A Company's
Achievement

A Country's
Pride

BEXIMCO PHARMA

Annual Report | 2017-18



Winner of

SCRIP Award 2017

as the 'Best Company
in an Emerging Market'

SCRIP Award is among the most prestigious accolades in pharma and biotech industry recognizing the highly successful companies and individuals for their important roles in improving healthcare around the world.

BEXIMCO PHARMA

here's to life

www.beximcopharma.com

AMARSTOCK

Annual Report
2017-18

BEXIMCO PHARMACEUTICALS LIMITED

AMAR STOCK

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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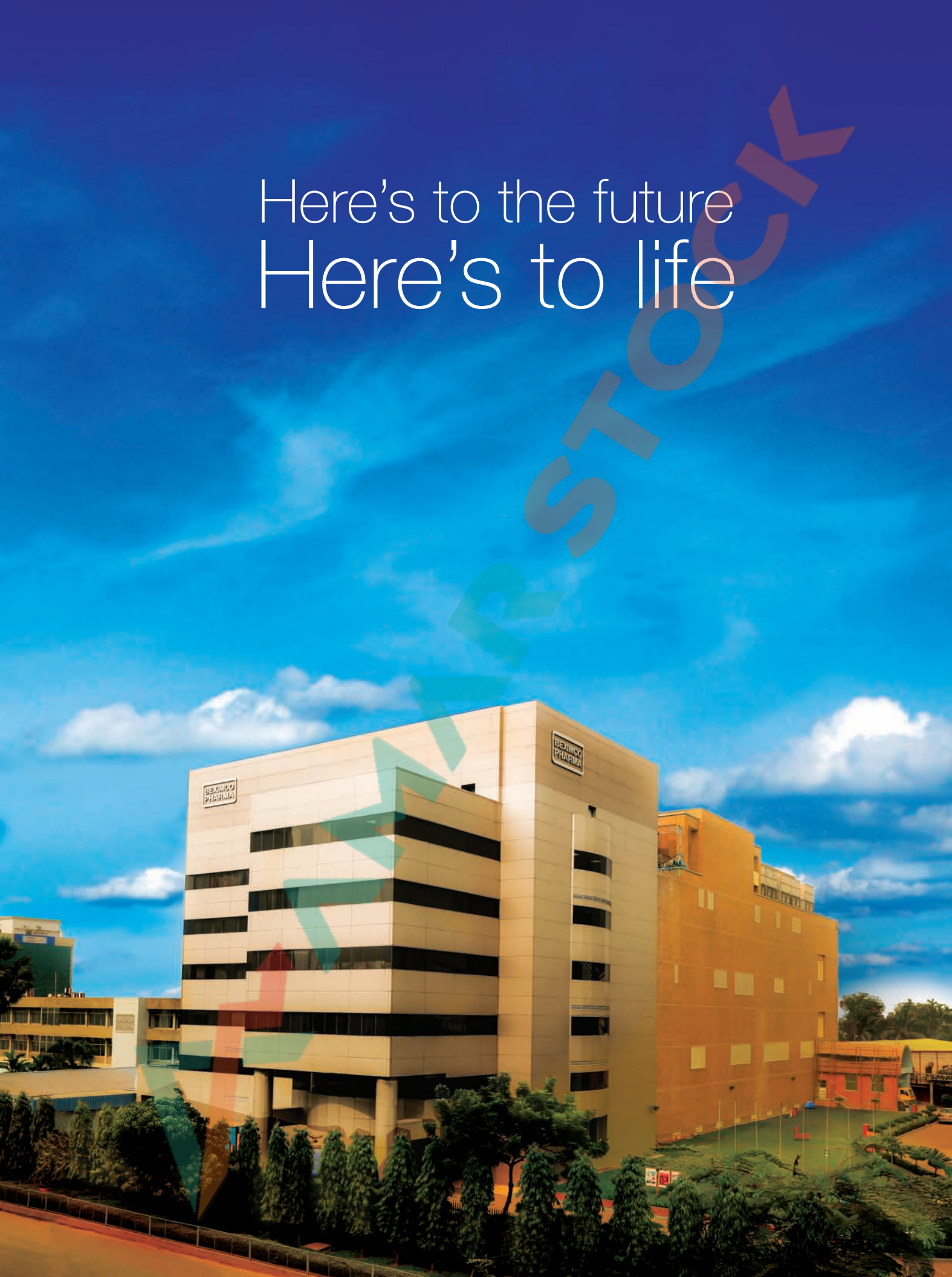
Here's to the future

Here's to life



About the Company

Beximco Pharmaceuticals Ltd. is a leading manufacturer and exporter of medicines in Bangladesh. Incorporated in 1976, the company started its operation by importing products from Bayer, Germany and Upjohn, USA and selling them in the local market. In 1980 Beximco began manufacturing of these products under licensing arrangement and launched its own formulation brands in 1983. From that humble beginning, Beximco Pharma has grown from strength to strength, and today it has become an emerging global generic drug company from the region. Beximco's manufacturing facilities have been accredited by the leading global regulatory authorities, and medicines manufactured by the company are now being exported to more than 50 countries including the highly regulated markets of USA, Europe, Canada and Australia. The company has won the National Export (Gold) trophy a record 5 times and remains the only company in the country to win the highly prestigious SCRIP Award as the Best Pharma Company in an Emerging Market. It also has the unique distinction as the only Bangladeshi company to get listed on the AIM of London Stock Exchange. In Bangladesh, the company is listed with both Dhaka and Chittagong Stock Exchanges. Beximco Pharma also has a majority stake in Nuvista Pharma (formerly Organon Bangladesh), a leading hormone and steroid manufacturer in the country.

The company currently employs more than 4000 employees including doctors, pharmacists, engineers, chemists, accountants, business graduates and other white collar professionals.



We take it minute by minute, drop by drop, molecule by molecule. The miracle of a pyramid is in the perfection of every stone. The miracle of life is in the health of every cell. At Beximco Pharma, we are tireless at achieving such perfection in every molecule of our medicines.
That's our little contribution to life.

Here's to perfection. Here's to life.

BEXIMCO PHARMA
here's to life

Board and Management



Salman F Rahman
Vice Chairman

A S F Rahman
Chairman

The Board of Directors



A S F Rahman
Chairman



Salman F Rahman
Vice Chairman



Nazmul Hassan
Managing Director



Osman Kaiser Chowdhury
Director



Abu Bakar Siddiqur Rahman
Director



Iqbal Ahmed
Director



Dr. Abdur Rahman Khan
Independent Director

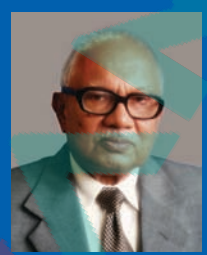


Shah Monjurul Hoque
Independent Director



Mohammad Asad Ullah, FCS
Executive Director & Company Secretary

Audit Committee



Dr. Abdur Rahman Khan
Chairman



Shah Monjurul Hoque
Member



Osman Kaiser Chowdhury
Member

Executive Committee

Osman Kaiser Chowdhury	Member of the Board of Directors
Nazmul Hassan	Managing Director
Rabbur Reza	Chief Operating Officer
Ali Nawaz	Chief Financial Officer
Afsar Uddin Ahmed	Director, Commercial

Management Committee



Nazmul Hassan
Managing Director



Osman Kaiser Chowdhury
Member of the Board of Directors



Rabbur Reza
Chief Operating Officer



Ali Nawaz
Chief Financial Officer



Rizvi Ul Kabir
Director, Marketing



Afsar Uddin Ahmed
Director, Commercial



Lutfur Rahman
Director, Manufacturing



Shamim Momtaz
Director, Manufacturing



Mohd. Tahir Siddique
Director, Quality



A R M Zahidur Rahman
Director, Production



Zakaria Seraj Chowdhury
Director, International Marketing



Jamal Ahmed Choudhury
Executive Director, Accounts & Finance



Ms. Roksana Hassan
Executive Director, Financial Compliance Audit and Internal Control



Prabir Ghose
Executive Director, Quality Assurance



M A Arshad Bhuiyan
Deputy General Manager, HR

Key Events in History

2009
Received GMP approval from ANVISA, Brazil as the first Bangladeshi company

2008
Received GMP accreditation from Therapeutic Goods Administration (TGA), Australia and Gulf Central Committee for Drug Registration, for GCC states as the first Bangladeshi company

2006
Launched CFC free HFA inhalers for the first time in Bangladesh

2005
Got listed on the Alternative Investment Market (AIM) of London Stock Exchange (LSE) through issuance of GDRs

2003
Introduced anti-retroviral (ARV) drugs as the first Bangladeshi company

1993
Russia became the first export destination for formulation products

1992
Started export operations 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

2011

Received GMP accreditation from AGES, Austria (for European Union)

2012

Launched Salbutamol HFA inhaler (Azmasol®) in Singapore

2013

Commenced export of ophthalmic products to Europe

2014

- Received GMP accreditation from Taiwan Food & Drug Administration (TFDA) and Health Canada
- Exported medicine to Australia and Romania

2015-16

- Received GMP approval from the U.S. FDA as the first Bangladeshi company
- Launched generic version of revolutionary hepatitis C drugs Sovaldi® and Harvoni®
- Received product approval from Health Canada
- Entered the Gulf pharma market (Kuwait)
- Won National Export Trophy (Gold) for the record 5th time

2016-17

- Commenced export of medicine to the USA.
- Company's first overseas collaboration with BioCare Manufacturing Sdn Bhd based in Malaysia.
- Granted a sub-license by Medicine Patent Pool of the UN to produce Bristol-Myers Squibb's new hepatitis C drug Daclatasvir.

2017-18

- Won the "Scrip Award" in the category of "Best company in an emerging market"
- Company's oral solid dosage facility received WHO prequalification
- Acquired a majority stake in Nuvista Pharma Limited (formerly Organon Bangladesh Limited)



Nazmul Hassan
Managing Director

Managing Director's Statement

Dear Shareholders,

Bangladesh has become one of the fastest growing economies in the world maintaining more than 6% growth over the last decade and an impressive 7% plus growth in the last couple of years. Continued socioeconomic progress has led Bangladesh graduating to developing nation status, and country's remarkable achievements in healthcare have been lauded globally.

The Bangladesh pharmaceutical market continues to register a healthy double digit growth reaching Tk 201.7 billion during 2017-18. Local companies continue to dominate the top 10 list and they account for almost 70% of the market.

2017-18 was a good year for Beximco Pharma, on the back of a strong performance of our key brands. Company performed very well across all therapeutic categories, especially in chronic therapy segment. Key therapeutic areas like cardiovascular, anti-diabetic, respiratory performed exceptionally well, outperforming the market growth. In the acute therapy area, analgesics, antiinfectives and musculoskeletal also saw impressive results. During the period under review the company expanded its portfolio with 16 new products and 5 of them were launched for the first time in Bangladesh.

The Bangladeshi pharmaceutical market continues to register a healthy double digit growth reaching Tk 201.7 billion during 2017-18. Local companies continue to dominate the top 10 list and they account for almost 70% of the market.

According to the latest global healthcare report "2018 and Beyond: Outlook and Turning Points" from IQVIA, the share of global medicine spending from pharmerging markets (22 developing nations including Bangladesh, China, India, Pakistan, Russia, Egypt, Philippines, Thailand, Mexico, South Africa etc.) has risen sharply from 13% in 2007 to 24% in 2017. This was largely driven by governments' efforts to expand access to healthcare as well as the substantial investments made by the manufacturers for expanded operations. Bangladesh with the highest CAGR growth (nearly 20%) during 2013-17, is projected to maintain the lead with CAGR around 15% during 2018-22 period among all the pharmerging nations.

IQVIA report shows global pharmaceutical market in 2017 was valued at $1.14 trillion growing by around 3.5% over the previous year. On the other hand, global generic drugs market, valued at $350 billion, is growing at a much higher rate. This will continue as there is increasing pressure from governments around the world to contain healthcare cost and also because more and more blockbuster drugs are going off patent every year. This creates huge opportunity for generic drug industry. We always believe Bangladesh can capitalize on the opportunities in generic drug space with its skill, regulatory compliance, quality standards and above all competitiveness. Currently, Bangladesh has the facilities for producing advanced medicines like biosimilars, vaccines, insulins and oncology products alongside active pharmaceuticals ingredients and medical devices. The government has also taken various initiatives to promote the industry and realize its actual export potential.

Country's pharmaceuticals exports fetched $103.46 million in the last fiscal year, up 16.03 percent year-on-year. Our export business posted excellent 37% growth. We have a growing and visible presence in the US market with 6 products approved by the US FDA and 4 of them being exported. We hope US would be one of our largest export markets in terms of value within the next 3-4 years. You would be delighted to know Beximco has won the highly prestigious Scrip Award 2017 in the category of *Best Company in an Emerging Market*. It's a global recognition of the company's considerable progress made in recent times. We will continue to foster partnerships with global MNCs and shall reinforce our efforts to achieve

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our aspiration to become an important and highly admired global generic company.

We have completed the first-ever acquisition in the history of Bangladesh pharma industry, taking a majority stake of Bangladesh based hormones and steroids specialist Nuvista Pharma (formerly Organon Bangladesh Limited). Nuvista offers a good strategic fit with Beximco Pharma; almost 70% of their product range does not compete with our portfolio. Hormonal products were one of the growth areas for Beximco as we are focused on strengthening our presence in chronic segment. Nuvista acquisition will definitely help accelerate our business in the coming days.

We have completed the first-ever acquisition in the history of Bangladesh pharma industry, taking a majority stake of Bangladesh based hormones and steroids specialist Nuvista Pharma (formerly Organon Bangladesh Limited).

We have continued making investment in expanding capacity, including the 'Unit III' oral solids, semi-solids and liquids at Tongi site. This large scale facility is now expected to be operational by the end of 2019. Once operational the Unit III facility will have an annual capacity of about 5 billion solid-dose tablets, capsules and sachets; 70 million semi-solid units, including creams, ointments, liquid sachets and lotions; and 130 million large- and small-volume bottles of liquid formulations. Our state-of-the-art human insulin facility is now ready and commercial launch is expected by Q1 of 2019. The metered dose inhaler expansion project involving single stage operation is completed while second line of single capsule DPI is nearing completion. We are also preparing for biosimilar launch in the near future in collaboration with global partner.

Beximco Pharma has completed its technology transfer to Malaysia based BioCare Manufacturing in establishing the first metered dose inhaler facility in Malaysia under the government's Economic Transformation Program. The facility, located at Malaysia's Seri Iskandar pharmaceuticals park, is now fully operational.

By now we have secured accreditations from almost all major global regulatory authorities and in this year our Unit II oral solid dosage (OSD) facility got WHO prequalification status. Prequalification is a United Nation's program provided by WHO to assess the quality, safety and efficacy of medicinal products procured by the international agencies. This will largely enable us participate in international tenders by global agencies.

Going forward we will continue to invest in building our capabilities and focus our strategy in areas where we believe we have ample opportunities to grow.

I would like to take this opportunity to thank each of our employees, shareholders and stakeholders for the continued support and confidence on the company and its management.

Nazmul Hassan

Nazmul Hassan
Managing Director

2017-18 Highlights

- Completed the acquisition of a majority stake in Nuvista Pharma Limited
- Won the prestigious Scrip Award 2017 in the category of 'Best Company in an Emerging Market'
- Oral solid dosage (Unit II) received the WHO prequalification
- Became the first Bangladeshi pharmaceutical company to commence export to Canada
- Launched 16 products in the domestic market; Five of which were launched for the first time in Bangladesh
- Completed 46 registrations of 38 products in 22 countries
- Entered three (03) new countries- Botswana, Zambia and Uzbekistan
- Commenced export of Sotalol Hydrochloride (80 mg, 120 mg and 160mg) and Methocarbamol (500mg and 700mg) to the US market

Post Period Highlights

- Received US FDA approval for Nadolol tablets and Sotalol AF tablets
- Launched fourth product, Metformin Hydrochloride (500mg and 750mg), an anti-diabetic, extended release drug to the US market
- Won the SCRIP Award 2018 in the category of "Community Partnership of the Year"
- Awarded Superbrand 2018-19, as the only pharma company in the country

Products launched 1st time in Bangladesh




Knowledge Center
Work in progress

Beximco Pharma Acquires Nuvista Pharma





Beximco Pharma completed the acquisition of a majority shareholding in Nuvista Pharma, a pharma company specializing in hormones and steroid drugs. This is the first acquisition in the history of country's pharma industry and to mark this occasion a brief ceremony was held at Radisson Blu Dhaka Water Garden in presence of the Industries Minister Amir Hossain Amu MP, high officials from different government bodies, banks, pharma industry, drug regulatory authority and senior officials from Beximco Pharma and Nuvista. Mr. Amu praised about the pharma industry's rapid progress and its important contribution to country's economic development hoping such initiatives would open up new opportunities of growth for the pharma industry.








Signing Cere ny
October
BEXIMCO PHARMA











Our Manufacturing Capabilities

Tongi Site

Company's main manufacturing site at Tongi, Gazipur, is spread over an area of 23 acres which houses a number of self-contained production units including oral solids, metered dose inhalers, intravenous fluids, liquids, ointments, creams, suppositories, ophthalmic drops, injectables, prefilled syringes, nebulizer solutions etc. The site has its own infrastructure to ensure adequate generation and distribution of electricity with an installed capacity of 15 MW. In addition, the site contains water purification, effluent treatment, liquid nitrogen and steam generation, and 125,000 sq ft 5-tier GMP compliant warehouses.

