ.এস.এফ রহমান
চেয়ারম্যান

Directors' Report to the Shareholders

Dear Shareholders,

Welcome you all to the 39th Annual General Meeting (AGM) of Beximco Pharmaceuticals Limited. It is my privilege to place before you the Directors' Report and the Audited Accounts of the company for the year ended December 31, 2014 along with the report of the auditors thereon.

1. Operating Performance

1.1 Business Outlook- A General Overview

The Bangladesh economy after struggling in the beginning of 2014, mostly due to the political disturbances, recovered well and grew at 6% plus. Gains made in agriculture, services, foreign trade and remittances helped achieve this growth despite the fact that industrial growth slumped in 2014. Inflation based on Consumer Price Index declined from 7.6% in January 2014 to 6.99% in December 2014 with a fall in food prices being the primary factor. Strong export growth and inward remittance from abroad helped to push the foreign exchange reserve to a record US \$ 22 billion.

The exemptions on pharmaceutical product patents granted to the least developed countries are set to expire by end of 2015. In February this year, the LDCs led by Bangladesh, applied for extension of the exemption period till their graduation from the LDC status. It should be noted here that, WTO-TRIPs council in 2013 granted extension of the general exemptions to the LDCs for protecting IP rights for a period of 8 years till July 1, 2021. The issue of granting exemption on pharmaceutical products patent is likely to be extended as well.

In absence of any significant changes in the government policy on public spending for healthcare, growth in demand for pharmaceutical products will continue to be driven mostly by increased private spending backed up by the country's steady economic growth and increased health awareness of the people. Additionally, Bangladesh has established a strong base for manufacturing pharmaceutical products and the industry has earned reputation as manufacturer of quality medicine. Thus there is opportunity for the companies to achieve accelerated growth through exports. The reemergence of political instability remains a risk to maintaining growth going forwards.

1.2 Sales and Profitability

The domestic sales of the Company in 2014, for the first time crossed ten billion mark to reach at Tk. 10,706.4 million by the end of the year. This is an appreciable 9.0% growth over Tk. 9,819.4 million in 2013. Domestic sales continued to be the major contributor to revenue with 95.5% of sales being made in our local market. We achieved growth in all key therapeutic segments.

The revenue from export sales in 2014 was Tk. 500.4 million. This is lower than Tk. 671.3 million exports in 2013. The decline is mainly due to the fact that sales in 2013 comprised of few international tenders in addition to regular market sales. In 2015 we are expecting export to rebound. During the year, we entered into two new markets- namely Romania and Uganda and made 55 new registrations in 15 countries. In the first quarter of 2015, we commenced export to Australia making another milestone not only for Beximco Pharma but for the industry as a whole.

Gross profit of the company rose to Tk. 5,104.2 million in 2014 an increase of 5.5% compared to previous year. The gross profit as percentage of sales remain more or less stable- 45.5% as against 46.1% in 2013; the declining is due to higher depreciation charge and increased overhead cost. Profit after tax also increased to Tk. 1,528.3 million in 2014, compared to Tk. 1,404.8 million in 2013 marking a rise of 8.8%.

1.3 Global Accreditations

During 2014 the the company received GMP approval from Taiwan Food & Drug Administration (TFDA) and Canadian regulatory authority “Health Canada” – both ‘first time’ for a Bangladeshi Company. We also received approval from BPOM (Indonesian agency) for our MDI unit.

In the first quarter of 2015, we successfully completed the United States Food and Drug Administration (US FDA) audit without any 483 observation. A 483 form is issued when the US FDA has observation of non-compliance or deviation from its current Good Manufacturing Practices (cGMP). This is undoubtedly an important milestone for any pharmaceutical company in the emerging markets.

2. Profit and its Appropriation

The Directors take pleasure in reporting the financial results of the Company for the year ended 31 December, 2014 and recommend the appropriation as below:

Taka in Thousand

	2014	2013
Net Profit after Tax	1,528,298	1,404,763
Adjustment for depreciation of revalued assets	16,061	18,235
Profit brought forward from previous years	7,141,718	6,244,222
Profit available for appropriation	8,686,077	7,667,220
Proposed Dividend		
Stock Dividend	(183,926)	(175,167)
Cash Dividend	(367,852)	(350,335)
Profit Carried Forward	8,134,299	7,141,718

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 2014 for onward approval in the Annual General Meeting.

4. Directors

4.1 Appointment of Independent Director

We are pleased to announce that Mr. Shah Monjurul Hoque has joined the Board in November 2014 as Independent Director subject to the approval of shareholders in the 39th Annual General Meeting of the Company.

Mr. Monjurul Hoque, is a practicing lawyer in the Supreme Court of Bangladesh, both in the High Court Division and Appellate Division. He is the founder of Hoque & Associates, a law firm in Bangladesh, of which he is the Proprietor. Mr. Hoque has held various academic appointments in the field of law and has also acted as legal adviser to a number of corporate clients in Bangladesh and as the enlisted lawyer of several Bangladeshi banks.

4.2 Death

Mr. Mahbulul Alam a Non-Executive Independent Director and Mr. Mohammad Abul Qasem Director of the Board passed away during the year. The Board of Directors recalls with appreciation and gratitude their contribution as directors towards the development of Beximco Pharmaceuticals Ltd.

4.3 Retirement and Re-election

Mr. A.S.F Rahman and Mr. Salman F 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.

Mr. A.S.F Rahman is the Chairman and founder of Beximco Group. He is a distinguished business personality of the country and has received many awards and accolades for his outstanding contribution to country's industrial development. Mr. Rahman was instrumental in introducing best-in-class corporate practice in Bangladesh and is widely credited as the architect of Group's successful global strategy.

He graduated with Honours in Physics from the University of Dhaka in 1966, and also studied in the United Kingdom. Mr. Rahman held a number of key positions with many reputed organizations including as the Chairman of IFIC Bank Limited, Director of Industrial Promotion & Development Company, Director of Arab Bangladesh Bank Limited, Director of Pubali Bank Limited and Director of the Investment Corporation of Bangladesh.

Besides being Chairman of Beximco Pharmaceutical Limited, Mr. A.S.F Rahman is also the Chairman of other three Listed Companies of Beximco Group; Bangladesh Export Import Company Limited, Beximco Synthetics Limited and Shinepukur Ceramics Limited.

Mr. Salman F Rahman is a renowned businessman of the country and is widely acclaimed for his contribution to the development of private sector. He anchored the key initiatives that have helped build Beximco's corporate identity, and led the Group into becoming a leading industrial conglomerate in the country.

He has held key positions in many business and industry associations which include President of Bangladesh Association of Pharmaceutical Industries, President of Bangladesh Association of Publicly Listed Companies, President of the Federation of Bangladesh Chambers of Commerce and Industry, President of SAARC Chamber of Commerce & Industry, President of the Metropolitan Chamber of Commerce & Industry, President of the Bangladesh Textile Mills Association, Chairman of Abahani Limited, a prominent sporting club in Bangladesh, and Chairman of the Board of Editors of "The Independent" an English daily newspaper in Bangladesh.

Currently Mr. Salman F Rahman holds directorial position in other four publicly listed companies. He is the Vice-Chairman of Bangladesh Export Import Company Limited, Beximco Synthetics Limited and Shinepukur Ceramics Limited and Chairman of IFIC Bank Ltd.

Mr. Rahman has many accolades to his name and he holds a degree from Karachi University.

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-eighth Annual General Meeting of the Company has carried out the audit for the year ended 31 December 2014.

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 2015.