The state-of-the-art oral solid dosage facility has been audited and approved by the US FDA. This facility incorporates modern technological advancements with automated material handling systems and multilevel designs to enable gravity feed between processing stages. It provides larger capacity and a stronger platform to manufacture value added generics for highly regulated markets, and also offering the company as an attractive contract manufacturing partner.

The company is now implementing a massive expansion project to diversify product portfolio and expand production capacity. A purpose built five storied building with total floor space of approx. 536500 sq ft has been constructed to accommodate the production facilities.

Kaliakoir Site

The Kaliakoir plant contains manufacturing facilities for penicillin products, both formulation and active pharmaceutical ingredients (APIs). In compliance with cGMP regulations, the penicillin production is carried out at this facility which is few miles away from the Tongi site.

All the plants are highly automated with equipment sourced from reputed suppliers based in Germany, USA, UK, Switzerland, China, India etc.



Oral Solid Dosage

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Intravenous Fluids

Ophthalmics, LYO &
Pre-filled Syringes



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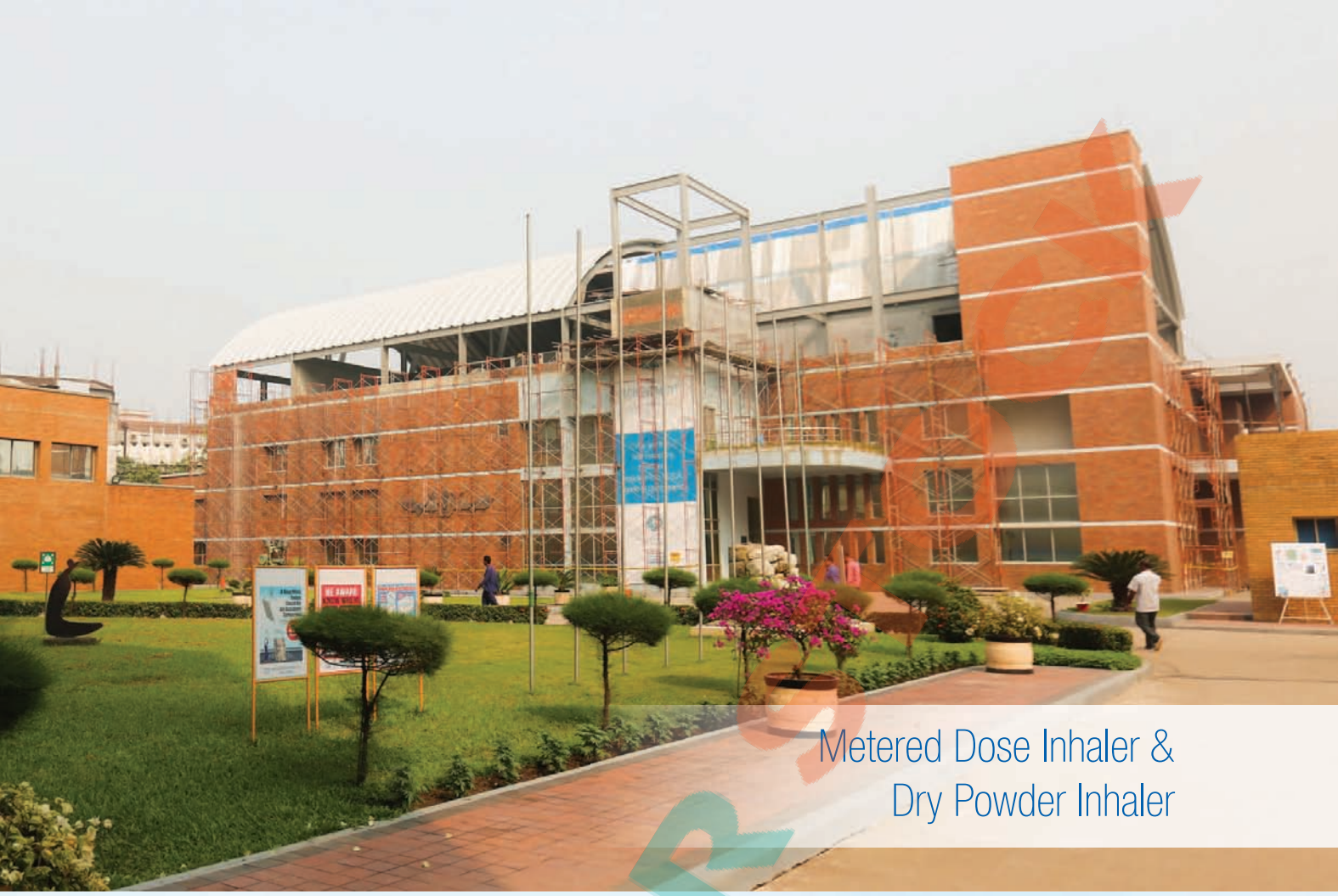

Metered Dose Inhaler &
Dry Powder Inhaler



Insulin Facilities & R&D Centre

Warehouse



API Unit-I

Expansion Projects





Beximco's ongoing mega expansion projects include 'Unit III' oral solids, semi-solids and liquids facilitis worth $128 million in Tongi. We continue to make major investment in this large scale facility which is expected to be completed by Q3 2019. Once operational the Unit III facility will have an annual capacity of about 5 billion solid-dose tablets, capsules and sachets; 70 million semi-solid units, including creams, ointments, liquid sachets and lotions; and 130 million large- and small-volume bottles of liquid formulations.

Our state-of-the-art human insulin facility, in collaboration with a European partner, is now ready for commercial operations. The facility will produce 3 million vials and cartridges. Single stage MDI and multidose DPI projects are progressing well while new nasal spray unit is completed and now undergoing qualifications.

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Ongoing Expansion





Expansion Projects

Work in progress



Unit III

- New facility for oral solid dosage, liquid and semi-solid products
- Total area 536500 sq ft
- Annual production capacities will be as follows:
  - OSD- approx. 5 billion (tablets, capsules, sachets, etc.)
  - Liquids- approx. 130 million bottles (large and small vol. bottles)
  - Semi-solids- approx. 70 million (creams, ointments, liquid sachets, lotions, etc.)



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Human Insulin facility

- State-of-the-art facility in collaboration with European company
- Production capacity: 3 million vials and cartridges



Inhaler Expansion

- Metered Dose Inhaler (pMDI) – Installing single stage line (2 million capacity)
- Single Dose Dry Powder Inhaler (sDPI) – Second line for single capsule based inhaler
- Multi-dose Dry Powder Inhaler (mDPI) – A new multi-dose dry powder inhaler (similar device to GSK's Seretide® Accuhaler)

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Nasal Spray Unit

- Completed in 2018
- Annual Capacity: 2.5 million bottles

API Facility

- New API unit II: Project to produce high value APIs is progressing well



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What We Offer

Beximco Pharma currently produces more than 300 generics available in well over 500 presentations and also produces a number of active pharmaceutical ingredients (APIs). Beximco Pharma's portfolio encompasses various therapeutic categories namely antibiotics, analgesics, anti-diabetics, respiratory, cardiovascular, central nervous system, dermatology, gastrointestinal etc. The company has sound expertise with specialized and advanced drug delivery systems such as metered dose inhalers, dry powder inhalers, nasal sprays, sterile ophthalmics, lyophilized injectables, oral thin films, suppositories etc. that have provided strong differentiation for the company. 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. Napa, Napa Extra, Neofloxin, Neoceptin R, Atova, Azmasol, Amdocal, Tofen etc. have been household names with strong brand equity. The expanding portfolio, including high value, differentiated, and difficult to copy products, will continue to drive strong growth in the coming days. Company also focusses on strengthening API portfolio and its pipeline includes a number of patented, high value products.





Global Presence

Commencing export operations with the sales of APIs to Hong Kong in 1992 and finished formulation in 1993, BPL has emerged as a leading exporter of pharmaceuticals in the country. It remains the only company in the country to export medicines to USA, which is the world's largest and most stringent pharma market. Since receiving US FDA approval in 2015, the company has so far received approval for 6 products in the US market and 4 of them have been already launched. In the year company saw registration of 46 products in 22 countries and entered three new countries- Botswana, Zambia and Uzbekistan. Currently Beximco exports over 270 generic drugs to more than 50 countries across all the continents. The company now has a strategic focus to build and strengthen presence in the regulated markets for value added generics and has a rich pipeline of products for the same.

The company has a sound track record of partnerships and alliances with leading global MNCs namely GSK, Sandoz, Novartis, Pharmacia and Upjohn, Bayer Inc. etc. Beximco Pharma, as the only Bangladeshi company, has been granted a sub-license by Medicine Patent Pool (MPP) of the UN to produce Bristol-Myers Squibb's new hepatitis C drug Daclatasvir.

Accolades and Awards

Beximco Pharma Wins Best Company in an Emerging Market at the Annual Scrip Awards 2017





Beximco Pharma has won the prestigious Scrip Award in the category of 'Best Company in an Emerging Market' at the 13th Annual Scrip Awards ceremony held in London on 29 November 2017. Mr. Rabbur Reza, Chief Operating Officer of Beximco Pharma, accepted the award on behalf of the company. This is the first time a Bangladeshi company has won this global award.

AWARDED
Superbrands
BANGLADESH'S CHOICE
2018

Beximco Pharma
Winner of
Superbrands Award
2018-2020

Regulatory Approvals

Benchmarked to the highest global regulatory standards, Beximco Pharma's manufacturing facilities have been audited and approved by the following global agencies:

- U.S. FDA
- Therapeutic Goods Administration (TGA), Australia
- AGES (European Union)
- Health Canada
- GCC (Gulf)
- WHO (World Health Organization)

Approved by the U.S. FDA

also Certified by

CPhI Worldwide 2018



Beximco Pharma team led by the COO Mr. Rabbur Reza attended the world's largest pharma expo CPhI Worldwide held in Madrid, Spain 2018. BPL, like previous years, had a stall in this mega event to showcase its products and competitive capabilities.

First Bangladeshi pharma company to export medicine

to U.S.A



Certified: **US FDA ☑ TGA Australia ☑ AGES Austria ☑ Health Canada ☑ WHO ☑**

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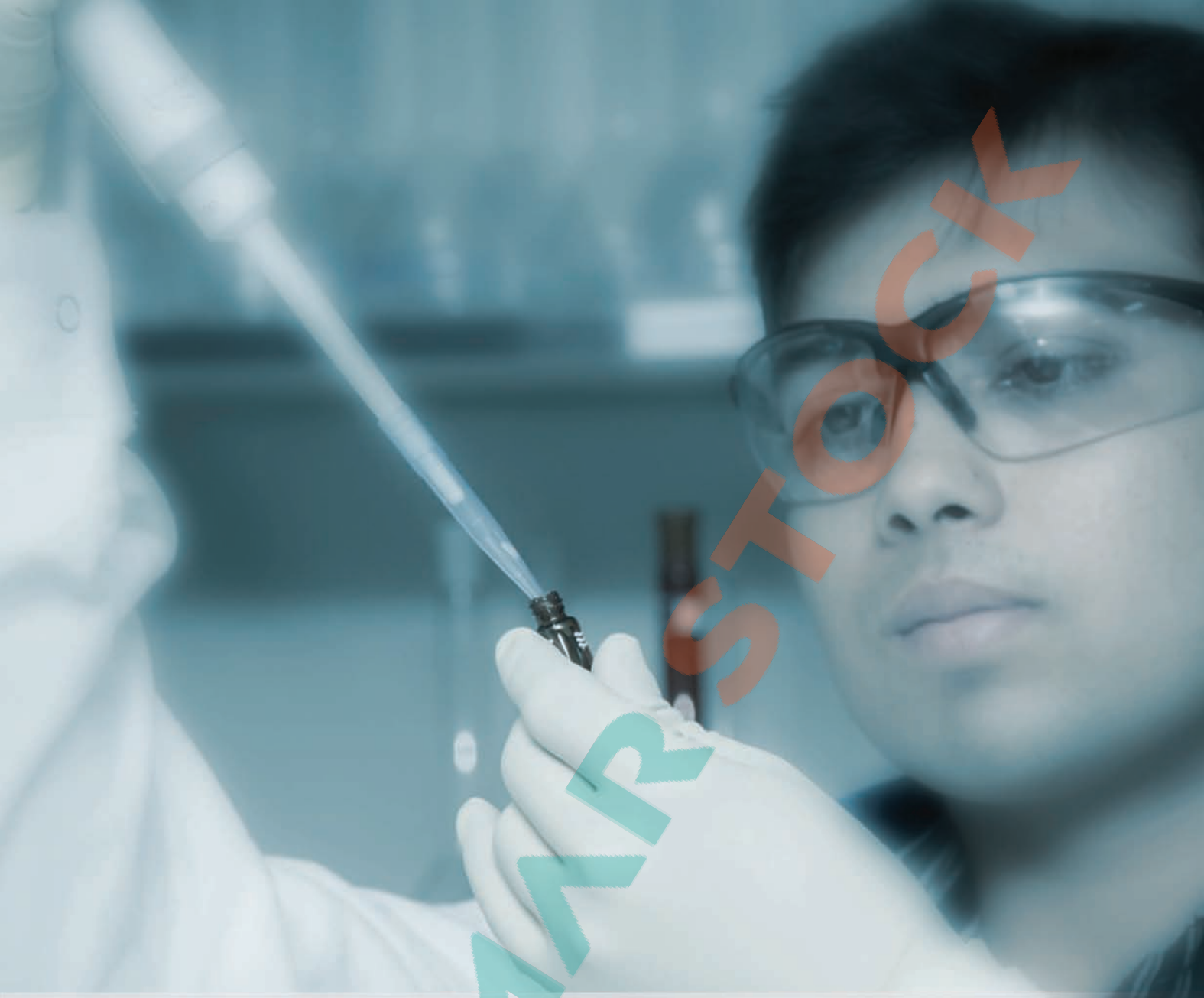

Compliance

Beximco Pharma, being approved by the leading global regulatory authorities including the US FDA, TGA, AGES etc., strictly operates in compliance with current Good Manufacturing Practices (cGMP). It maintains strict quality control procedures at every step starting from sourcing of raw materials to dispatching of finished products. The Company is committed to continuous improvement of its Quality Management System by measuring key performance indicators (KPI).The Company runs its manufacturing and quality control operations following its Quality Management Systems to ensure a right first time (RFT) approach and strive to ensure the quality, safety and availability of products by performing risk assessments throughout the Supply Chain.

Beximco Pharma has two separate world class Quality Control laboratories managed by senior QC Professionals. The Quality control facilities are well equipped with modern & sophisticated equipment like High Performance Liquid Chromatography (HPLC), Ultra Performance Liquid Chromatography (UPLC), Total Organic Carbon Analyzer(TOC), Potentiometric Titrator, Disintegration Tester, Ultraviolet (UV) Spectrophotometer, Fourier Transform Infrared Spectrophotometer (FTIR), Atomic Absorption Spectrophotometer, Refractometer, Dissolution Tester etc to ensure the highest quality of its products.

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Research and Development

Our research and development activities are closely focused on market needs and driven by technological progress. As an emerging global generic drug company, our key strength lies in our ability to excel in developing technologically complex and differentiated products. Our state-of-the-art R&D lab facilitates the development of innovative and difficult products with a focus to create unique market opportunities. We have given top priority in building and strengthening our capabilities to excel in formulating technologically complex products such as multi-layer tablet, sustained release formulation, dispersible tablet, metered dose inhalers, dry powder inhalers, prefilled syringes, lyophilized injectables, sterile ophthalmics, oral thin films etc. We are also pursuing research collaboration with universities and biotech companies both at home and abroad for strengthening our capabilities in selected areas.

Distribution and Marketing

Beximco Pharma's products are distributed to all the major medical institutions in Bangladesh and to approximately 55,000 retail outlets (pharmacies), via a distribution network operated exclusively for the Company on an arm's length basis by a related Company, I&I Services Limited. The same channels of distribution apply to all products; only the extent of distribution varies (like super urban, extra urban and rural market distribution) depending on the products' market characteristics. For the export market, Beximco Pharma has several distribution agreements in place with reputed distributors. With regard to transport, BPL's products are generally moved by road throughout Bangladesh – predominantly between the factories and the 33 regional distribution depots. For export, air transport is used, especially for small volume/high value products. Alternatively, goods destined for export are transported to Bangladesh's major port at Chittagong, which is situated some 250 kilometers from the capital.

In the domestic market the Company sells directly to retail outlets (pharmacies) and major medical institutions on demand. The sales team is organized by geographical territories named by region and supervised by a Regional Sales Executive in each region.

Within Bangladesh, the Company's marketing strategy includes maintaining strong relationship with the medical community. Beximco Pharma provides value added services to the doctors, such as the publication of a quarterly medical newsletter, collaborative clinical research and the organization or hosting of regular seminars and symposia on various medical topics. In addition, Beximco Pharma's market intelligence operations track the prescription pattern of doctors in the country, which allows the Company to conduct promotional campaigns effectively.

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Environment, Health and Safety

We are committed to providing a safe working environment for all the employees, and our EHS (Environment, Health and Safety) program is based on a framework of consistent standards. We take great care in preserving the environment and our initiatives are directed towards practically minimizing emissions and wastes from our manufacturing operations. We were among the first few in the world who proactively converted all the CFC based inhalers to ozone benign HFA formulations.

Beximco has proper control on the waste generated from the plant. We have the biggest treatment plant in Bangladesh to treat wastewater. Solid waste is incinerated in incinerator. Dusts generated during production are collected in central dust collector. Other wastes like glass, paper, foil, film etc. are recycled.

Beximco is committed to the protection and promotion of employee health. We identify and assess potential exposure to chemical and physical stresses utilizing qualitative and quantitative analysis. Appropriate work uniforms, lab coats and protective equipment are provided where required.

All employees are trained on personal hygiene and they undergo complete annual health check-up. The company conducts EHS audit every year and runs training on general safety, fire fighting, emergency evacuation etc.

Beximco encourages the use of recycled consumables and energy efficient equipment and technology, and promotes its green initiatives through adequate plantation around manufacturing units.



What We Do for the Society

Corporate social responsibility (CSR) at Beximco Pharma stems from the ideology of providing sustainable value to the society. 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. We invest in supporting the underprivileged of the society and doing so we achieve sustainability and growth by improving the health and wellbeing of the people. Some of our major CSR activities carried out in 2017-18 were:



Support to Rohingya Refugees

Beximco Group Vice-Chairman Mr. Salman F Rahman and Managing Director of Beximco Pharma Mr. Nazmul Hassan MP inaugurated free medical camp for Rohingya refugees at Balukhali of Ukhia in Cox's Bazar. Beximco Pharma will continue to provide this humanitarian assistance as long as they stay in these refugee shelters.



Flood Relief

Beximco Pharma stood beside the victims of devastating flood that affected millions across the country.



National Youth Summit 2018

Beximco Pharma was a proud sponsor of National Youth Summit 2018, the largest youth summit in the country, held during 7-10 February in Cox's Bazar. The mega event was attended by hundreds of youth leaders and youth icons from all parts of the country while corporate leaders, policy makers, MPs, entrepreneurs, and renowned personalities in the country spoke on youth leadership during the 4-day summit.



Free Health Camp

BPL arranged 'Free Health Camp' by renowned Orthopedics at Tongipara, Gopalgonj on the occasion of 98th birth anniversary of Father of the Nation, Bangabandhu Sheikh Mujibur Rahman

62nd Annual Science Festival 2018

Beximco pharma was a the key sponsor of 62nd Annual Science Festival 2018 which has been offering a big platform for the students to come up with innovative science ideas for the last 60 years. The festival was organized by Scintilla Science Club of St Joseph School during March 16-19, 2018.



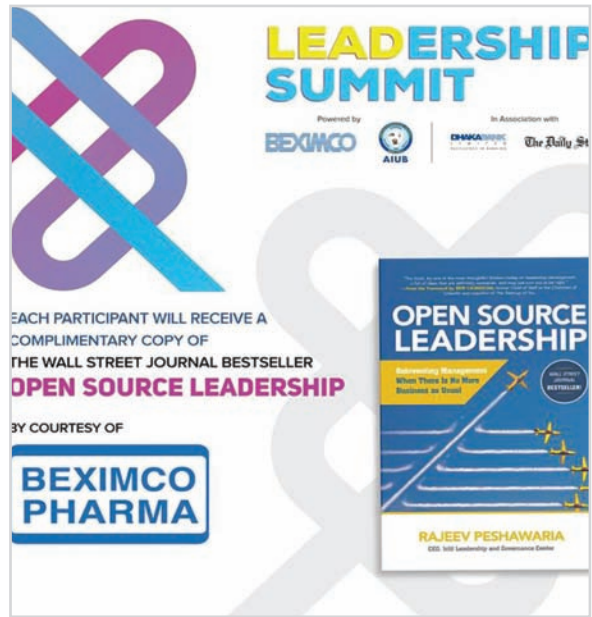
7th Kibria International Print Fair 2018

Beximco Pharma, as a responsible corporation, extends support to initiatives that promote and celebrate Bangladeshi arts and culture. BPL was the proud sponsor of 7th Kibria International Print Fair 2018, held during February 15-17, at Zainul Gallery, Faculty of Fine Art, DU. Cultural Affairs Minister Asaduzzaman Noor inaugurated the fair while renowned artist Rafiqun Nabi attended the event as special guest. Eminent and young printmakers from various institutes and organisations from Bangladesh, India and Spain exhibited their works at the event.



5th Leadership Summit 2018

5th Leadership Summit 2018, organized by Bangladesh Brand Forum, was held on April 07 at Le Meridien, Dhaka. Beximco Group was the key sponsor of this event while Beximco Pharma sponsored the Wall Street Journal Bestseller Book "Open Source Leadership" by Rajeev Peshawaria. This book was distributed to all the participants of the summit.



Corporate Events



Contribution to Worker's Welfare Foundation Fund

A part of Beximco Pharmaceuticals Ltd profit was handed over to the Bangladesh Workers' Welfare Foundation Fund by Mr. Rabbur Reza to the Honorable State Minister, Ministry of Labor and Employment.



Annual Cultural Program

Management of Beximco Pharma attended the Annual Cultural Program – 2018 organized by Beximco Sramik-o-Karmachari Union on March 02, 2018 at Factory Complex. In this event, management of BPL handed over prize money, insignia, certificates, stipend money, to the meritorious children of factory's permanent staffs as a part of CSR.



Inter- Department Cricket Tournament 2018

With a view to promote sports and fitness among employees, the Inter-Department cricket Tournament of BPL was arranged on March 23, 2018.



Inter-Department Volleyball Tournament

With the view to promote sports and fitness among employees, the BPL Inter-Dept. Volleyball Tournament was held on 13 October, 2017.

Annual Factory Picnic 2018

Annual Picnic of factory was held on January 26, 2018, at Shilpi Kunjo, Chandra, Gazipur.





Annual Sales & Marketing Conference, 2017-18



Annual Finance Conference, 2017-18



Strategic Briefing



Managing Director of Beximco Pharma Nazmul Hassan, Chief Operating Officer Rabbur Reza and Director of Marketing Rizvi Ul Kabir with Marketing and Sales team took part in the companys strategic discussion held in Istanbul, Turkey.

Forecast Meeting FY 2018-19



'Forecast Meeting' for the financial year 2018-19 was held on April 26, 2018 in Kolkata, India. Managing Director of Beximco Pharma Nazmul Hassan, with Marketing and Sales team took part in the day long discussion.

Notice of Annual General Meeting

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

NOTICE OF THE FORTY-SECOND ANNUAL GENERAL MEETING

Notice is hereby given that the Forty-second Annual General Meeting of the Shareholders of Beximco Pharmaceuticals Limited will be held on Saturday, the 22nd December, 2018 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 on 30th June, 2018 together with reports of the Auditors and the Directors thereon.

2. To declare 12.5% Cash Dividend.

3. To elect Directors.

4. To appoint Auditors for the year 2018-2019 and to fix their remuneration.

5. To appoint Corporate Governance Compliance Auditor for the year 2018-2019 and to fix remuneration.

By order of the Board,

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

Dated: November 29, 2018

NOTES:

(1) The Shareholders whose names appeared in the Share Register of the Company or in the Depository Register on the record date i.e. 26 November, 2018, will be entitled to attend at the Annual General Meeting and to receive the dividend.

(2) A Member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting.

(3) 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).

(4) **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.**

MARSTOCK

Chairman's Statement



Dear Shareholders,

I am delighted to share that for the tenth consecutive year, the Company is reporting growth in sales and profit. As I look back in 2007 which was a difficult year for the Company, we noted a 3% negative growth in sales at Tk. 3,597.0 million. Our domestic sales revenue in that year was Tk. 3,474.2 million while the export was a meager Tk. 122.8 million. But we turned around in the immediate next year and from there on, continuing the growth momentum doubled our sale every five years. As we report today, our consolidated domestic and export sales revenue stands at Tk. 16,239.7 and Tk. 1,477.0 million, respectively. This is undeniably an achievement that deserves appreciation. The report of the Directors and the Financial Statements annexed thereto provides details of the operating and financial performance of the Company and you will find that the Company is moving towards the right direction.

This year we acquired Nuvista Pharma -our first ever acquisition, setting a new milestone for the Pharmaceutical Industry of the country. This strategic acquisition will further reinforce our position in the domestic market and accelerate growth. Although Nuvista's financials for the three-month post-acquisition period shows a loss of Tk. 23.3 million, I am confident that re-organized Nuvista under its competent new management will turn to be a worthy investment.

Government has declared Active Pharmaceutical Ingredient (API) and Lab Regent Production and Export Policy to promote local production of API substituting import. The policy offers some Incentive packages attractive to the API industry. We have taken initiative to set up an exclusive API manufacturing facility in the dedicated API Industrial Park developed by the government to avail the growth opportunities.

As I reported last year, we are making significant investments in manufacturing facilities to build and expand capacity to secure sustainable growth. You will find in this report, several such projects are now in progress. We completed manufacturing of validation batches in our human insulin facility and have rescheduled the commercial launch of Insulin by the first quarter of 2019 that misses the initial target due to practical reasons. Our largest expansion project (Unit III) to manufacture oral solid, liquid and semi-solid products is now expected to be completed by end of the third quarter instead of the earlier estimate of first quarter of 2019.

We keep on driving our strategies to expand our share in the domestic market and achieve export-led accelerated growth in the longer term. We are mindful of the challenges ahead to become one of the most admired and successful companies in the region. Our success so far has given us a solid foothold to further move forward our ambition and I remain confident that we are taking the appropriate actions to grow and deliver results for our shareholders.

Members of the Board of Directors have extended their unceasing co-operation throughout the year. I convey my heartfelt gratitude to them. Employees of the Company deserve special recognition for their devoted services. I acknowledge the support and co-operation we have received from our bankers, suppliers, doctors' community, healthcare professionals, the regulatory bodies, government agencies and every other person with whom we have interacted in the conduct of our business., Finally, I am grateful to you-our valued shareholders, for your continued confidence in us.

Thanking you

A S F Rahman
Chairman

চেয়ারম্যানের প্রতিবেদন

সম্মানিত শেয়ারহোল্ডারবৃন্দ,

আমি অত্যন্ত আনন্দের সাথে জানাচ্ছি যে, কোম্পানী তার ক্রমাগত উন্নয়নের ধারা অব্যাহত রেখে এ বছরও বিক্রয় ও মুনাফা খাতে প্রবৃদ্ধি অর্জনে সক্ষম হয়েছে। এ নিয়ে অবিচ্ছিন্ন দশম বারের মতো আমরা বিক্রয় ও মুনাফার প্রবৃদ্ধি সম্বলিত প্রতিবেদন আপনাদের সামনে উপস্থাপন করছি।

পিছনে তাকালে আমরা দেখতে পাই ২০০৭ সালে আমাদের বিক্রয় ছিল ৩,৫৯৭ মিলিয়ন টাকা যা পূর্ববর্তী বছরের তুলনায় ৩% কম। সে বছর আমাদের অভ্যন্তরীণ বিক্রয় ছিল ৩,৪৭৪.২ মিলিয়ন টাকা এবং রপ্তানি ছিল মাত্র ১২২.৮ মিলিয়ন টাকা। কিন্তু পরবর্তী বছরে আমরা ঘুরে দাঁড়াই এবং তখন থেকে ক্রমোন্নয়নের নিরবচ্ছিন্ন ধারা অব্যাহত রেখে প্রতি পাঁচ বছরে আমরা আমাদের বিক্রয় দ্বিগুণ করতে সক্ষম হই। এরই ধারাবাহিকতায় বর্তমানে আমাদের অভ্যন্তরীণ ও রপ্তানি বিক্রয়ের পরিমাণ দাঁড়িয়েছে যথাক্রমে ১৬,২৩৯.৭ মিলিয়ন ও ১,৪৭৭.০ মিলিয়ন টাকা। এটি নিঃসন্দেহে প্রশংসার দাবী রাখে।

এ বছর আমরা নুভিস্তা ফার্মা অধিগ্রহণ করেছি। এটি আমাদের প্রথম কোন অধিগ্রহণ এবং বাংলাদেশের ফার্মাসিউটিক্যালস ইন্ডাষ্ট্রির জন্য নতুন এক মাইলফলক। এই কৌশলগত অধিগ্রহণ অভ্যন্তরীণ বাজারে আমাদের অবস্থানকে আরও শক্তিশালী করবে। যদিও কনসোলিডেটেড আর্থিক প্রতিবেদন অনুসারে অধিগ্রহণ পরবর্তী তিন মাস সময়ে নুভিস্তার আর্থিক ক্ষতির পরিমাণ ২৩.৩ মিলিয়ন টাকা, আমি নিশ্চিত যে পুনর্গঠিত নুভিস্তা তার নতুন দক্ষ ব্যবস্থাপনার অধীনে একটি লাভজনক প্রতিষ্ঠানে পরিণত হবে।

এ পি আই এর স্থানীয় উৎপাদন উৎসাহিতকরণ এর মাধ্যমে আমদানি নির্ভরতা কমানোর জন্য সরকার এ পি আই এবং ল্যাব রি-এজেন্ট উৎপাদন ও রপ্তানি নীতিমালা ঘোষণা করেছে। এই নীতিমালায় এপিআই শিল্পের জন্য আকর্ষণীয় কিছু প্রণোদনার প্রস্তাব করা হয়েছে। আমরা সরকার কর্তৃক স্থাপিত এ পি আই ইন্ডাষ্ট্রিয়াল পার্কে একটি স্বতন্ত্র এপিআই উৎপাদন অবকাঠামো স্থাপনের উদ্যোগ নিয়েছি যা আমাদের ব্যবসা উন্নয়নের সহায়ক হবে।

গত বছরের প্রতিবেদনে আমি আপনাদের জানিয়েছিলাম যে টেকসই প্রবৃদ্ধি অর্জনের লক্ষ্যে উৎপাদন অবকাঠামো নির্মাণ এবং সম্প্রসারণ করার জন্য আমরা উল্লেখযোগ্য পরিমান বিনিয়োগ করছি। এ বছরের বার্ষিক প্রতিবেদনে এ ধরনের কিছু চলমান প্রকল্পের উল্লেখ রয়েছে। আমাদের ইনসুলিন প্রকল্পে ভ্যালিডেশন ব্যাচের উৎপাদন সম্পন্ন হয়েছে এবং আমরা আশা করছি ২০১৯ সালের প্রথম প্রান্তিকে আমরা ইনসুলিন বাজারে ছাড়তে সক্ষম হব। বাস্তবসম্মত বিভিন্ন কারণে এর বাণিজ্যিক উৎপাদন কিছুটা বিলম্বিত হয়েছে। ওরাল সলিড, সেমি সলিড এবং লিকুইড প্রডাক্ট উৎপাদনের লক্ষ্যে গৃহীত আমাদের সর্ববৃহৎ সম্প্রসারণ প্রকল্প ইউনিট-৩ এর কাজ ২০১৯ সালের তৃতীয় প্রান্তিকে সমাপ্ত হবে বলে আমরা আশা করছি। পূর্ববর্তী প্রাক্কলন অনুযায়ী এই প্রকল্পটি ২০১৯ সালের প্রথম প্রান্তিকে শেষ হওয়ার কথা ছিল।

অভ্যন্তরীণ বাজার দখলদারিত্ব সম্প্রসারণ এবং দীর্ঘমেয়াদে রপ্তানীখাত থেকে আয় বাড়িয়ে কোম্পানির প্রবৃদ্ধি ত্বরান্বিত করার লক্ষ্যে আমরা আমাদের কার্যক্রম চালিয়ে যাচ্ছি। বেক্সিমকো ফার্মাকে আমরা এ অঞ্চলের সবচেয়ে প্রশংসিত এবং সফল কোম্পানি হিসেবে প্রতিষ্ঠিত করতে চাই। এই লক্ষ্য অর্জনের ক্ষেত্রে যে সমস্ত চ্যালেঞ্জ রয়েছে আমরা সে ব্যাপারে সচেতন। আমাদের অর্জিত সাফল্য আমাদেরকে অনুপ্রাণিত করে। আমি দৃঢ়ভাবে বিশ্বাস করি কোম্পানির প্রবৃদ্ধির ধারাকে অব্যাহত রেখে শেয়ারহোল্ডারদের কাঙ্খিত সুফল প্রদানের জন্য আমরা সঠিক পথেই এগুচ্ছি।

পরিচালনা পর্ষদের সদস্যবৃন্দ সারা বছর ধরে তাদের অবিরাম সহযোগিতা অব্যাহত রেখেছেন। তাদের প্রতি আমি আমার আন্তরিক কৃতজ্ঞতা প্রকাশ করছি। কোম্পানীর কর্মীবৃন্দ তাদের নিবেদিত সেবার জন্য বিশেষ স্বীকৃতির দাবি রাখে। আমরা আমাদের ব্যাংকার, সরবরাহকারী, চিকিৎসকবৃন্দ, পেশাদার স্বাস্থ্যসেবা কর্মী, নিয়ন্ত্রক সংস্থা, বিভিন্ন সরকারী সংস্থা এবং আমাদের ব্যবসা পরিচালনার সাথে সম্পর্কিত প্রত্যেকের কাছ থেকে প্রাপ্ত সহায়তা ও সহযোগিতার কথা আন্তরিকভাবে স্বীকার করছি। পরিশেষে, আমাদের উপর অব্যাহত আস্থা রাখার জন্য আমি, আমাদের সম্মানিত শেয়ারহোল্ডারবৃন্দকে আন্তরিকভাবে কৃতজ্ঞা জানাচ্ছি।

ধন্যবাদান্তে

এএসএফ রহমান
চেয়ারম্যান

Report of the Directors to the Shareholders

I am pleased to place before you the Directors' Report and the Audited Accounts of the company for the year ended 30 June, 2018 along with the report of the auditors thereon.