6. Audit Committee

Due to death of Mr. Mahbubul Alam, Chairman of the Audit Committee, the Board reconstituted the Audit Committee as follows:

Dr. Abdur Rahman Khan	Chairman
Osman Kaiser Chowdhury, FCA	Member
Shah Monjurul Hoque	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.

8. Certification by the Managing Director and Chief Financial Officer

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 2014 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.

9. Key Operating and Financial Data

The summarized key operating and financial data for 2014 and immediately preceding four years are presented below :

Taka in Thousand

Particulars	2014	2013	2012	2011	2010
Authorized Capital	9,100,000	9,100,000	9,100,000	9,100,000	9,100,000
Paid Up Capital	3,678,516	3,503,349	3,046,390	2,517,678	2,098,065
Total Sales	11,206,886	10,490,699	9,289,115	7,890,242	6,490,847
Export Sales	500,469	671,289	470,116	390,315	330,541
Gross Profit	5,104,191	4,838,800	4,389,401	3,786,533	3,173,207
Profit before Tax	2,109,556	2,093,594	1,909,829	1,677,849	1,361,532
Net Profit	1,528,298	1,404,763	1,319,389	1,198,525	1,051,649
Fixed Assets (Gross)	25,818,728	23,051,128	20,316,639	19,289,344	18,191,956
Shareholders' Equity	20,920,185	19,775,552	18,408,162	17,128,128	15,974,086
Dividend:					
Stock	5%	5%	15%	21%	20%
Cash	10%	10%	–	–	–
Net Assets Value (NAV) per share	57	56	60	68	79
EPS/Restated EPS	4.15	3.82	3.77	3.93	4.18
Market Price Per Share (at end of the year)	58.70	47.20	55.90	93.60	135.10
Price Earning Ratio (Times)	14.14	12.36	14.83	23.82	32.32
Number of Shareholders	89,913	92,831	86,290	88,697	93,371
Foreign Investors	68	68	66	58	57
ICB including Investors Account	882	880	898	896	899
Sponsors, General Public & Other Institutions	88,963	91,883	85,326	87,743	92,415
Number of Employees	3,063	2,897	2,748	2,670	2,507

10. Board Meetings and Attendance

Fifteen 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	15	Salman F Rahman	15
Nazmul Hassan MP	14	Osman Kaiser Chowdhury	15
Iqbal Ahmed	15	A B Siddiquir Rahman	14
Mahbubul Alam	5	Dr. Abdur Rahman Khan	11
Shah Monjurul Hoque	1		

11. The Pattern of Shareholding

Name-wise details	Number of Shares held
i) Parent/Subsidiary/Associate Companies and Other Related Parties:	
Beximco Holdings Ltd.	20,402,347
Bangladesh Export Import Company Ltd.	2,630,325
New Dacca Industries Ltd.	8,530,825
Beximco Engineering Ltd.	796,083
National Investment and Finance Company Ltd.	1,042,672
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	7,469,709
Salman F Rahman, Vice-Chairman	7,487,196
Nazmul Hassan MP, Managing Director and CEO	12,087
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	–

12. 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, 2012 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 NBFI	√		
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 an Independent Director 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
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 was paid to any Director during 2014 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	√		
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	√		

S. Abdur Rashid FCS

BCom (Hons), MBS (Finance & Banking), MBA (Finance), PGDHRM, AIPM

Chartered Secretary in Practice

Private Practice Certificate No.: 003

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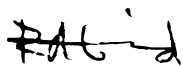
Certificate on Compliance of Corporate Governance Guidelines

[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 2014. 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 all the conditions of the Corporate Governance Guidelines have been complied with by the Company.



S. Abdur Rashid FCS



Dhaka, 14 May, 2015



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 Audit Committee as per its terms of reference thoroughly reviewed quarterly, half-yearly and annual financial statements of the company prior to their submission to the board of directors for approval. The committee in its meeting held on April 21, 2015 reviewed the Annual Financial Statements for the year 2014. The draft audited accounts along with the report of the auditors were placed before the committee. The Chief Financial Officer briefed the committee on the financial performance of the company. Detailed discussions on the financial statements were held with the representatives of the management of the company. As part of the review, the committee also thoroughly examined the related party transactions that occurred during 2014. 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. No material audit observation that warrants the Board's attention was noted. The Committee therefore, authorized for onward submission of the Audited Financial Statements to the Board for approval.

In addition, the committee held three other meetings wherein the quarterly and half-yearly financial reports of the company were reviewed prior to their onward submission to the board for approval. In each of the cases the committee held detailed discussion with the senior management on various aspects of the financial statements to ensure accuracy, consistency and compliance of the reports in all material respects. Additionally, the committee in 2014 also reviewed the Audited Financial Statements for the year 2013 prior to their submission 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 2015 subject to the approval by the shareholders in the 39th Annual General Meeting.

Death of Committee Member

The Chair of the Committee Mr. Mahbulul Alam who joined only in March 13, 2014 passed away on June 6, 2014. Mr. Alam was a senior public Administrator & a media personality. The members of the audit committee expressed deep condolence at the sad demise and recalled with appreciation the valuable contribution of Mr. Alam towards development and growth of the company.

Reconstitution of the Audit Committee

Mr. Shah Monjurul Hoque a practicing lawyer of the supreme court of Bangladesh has been appointed as Non-Executive independent Director 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 has also appointed Mr. Hoque as a member of the audit committee.

Following his appointment, the audit committee was reconstituted as follows:

Dr. Abdur Rahman Khan	Independent Director	Chairman
Shah Monjurul Hoque	Independent Director	Member
Osman Kaiser Chowdhury	Director	Member
Mohammad Asad Ullah	Executive Director and Company Secretary	Secretary

Other Reviews and Activities

During 2014 the committee also assessed and examined risk management process and internal control policies of the company. The financial reporting process and the related compliance and disclosure issues also came up as matters of periodic review by the committee. The senior management of the company on invitation attended various meetings of the audit committee to apprise the members on various issues. The committee noted no material deviations or non-compliance or adverse audit findings that warrants for board or shareholders' attention during the period under review.



Dr. Abdur Rahman Khan
Chairman
Audit Committee

21 May, 2015

Shareholders' Meeting

The 38th Annual General Meeting (AGM) of the shareholders of Beximco Pharmaceuticals Limited was held on June 21, 2014 at Beximco Industrial Park, Saravo, 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 10% cash and 5% stock dividend for the year 2013. Performane of the company in 2013 as well as future strategies were briefly discussed in the meeting. At the end of the meeting Chaiman expressed his appreciation towards shareholders for their interest in the company and their continued support.





Audit Committee Meeting



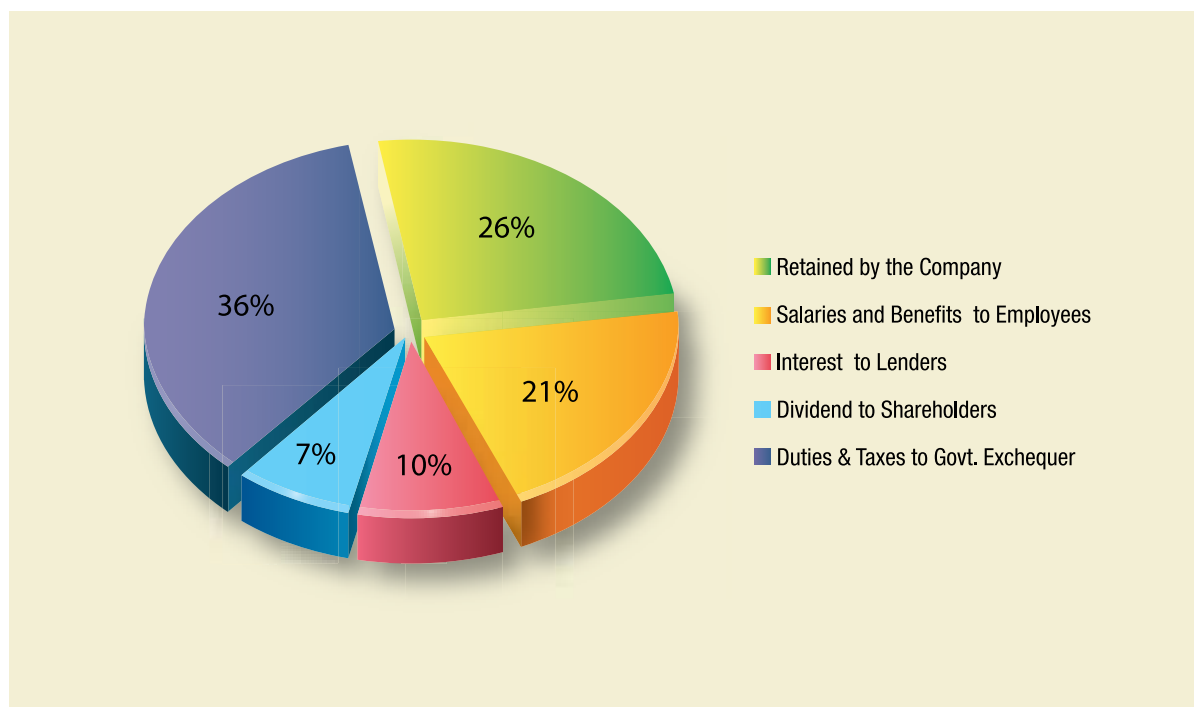
38th Annual General Meeting

Value Added Statement

For the Year Ended 31 December 2014

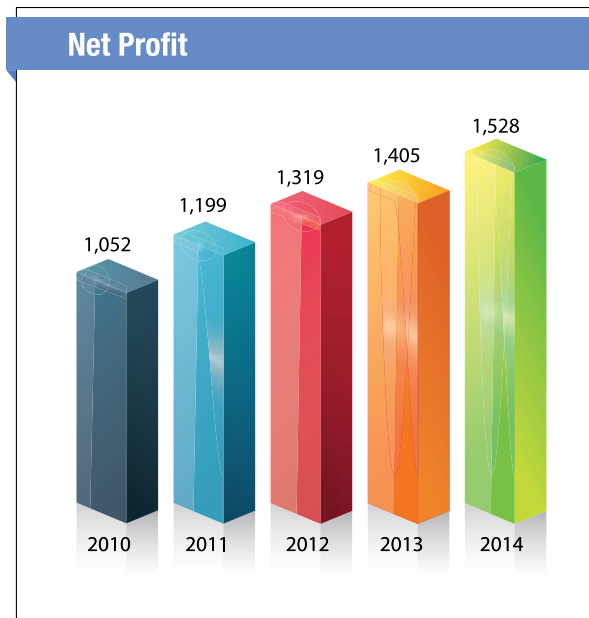
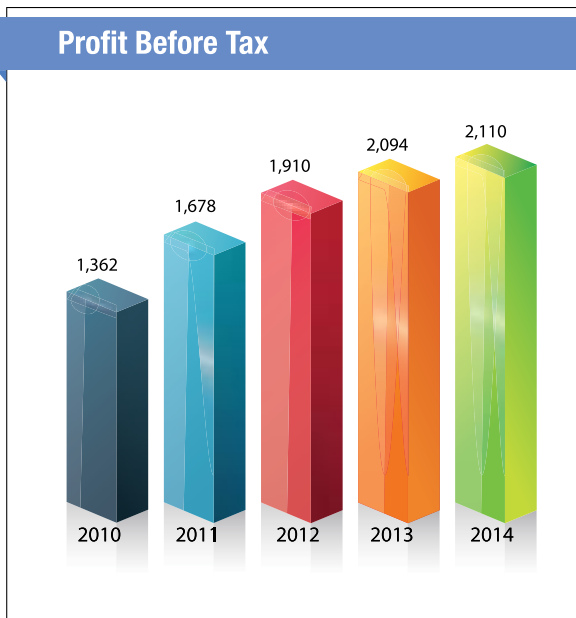
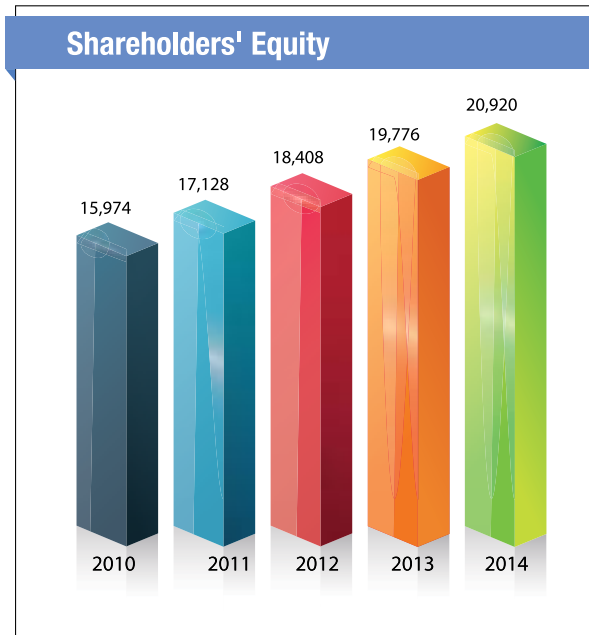
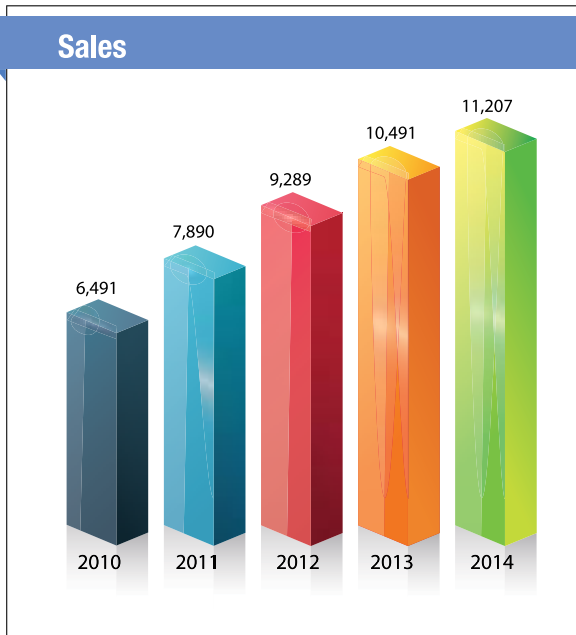
Taka in thousand

	Tk.	%
Value Added :		
Sales & Other Income	13,531,721	
Bought-in-Materials & Services	(6,139,596)	
	7,392,125	100
Applications :		
Retained by the Company	1,886,105	26
Salaries and Benefits to Employees	1,548,362	21
Interest to Lenders	724,315	10
Dividend to Shareholders	551,778	7
Duties & Taxes to Govt. Exchequer	2,681,565	36
	7,392,125	100



Graphical View of Selected Growth Indicators

Taka in million



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 2014, the Statements of Profit or Loss and Other 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 2014, 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 Profit or Loss and Other 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
27 April, 2015



M.J. Abedin & Co.
Chartered Accountants

Beximco Pharmaceuticals Limited
Statement of Financial Position
As at 31 December 2014