Economic Overview

Bangladesh macroeconomic report portrays a positive performance with impressive GDP growth, per capita income and steady inflation. Exceeding the initial target, Bangladesh achieved the highest-ever 7.86% GDP growth in the last fiscal year (2017-18). Industrial, Service and Agriculture sectors which increased by 12.06 percent, 6.39 percent and 4.19 percent respectively, contributed to the GDP growth. The per capita income has improved by 8.75 percent to $1,751 in the FY 2017-18. Inflation rate below 6% though remained under control, the domestic currency against its principal foreign currency US Dollar declined by 4% on point-to-point basis. There have been no disruptive political activities throughout the period. The political stability coupled with a remarkable performance of the economy helped sustain the continued growth of the pharmaceuticals sector.

The lending interest rates of the commercial banks have somewhat declined yielding to the appeal of the business community and directives from the central bank but remains at double digit level. This is predicted to have positive impact on investment.

Government has declared Pharmaceuticals including their raw materials as the "Product of the Year" 2018 recognizing the importance of the pharmaceuticals sector in the country's economy. Following this, a policy gazette titled "National Policy on API (Active Pharmaceutical Ingredients) and Laboratory Reagents production and Export" was passed in May 2018 to encourage local manufacture of APIs as a backward linkage to cater to the requirement of the domestic pharmaceutical formulations companies and to reduce dependence on import. The policy offers several fiscal and non-fiscal incentive measures including tax holidays, exemptions from Value Added Tax, 20% cash incentives for export, a liberal credit policy, priority in government procurement etc. among others. Different authorities and agencies involved will now develop operating procedures to implement the policy which is expected to take time. Additionally, the Government has declared 10% cash incentives for export of pharmaceutical along with specific other products for the fiscal year 2018-19. The exporters of medicine subject to certain conditions will get 10% of the value of export in cash from the government. The Pharmaceutical Industry of the country will be benefited from the supportive policies of the government.

Review of Operations

The Company for the first time is reporting consolidated financial statements due to its recent acquisition of the majority stake of Nuvista Pharma. We completed the acquisition deal on April 2, 2018 and as such the consolidated financial statements include Nuvista's operating results for the post-acquisition period of three months only.

I am happy to inform that besides achieving sales and profit targets, the Company in 2017-18 has well progressed to achieve its operational targets setting several milestones and thus strengthened its strategic positioning. I would like to highlight the following for your consideration and informed judgments;

Acquisition of Nuvista Pharma

As you already know, Beximco Pharmaceuticals Limited has acquired 85.22% stake in Nuvista Pharma Limited, a leading pharmaceuticals company in Bangladesh specializing in hormones and steroid drugs. This is the first ever acquisition of the Company and the country's pharmaceutical industry. Nuvista, formerly Organon (Bangladesh) Ltd., was a subsidiary of Netherlands based Organon International. It was sold to the Bangladeshi management in 2006.Nuvista has been operating in Bangladesh since 1964, with a local manufacturing facility at Tongi, Dhaka.

Immediately after the acquisition, the Board of Directors of Nuvista was reconstructed. The four-member Nuvista Board now comprises three nominees from Beximco Pharma and one member from the Ministry of Industries of Government of Bangladesh who holds 12.92 percent of the paid up capital of the company. Mr. Nazmul Hassan, Managing Director and

Mr. Rabbur Reza, Chief Operating Officer of Beximco Pharma have been appointed as Chairman and Managing Director respectively, of Nuvista Pharma. In a competitive domestic market, the acquisition of Nuvista is a good strategic fit for the Company as their strong position in hormones and steroids, with a unique portfolio of 50 generic products, complements Beximco Pharma's existing product range. We are now concentrating on integration and re-alignment of Nuvista's business and operating models for accelerated growth.

Sales Performance

During the period under discussion the Company attained consolidated net sales of Tk. 17,716.7 million as against Tk. 15,508.8 million representing significant 14.2% overall growth. The current period however, includes three month's sales of the subsidiary Nuvisata Pharma which was not there in the prior period.

Beximco Pharma standalone analysis reveals that the domestic market sales grew by an impressive 10.2% to reach at Tk. 15,903.8 million as compared to Tk. 14,430.3 million of the preceding year. Our winning sales management strategies resulted expected growth in all our key therapeutic segments. Consequent to our consistent effort to expand international penetration, the export revenue increased to Tk. 1477.0 million registering an inspiring 37% rise over comparable previous period. Export now makes up 8.5% of our overall sales. During the year, we completed 46 registrations of 38 products in 22 countries; started export to Canada setting another milestone as the first Bangladeshi Company; and entered three other overseas markets- Botswana, Zambia and Uzbekistan. Since export of our first product- Carvedilol in August 2016, we have as of date, received approval of six products from the US Food and Drug Administration and commenced export of four products in the US market.

Profitability

Along with sales the Company maintained its profit growth. The consolidated pre-tax profit stands at Tk. 3,361.3 million as against Tk. 2,891.5 million earned in 2016-17 representing 16.3% YoY increase (16.4% on standalone basis). Gross margin as a percentage of sales improved despite depreciation of Taka against dollar, due to leveraging effect of increased sales volume. The operating expenses remained contained at 24.0% (23.8% on a standalone basis) of sales as against 24.1% of the prior period. The consolidated net profit rose by 13.7% (14.92% standalone basis) to Tk. 2,532.7 million as against Tk. 2,226.7 million.

Credit Rating

In August 2018, Credit Rating Information and Services Limited (CRISL)- the country's leading Credit Rating company having Joint Venture with JCR-VIS Credit Rating Company Limited, Pakistan, has assigned AA+(Pronounced as Double A plus) rating in the long term and ST-1 rating in the short term to Beximco Pharmaceuticals Limited.

Amendments to Memorandum and Articles of Associations

The board of Directors has decided to amend certain clauses of Memorandum and Articles of Association of the Company. An Extra-ordinary General Meeting has been convened for this purpose. Amendments to the MoA and AoA are required to accommodate the changing business needs and make them time befitting.

Formation of Beximco Pharma API Limited

We reported last year that Beximco Pharma has got the allotment of two plots measuring 654 decimals in the API Industrial Park at Munshiganj, exclusively built to accommodate API manufacturing facilities. In the meantime, Government has declared API and Lab Reagent Production and Export policy to promote API manufacturing sector aiming to reduce dependence on import. As mentioned in the earlier section of this report, a package of incentives has been proposed in the said policy. Subsequent to the date of Financial Position, the Company has formed an entity named Beximco Pharma API Limited with a paid up capital of Tk. 20 million divided into 2 million shares of Tk. 10 each. The proposed Beximco Pharma API limited is a 100% subsidiary of Beximco Pharmaceuticals Limited. Since Bangladesh Company law does not permit formation of single ownership company, we have allotted a nominal 10 shares to an individual to comply with the regulatory requirement.

Determining Nuvista's Fair Values at Acquisition

The Company engaged PricewaterhouseCoopers Bangladesh Pvt. Ltd. to provide estimates of the Fair Value of assets as per criteria set out in Bangladesh Financial Reporting Standard 3 (BFRS 3). Management has considered the report of the said independent firm in allocating the total consideration paid for the acquisition among various classes of acquired assets in compliance to the requirement of IFRS/BFRS 3. Note 3.6 of the annexed consolidated financial statements provides further details on the valuation.

Profit and Its Appropriation

	Beximco Pharmaceuticals Limited		Consolidated
	2017-18	2016-17	2017-18
Net Profit After Tax	2,558,971	2,226,695	2,532,654
Adjustment for depreciation of Revalued Assets	10,383	11,757	10,383
From brought forward from previous year	12,061,774	10,330,267	12,061,774
Profit Available for Appropriation	**14,631,128**	**12,568,719**	**14,604,811**
Proposed Dividend:			
Cash Dividend	(506,945)	(506,945)	(506,945)
Profit Carried Forward	**14,124,183**	**12,061,774**	**14,097,866**

Dividend

The Board of Directors recommends 12.50% Cash Dividend i.e. Tk. 1.25 per share for the year ended 30 June, 2018 for onward approval in the Annual General Meeting.

Retirement and Re-election of Directors

Mr. Salman F Rahman and Mr. Iqbal Ahmed, 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.

Salman F Rahman is co-founder of the Beximco Group. He 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.

Besides being the Vice Chairman of Beximco Group of companies, he has held key positions in many business and industry associations which include 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, among others.

Currently he is the Chairman of the Board of Editors of "The Independent" an English daily newspaper in Bangladesh and Chairman of Abahani Limited, a prominent sporting club in Bangladesh. He was the President of Bangladesh Association of Pharmaceutical Industries and Bangladesh Association of Publicly Listed Companies. Mr. Rahman has many accolades to his name.

Mr. Iqbal Ahmed is the member of the Board of Directors in a number of entities within the Beximco Group of companies including Beximco Limited, Shinepukur Ceramics Limited, Beximco Synthetics Limited. He received his Bachelor's Degree in Science from the University of Dhaka in 1966. Mr. Ahmed was the publisher of "The Independent" an English daily newspaper in Bangladesh.

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 41st Annual General Meeting of the Company has carried out the audit for the year ended 30 June 2018.

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 2018-19. The board after due consideration of the proposal made by the Audit Committee recommends for reappointment of M. J. Abedin & Co., Chartered Accountants as auditors for the year 2018-19.

Statement of Directors on Financial Reports

Directors are pleased to report the following:

- 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.
- Proper books of accounts of the Company have been maintained.
- 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.
- 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.
- Internal Control System is sound in design and has been effectively implemented and monitored.
- There is no significant doubt about the ability of the Company to continue as a going concern.

Risks and Concerns

Enterprises are not free from risks that might arise both from internal and external fronts. Like any other business or industry, Beximco Pharmaceuticals operating in a dynamic and competitive market, is also exposed to risks that may affect its business.

The growth of pharmaceutical Industry in Bangladesh is predominantly driven by individual private spending which depends on the economic advancement and consequent increase in the purchasing power of the people. Any decline in economic growth could, as for any other industry, impact the future demand for pharmaceuticals. Bangladesh however, maintained a steady economic progress over the years with substantial uplift in all socio-economic indexes and it is anticipated that the trend will continue in the immediate future years. Bangladesh has set its goal to turn into a middle income country by 2021. Improvement in the standard of living, education and increased health awareness reinforced by added purchasing power is expected to trigger the demand for healthcare products in the coming years.

The Company operates in a competitive domestic market. Retention and expansion of the existing market share of different therapeutics categories and addition of new products in line with the changing demand of the market are the key to achieve the desired revenue and profit targets. Beximco Pharmaceuticals has talented marketing and sales team with the proven record of success. Its strong R & D team is unrelentingly focused on development and improvement of product, process and technology to match the evolving needs.

The Company like other pharmaceutical companies of the country is dependent on import for its APIs. Any substantial increase in prices in the international market may affect future profitability. Beximco Pharma buys its raw materials from

different sources across the world at competitive prices. The Company is not reliant on any single supplier for its materials and therefore reduces the individual supplier's influence on procurement prices. Likewise, its customer base is also well diversified.

Uncertainties emanating from significant changes in the pharmaceutical policy and regulations, tax regime along with unforeseen political instability may also threaten the growth potential of the pharmaceutical sector.

Periodic appraisal of risks embedded in the operating activities of the business and deciding on the mitigating measures are part of the routine responsibilities of the senior management of the Company. Management Committee which comprises different functional heads of the Company meets on a monthly basis to discuss operational issues, performance and progress. Depending on the risk, it takes strategic decisions to avoid, reduce, transfer or accommodate the risks arising in the business management process. Additionally, Company's investment decisions go through proper due diligence and decisions are made after appropriate consideration of the related risks and the Company's acceptable risk appetite. The Company intends to earn competitive returns at acceptable risk levels.

Related Party Transaction

Related party transactions are carried out on an arm's length basis. Audit committee while reviewing the financial statements periodically carries out in-depth analysis of the transactions involving related parties. Note 39 of the financial statements provides details of the transactions with the related party.

Certification by the Managing Director and Chief Financial Officer

The Managing Director (Chief Executive Officer) and the Chief Financial Officer have certified to the Board that they have reviewed the Financial Statements for the period 1 July 2017 to 30 June 2018 and to the best of their knowledge and belief:

- 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
- There is no statement which is materially untrue or misleading and there is no omission of facts in such statements
- No transaction has been entered into by the Company which are fraudulent, illegal or in violation of the Company's code of conduct.

Key Operating and Financial Data

The summarized key operating and financial data for 2017-18 and immediately preceding five years is provided as Annexure-1

Board Meetings and Attendance

Twelve Board meetings were held during the year under review. The attendance records of the Directors are as follows:

Directors	Number of meetings attended	Directors	Number of meetings attended
A S F Rahman	9	Salman F Rahman	12
Nazmul Hassan	12	Osman Kaiser Chowdhury	12
Iqbal Ahmed	11	A B Siddiqur Rahman	12
Dr. Abdur Rahman Khan	10	Shah Monjurul Hoque	10

The Pattern of Shareholding

Name-wise details	Shares held
Parent/Subsidiary/Associate Companies and Other Related Parties :	
Beximco Holdings Ltd.	22,634,287
Bangladesh Export Import Company Ltd.	2,899,933
New Dacca Industries Ltd.	9,405,234
Beximco Engineering Ltd.	877,460
National Investment & Finance Company Ltd.	1,169,545
Directors, CEO, Company Secretary, CFO, Head of Internal Audit and their Spouses and Minor Children:	
A S F Rahman, Chairman	8,235,353
Salman F Rahman, Vice Chairman	8,254,632
Nazmul Hassan, Managing Director	13,325
Company Secretary, Spouse and Minor Children	-
Chief Financial Officer, Spouse and Minor Children	-
Head of Internal Audit, Spouse and Minor Children	-
Executives	-
Shareholders holding 10% or more voting interest in the Company	-

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 provided as Annexure - 2.

On behalf of the Board

A S F Rahman
Chairman

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Annexure-1

Key Operating and Financial Data

	As on					
	June30, 2018 (Consolidated)	June 30, 2017	June 30, 2016	December 31, 2014	December 31, 2013	December 31, 2012
						Taka in Thousand
Authorized Capital	9,100,000	9,100,000	9,100,000	9,100,000	9,100,000	9,100,000
Paid up Capital	4,055,564	4,055,564	3,862,442	3,678,516	3,503,349	3,046,390
Shareholders' Equity	27,351,837	25,072,426	23,059,412	20,920,185	19,775,552	18,408,162
Fixed Assets (Gross)	39,081,675	31,692,789	28,756,326	25,818,728	23,051,128	20,316,639
Net Assets Value (NAV) Per Share -Taka	67	62	60	57	56	60
Market Price Per Share (at end of the year)	93.9	113	83.50	58.70	47.20	55.90
Number of shareholders	**57,982**	**62,741**	**67,679**	**89,913**	**92,831**	**86,290**
Foreign Investors	90	92	83	68	68	66
ICB including ICB Investors Account	879	874	878	882	880	898
Sponsors, General Public & Other Institutions	57,013	61,775	66,718	88,963	91,883	85,326
Number of employees	4,256	3,833	3,515	3,063	2,897	2,748

	For the Period / Year					
	July 2017 to June 2018 (Consolidated)	July 2016 to June 2017	July 2015 to June 2016	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2012
						Taka in Thousand
Total Sales	17,716,717	15,508,777	13,785,325	11,206,886	10,490,699	9,289,115
Export Sales	1,476,978	1,078,472	861,653	500,469	671,289	470,116
Gross Profit	8,285,979	7,184,882	6,408,857	5,104,191	4,838,800	4,389,401
Profit Before Tax	3,361,334	2,891,482	2,564,267	2,109,556	2,093,594	1,909,829
Net Profit	2,532,654	2,226,695	1,938,894	1,528,298	1,404,763	1,319,389
Dividend:						
Stock	-	-	5%*	5%	5%	15%
Cash	12.5%	12.5%	15%*	10%	10%	-
EPS/Restated EPS	6.25	5.49	4.78	3.96	3.82	3.77
Price Earning Ratio (Time)	15.02	20.58	17.47	14.82	12.36	14.83

*Declared considering accounts for 18 months period.