	Notes	2014	2013
Amount in Taka			
ASSETS			
Non-Current Assets			
Property, Plant and Equipment- Carrying Value	4(a)	20,393,278,737	18,364,313,070
Intangible Assets	3.3 & 5	235,208,190	198,223,509
Investment in Shares	6(a)	5,759,927	4,792,895
Current Assets		8,366,279,107	8,903,422,328
Inventories	7	2,493,657,338	2,411,881,986
Spares & Supplies	8	554,183,898	433,352,407
Accounts Receivable	9	1,397,498,648	1,249,434,697
Loans, Advances and Deposits	10	1,223,673,153	1,186,637,111
Short Term Investment	11	2,475,026,831	3,026,383,161
Cash and Cash Equivalents	12	222,239,239	595,732,966
TOTAL ASSETS		29,000,525,961	27,470,751,802
EQUITY AND LIABILITIES			
Shareholders' Equity			
Issued Share Capital	13	3,678,516,520	3,503,349,070
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)	1,299,220,315	1,349,578,805
Fair Value Gain on Investment	6(c)	2,308,651	1,341,619
Retained Earnings		8,686,077,241	7,667,220,373
Non-Current Liabilities		3,372,593,206	3,312,618,059
Long Term Borrowings-Net off Current Maturity (Secured)	15	901,709,327	1,151,400,702
Liability for Gratuity and WPPF & Welfare Funds	16	741,522,518	610,628,150
Deferred Tax Liability	17	1,729,361,361	1,550,589,207
Current Liabilities and Provisions		4,707,747,430	4,382,581,278
Short Term Borrowings (Secured)	18	3,153,121,293	2,776,266,125
Long Term Borrowings-Current Maturity (Secured)	19	663,838,072	754,903,558
Creditors and Other Payables	20	357,710,839	383,170,553
Accrued Expenses	21	164,283,115	141,582,304
Dividend Payable		454,720	973,367
Income Tax Payable	22	368,339,391	325,685,371
TOTAL EQUITY AND LIABILITIES		29,000,525,961	27,470,751,802

The Notes are an integral part of the Financial Statements.

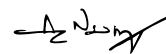
Approved and authorised for issue by the Board of Directors on 27 April, 2015 and signed for and on behalf of the Board :



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
27 April, 2015

Beximco Pharmaceuticals Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Year ended 31 December 2014

		Amount in Taka	
	Notes	2014	2013
Net Sales Revenue	23	11,206,885,677	10,490,699,094
Cost of Goods Sold	24	(6,102,694,323)	(5,651,898,878)
Gross Profit		5,104,191,354	4,838,800,216
Operating Expenses		(2,686,014,518)	(2,514,527,446)
Administrative Expenses	27	(398,762,237)	(375,565,912)
Selling, Marketing and Distribution Expenses	28	(2,287,252,281)	(2,138,961,534)
Profit from Operations		2,418,176,836	2,324,272,770
Other Income	29	521,171,647	510,588,200
Finance Cost	30	(724,314,963)	(636,587,090)
Profit Before Contribution to WPPF & Welfare Funds		2,215,033,520	2,198,273,880
Contribution to WPPF & Welfare Funds	31	(105,477,787)	(104,679,709)
Profit Before Tax		2,109,555,733	2,093,594,171
Income Tax Expenses	32	(581,258,160)	(688,831,391)
Current Tax		(436,782,844)	(324,415,546)
Deferred Tax		(144,475,316)	(364,415,845)
Profit after Tax for the Year		1,528,297,573	1,404,762,780
Other Comprehensive Income - Fair Value Gain on Investment in Listed Shares	6(c)	967,032	1,341,619
Total Comprehensive Income for the Year		1,529,264,605	1,406,104,399
Earnings Per Share (EPS) / Adjusted EPS (2013)	33	4.15	3.82
Number of Shares used to compute EPS		367,851,652	367,851,652

The Notes are an integral part of the Financial Statements.

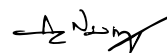
Approved and authorised for issue by the Board of Directors on 27 April, 2015 and signed for and on behalf of the Board :



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
27 April, 2015

Beximco Pharmaceuticals Limited
Statement of Changes in Equity
For the Year ended 31 December 2014

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, 2014	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
Total Comprehensive Income for 2014:								
Profit for the year	—	—	—	—	—	—	1,528,297,573	1,528,297,573
Other Comprehensive Income	—	—	—	—	—	967,032	—	967,032
Transactions with the Shareholders:								
Cash Dividend for 2013	—	—	—	—	—	—	(350,334,907)	(350,334,907)
Stock Dividend for 2013	175,167,450	—	—	—	—	—	(175,167,450)	—
Adjustment for Depreciation on Revalued Assets	—	—	—	—	(16,061,652)	—	16,061,652	—
Adjustment for Deferred Tax on Revalued Assets	—	—	—	—	(34,296,838)	—	—	(34,296,838)
Balance as on December 31, 2014	3,678,516,520	5,269,474,690	1,689,636,958	294,950,950	1,299,220,315	2,308,651	8,686,077,241	20,920,185,325
Number of Shares								367,851,652
Net Asset Value (NAV) Per Share								56.87

For the Year ended 31 December 2013

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.

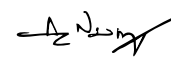
Approved and authorised for issue by the Board of Directors on 27 April, 2015 and signed for and on behalf of the Board :



Salman F Rahman
Vice Chairman

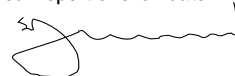


Nazmul Hassan
Managing Director



Ali Nawaz
Chief Financial Officer

Per our report of even date.



M. J. Abedin & Co.
Chartered Accountants

Dhaka
27 April, 2015

Beximco Pharmaceuticals Limited
Statement of Cash Flows
For the Year ended 31 December 2014

Amount in Taka


	2014	2013
Cash Flows from Operating Activities :		
Receipts from Customers and Others	11,086,465,849	10,407,897,987
Payments to Suppliers and Employees	(8,240,584,352)	(7,880,610,113)
Cash Generated from Operations	2,845,881,497	2,527,287,874
Interest Paid	(724,314,963)	(636,587,090)
Interest Received	489,970,647	512,424,678
Income Tax Paid	(394,128,824)	(272,794,704)
Net Cash Generated from Operating Activities	2,217,408,357	2,130,330,758
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(2,778,797,453)	(2,739,061,076)
Intangible Assets	(56,321,506)	(25,370,921)
Disposal of Property, Plant and Equipment	7,615,792	5,401,817
Decrease/(Increase) in Short Term Investment	551,356,330	(339,784,835)
Net Cash Used in Investing Activities	(2,276,146,837)	(3,098,815,015)
Cash Flows from Financing Activities :		
Net Decrease in Long Term Borrowings	(340,756,861)	(228,030,079)
Net Increase in Short Term Borrowings	376,855,168	1,239,316,207
Dividend Paid	(350,853,554)	(47,581)
Net Cash Generated from Financing Activities	(314,755,247)	1,011,238,547
Increase/(Decrease) in Cash and Cash Equivalents	(373,493,727)	42,754,290
Cash and Cash Equivalents at Beginning of Year	595,732,966	552,978,676
Cash and Cash Equivalents at End of Year	222,239,239	595,732,966
Net Operating Cash Flow Per Share	6.03	6.08
Number of Shares used to compute Net Operating Cash Flow Per Share	367,851,652	350,334,907

The Notes are an integral part of the Financial Statements.

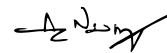
Approved and authorised for issue by the Board of Directors on 27 April, 2015 and signed for and on behalf of the Board :



Salman F Rahman
Vice Chairman



Nazmul Hassan
Managing Director



Ali Nawaz
Chief Financial Officer

Per our report of even date.