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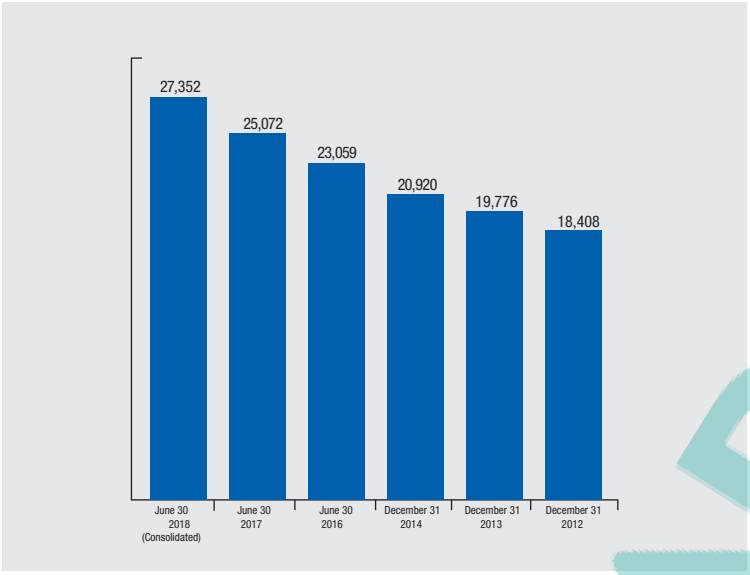
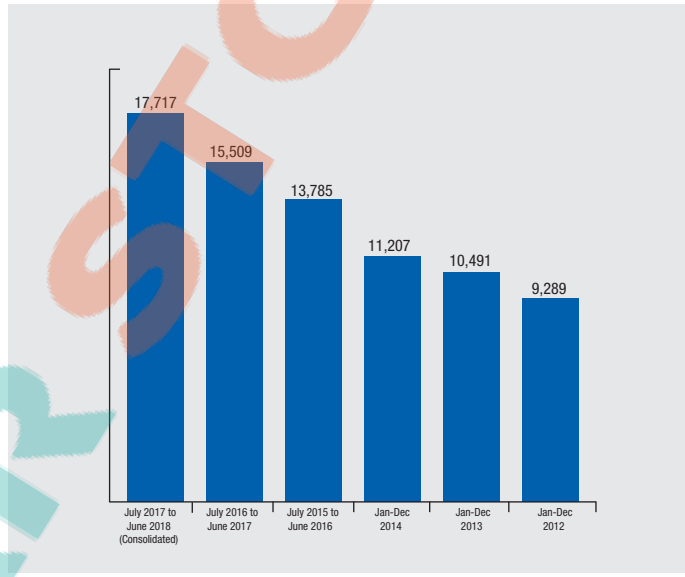
Graphical View of Selected Growth Indicators

Taka in million

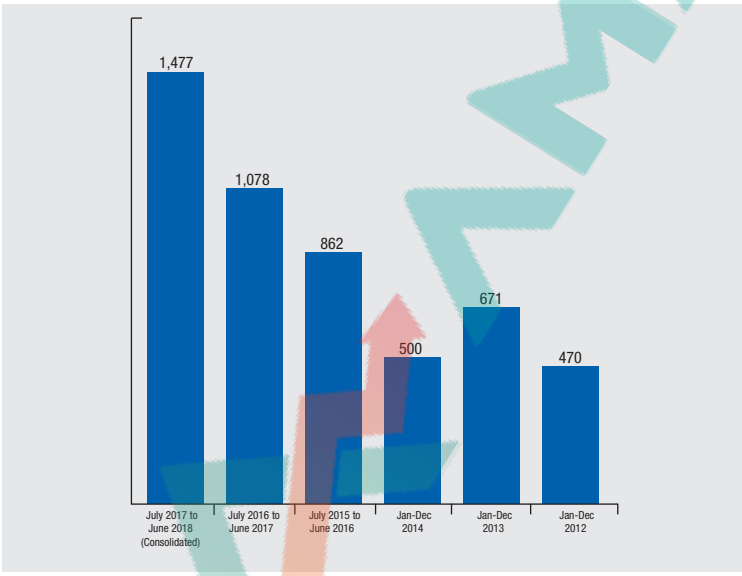
Shareholders' Equity



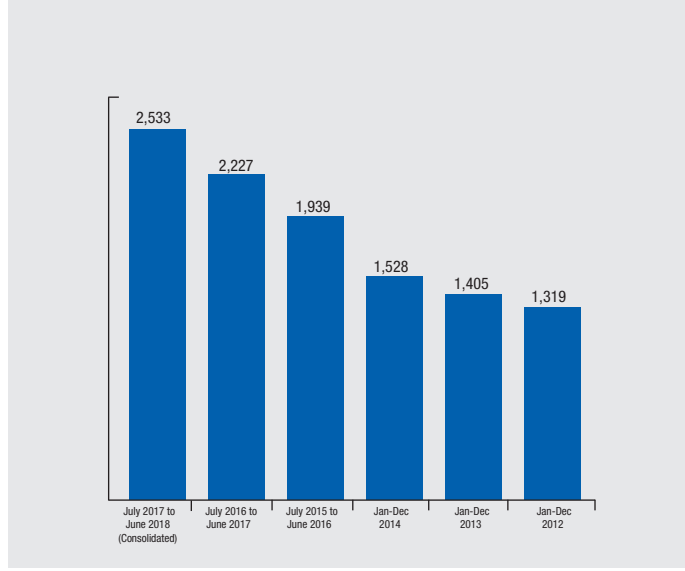
Total Sales



Export Sales



Net Profit



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Annexure-2

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	√		
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 the period under review except Managing Director for serving as Chief Executive and Directors including 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	√		
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	√		
5 (ii)	One ID to be in both holding and subsidiary company	√		
5 (iii)	Minutes of Board meetings of subsidiary company to be placed at following Board meeting of holding company	√		
5 (iv)	Minutes of respective Board meeting of holding company to state that affairs of subsidiary company be reviewed	√		
5 (v)	Audit Committee of holding company to review financial statements/ investments of subsidiary company	√		
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	√		Annexure-3
7 (ii)	To state, in accordance with annexure, in directors' report whether the conditions has been complied with	√		

SARashid & Associates
(Chartered Secretaries)
Noakhali Tower (12th Floor, 13-D)
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E-mail : sarashid12000@yahoo.com, sarashidnasso@gmail.com

S. Abdur Rashid FCS
MBS, MBA (Finance), PGDHRM, LLB, **AIPM**
Chartered Secretary in Practice
Private Practice Certificate No.: 003

Report to the Shareholders of Beximco Pharmaceuticals Limited on Compliance on the Corporate Governance Guidelines

We have examined the compliance status to the Corporate Governance Guidelines by Beximco Pharmaceuticals Limited for the year ended on 30 June 2018. This Guidelines relates to the Notification No. SEC/CMRRCD/ 2006-158/134/Admin/44 dated 07 August 2012 of the Bangladesh Securities and Exchange Commission.

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

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Guidelines.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion, the Company has complied with the conditions of the Corporate Governance Guidelines.

For
SARashid & Associates

S. Abdur Rashid FCS
Chartered Secretary in Practice

Place : Dhaka
Dated : 15 November 2018

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Report of the Audit Committee

The principal purpose of the Audit Committee is to assist the Board in effective fulfillment of its oversight responsibilities. The Committee has distinct terms of reference (TOR) developed conforming to the Code of Corporate Governance issued by the Bangladesh Securities and Exchange Commission which includes but not confined to overseeing the financial reporting process, monitoring accounting policies and principles, evaluating internal control risk management practices, reviewing the statement of significant related party transactions, assessing potential conflict of interests, etc. This report outlines the activities conducted by the Audit Committee throughout the year.

The Committee

The Audit Committee comprises three members of the Board- two of them are Independent Directors. Dr. Abdur Rahman Khan- an Independent Director is the present Chair while Mr. Mohammad Asad Ullah, FCS is the ex-officio secretary. The Committee held four meetings during the review period.

The membership of the Audit Committee together with their attendance at the meeting is given below:

Membership	Designation	Position in the Committee	Attendance in Meeting
Dr. Abdur Rahman Khan	Independent Director	Chairman	4/4
Shah Monjurul Hoque	Independent Director	Member	4/4
Osman Kaiser Chowdhury	Director	Member	4/4
Mohammad Asad Ullah, FCS	Executive Director & Company Secretary	Secretary	4/4

Review of Financial Statements

The Audit Committee in its meeting held on 23 October 2018 reviewed along with management, the Financial Statements and the report of the auditor for the year ending on June 30, 2018. During the meeting the Chief Financial Officer presented the annual accounts along with the independent auditors report to the committee. CFO briefed the Committee that the Company for the first time is presenting consolidated financial statements due to its recent acquisition of the majority stake of Nuvista Pharma which as per International Accounting Standard is to be dealt with as a subsidiary. The committee in detail looked into the compliance of the disclosure provisions as per IFRS/IAS/BFRS and other regulatory authorities including BSEC. They further discussed the financial reporting process and the adequacy of the internal control in place to prevent errors and fraudulent activities.

The Committee carefully examined the related party transactions carried out between different associated companies including the subsidiary. The committee was well satisfied that the related party transactions were made on an arm's length basis in the normal course of business and the transactions have been appropriately disclosed in the financial statements. The independent auditors' report also did not contain any material audit observation that called for the boards' consideration. The committee being satisfied authorized for onward submission of the Audited Financial Statements to the Board for approval.

Additionally, during the year the Committee met three other occasions to review among others, the Interim Un-audited Financial Statements issued by the company at quarter ends. In each instance, the committee held detailed discussions with senior management on different aspects of the financial statements to ensure accuracy, consistency and compliance of the reports in all material aspects. The committee also considered the related party transactions and found that all related party transactions were made on an arm's length basis.

In reliance to the reviews and considerations of the Audit Committee the Board in each case approved the Financial Statements including the Annual Audited Financial Statements for release to the shareholders.

External Auditor

The Committee assessed the independence, objectivity and expertise of the independent auditors engaged to carry out the Audit for the year 2017-18. Based on the evaluation the Committee has proposed the Board to re-engage existing auditors M/S M J Abedin & Company, Chartered Accountants, for the year 2018-19 which shall be subject to the approval of the shareholders in the Annual General Meeting.

Discussion on Revised Code of Corporate Governance

BSEC on 3 June 2018 issued a revised Code of Corporate Governance for the listed companies which shall be effective from 31 December 2018. The Secretary made a presentation before the Committee on the changes in the amended code from the existing guidelines. The revised Code requires among others forming a Nomination and Remuneration Committee with terms of reference specified therein. The Committee had a thorough discussion on the issues and provided necessary directives to the management to take appropriate measures for their compliance. The Committee forwarded its recommendation to the Board to set up a Nomination and Remuneration Committee in compliance to the updated codes.



Dr. Abdur Rahman Khan

Chairman

AMAR STOCK

Shareholders' Meeting



The 41st Annual General Meeting of the shareholders of Beximco Pharmaceuticals Limited was held on December 23, 2017 at Beximco Industrial Park, Saravo, Kashimpur, Gazipur. Mr. Salman F Rahman, Vice Chairman of the Company presided over the meeting. Performance of the company as well as future strategies were briefly discussed in the meeting. All resolutions put before the shareholders were duly passed including the agenda of paying 12. 5% final cash dividend for the year ended 30 June, 2017 and considering and approving the proposed acquisition of majority Shareholdings of Nuvista Pharma Limited as per the terms of the MoU authorized by the Board. At the end of the meeting Vice Chairman expressed his appreciation towards shareholders for their interest in the company and their continued support.











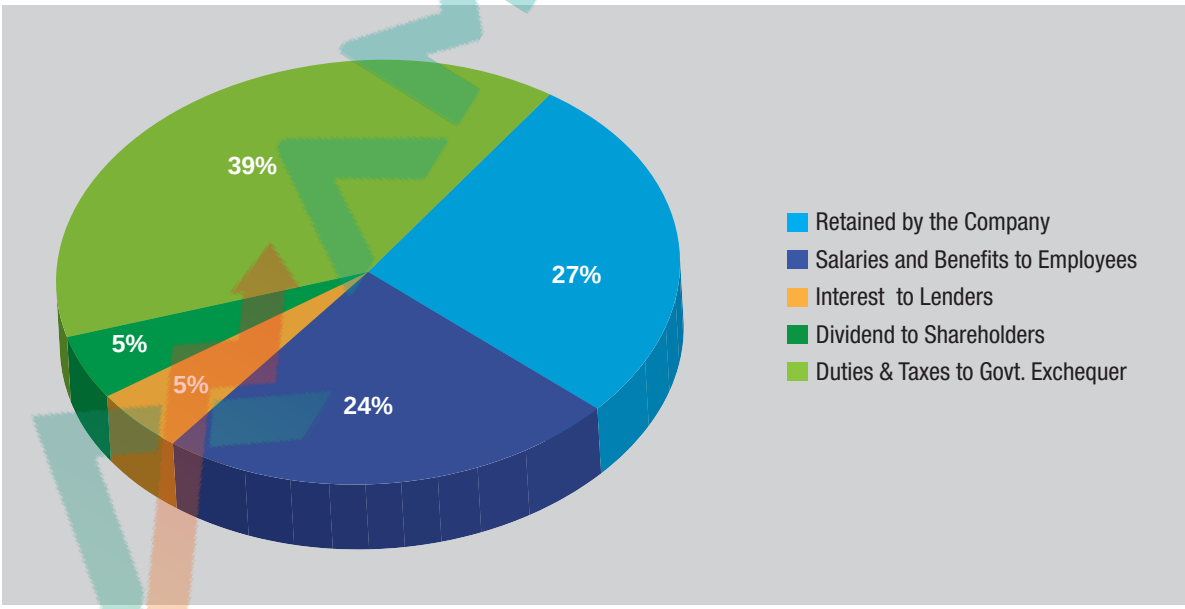


Audit Committee

Value Added Statement

For the Year Ended June, 2018

		Taka in thousand
	Tk.	**%**
Value Added :		
Sales & Other Income	20,688,842	
Bought-in-Materials & Services	(9,791,900)	
	10,896,942	**100**
Applications :		
Retained by the Company	2,907,677	27
Salaries and Benefits to Employees	2,649,774	24
Interest to Lenders	540,283	5
Dividend to Shareholders	506,946	5
Duties & Taxes to Govt. Exchequer	4,292,262	39
	10,896,942	**100**



AMAR STOCK

Audited Financial Statements-Consolidated

Beximco Pharmaceuticals Ltd and its Subsidiary
Consolidated Audited Financial Statements
For the Year Ended June 30, 2018

AMAR STOCK

Independent Auditors' Report

To The Shareholders of

Beximco Pharmaceuticals Limited and its Subsidiary

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Beximco Pharmaceuticals Limited, which comprises the Consolidated Statement of Financial Position as at 30 June 2018, the Consolidated Statement of Profit or Loss and other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year from 01 July 2017 to 30 June 2018 then ended and a summary of significant accounting policies and other relevant explanatory notes.

The Financial statements of the same period of the subsidiary Nuvista Pharma Limited was audited by A. Qasem & Co. Chartered Accountants, who through their report dated 13 October 2018 expressed an unmodified opinion on those statements.

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), and Bangladesh Accounting Standards (BASs), 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 consolidated financial statements give a true and fair view of the financial position of the Company as at 30 June 2018, 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 Consolidated Statement of Financial Position (Balance Sheet) and Consolidated 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
October 25, 2018

M. J. Abedin & Co.
Chartered Accountants

Beximco Pharmaceuticals Limited and its Subsidiary

Consolidated Statement of Financial Position

As at June 30, 2018

	Notes	Amount in Taka
ASSETS		
Non-Current Assets		**32,394,686,712**
Property, Plant and Equipment- Carrying Value	4	30,524,692,707
Intangible Assets	5	1,280,695,416
Goodwill	6	546,691,213
Investment in Shares	7	36,507,658
Other Non-current Assets	8	6,099,718
Current Assets		**11,344,199,700**
Inventories	9	5,058,847,681
Spares & Supplies	10	663,911,096
Accounts Receivable	11	2,761,509,393
Loans, Advances and Deposits	12	2,094,229,902
Advance Income Tax		32,568,508
Short Term Investment	13	339,397,174
Cash and Cash Equivalents	14	393,735,946
TOTAL ASSETS		**43,738,886,412**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity Attributable to the Owners of the Company		**27,081,962,616**
Issued Share Capital	15	4,055,564,450
Share Premium		5,269,474,690
Excess of Issue Price over Face Value of GDRs		1,689,636,958
Capital Reserve on Merger		294,950,950
Revaluation Surplus		1,159,277,845
Unrealized Gain/(Loss)		4,356,762
Retained Earnings		14,608,700,961
Non-Controlling Interest	16	**269,874,176**
TOTAL EQUITY		**27,351,836,792**
Non-Current Liabilities		**7,368,863,860**
Long Term Borrowings-Net of Current Maturity	17	4,017,425,267
Liability for Gratuity and WPPF & Welfare Funds	18	1,324,166,498
Deferred Tax Liability		2,027,272,095
Current Liabilities and Provisions		**9,018,185,760**
Short Term Borrowings	19	5,600,826,635
Long Term Borrowings-Current Maturity	20	1,568,989,745
Creditors and Other Payables	21	991,712,907
Accrued Expenses	22	418,476,895
Dividend Payable		4,763,126
Income Tax Payable		433,416,452
TOTAL EQUITY AND LIABILITIES		**43,738,886,412**

The Notes are an integral part of the Financial Statements.

Approved and authorized for issue by the Board of Directors on October 25, 2018 and signed for and on behalf of the Board :

Salman F Rahman	**Nazmul Hassan**	**Ali Nawaz**
Vice Chairman	Managing Director	Chief Financial Officer

Per our report of even date.

M. J. Abedin & Co.
Chartered Accountants

Dhaka
October 25, 2018

AMAR STOCK

Beximco Pharmaceuticals Limited and its Subsidiary

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year ended June 30, 2018

	Notes	Amount in Taka
Net Revenue	23	**17,716,716,855**
Cost of Goods Sold	24	(9,430,737,431)
Gross Profit		**8,285,979,424**
Operating Expenses		**(4,259,811,440)**
Administrative Expenses	27	(618,675,127)
Selling, Marketing and Distribution Expenses	28	(3,641,136,313)
Profit from Operations		**4,026,167,984**
Other Income	29	43,757,880
Finance Cost	30	(540,283,443)
Profit Before Contribution to WPPF & Welfare Funds		**3,529,642,421**
Contribution to WPPF & Welfare Funds		(168,308,290)
Profit Before Tax		**3,361,334,131**
Income Tax Expenses	31	**(828,679,830)**
Current Tax		(792,620,241)
Deferred Tax		(36,059,589)
Profit after Tax		**2,532,654,301**
Profit/(Loss) Attributable to:		
Owners of the Company		2,536,543,948
Non-controlling interest		(3,889,647)
		2,532,654,301
Other Comprehensive Income - Unrealized Gain/(Loss)		**481,697**
Total Comprehensive Income for the Year		**2,533,135,998**
Total Comprehensive Income Attributable to:		
Owners of the Company		2,537,025,645
Non-controlling interest		(3,889,647)
		2,533,135,998
Earnings Per Share (EPS)	32	**6.25**

The Notes are an integral part of the Financial Statements.
Approved and authorized for issue by the Board of Directors on October 25, 2018 and signed for and on behalf of the Board :

Salman F Rahman	**Nazmul Hassan**	**Ali Nawaz**
Vice Chairman	Managing Director	Chief Financial Officer

Per our report of even date.

Dhaka
October 25, 2018

M. J. Abedin & Co.
Chartered Accountants

AMAR STOCK

Beximco Pharmaceuticals Limited and its Subsidiary

Consolidated Statement of Changes in Equity

For the Year ended June 30, 2018

Amount in Taka

	Share Capital	Share Premium	Excess of Issue Price over Face Value of GDRs	Capital Reserve on Merger	Revaluation Surplus	Unrealized Gain/ (Loss)	Retained Earnings	Equity attributable to the Owners of the Company	Non-Controlling Interest	Total Equity
Balance as on July 01, 2017	**4,055,564,450**	**5,269,474,690**	**1,689,636,958**	**294,950,950**	**1,190,203,818**	**3,875,065**	**12,568,719,969**	**25,072,425,900**	**-**	**25,072,425,900**
Acquisition of Subsidiary	-	-	-	-	-	-	-	-	273,763,823	273,763,823
Total Comprehensive Income:										
Profit/(Loss) for the Year	-	-	-	-	-	-	2,536,543,948	2,536,543,948	(3,889,647)	2,532,654,301
Other Comprehensive Income/(Loss)	-	-	-	-	-	481,697	-	481,697	-	481,697
Transactions with the Shareholders:										
Cash Dividend	-	-	-	-	-	-	(506,945,556)	(506,945,556)	-	(506,945,556)
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(10,382,600)	-	10,382,600	-	-	-
Adjustment for Deferred Tax on Revalued Assets	-	-	-	-	(20,543,373)	-	-	(20,543,373)	-	(20,543,373)
Balance as on June 30, 2018	**4,055,564,450**	**5,269,474,690**	**1,689,636,958**	**294,950,950**	**1,159,277,845**	**4,356,762**	**14,608,700,961**	**27,081,962,616**	**269,874,176**	**27,351,836,792**
Net Asset Value (NAV) Per Share (Note-33)								**66.78**		

The Notes are an integral part of the Financial Statements.
Approved and authorized for issue by the Board of Directors on October 25, 2018 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
October 25, 2018

BANGLADESH STOCK

Beximco Pharmaceuticals Limited and its Subsidiary

Consolidated Statement of Cash Flows

For the Year ended June 30, 2018

	Notes	Amount in Taka
Cash Flows from Operating Activities :		
Receipts from Customers and Others		17,195,399,333
Payments to Suppliers and Employees		(14,113,012,465)
Cash Generated from Operations		**3,082,386,868**
Interest Paid		(536,570,775)
Interest Received		54,928,425
Income Tax Paid		(781,630,595)
Net Cash Generated from Operating Activities	35	**1,819,113,923**
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment		(4,951,352,340)
Intangible Assets		(106,921,036)
Acquisition of Subsidiary		(2,125,186,000)
Disposal of Property, Plant and Equipment		14,114,722
Dividend Received		1,504,092
Decrease in Short Term Investment		547,179,732
Net Cash Used in Investing Activities		**(6,620,660,830)**
Cash Flows from Financing Activities :		
Net Increase in Long Term Borrowings		1,859,021,877
Net Increase in Short Term Borrowings		3,546,896,539
Dividend Paid		(502,757,959)
Net Cash Generated from Financing Activities		**4,903,160,457**
Increase in Cash and Cash Equivalents		**101,613,550**
Cash and Cash Equivalents at Beginning of Year		292,122,396
Cash and Cash Equivalents at End of Year	14	**393,735,946**
Net Operating Cash Flow Per Share	34	**4.49**

The Notes are an integral part of the Financial Statements.
Approved and authorized for issue by the Board of Directors on October 25, 2018 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
October 25, 2018

M. J. Abedin & Co.
Chartered Accountants

AMAR STOCK

1. The Reporting Entity

1.1. Status of 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. Acquisition of Subsidiary

On April 2, 2018 Beximco Pharmaceuticals Ltd. completed acquisition of majority shares (85.22%) of Nuvista Pharma Limited (NPL) - a non-listed public limited company manufacturing pharmaceutical products. Through this acquisition, BPL has become the immediate and ultimate parent company and as of date NPL remains the sole subsidiary of BPL.

1.3. Nature of Business

BPL is engaged in manufacturing and marketing of a wide range of generic pharmaceutical formulation products, life-saving intravenous fluids, therapeutic nutrition products and Active Pharmaceutical Ingredients (APIs). Products of the company are sold in domestic and international markets.

NPL is also engaged in producing various pharmaceutical products including oral contraceptives, hormone, steroid, anti-histamine, anti-fibrinolytic, anti-infective, cardiac, gastrointestinal, musculoskeletal, respiratory, vitamin & mineral supplement and women's health products.

Both BPL and NPL provides contract manufacturing services.

2. Basis of Preparation of Financial Statements

2.1. 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).

2.2. Basis of Measurement

The financial statements have been prepared on Historical Cost basis except for certain Property, Plant and Equipment measured at revalued amount (revaluation carried out in 2008). The Tangible and Intangible Assets and Liabilities of the acquired subsidiary has been reported at their fair values at the date of acquisition. Basis of determination of the fair values has been explained in the notes on accounting policies. Investment in Shares of listed companies have been valued at the year- end quoted prices. Cash flow statement has been prepared on cash basis.

2.3. Reporting Period

Financial year of both Beximco Pharmaceuticals Limited (BPL) and its subsidiary Nuvista Pharma Limited (NPL) begins on July 1 and ends on June 30. However, BPL acquired NPL on April 2, 2018 and as such consolidated financial statements covers full year (July 1, 2017 to June 30, 2018) for BPL and three months (April 2, 2018 to June 30, 2018) period for NPL.

2.4. Comparative Information

The current reporting being the first year of acquisition of the subsidiary, no comparable prior period information is relevant for reporting in the consolidated financial statements.

AMARSTOCK

3. Significant Accounting Policies

3.1. Basis of Consolidation

The financial statements of the subsidiary Nuvista Pharma Limited has been consolidated with those of Beximco Pharmaceuticals Limited in accordance with ***IFRS/BFRS 10: Consolidated Financial Statements.***

The Company acquired 85.22% shares of the issued paid up capital of Nuvista Pharma Limited. This ownership interest is adequate enough to establish control over NPL and thus BPL meets the conditions as stated in ***IFRS/BFRS 10: Consolidated Financial Statements*** to consider NPL as a subsidiary. Consolidation has been done for the period since the date at which the Company obtained control over the subsidiary through completion of the acquisition deal.

3.2. Inter-Company Transactions

Assets, Liabilities, Equity, Income, Expenses and Cash Flows arising out of transactions between the Company and the subsidiary have been eliminated in full in the Consolidated Financial Statements.

3.3. Non-Controlling Interests (NCIs)

Non-Controlling Interests (NCIs) at the date of acquisition has been measured at fair value of the net assets of the acquired company in proportion to the shares of the entitled holders. Profit or Loss and Other Comprehensive Income subsequent to the acquisition, has been allocated to the Owners of the Company and to the NCIs and also disclosed in the financial statements.

3.4. Purchase Consideration

The Company acquired the shares of Nuvista Pharma Limited for cash which consisted of the total negotiated price for the acquisition less any adjustments made as per condition precedence set out in the terms of agreement. The net amount paid or payable, has been accounted for as the Purchase Consideration for the acquisition. This also includes the shares transfer fee paid to the Registrar of Joint Stock Companies and Firms.

3.5. Valuation of Goodwill

Goodwill has been determined in accordance with ***IFRS/BFRS 3: Business Combination.*** This represents the excess of the aggregate of Purchase Consideration and the acquisition-date fair value of NCI's share in the net assets over the acquisition-date fair value of the net assets of the subsidiary.

3.6. Basis of Estimation of Fair Values at Acquisition

The Company engaged PricewaterhouseCoopers Bangladesh Pvt. Ltd. to provide estimates of the Fair Value for the tangible assets and identified intangible assets as per criteria set out in International Financial Reporting Standards and Bangladesh Financial Reporting Standards 3 (***IFRS/BFRS 3: Business Combination***). Management has considered the report of the said independent firm in allocating the total consideration paid for the acquisition among various classes of acquired assets in compliance of the requirement of ***IFRS/BFRS 3***.

Tangible fixed assets other than land were valued using the depreciated replacement cost method. Depreciated replacement costs reflect adjustments for physical deterioration as well as functional and economic obsolescence.

Land was valued at prevailing market price taking into consideration factors like location, size and industrial or other use, availability of infrastructure etc., among others.

The intangible assets relating to Developed Products has been valued using the Multi-period Excess Earning Method while the Trade Name/Trademark has been valued following Relief-from Royalty approach.

The fair value of inventories are determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale.

3.7. Acquisition related Costs

All advisory, accounting, valuation, legal or other professional/consulting fees and general administrative costs related to the acquisition of business has been accounted for as expense.

4. Property Plant and Equipment

Amount in Taka

Particulars	Land	Building and Other Constructions	Plant, Machinery and Equipment	Furniture and Fixtures	Transport and Vehicle	Office Equipment	Total
Cost							
Opening/Acquisition Date Balance	3,619,350,155	7,037,804,285	13,133,864,081	269,672,548	960,330,806	537,364,295	25,558,386,170
Additions	-	3,463,060	155,457,707	22,239,265	155,989,774	30,219,844	367,369,650
Acquisition Date Fair Value Adjustment of Subsidiary's Assets	448,479,441	67,524,731	105,565,171	-	-	-	621,569,343
Disposal during the Year	-	-	(32,991,791)	-	(45,718,653)	(490,560)	(79,201,004)
Cost at June 30, 2018	**4,067,829,596**	**7,108,792,076**	**13,361,895,168**	**291,911,813**	**1,070,601,927**	**567,093,579**	**26,468,124,159**
Accumulated Depreciation							
Opening/Acquisition Date Balance	-	1,664,333,450	5,178,994,005	112,592,339	542,833,310	318,073,803	7,816,826,907
Depreciation Charged	-	162,282,667	519,464,247	13,935,986	73,085,485	32,946,807	801,715,192
Adjustment for Assets disposed off	-	-	(31,078,661)	-	(30,236,317)	(244,365)	(61,559,343)
Accumulated Depreciation at June 30, 2018	**-**	**1,826,616,117**	**5,667,379,591**	**126,528,325**	**585,682,478**	**350,776,245**	**8,556,982,756**
Net Book Value June 30, 2018	**4,067,829,596**	**5,282,175,959**	**7,694,515,577**	**165,383,488**	**484,919,449**	**216,317,334**	**17,911,141,403**
Capital Work in Progress							**12,613,551,304**
Carrying Value as on June 30, 2018							**30,524,692,707**

Amount in Taka

5. Intangible Assets

(a)This is arrived at as follows:

Balance as at July 1, 2017	462,968,347
Addition during the Year	106,921,036
Acquisition date fair value of Intangibles	755,000,000
	1,324,889,383
Less amortized during the year	(44,193,967)
Balance as at June 30, 2018	**1,280,695,416**

(b)This consists of as follows:

Product Development, Developed Products, Licensing and Marketing Rights	1,079,247,566
Trade names and Trademarks	54,000,000
ERP Project	147,447,850
	1,280,695,416

6. Goodwill

(a) Value of Goodwill is arrived at as follows:

Purchase Consideration*	2,125,186,000
Share of Non-controlling Interest at the date of acquisition - Note 16 (b)	273,763,823
	2,398,949,823
Less: Acquisition date Fair Value of Identifiable Net Assets	(1,852,258,610)
	546,691,213

*Purchase Consideration includes share transfer fee of Taka 31,136,000 paid to the Registrar of Joint Stock Companies and Firms.

(b) Further to Notes 3.6 - Acquisition date Fair Value of Identifiable Net Assets is arrived at as follows:

	Amount in Taka
Assets:	
Land	724,088,154
Building & Other Construction	270,298,219
Plant, Machinery and Equipments	795,191,413
Furniture & Fixture	22,769,014
Office Equipment	7,034,990
Transport & Vehicle	83,342,293
Capital Work in Progress	17,505,125
Developed Products	701,000,000
Trade Names and Trademarks	54,000,000
Other Assets	541,854,735
Total Assets (A)	**3,217,083,943**
Less Liabilities:	
Long Term Loan	195,457,741
Deferred liability - Gratuity Payable	149,421,538
Deferred tax liabilities	118,003,165
Current liabilities	901,942,889
Total Liabilities (B)	**1,364,825,333**
Fair Value of Identifiable Net Assets (A-B)	**1,852,258,610**

7. Investment in Shares

(a)Investment Details (Taka)	
(i) Bangladesh Export Import Co. Ltd.	4,188,358
(ii) Central Depository Bangladesh Ltd. (CDBL)	1,569,450
(iii) Biocare Manufacturing SDN.BHD. , Malaysia- note (e)	30,749,850
	36,507,658
(b) Number of Shares:	
(i) Bangladesh Export Import Co. Ltd.	159,861
(ii) Central Depository Bangladesh Ltd. (CDBL)	571,182
(iii) Biocare Manufacturing SDN.BHD., Malaysia- note (e)	1,500,000

(c) The shares of Bangladesh Export Import Co. Ltd. are listed in Dhaka and Chittagong Stock Exchanges. The market value of each share of Bangladesh Export Import Co. Ltd. on last working day of the year 2017-18 was Tk. 26.20 in both Dhaka and Chittagong Stock Exchanges.

(d) Shares of Central Depository Bangladesh Ltd. (CDBL) are not traded.

(e) Biocare Manufacturing SDN.BHD., Malaysia:
This represents 1,500,000 Ordinary Shares of Malaysian Ringgit (RM) 1 each issued to Beximco Pharmaceuticals Ltd. by BioCare Manufacturing SDN.BHD. ("BioCare"), Malaysia. Beximco Pharmaceuticals Ltd. has been issued 30% of the equity share of the Malaysian based company for providing full technical support to set up a manufacturing facility in Seri Iskandar Pharmaceutical Park, Perak, Malaysia and to produce specialized pharmaceutical products.

8. Other Non-current Assets

This represents car loan and other long-term loan given to the employees of the Nuvista Pharma Ltd.

AMAR STOCK

9. Inventories

Amount in Taka

This consists of as follows :

Finished Goods	864,137,218
Work in Process	262,723,223
Raw Materials	2,183,474,721
Packing Materials	971,119,763
Laboratory Chemicals	27,979,741
Physician Samples	82,714,044
R&D Materials	324,655
Materials in Transit	666,374,316
	5,058,847,681

10. Spares & Supplies

This consists of as follows :

Spares & Accessories	545,032,936
Stock of Stationery	10,936,969
Laboratory Consumables	330,437
Spares in Transit	614,603
Literature & Promotional Materials	106,477,464
Miscellaneous Item	518,687
	663,911,096

11. Accounts Receivable

This includes receivable of Tk. 596,463,606 equivalent to US$ 7,190,640 against export sales. Part of the export sales receivables are against Letter of Credit while the rest are unsecured but considered good.

Accounts Receivable also includes Tk. 2,011,958,959 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. 2,071,859,759 on 31 May, 2018.

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.

12. Loans, Advances and Deposits

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

Clearing & Forwarding	162,932,842
VAT	219,639,030
Claims Receivable	19,642,831
Security Deposit & Earnest Money	50,467,768
Lease Deposit	17,600,613
Capital Expenditure/ Project	108,792,585
Expenses	133,241,320
Bank Guarantee Margin	27,004,835
Loan to Employees	120,493,363
Rent Advance	13,309,579
Motor Cycle	180,739,474
Raw & Packing Material	735,793,984
Prepaid Insurance	202,499,308
Overseas Liaison Office	32,698,675
Others	69,373,695
	2,094,229,902

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(a) 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.

(b) Prepaid insurance includes the insurance premium paid to German Export Credit Agency Euler Hermes Aktiengesellschaft, Hamburg for guarantee of the loan which is an integral part of the overseas loan financing agreement with ODDO BHF Aktiengesellshaft, Frankfurt, Germany. Expired portion of the prepaid insurance has been capitalized.

13. 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.

14. Cash and Cash Equivalents

	Amount in Taka
This consists of as follows:	
(a) Cash in Hand (including Imprest Cash)	192,159,614
(b) Cash at Bank :	
(i) Current & FC Account	167,102,855
(ii) FDR Account	34,473,477
	393,735,946

15. Issued Share Capital

A. Authorized :

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

B. Issued, Subscribed and Paid-up :

51,775,750 shares of Tk. 10 each fully paid-up in cash	517,757,500
316,538,298 Bonus Shares of Tk. 10 each	3,165,382,980
5,951,250 Shares of Tk. 10 each issued in Exchange of Shares of Beximco Infusions Ltd.	59,512,500
31,291,147 Shares issued on conversion of Preference Shares	312,911,470
	4,055,564,450

5,951,250 ordinary shares of Tk. 10 each were issued to the shareholders of Beximco Infusions Ltd. on it's merger with Beximco Pharmaceuticals Ltd. in 2005.