Dhaka
27 April, 2015



M. J. Abedin & Co.
Chartered Accountants

Beximco Pharmaceuticals Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2014

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 2014 ;
- (b) a Statement of Profit or Loss and Other Comprehensive Income for the year 2014;
- (c) a Statement of Changes in Equity for the year 2014;
- (d) a Statement of Cash Flows for the year 2014 ; 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, 2014 to December 31, 2014.

2.5 Authorisation for issue

The financial statements have been authorised for issue by the Board of Directors on 27 April, 2015.

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 2013 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 2013 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 Profit or Loss and other Comprehensive Income and accounted for in accordance with the requirements of IAS 12 : Income Tax.

Current Tax

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

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 (2014)

The Bonus Shares issued during the year 2014 were treated as if they always had been in issue. Hence, in computing the Basic EPS of 2014, the total number of shares including the said bonus shares has been considered as the Weighted Average Number of Shares outstanding during the year 2014.

Earlier Year (2013)

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 (2013), and accordingly, in calculating the adjusted EPS of 2013, the total number of shares including the subsequent bonus issued in 2014 has been considered as the Weighted Average number of Shares outstanding during the year 2013.

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

As on December 31, 2014

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, 2014	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
Additions during the year	40,858,960	39,331,900	111,420,014	24,240,377	59,392,132	31,650,351	306,893,734
Transferred & Capitalized	—	—	427,051,445	—	—	—	427,051,445
Disposal during the year	—	—	—	(573,000)	(10,623,868)	—	(11,196,868)
Cost at December 31, 2014	3,343,741,442	6,410,090,320	10,573,115,701	197,001,369	596,845,504	390,013,667	21,510,808,003
Accumulated Depreciation							
At January 01, 2014	—	1,052,546,636	3,090,128,096	69,430,902	237,436,147	237,273,060	4,686,814,841
Depreciation during the Year	—	163,516,467	492,388,770	10,375,309	61,346,435	18,145,890	745,772,871
Adjustment for Assets disposed off	—	—	—	(423,000)	(6,714,953)	—	(7,137,953)
Accumulated Depreciation at December 31, 2014	—	1,216,063,103	3,582,516,866	79,383,211	292,067,629	255,418,950	5,425,449,759
Net Book Value December 31, 2014	3,343,741,442	5,194,027,217	6,990,598,835	117,618,158	304,777,875	134,594,717	16,085,358,244
Capital Work in Progress							4,307,920,493
Carrying Value as on December 31, 2014							20,393,278,737

Assets include lease hold assets of Tk. 1,118,197,222 at cost and Tk.1,024,142,612 at carrying value.

As on December 31, 2013

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

Capital Work in Progress is arrived at as follows :

	Amount in Taka	
	2014	2013
Balance as on January 01	2,263,068,219	2,342,290,771
Addition during the year	2,471,903,719	2,278,613,020
	4,734,971,938	4,620,903,791
Transferred & Capitalized		
Building and Other Constructions	—	(24,037,626)
Plant & Machinery	(427,051,445)	(2,333,797,946)
Balance as on December 31	4,307,920,493	2,263,068,219

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:

Balance as on January 01	1,349,578,805	1,406,527,880
Adjustment for depreciation on revalued assets	(16,061,652)	(18,235,282)
Adjustment for Deferred Tax on revalued assets	(34,296,838)	(38,713,793)
	1,299,220,315	1,349,578,805

5. Intangible Assets

This consists of as follows:

	Balance 01-01-2014	Addition 2014	Amortized in 2014	Balance 31-12-2014
Product development, Licensing and Marketing Rights	189,856,528	51,836,992	(11,142,012)	230,551,508
Software	8,366,981	4,484,514	(8,194,813)	4,656,682
	198,223,509	56,321,506	(19,336,825)	235,208,190

6. Investment in Shares

	2014	2013
(a) Investment Details:		
(i) Bangladesh Export Import Co. Ltd.	4,190,477	3,223,445
(ii) Central Depository Bangladesh Ltd. (CDBL)	1,569,450	1,569,450
	5,759,927	4,792,895

This is arrived at as follows:

	Bangladesh Export Import Co. Ltd.	Central Depository Bangladesh Ltd.
Investment as on January 01, 2014	3,223,445	1,569,450
Fair value gain on investment	967,032	—
Investment as on December 31, 2014	Tk. 4,190,477	1,569,450
(b) Number of Shares:		
As on January 01, 2014	100,107	571,182
Stock Dividend for 2013	15,016	—
As on December 31, 2014	115,123	571,182

(c) Fair value gain on investment Amount in Taka

Fair market value of 115,123 shares (including 15,016 shares received as stock dividend for the year 2013) of Bangladesh Export Import Co. Ltd. at Tk. 36.40 per share	4,190,477
Less Investment at beginning of the year	<u>3,223,445</u>
Fair Value Gain	967,032
Balance as on January 01, 2014	1,341,619
Balance as on December 31, 2014	<u>2,308,651</u>

(d) 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. 36.40 in Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. Shares of CDBL are not traded.

7. Inventories

This consists of as follows :

	2014	2013
Finished Goods	633,692,189	644,005,694
Work in Process	171,815,679	204,755,943
Raw Materials	637,080,994	787,194,854
Packing Materials	424,461,374	440,279,801
Laboratory Chemicals	550,984	800,984
Physician Samples	149,875,483	92,234,008
Materials in Transit	<u>476,180,635</u>	<u>242,610,702</u>
	<u>2,493,657,338</u>	<u>2,411,881,986</u>

8. Spares & Supplies

This consists of as follows :

Spares & Accessories	399,537,644	318,538,085
Stock of Stationery	11,284,736	9,829,034
Literature & Promotional Materials	<u>143,361,518</u>	<u>104,985,288</u>
	<u>554,183,898</u>	<u>433,352,407</u>

9. Accounts Receivable

This includes receivable of Tk. 136,834,694 equivalent to US \$ 1,763,334 (on 31-12-2013 Tk. 158,658,136 equivalent to US \$ 2,049,754) against export sales.

This also includes Tk. 1,118,478,352 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. 1,171,257,041 on 30-11-2014.

The receivables on account of Export sales are fully secured against Letter of Credit while the others are unsecured but considered good.

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 :

Amount in Taka

	2014	2013
Clearing & Forwarding	54,354,123	43,788,956
VAT	217,516,529	224,271,781
Claims Receivable	14,620,213	12,824,382
Security Deposit & Earnest Money	27,652,694	21,814,251
Lease Deposit	21,812,942	18,238,318
Capital Expenditure/ Project Expenses	50,029,753	39,234,247
Expenses	132,711,063	85,456,445
Bank Guarantee Margin	1,257,096	39,939,537
Advance against Salary	55,699,183	51,306,101
Rent Advance	9,716,674	9,692,064
Motor Cycle	124,010,046	156,328,603
Raw & Packing Material	422,209,729	409,577,706
Prepaid Expenses	21,116,922	28,932,441
Overseas Liaison Office	15,032,617	9,968,983
Others	55,933,569	35,263,296
	<u>1,223,673,153</u>	<u>1,186,637,111</u>

- (a) The maximum amount due from the employees during the year was Tk. 56,071,933 on 31 October, 2014.
- (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

This consists of as follows :

(a) Cash in Hand (including Imprest Cash)	3,218,618	3,474,616
(b) Cash at Bank :		
(i) Current & FC Account	190,573,819	85,680,218
(ii) FDR Account	28,446,802	506,578,132
	<u>222,239,239</u>	<u>595,732,966</u>

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
	<u>9,100,000,000</u>	<u>9,100,000,000</u>

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
278,833,505 Bonus Shares (2013: 261,316,760) of Tk. 10/- each	2,788,335,050	2,613,167,600
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
	<u>3,678,516,520</u>	<u>3,503,349,070</u>

The movement of Ordinary Shares during the year 2014 is as follows :

	Number of Shares	Amount in Taka
Balance as on January 01, 2014	350,334,907	3,503,349,070
Bonus Shares issued during the year 2014 (for 2013)	<u>17,516,745</u>	<u>175,167,450</u>
Balance as on December 31, 2014	<u>367,851,652</u>	<u>3,678,516,520</u>

C. Composition of Shareholding of Ordinary Shares:

	2014		2013	
	No. of shares	% of Share Capital	No. of shares	% of Share Capital
Sponsors:				
A S F Rahman	7,469,709	2.03	7,114,009	2.03
Salman F Rahman	7,487,196	2.04	7,130,663	2.04
Associates and Other Directors	33,414,339	9.08	34,020,550	9.71
Foreign Investors	93,038,941	25.29	85,094,612	24.29
ICB & Other Investors Account	55,940,961	15.21	41,994,537	11.98
General Public & Institutions	170,500,506	46.35	174,980,536	49.95
	367,851,652	100	350,334,907	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	
	2014	2013	2014	2013	2014	2013	2014	2013
1 to 499	65,544	68,939	72.90%	74.26%	8,240,906	8,836,043	2.24%	2.52%
500 to 5,000	20,786	21,066	23.12%	22.69%	30,918,582	29,757,275	8.41%	8.49%
5,001 to 10,000	1,753	1,509	1.95%	1.63%	12,555,227	10,448,670	3.41%	2.98%
10,001 to 20,000	930	674	1.03%	0.73%	13,111,006	9,334,640	3.56%	2.67%
20,001 to 30,000	281	187	0.31%	0.20%	6,909,593	4,535,749	1.88%	1.29%
30,001 to 40,000	128	101	0.14%	0.11%	4,498,146	3,520,388	1.22%	1.01%
40,001 to 50,000	102	55	0.11%	0.06%	4,660,402	2,457,436	1.27%	0.70%
50,001 to 100,000	165	94	0.19%	0.10%	12,172,549	6,548,929	3.31%	1.87%
100,001 to 1,000,000	191	166	0.21%	0.18%	50,601,331	49,278,664	13.76%	14.07%
Over 1,000,000	33	40	0.04%	0.04%	224,183,910	225,617,113	60.94%	64.40%
Total	89,913	92,831	100%	100%	367,851,652	350,334,907	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. 58.70 (in 2013 Tk. 47.20) in Dhaka Stock Exchange Ltd., Tk. 59.10 (in 2013 Tk. 47.00) in Chittagong Stock Exchange Ltd., and GBP 0.1800 in London Stock Exchange (in 2013 GBP 0.1375).

F. Option on unissued Ordinary shares :

There was no option on unissued shares as on 31-12-2014.

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 Borrowing - Net off Current Maturity (Secured)

This is arrived at as follows :

	Amount in Taka	
	2014	2013
(a) Project Loan	608,901,223	1,001,325,040
(b) Obligation Under Finance Leases	292,808,104	150,075,662
	<u>901,709,327</u>	<u>1,151,400,702</u>

(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 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.

(b) Obligation Under Finance Leases

Gross Finance Lease - minimum lease Liability:

Within one year	186,760,624	152,206,085
After one year	429,486,607	220,923,094
Total	616,247,231	373,129,179
Less future finance charges on finance lease liability	(195,948,111)	(120,839,679)
Present Value of Finance Lease liability	<u>420,299,120</u>	<u>252,289,500</u>

This consists of as follows:

Within one year	127,491,016	102,213,838
Within two to five years	292,808,104	150,075,662
Total Present Value of Finance Lease liability	<u>420,299,120</u>	<u>252,289,500</u>

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.

(a) Gratuity Payable

Balance as on January 01	284,163,669	223,962,507
Provisions during the year	66,915,861	68,652,000
	351,079,530	292,614,507
Paid during the year	(13,426,744)	(8,450,838)
	<u>337,652,786</u>	<u>284,163,669</u>

(b) Workers Profit Participation and Welfare Funds

	<u>403,869,732</u>	<u>326,464,481</u>
	<u>741,522,518</u>	<u>610,628,150</u>

17. Deferred Tax Liability

This is arrived at as follows :

Amount in Taka

	2014	2013
Balance as on January 01	1,550,589,207	1,147,459,569
Addition during the year:		
Deferred Tax on Assets (cost basis)-Note : 32	144,475,316	364,415,845
Deferred Tax on revalued amount	34,296,838	38,713,793
	1,729,361,361	1,550,589,207

18. Short Term Borrowings (Secured)

This consists of :

Janata Bank Ltd. - Cash Credit-Hypothecation Loan	1,487,792,991	1,219,126,718
AB Bank, Principal Branch - OD & LAC	1,665,328,302	775,639,407
Noor Islamic Bank, Dubai - Commodity Murabaha Facility	-	781,500,000
	3,153,121,293	2,776,266,125

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	536,347,056	652,689,720
Obligation under Finance Leases	127,491,016	102,213,838
	663,838,072	754,903,558

20. Creditors and Other Payables

This consists of :

Goods & Services	202,020,182	123,397,754
Provident Fund	124,323,489	254,356,090
Advance Against Export	3,618,784	915,874
Others	27,748,384	4,500,835
	357,710,839	383,170,553

21. Accrued Expenses

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

For Expenses	60,155,328	38,282,595
Workers' Profit Participation and Welfare Funds - current year's expense (net off interim payments).	104,127,787	103,299,709
	164,283,115	141,582,304

22. Income Tax Payable

This is arrived at as follows :

Balance on January 01	325,685,371	274,064,529
Provision for the year	421,487,672	305,845,595
Short Provision for earlier years	15,295,172	18,569,951
	762,468,215	598,480,075
AIT & Treasury deposits during the year	(394,128,824)	(272,794,704)
	368,339,391	325,685,371

23. Net Sales Revenue

This consists of as follows :

Amount in Taka

	2014	2013
Local Sales	10,706,417,075	9,819,409,651
Export Sales equivalent US \$ 6,473,721 (in 2013 US \$ 8,614,393)	500,468,602	671,289,443
	11,206,885,677	10,490,699,094

Sales represents:

Product Category	Unit	Quantity	
		2014	2013
Tablet, Capsule, Suppository & DPI	Million pcs.	2,998.47	3,173.13
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectible and Inhaler	Million pcs.	70.72	66.75
Active Pharmaceutical Ingredients	Kg	177,354	170,516
Liquid Nitrogen	Liter	475,012	387,153

24. Cost of Goods Sold

This is made-up as follows :

Work-in-Process (Opening)	204,755,943	246,214,085
Materials Consumed (Note: 25)	4,498,531,078	4,257,643,464
Factory Overhead (Note: 26)	1,735,116,121	1,493,080,956
Total Manufacturing Cost	6,438,403,142	5,996,938,505
Work-in-Process (Closing)	(171,815,679)	(204,755,943)
Cost of Goods Manufactured	6,266,587,463	5,792,182,562
Finished Goods (Opening)	644,005,694	629,828,725
Finished Goods available	6,910,593,157	6,422,011,287
Cost of Physician Sample transferred to Sample Stock	(174,206,645)	(126,106,715)
Finished Goods (Closing)	(633,692,189)	(644,005,694)
	6,102,694,323	5,651,898,878

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

Stock as January 01, 2014	Unit	Quantity	Value (Tk.)
Tablet, Capsule, Suppository & DPI	Million pcs.	518.83	394,979,619
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectible and Inhaler	Million pcs.	6.69	243,292,676
Active Pharmaceutical Ingredients	Kg	1,867	5,733,399
			644,005,694
Stock as December 31, 2014			
Tablet, Capsule, Suppository & DPI	Million pcs.	426.64	389,211,055
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectible and Inhaler	Million pcs.	6.78	236,895,019
Active Pharmaceutical Ingredients	Kg	2,450	7,586,115
			633,692,189