41,000,000 fully convertible 5% preference shares of Tk. 100 each were issued in 2009. 50% of the preference shares were converted into 16,169,191 ordinary shares of Tk. 10 each on February 1, 2010. The rest 50% were converted into 15,121,956 ordinary shares of Tk. 10 each on May 2, 2010.

C. Composition of Shareholding of Ordinary Shares:

	No. of shares	% of Share Capital
Sponsors:		
A S F Rahman	8,235,353	2.03
Salman F Rahman	8,254,632	2.04
Other Directors and Associates	36,999,784	9.12
	53,489,769	**13.19**
Public Issue:		
GDRs- London Stock Exchange (AIM)	90,943,627	22.42
Foreign Investors' Shareholdings (DSE/CSE)	74,469,959	18.36
Institutions (ICB, ICB Investors' Accounts & Others)	119,603,843	29.49
Individual Shareholders	67,049,247	16.54
	352,066,676	**86.81**
	405,556,445	**100.00**

AMAR STOCK

16. Non-controlling Interest

	Amount in Taka
(a) Non-controlling Interest as on June 30, 2018:	
Non-controlling Interest at the date of acquisition	273,763,823
Proportionate profit/(loss) subsequent to acquisition	(3,889,647)
	269,874,176
(b) Non-controlling Interest at the date of acquisition is arrived at as follows:	
Fair value of Identifiable net assets	1,852,258,610
Proportionate holdings of NCIs at acquisition date	14.78%
	273,763,823

17. Long Term Borrowings - Net of Current Maturity

(a) This is arrived at as follows :

Project Loan - ODDO BHF Aktiengesellshaft, Frankfurt, Germany	2,809,556,317
Obligation Under Finance Leases	280,596,178
AB Bank	759,326,232
Dhaka Bank Ltd.	167,946,540
	4,017,425,267

(b) Obligation Under Finance Leases

Gross Finance Lease - minimum lease Liability:	
Within one year	260,426,903
Within two to five years	336,141,714
Total	**596,568,617**
Less future finance charges on finance lease liability	(114,965,180)
Present Value of Finance Lease liability	**481,603,437**
This consists of as follows:	
Within one year	201,007,259
Within two to five years	280,596,178
Present Value of Finance Lease liability	**481,603,437**

(c) AB Bank

This loan is payable in quarterly installments and is secured by paripassu hypothecation along with Janata Bank on all fixed and floating assets of the Company excepting the machineries and equipments financed by ODDO BHF Aktiengesellshaft, Frankfurt, Germany.

18. Liability for Gratuity and WPPF & Welfare Funds

Gratuity Payable	759,708,531
Workers Profit Participation and Welfare Fund	564,457,967
	1,324,166,498

19. Short Term Borrowings

Janata Bank Ltd. - Cash Credit-Hypothecation Loan	3,897,681,180
Liability for UPAS Letter of Credit	1,064,417,066
Dhaka Bank Ltd	617,381,902
The City Bank Ltd.	2,507,475
Mutual Trust Bank Ltd.	18,839,012
	5,600,826,635

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20. Long Term Borrowings - Current Maturity

	Amount in Taka
This consists of as follows :	
Project Loan - ODDO BHF Aktiengesellshaft, Frankfurt, Germany	852,470,599
Obligation Under Finance Leases	201,007,259
AB Bank	400,341,697
Dhaka Bank Ltd.	115,170,190
	1,568,989,745

21. Creditors and Other Payables

Goods & Services	621,334,927
Provident Fund	188,151,262
Advance Against Sales	43,576,730
Others	138,649,988
	991,712,907

22. Accrued Expenses

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

For Expenses	251,493,606
Workers' Profit Participation and Welfare Funds - current year's expense (net off interim payments)	166,983,289
	418,476,895

23. Net Revenue

Domestic Sales	16,237,454,376
Export	1,476,977,889
Toll Income	2,284,590
	17,716,716,855

24. Cost of Goods Sold

This is made-up as follows :	
Work-in-Process - Opening /at the date of acquisition	155,553,707
Materials Consumed (Note: 25)	7,236,638,335
Factory Overhead (Note: 26)	2,554,986,926
Total Manufacturing Cost	**9,947,178,968**
Work-in-Process (Closing)	(262,723,223)
Cost of Goods Manufactured	**9,684,455,745**
Finished Goods - Opening /at the date of acquisition	803,975,989
Finished Goods available	**10,488,431,734**
Cost of Physician Sample transferred to Sample Stock	(193,557,085)
Finished Goods (Closing)	(864,137,218)
	9,430,737,431

25. Materials Consumed

This is made-up as follows :	
Opening Stock	1,920,966,484
Purchase	8,498,246,076
Closing Stock	(3,182,574,225)
	7,236,638,335

AMAR STOCK

26. Factory Overhead

	Amount in Taka
Salary & Allowances	904,509,549
Repairs and Maintenance	216,587,905
Insurance Premium	22,801,790
Municipal Tax & Land Revenue	4,508,685
Advertisement	196,960
Registration & Renewals	13,724,885
Travelling & Conveyance	9,764,755
Entertainment	1,821,636
Research and Development	222,652,875
Printing & Stationery	22,091,508
Telephone, Internet & Postage	9,211,158
Toll Expense	207,961,293
Electricity, Gas & Water	144,124,432
Training & Conference	4,961,417
Plant Certification and Regulatory Approvals	26,780,147
Depreciation	720,995,025
Other Expenses	22,292,906
	2,554,986,926

27. Administrative Expenses

Salary & Allowances	314,685,553
Rent	13,754,553
Repairs and Maintenance	49,638,421
Registration & Renewals	8,507,108
Travelling & Conveyance	26,470,642
Entertainment	6,829,212
Printing & Stationery	6,021,432
Audit Fee	1,628,750
Local Authority Taxes	913,142
Insurance Premium	153,958
Bank Charges	33,534
Telephone, Internet & Postage	6,245,040
Electricity, Gas & Water	13,246,325
Legal & Consultancy	8,659,820
Business Acquisition Cost	12,619,081
Company Secretarial, Regulatory Fee and AGM Expense	32,250,219
Advertisement	413,705
Training & Conference	10,279,328
Depreciation	28,060,048
Board Meeting Attendance Fee	603,564
Other Expenses	77,661,692
	618,675,127

AMAR STOCK

28. Selling, Marketing and Distribution Expenses

	Amount in Taka
Salary & Allowances	1,262,270,771
Rent	78,267,019
Repairs and Maintenance	8,958,993
Travelling & Conveyance	440,145,550
Entertainment	53,419,672
Printing & Stationery	40,877,932
Telephone, Internet & Postage	20,542,289
Electricity, Gas & Water	9,364,325
Market Research & New Products	49,081,984
Training & Conference	100,398,454
Insurance Premium	32,264,432
Sample Expense	263,875,222
Sales & Market Promotion Expenses	428,361,958
Pharmacovigilance	10,893,311
Literature/News Letter	128,243,083
Registration & Renewals	55,008,186
Export Insurance, Freight and C&F Expenses	120,383,504
Distribution Commission	234,392,430
Delivery Expense	179,142,387
Depreciation & Amortization	96,854,086
Other Expenses	28,390,725
	3,641,136,313

29. Other Income

Interest Income	54,928,425
Dividend Income	1,504,092
Royalty Income	6,093,728
Technology Transfer Income - Biocare Manufacturing SDN. BHD., Malaysia	18,145,620
Income From sale of Product Dossier	4,959,000
Distribution Commission	4,266,424
Exchange Rate Fluctuation Gain / (Loss)	(42,662,242)
Sale of Miscellaneous Item	49,772
Profit/(Loss) on Sale of Fixed Assets	(3,526,939)
	43,757,880

30. Finance Cost

Interest on Working Capital Loan	378,949,336
Interest on Long Term Loan*	(10,909,700)
Interest on Lease Finance	73,787,122
Interest on Loan from PF, WPPF & Welfare Fund	85,080,425
Other Bank Charges	13,376,260
	540,283,443

*Net of interest rebate received as per the terms of the sanction letter of the loan for the timely repayment of all the installments.

31. Income Tax Expenses

This consists of as follows :

(a) Current Tax	792,620,241
(b) Deferred Tax Expense	36,059,589
	828,679,830

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32. Earnings Per Share (EPS)

	Amount in Taka
(a) Earnings attributable to the Owners of the Company	2,536,543,948
(b) Weighted average number of Shares outstanding during the year	405,556,445
Earnings Per Share (EPS)	**6.25**

33. Net Asset Value (NAV) Per Share

Total Assets	43,738,886,412
Less Total Liabilities	(16,387,049,620)
Less Non-controlling Interest	(269,874,176)
Equity Attributable to the Owners of the Company	**27,081,962,616**
Number of Shares at Financial Position date	405,556,445
Net Asset Value (NAV) Per Share	**66.78**

34. Net Operating Cash Flow Per Share (NOCFPS)

Net Cash Generated from Operating Activities	1,819,113,923
Number of Shares at Financial Position date	405,556,445
Net Operating Cash Flow Per Share (NOCFPS)	**4.49**

35. Reconciliation of Net Profit with Cash Flows from Operating Activities

Profit after Tax	**2,532,654,301**
Adjustment to reconcile net profit to net cash provided by operating activities :	
(a) Non-cash Expenses :	**970,984,130**
Depreciation	801,715,192
Amortization	44,193,967
Gratuity & WPPF	57,650,531
Technology Transfer Income - Biocare Manufacturing SDN. BHD., Malaysia	(18,145,620)
Exchange rate fluctuation loss on Bank Loan in Foreign Currency	49,510,471
Deferred Tax	36,059,589
(b) Non-operating Items	**2,022,847**
Dividend Income	(1,504,092)
Loss on sale of Fixed Assets	3,526,939
(c) Changes in working Capital	**(1,686,547,355)**
(Increase)/Decrease in Inventories	(1,192,022,631)
(Increase)/Decrease in Spares and Supplies	(18,678,378)
(Increase)/Decrease in Accounts Receivable	(566,040,570)
(Increase) in Loans, Advances & Deposits	(365,849,712)
Increase/(Decrease) in Creditors and Other Payables	403,748,186
Increase/(Decrease) in Accrued Expenses	41,306,104
Increase/(Decrease) in Income Tax Payable	10,989,646
Net cash Generated from Operating Activities	**1,819,113,923**

Salman F Rahman
Vice Chairman

Nazmul Hassan
Managing Director

Ali Nawaz
Chief Financial Officer

Dhaka
October 25, 2018

SMART STOCK

Audited Financial Statements-Beximco Pharma

Beximco Pharmaceuticals Limited
Audited Financial Statements
For the Year Ended June 30, 2018

AMARSTOCK

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 comprises the Statement of Financial Position as at June 30 2018, the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year from 01 July 2017 to June 30 2018 then ended and a summary of significant accounting policies and other relevant explanatory notes.

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), and Bangladesh Accounting Standards (BASs), 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 June 30 2018, 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
October 25, 2018

M. J. Abedin & Co.
Chartered Accountants

Beximco Pharmaceuticals Limited
Statement of Financial Position
As at June 30, 2018

Amount in Taka

	Notes	June 30, 2018	June 30, 2017
ASSETS			
Non-Current Assets		**31,332,493,872**	**24,953,316,701**
Property, Plant and Equipment- Carrying Value	4 (a)	28,645,104,798	24,472,468,013
Intangible Assets	5	525,695,416	462,968,347
Investment in Subsidiary	6	2,125,186,000	-
Investment in Shares	7	36,507,658	17,880,341
Current Assets		**10,832,521,567**	**9,130,816,169**
Inventories	8	4,665,449,461	3,468,089,061
Spares & Supplies	9	654,781,270	636,102,892
Accounts Receivable	10	2,736,944,147	2,167,339,867
Loans, Advances and Deposits	11	2,066,840,961	1,697,679,418
Short Term Investment	12	339,397,174	886,576,906
Cash and Cash Equivalents	13	369,108,554	275,028,025
TOTAL ASSETS		**42,165,015,439**	**34,084,132,870**
EQUITY AND LIABILITIES			
Shareholders' Equity		**27,104,389,931**	**25,072,425,900**
Issued Share Capital	14	4,055,564,450	4,055,564,450
Share Premium		5,269,474,690	5,269,474,690
Excess of Issue Price over Face Value of GDRs	15	1,689,636,958	1,689,636,958
Capital Reserve on Merger		294,950,950	294,950,950
Revaluation Surplus	4(b)	1,159,277,845	1,190,203,818
Unrealized Gain/(Loss)		4,356,762	3,875,065
Retained Earnings		14,631,128,276	12,568,719,969
Non-Current Liabilities		**6,963,764,382**	**5,605,667,422**
Long Term Borrowings-Net of Current Maturity	16	3,849,478,727	2,635,907,025
Liability for Gratuity and WPPF & Welfare Funds	17	1,224,462,270	1,117,094,429
Deferred Tax Liability	18	1,889,823,385	1,852,665,968
Current Liabilities and Provisions		**8,096,861,126**	**3,406,039,548**
Short Term Borrowings	19	4,962,098,246	1,485,432,660
Long Term Borrowings-Current Maturity	20	1,453,819,555	715,790,200
Creditors and Other Payables	21	939,538,235	538,163,779
Accrued Expenses	22	303,447,824	245,375,014
Dividend Payable		4,540,814	353,217
Income Tax Payable	23	433,416,452	420,924,678
TOTAL EQUITY AND LIABILITIES		**42,165,015,439**	**34,084,132,870**

The Notes are an integral part of the Financial Statements.
Approved and authorised for issue by the Board of Directors on October 25, 2018 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 Accountant

Dhaka
October 25, 2018

Beximco Pharmaceuticals Limited

Statement of Profit or Loss and Other Comprehensive Income

For the Year ended June 30, 2018

Amount in Taka

	Notes	July 2017 - June 2018	July 2016 - June 2017
Net Sales Revenue	24	**17,380,728,001**	**15,508,776,972**
Cost of Goods Sold	25	(9,255,504,681)	(8,323,895,349)
Gross Profit		**8,125,223,320**	**7,184,881,623**
Operating Expenses		**(4,143,623,455)**	**(3,736,675,551)**
Administrative Expenses	28	(595,185,629)	(522,396,449)
Selling, Marketing and Distribution Expenses	29	(3,548,437,826)	(3,214,279,102)
Profit from Operations		**3,981,599,865**	**3,448,206,072**
Other Income	30	64,973,584	144,852,831
Finance Cost	31	(512,099,369)	(557,003,162)
Profit Before Contribution to WPPF & Welfare Funds		**3,534,474,080**	**3,036,055,741**
Contribution to WPPF & Welfare Funds	32	(168,308,290)	(144,574,083)
Profit Before Tax		**3,366,165,790**	**2,891,481,658**
Income Tax Expenses	33	**(807,194,527)**	**(664,786,534)**
Current Tax		(790,580,483)	(591,982,589)
Deferred Tax Income/ (Expense)		(16,614,044)	(72,803,945)
Profit after Tax for the Year		**2,558,971,263**	**2,226,695,124**
Other Comprehensive Income - Unrealized Gain/(Loss)	34	**481,697**	**2,579,507**
Total Comprehensive Income for the Year		**2,559,452,960**	**2,229,274,631**
Earnings Per Share (EPS)	35	**6.31**	**5.49**

The Notes are an integral part of the Financial Statements.
Approved and authorised for issue by the Board of Directors on October 25, 2018 and signed for and on behalf of the Board:

Salman F Rahman	**Nazmul Hassan**	**Ali Nawaz**
Vice Chairman	Managing Director	Chief Financial Officer

Per our report of even date.