25. Materials Consumed

This is made-up as follows :

Amount in Taka

	2014	2013
Opening Stock	1,228,275,639	1,289,156,749
Purchase	4,332,348,791	4,196,762,354
Closing Stock	(1,062,093,352)	(1,228,275,639)
	4,498,531,078	4,257,643,464

26. Factory Overhead

This consists of as follows :

Salary & Allowances	500,724,043	451,123,633
Repairs and Maintenance	104,500,367	91,719,472
Insurance Premium	12,514,466	15,542,159
Municipal Tax & Land Revenue	2,021,257	1,582,778
Advertisement	60,222	23,570
Registration & Renewal	10,631,435	10,397,369
Travelling & Conveyance	5,242,079	4,627,240
Entertainment	1,231,794	937,973
Research and Development	146,720,695	136,216,539
Printing & Stationery	13,914,877	12,171,521
Telephone, Internet & Postage	5,787,905	4,736,650
Toll Expense	121,321,879	127,098,536
Electricity, Gas & Water	75,773,777	65,589,318
Training & Conference	5,046,880	4,940,526
Plant Certification and Regulatory Approvals	46,683,540	38,338,641
Depreciation	674,924,448	520,953,425
Other Expenses	8,016,457	7,081,606
	1,735,116,121	1,493,080,956

- a) Salary and allowances include Company's Contribution to provident fund of Tk. 9,619,537 (in 2013 Tk. 8,531,034).
- b) The value of imported stores and spares consumed is Tk. 67,012,977 is included in repairs & maintenance. 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

This consists of as follows :

Salary & Allowances	193,314,218	177,266,156
Rent	10,066,000	9,879,000
Repairs and Maintenance	30,338,920	28,111,235
Registration & Renewals	3,061,050	7,262,546
Travelling & Conveyance	19,583,051	18,280,955
Entertainment	4,063,944	3,749,384
Printing & Stationery	3,443,447	2,926,769
Audit Fee	1,300,000	1,200,000
Telephone, Internet & Postage	4,889,150	4,682,370
Electricity, Gas & Water	10,576,720	10,715,700
Legal & Consultancy	5,181,653	13,779,574
AGM, Company Secretarial and Regulatory Expense	39,532,229	41,284,006
Advertisement	58,138	19,126
Training & Conference	7,467,133	6,590,078
Depreciation	26,102,050	20,147,370
Remuneration to Independent Directors	140,000	140,000
Other Expenses	39,644,534	29,531,643
	398,762,237	375,565,912

- (a) Salary and allowances include provident fund contribution of Tk. 5,059,756 (in 2013 Tk. 4,899,089).
- (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

	Amount in Taka	
This consists of as follows :	2014	2013
Salary & Allowances	748,845,866	699,256,429
Rent	32,948,068	22,457,790
Repairs and Maintenance	5,719,886	5,559,593
Travelling & Conveyance	315,983,949	293,119,372
Entertainment	24,724,155	21,939,089
Printing & Stationery	27,433,905	26,237,688
Telephone, Internet & Postage	10,021,432	8,985,010
Electricity, Gas & Water	6,900,564	6,191,556
Market Research & New Products	31,046,918	27,872,397
Training & Conference	54,556,296	53,463,511
Insurance Premium	14,527,141	17,460,874
Sample Expense	150,637,854	144,655,691
Promotional Expenses	322,661,819	303,056,182
Literature/News Letter	93,314,746	84,480,104
Registration & Renewals	33,079,698	32,613,811
Export Insurance, Freight and C&F Expenses	38,333,120	60,743,782
Delivery Expense	296,368,010	266,173,800
Depreciation & Amortization	64,083,198	48,764,908
Other Expenses	16,065,656	15,929,947
	<u>2,287,252,281</u>	<u>2,138,961,534</u>

- (a) Salary and allowances include provident fund contribution of Tk. 17,870,356 (in 2013 Tk. 15,749,142).
- (b) Delivery expense includes distribution commission on 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.
- (d) Sample expense includes VAT on sample and related dispatch expense.

29. Other Income

This is arrived at as follows :

Interest on FDR & Short term Investment	489,970,647	512,424,678
Dividend Income	1,427,955	3,141,501
Royalty	24,763,177	7,785,736
Exchange Rate Fluctuation Gain / (Loss)	1,452,991	(17,198,454)
Profit on Sale of Fixed Assets (Note 35)	3,556,877	4,434,739
	<u>521,171,647</u>	<u>510,588,200</u>

30. Finance Cost

This is arrived at as follows :

Interest on Working Capital Loan	391,510,508	256,763,094
Interest on Project / Consortium Loan	175,227,715	219,205,840
Interest on Lease Finance	64,812,955	51,362,542
Interest on Loan from PF, WPPF & Welfare Fund	71,225,739	81,687,639
Other Bank Charges	21,538,046	27,567,975
	<u>724,314,963</u>	<u>636,587,090</u>

31. Contribution To WPPF & Welfare Funds

This represents statutory contribution by the company as per Bangladesh Labour Act (amendment) 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 :

Amount in Taka

	2014	2013
(a) Current Tax		
(i) Tax provision for current year (Note 3.9)	421,487,672	305,845,595
(ii) Short provision for earlier year	15,295,172	18,569,951
	436,782,844	324,415,546
(b) Deferred Tax Expense (Note 3.9)	144,475,316	364,415,845
	581,258,160	688,831,391

33. Earnings Per Share (EPS)

(a) Earnings attributable to the Ordinary Shareholders	Tk.	1,528,297,573	1,404,762,780
(b) Weighted average number of Ordinary Shares outstanding during the year (Note 3.15)	Nos.	367,851,652	367,851,652
Earnings Per Share (EPS) / Adjusted EPS (2013)	Tk.	4.15	3.82

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 2014	Balance at year end
(a) I & I Services Ltd.	Local Delivery Distribution Commission	11,749,988,365 180,454,668	1,118,478,352 -
(b) Bangladesh Export Import Co. Ltd.	Short Term Investment & Interest there on	487,367,615	2,475,026,831

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 2014:

Particulars of Assets	Cost	Accumulated Depreciation	Written Down Value	Sales Price	Profit	Mode of Disposal	Name of Parties
Furniture	573,000	423,000	150,000	150,000	-	Negotiation	Various Individuals
Transport & Vehicle	10,623,868	6,714,953	3,908,915	7,465,792	3,556,877	Negotiation	Various Individuals
Tk.	11,196,868	7,137,953	4,058,915	7,615,792	3,556,877		

36. Payment / Perquisites to Managers and Directors

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

	Amount in Taka	
	2014	2013
Remuneration	143,248,563	129,950,600
Gratuity	5,773,000	5,088,500
Contribution to Provident Fund	6,834,370	6,106,200
Bonus	11,503,600	10,177,000
Medical	4,761,860	3,303,706
Others	30,078,994	29,345,360
Total	<u>202,200,387</u>	<u>183,971,366</u>

(b) The above includes salary, allowances, and perquisites amounting Tk. 14,357,819 paid to the Managing Director.

(c) This also includes Tk. 140,000 paid to Independent Directors for attending Board, Audit Committee and other meetings.

(d) Excepting as stated above (c) no board meeting fee was paid to any directors.

(e) 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	
		2014	2013	2014	2013	2014	2013
Tablet, Capsule, Suppository & DPI	Million Pcs	4,052.70	3,973.90	3,265.76	3,287.61	80.58%	82.73%
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable and Inhaler	Million Pcs	94.03	87.62	72.30	68.88	76.96%	78.61%

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

38. Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for at 31 December 2014.

39. Finance Lease Commitment

At 31 December 2014, the company had annual commitment under finance leases as set out below :

Leases expiring within 1 year	127,491,016
Leases expiring within 2-5 years (inclusive)	<u>292,808,104</u>
Tk.	<u>420,299,120</u>

40. Claim not Acknowledged as Debt

There was no claim against the company not acknowledged as debt as on 31 December 2014.

41. Un-availed Credit Facilities

There is no credit facilities available to the company under any contract, not availed of as on 31 December 2014 other than trade credit available in the ordinary course of business.

42. Payments Made in Foreign Currency :

	<u>Foreign Currency (Equivalent US \$)</u>	<u>Taka</u>
Import of Machinery, Equipments & Spares	19,632,001	1,535,222,423
Import of Raw & Packing Material	32,616,240	2,559,722,504
Regulatory Fees & Other Expenses	3,931,702	304,597,508

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 equivalent US \$ 6,760,141
- (b) Royalty US \$ 175,624

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. 149,032,289 against disputed income tax claims for the year 1999, 2007, 2008, 2010 and 2013. The company has filed Income Tax Reference cases with the High Court Division of the supreme court against this 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.

The company also has a contingent liability to the extent of Tk. 148,347,357 for third party corporate gurantee favoring Standard Bank Ltd. Dhanmondi Branch for Beximco Engineering Limited.

46. Events after The Reporting Period

- (a) The directors recommended 10% cash (i.e. Tk. 1 per share) and 5% Stock dividend (i.e. 5 shares for every 100 shares held) for the year 2014. The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting.
- (b) The Company has entered into a loan agreement with BHF-Bank Aktiengesellschaft, Frankfurt, Germany to borrow up to US \$ 51.559 million to partially finance the purchase of new plant & machinery to expand its production facilities.

Excepting above, 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 2014 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

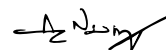
Interest rate risk is the risk that arises due to changes in interest rates on borrowing. The foreign currency loan is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative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



Salman F Rahman
Vice Chairman



Nazmul Hassan
Managing Director

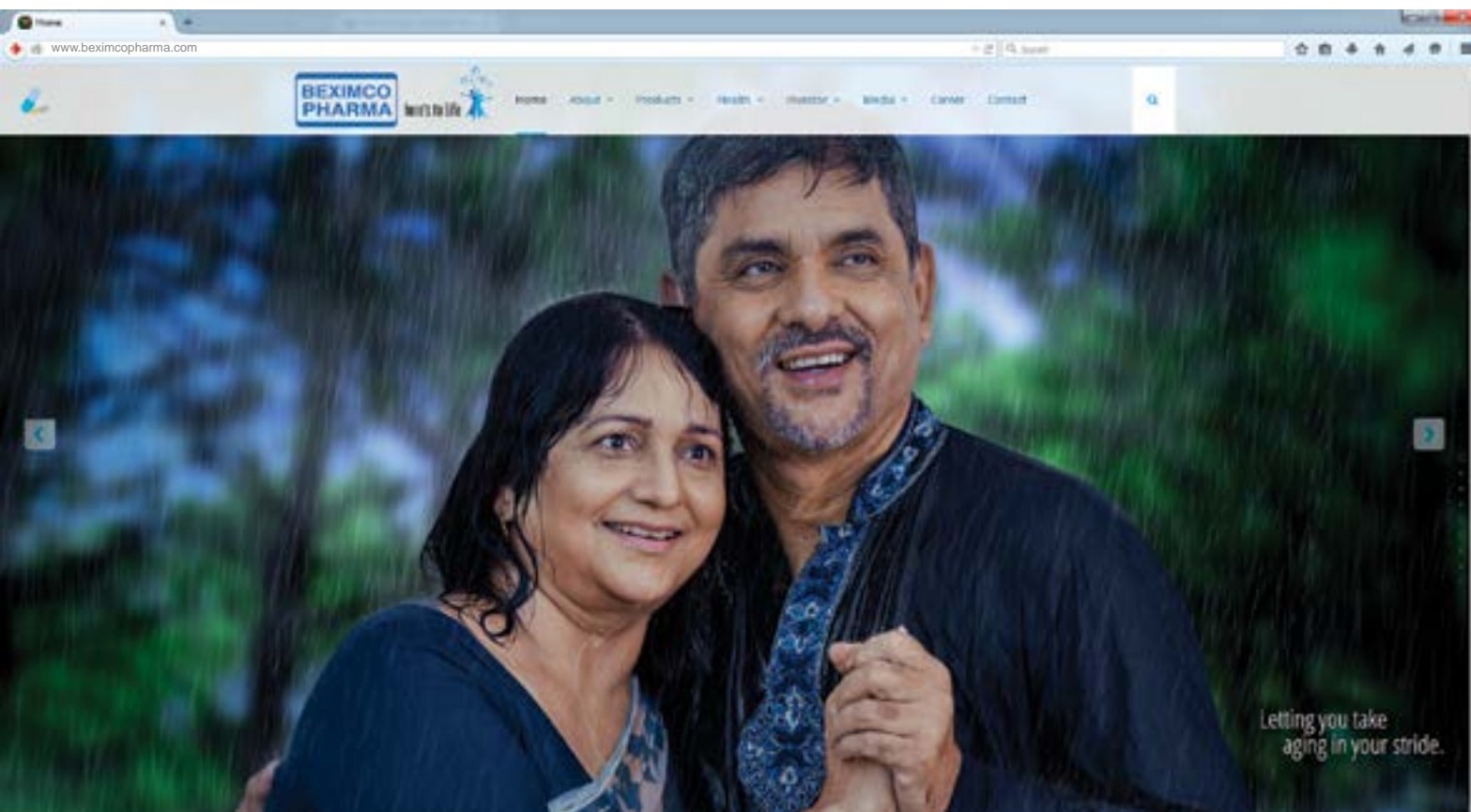


Ali Nawaz
Chief Financial Officer

Dhaka
27 April, 2015

Beximco Pharma's New Corporate Website

Beximco Pharma has launched its website following extensive research, planning and design. The new website gives you a completely different look with user friendly features.



www.beximcopharma.com

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**BEXIMCO
PHARMA**



Proxy Form

BEXIMCO PHARMACEUTICALS LIMITED

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

I/We _____ of _____

_____ being a member of Beximco Pharmaceuticals Limited hereby appoint

Mr./Ms. _____ of _____

_____ as my/our proxy to attend and vote for me/us on my/our behalf at the 39th Annual General Meeting of the Company to be held on Saturday, the 13th June, 2015 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, 2015.

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 LIMITED

SHAREHOLDERS' ATTENDANCE SLIP

I/We hereby record my/our attendance at the 39th Annual General Meeting being held on 13th June, 2015 at 10.30 a.m. at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur.

Name of Member(s) _____

Register Folio/BOID No _____

holding of _____ ordinary Shares of Beximco Pharmaceuticals Limited

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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E-mail : info@bpl.net
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Fax : +880-2-58613470
E-mail : beximchq@bol-online.com

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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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Barrister-at-Law
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Dhaka-1000, Bangladesh

Auditors

M. J. Abedin & Co.
Chartered Accountants
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109, Bir Uttam C. R. Datta Road
Dhaka- 1205, Bangladesh

Banker

Janata Bank Ltd.
Local office
1 Dilkusha C/A
Dhaka- 1000, Bangladesh

For GDRs

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2 Wellington Place, LS1 4AP, LEEDS, UK

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