M. J. Abedin & Co.
Chartered Accountant

Dhaka
October 25, 2018

Beximco Pharmaceuticals Limited

Statement of Changes in Equity

For the Year ended June 30, 2018

Amount in Taka

	Share Capital	Share Premium	Excess of Issue Price over Face Value of GDRs	Capital Reserve on Merger	Revaluation Surplus	Unrealized Gain/ (Loss)	Retained Earnings	Total
Balance as on July 01, 2017	**4,055,564,450**	**5,269,474,690**	**1,689,636,958**	**294,950,950**	**1,190,203,818**	**3,875,065**	**12,568,719,969**	**25,072,425,900**
Total Comprehensive Income for the Year:								
Profit for the Year	-	-	-	-	-	-	2,558,971,263	2,558,971,263
Other Comprehensive Income	-	-	-	-	-	481,697	-	481,697
Transactions with the Shareholders:								
Cash Dividend	-	-	-	-	-	-	(506,945,556)	(506,945,556)
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(10,382,600)	-	10,382,600	-
Adjustment for Deferred Tax on Revalued Assets	-	-	-	-	(20,543,373)	-	-	(20,543,373)
Balance as on June 30, 2018	**4,055,564,450**	**5,269,474,690**	**1,689,636,958**	**294,950,950**	**1,159,277,845**	**4,356,762**	**14,631,128,276**	**27,104,389,931**
Net Asset Value (NAV) Per Share (Note- 36)								**66.83**

For the Year ended June 30, 2017								
Balance as on July 01, 2016	**3,862,442,340**	**5,269,474,690**	**1,689,636,958**	**294,950,950**	**1,225,100,042**	**1,295,558**	**10,716,511,871**	**23,059,412,409**
Total Comprehensive Income for the Year:								
Profit for the Year	-	-	-	-	-	-	2,226,695,124	2,226,695,124
Other Comprehensive Income	-	-	-	-	-	2,579,507	-	2,579,507
Transactions with the Shareholders:								
5% Final Cash Dividend (January 2015 to June 2016)	-	-	-	-	-	-	(193,122,117)	(193,122,117)
5% Stock Dividend (January 2015 to June 2016)	193,122,110	-	-	-	-	-	(193,122,110)	-
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(11,757,201)	-	11,757,201	-
Adjustment for Deferred Tax on Revalued Assets	-	-	-	-	(23,139,023)	-	-	(23,139,023)
Balance as on June 30, 2017	**4,055,564,450**	**5,269,474,690**	**1,689,636,958**	**294,950,950**	**1,190,203,818**	**3,875,065**	**12,568,719,969**	**25,072,425,900**
Net Asset Value (NAV) Per Share (Note- 36)								**61.82**

The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 25, 2018 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 Accountant

Dhaka
October 25, 2018

Beximco Pharmaceuticals Limited

Statement of Cash Flows

For the Year ended June 30, 2018

Amount in Taka

	Notes	July 2017 - June 2018	July 2016 - June 2017
Cash Flows from Operating Activities :			
Receipts from Customers and Others		16,851,875,991	15,028,477,642
Payments to Suppliers and Employees		(13,768,549,304)	(11,726,003,260)
Cash Generated from Operations		**3,083,326,687**	**3,302,474,382**
Interest Paid		(512,099,369)	(557,003,162)
Interest Received		54,928,425	161,110,825
Income Tax Paid		(778,088,709)	(518,291,724)
Net Cash Generated from Operating Activities	**38**	**1,848,067,034**	**2,388,290,321**
Cash Flows from Investing Activities :			
Acquisition of Property, Plant and Equipment		(4,947,915,606)	(3,016,391,390)
Intangible Assets		(106,921,036)	(108,998,404)
Investment in Subsidiary		(2,125,186,000)	-
Disposal of Property, Plant and Equipment		1,354,100	22,059,127
Dividend Received		1,504,092	1,427,955
Decrease in Short Term Investment		547,179,732	552,460,907
Net Cash Used in Investing Activities		**(6,629,984,718)**	**(2,549,441,805)**
Cash Flows from Financing Activities :			
Net Increase /(Decrease) in Long Term Borrowings		1,902,090,586	32,424,297
Net Increase/(Decrease) in Short Term Borrowings		3,476,665,586	375,788,390
Dividend Paid		(502,757,959)	(193,154,407)
Net Cash Generated from Financing Activities		**4,875,998,213**	**215,058,280**
Increase/(Decrease) in Cash and Cash Equivalents		**94,080,529**	**53,906,796**
Cash and Cash Equivalents at Beginning of Year		275,028,025	221,121,229
Cash and Cash Equivalents at End of Year	**13**	**369,108,554**	**275,028,025**
Net Operating Cash Flow Per Share	**37**	**4.56**	**5.89***

* Restated

The Notes are an integral part of the Financial Statements.
Approved and authorised for issue by the Board of Directors on October 25, 2018 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 Accountant

Dhaka
October 25, 2018

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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, Therapeutic Nutrition Products 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 the 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 June 30, 2018;
(b) a Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2018;
(c) a Statement of Changes in Equity for the year ended June 30, 2018;
(d) a Statement of Cash Flows for the year ended June 30, 2018; and
(e) notes, comprising summary of significant accounting policies and explanatory information.

2.4 Reporting Period and Comparative Information

The Financial statements cover 12 months period starting from July 1, 2017 to June 30, 2018. The last audited financial statements were prepared for year ending June 30, 2017. Figures for earlier year have been re-arranged wherever considered necessary to ensure better comparability with the current year.

2.5 Authorisation for issue

The financial statements have been authorised for issue by the Board of Directors October 25, 2018.

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 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, others 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 Taxes.

Current Tax
Current tax is the expected tax payable on the taxable income for the year, and any adjustment to tax payable in respect of previous years. The company qualifies as a "Publicly Traded Company"; hence the applicable Tax Rate is 25%.

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.
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.

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

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.

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 The 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 June 30, 2018

Amount in Taka

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Transport and Vehicle	Office Equipment	Total
Cost							
At July 01, 2017	3,343,741,442	6,791,103,860	12,032,024,319	225,416,905	773,503,897	514,935,182	23,680,725,605
Additions	-	3,463,060	153,477,707	22,149,265	155,989,774	27,304,510	362,384,316
Disposal during the Year	-	-	(30,979,553)	-	(3,345,000)	-	(34,324,553)
Cost at June 30, 2018	**3,343,741,442**	**6,794,566,920**	**12,154,522,473**	**247,566,170**	**926,148,671**	**542,239,692**	**24,008,785,368**
Accumulated Depreciation							
At July 01, 2017	-	1,620,406,516	4,766,780,484	91,105,709	439,348,695	302,679,677	7,220,321,081
Depreciation Charged	-	160,153,048	501,033,877	13,431,120	66,773,574	31,686,750	773,078,369
Adjustment for Assets disposed off	-	-	(29,066,434)	-	(3,057,667)	-	(32,124,101)
Accumulated Depreciation at June 30, 2018	**-**	**1,780,559,564**	**5,238,747,927**	**104,536,829**	**503,064,602**	**334,366,427**	**7,961,275,349**
Net Book Value June 30, 2018	**3,343,741,442**	**5,014,007,356**	**6,915,774,546**	**143,029,341**	**423,084,069**	**207,873,265**	**16,047,510,019**
Capital Work in Progress							**12,597,594,779**
Carrying Value as on June 30, 2018							**28,645,104,798**

Assets include leasehold assets of Tk. 1,259,514,081 at cost and Tk. 933,624,639 at carrying value.

As on June 30, 2017

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Transport and Vehicle	Office Equipment	Total
Cost							
At July 01, 2016	3,343,741,442	6,712,175,196	11,324,017,693	217,643,441	700,012,107	502,149,436	22,799,739,315
Additions	-	17,398,437	272,763,088	17,467,673	81,215,320	29,015,760	417,860,278
Transferred in & Capitalized	-	61,530,227	481,524,220	-	-	-	543,054,447
Disposal during the Year	-	-	(46,280,682)	(9,694,209)	(7,723,530)	(16,230,014)	(79,928,435)
Cost at June 30, 2017	**3,343,741,442**	**6,791,103,860**	**12,032,024,319**	**225,416,905**	**773,503,897**	**514,935,182**	**23,680,725,605**
Accumulated Depreciation							
At July 01, 2016	-	1,457,270,234	4,311,357,470	85,738,805	382,120,522	283,946,306	6,520,433,337
Depreciation Charged	-	163,136,282	484,468,330	12,982,614	63,234,970	32,138,964	755,961,160
Adjustment for Assets disposed off	-	-	(29,045,316)	(7,615,710)	(6,006,797)	(13,405,593)	(56,073,416)
Accumulated Depreciation at June 30, 2017	**-**	**1,620,406,516**	**4,766,780,484**	**91,105,709**	**439,348,695**	**302,679,677**	**7,220,321,081**
Net Book Value June 30, 2017	**3,343,741,442**	**5,170,697,344**	**7,265,243,835**	**134,311,196**	**334,155,202**	**212,255,505**	**16,460,404,524**
Capital Work in Progress							**8,012,063,489**
Carrying Value as on June 30, 2017							**24,472,468,013**

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Capital Work in Progress is arrived at as follows:

Amount in Taka

	June 30, 2018	June 30, 2017
Opening Balance	8,012,063,489	5,956,586,824
Addition during the year	4,585,531,290	2,598,531,112
	12,597,594,779	**8,555,117,936**
Transferred & Capitalized	**-**	**(543,054,447)**
Building and Other Constructions	-	(61,530,227)
Plant & Machinery	-	(481,524,220)
Closing balance at end of year	**12,597,594,779**	**8,012,063,489**

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:

Opening Balance	1,190,203,818	1,225,100,042
Adjustment for depreciation on revalued assets	(10,382,600)	(11,757,201)
Adjustment for Deferred Tax on revalued assets	(20,543,373)	(23,139,023)
	1,159,277,845	**1,190,203,818**

5. Intangible Assets

Particulars	Product development, Licensing and Marketing Rights	ERP Project	Total
Cost			
As on July 01, 2017	432,821,781	117,693,650	550,515,431
Addition During the year	77,166,836	29,754,200	106,921,036
As on June 30, 2018	**509,988,617**	**147,447,850**	**657,436,467**
Amortization			
As on July 01, 2017	87,547,084	-	87,547,084
Amortized During the year	44,193,967	-	44,193,967
As on June 30, 2018	**131,741,051**	**-**	**131,741,051**
Balance as on June 30, 2018	**378,247,566**	**147,447,850**	**525,695,416**

6. Investment in Subsidiary

(a) The Company acquired 10,013,474 shares of Nuvista Pharma Ltd (NPL) representing 85.22% of the Paid Up Capital of NPL. The acquisition was completed on April 2, 2018. The investment in subsidiary represents the Purchase Consideration paid for the aforesaid acquisition and includes an amount of Tk. 31,136,000 paid as share transfer fee to the Registrar of Joint Stock Companies and Firms.

(b) As per the audited financial statements of Nuvista Pharma Ltd the accumulated profit (Retained Earnings) of NPL after deduction of net loss of Tk. 94,729,874 incurred for the year ended June 30, 2018 stands at Tk. 133,936,896. This has been carried forward to the next year's account of the said subsidiary and has not been dealt within or for the purpose of preparation of this financial statements.

7. Investment in Shares

(a) Investment Details (Taka) :

	Balance July 01, 2017	Addition/ Adjustment during the Year		Balance June 30, 2018
		New Investment	Unrealized Gain/(Loss)	
(i) Bangladesh Export Import Co. Ltd. (Note-c)	5,130,791	-	(942,433)	4,188,358
(ii) Central Depository Bangladesh Ltd. (CDBL)	1,569,450	-	-	1,569,450
(iii) Biocare Manufacturing SDN.BHD. , Malaysia-Note (e)	11,180,100	18,145,620	1,424,130	30,749,850
	17,880,341	**18,145,620**	**481,697**	**36,507,658**

(b) Number of Shares:

	Balance	Addition/ Adjustment during the Year		Balance
	July 01, 2017	Stock Dividend	New Issue	June 30, 2018
(i) Bangladesh Export Import Co. Ltd.	152,249	7,612	-	159,861
(ii) Central Depository Bangladesh Ltd. (CDBL)	571,182	-	-	571,182
(iii) Biocare Manufacturing SDN.BHD. , Malaysia-Note (e)	600,000	-	900,000	1,500,000

(c) The shares of Bangladesh Export Import Co. Ltd. are listed in Dhaka and Chittagong Stock Exchanges. The market value of each share of Bangladesh Export Import Co. Ltd. on last working day of the year 2017-18 was Tk. 26.20 (In 2016-17 Tk. 33.70) in both Dhaka and Chittagong Stock Exchanges. The amount of Tk.942,433 represents fair value loss.

(d) Shares of Central Depository Bangladesh Ltd. (CDBL) are not traded.

(e) Biocare Manufacturing SDN.BHD., Malaysia:
This represents 1,500,000 Ordinary Shares of Malaysian Ringit (RM) 1 each issued to Beximco Pharmaceuticals Ltd. by BioCare Manufacturing Sdn Bhd ("BioCare"), Malaysia. Beximco Pharmaceuticals Ltd. has been issued 30% of the equity share of the Malaysian based company for providing full technical support to set up a manufactiring facility in Seri Iskandar Pharmaceutical Park, Perak, Malaysia and to produce specialized pharmaceutical products. The amount of Tk.1,424,130 represents exchange fluctuation gain.

8. Inventories

Amount in Taka

This consists of as follows :	**June 30, 2018**	**June 30, 2017**
Finished Goods	744,138,733	648,654,846
Work in Process	205,169,517	110,263,528
Raw Materials	2,040,109,375	1,078,181,712
Packing Materials	939,299,203	666,980,097
Laboratory Chemicals	4,001,948	464,291
Physician Samples	82,714,044	93,819,210
R & D Materials	324,655	-
Materials in Transit	649,691,986	869,725,377
	4,665,449,461	**3,468,089,061**

9. Spares & Supplies

This consists of as follows :

Spares & Accessories	537,366,837	521,797,051
Stock of Stationery	10,936,969	8,784,791
Literature & Promotional Materials	106,477,464	105,521,050
	654,781,270	**636,102,892**

10. Accounts Receivable

This includes receivable of Tk. 596,463,606 equivalent to US$ 7,190,640 as on June 30 2018 (on 30-06-2017 Tk. 289,820,128 equivalent to US$ 3,618,229) against export sales. Part of the export sales receivables are against Letter of Credit while the rest are unsecured but considered good.

Accounts Receivable also includes Tk. 2,011,958,959 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. 2,071,859,759 on 31 May, 2018.

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.

11. Loans, Advances and Deposits

Amount in Taka

This is unsecured, considered good and consists of as follows :	**June 30, 2018**	**June 30, 2017**
Clearing & Forwarding	162,932,842	95,439,989
VAT	188,082,567	210,808,752
Claims Receivable	19,642,831	19,221,466
Security Deposit & Earnest Money	47,836,614	45,208,648
Lease Deposit	17,600,613	18,069,093
Capital Expenditure/ Project	108,792,585	110,361,635
Expenses	131,833,344	122,591,882
Bank Guarantee Margin	27,004,835	8,487,574
Advance against Salary	116,813,989	101,975,696
Rent Advance	11,608,729	14,821,748
Motor Cycle	180,739,474	166,342,342
Raw & Packing Material	735,793,984	469,339,126
Prepaid Insurance	197,698,816	221,417,599
Overseas Liaison Office	32,698,675	24,780,081
Others	87,761,063	68,813,787
	2,066,840,961	**1,697,679,418**

(a) The maximum amount due from the employees during the year was Tk. 119,172,863 on 31 January 2018.

(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) Prepaid Insurance includes the insurance premium paid to German Export Credit Agency Euler Hermes Aktiengesellschaft, Ham burg for guarantee of the loan which is an integral part of the overseas loan financing agreement with ODDO BHF Aktiengesellshaft, Frankfurt, Germany. Expired portion of the prepaid insurance has been capitalized.

12. 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.

13. Cash and Cash Equivalents

Amount in Taka

	June 30, 2018	**June 30, 2017**
This consists of as follows:		
(a) Cash in Hand (including Imprest Cash)	191,916,333	107,253,933
(b) Cash at Bank :		
(i) Current & FC Account	142,718,744	134,814,500
(ii) FDR Account	34,473,477	32,959,592
	369,108,554	**275,028,025**

14. Issued Share Capital

Amount in Taka

A. Authorized :	June 30, 2018	June 30, 2017
500,000,000 Ordinary Shares of Tk. 10 each	5,000,000,000	5,000,000,000
41,000,000 Fully Convertible, 5% Preference Shares of Tk. 100 each	4,100,000,000	4,100,000,000
	9,100,000,000	**9,100,000,000**
B. Issued, Subscribed and Paid-up :		
51,775,750 shares of Tk. 10 each fully paid-up in cash	517,757,500	517,757,500
316,538,298 Bonus Shares of Tk. 10 each	3,165,382,980	3,165,382,980
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
	4,055,564,450	**4,055,564,450**

5,951,250 Ordinary Shares of Tk. 10 each were issued to the shareholders of Beximco Infusions Ltd on it's merger with Beximco Pharmaceuticals Ltd. in 2005.

41,000,000 fully convertible 5% preference shares of Tk. 100 each were issued in 2009. 50% of the preference shares were converted into 16,169,191 ordinary shares of Tk. 10 each on February 1, 2010. The rest 50% were converted into 15,121,956 ordinary shares of Tk. 10 each on May 2, 2010.

C. Composition of Shareholding of Ordinary Shares:

	June 30, 2018		June 30, 2017	
	No. of shares	**% of Share Capital**	**No. of shares**	**% of Share Capital**
Sponsors:				
A S F Rahman	8,235,353	2.03	8,235,353	2.03
Salman F Rahman	8,254,632	2.04	8,254,632	2.04
Other Directors and Associates	36,999,784	9.12	36,979,784	9.12
	53,489,769	**13.19**	**53,469,769**	**13.19**
Public Issue:				
GDRs- London Stock Exchange (AIM)	90,943,627	22.42	90,943,627	22.42
Foreign Investors' Shareholdings (DSE/CSE)	74,469,959	18.36	77,141,361	19.02
Institutions (ICB, ICB Investors' Accounts & Others)	119,603,843	29.49	98,140,873	24.20
Individual Share Holders	67,049,247	16.54	85,860,815	21.17
	352,066,676	**86.81**	**352,086,676**	**86.81**
	405,556,445	**100**	**405,556,445**	**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	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
1 to 499	43,579	46,907	75.16%	74.76%	6,030,643	6,389,847	1.49%	1.58%
500 to 5,000	12,360	13,387	21.32%	21.34%	18,111,978	19,743,510	4.47%	4.87%
5,001 to 10,000	969	1,132	1.67%	1.80%	6,952,640	8,165,206	1.71%	2.01%
10,001 to 20,000	478	576	0.82%	0.92%	6,834,127	8,339,317	1.69%	2.06%
20,001 to 30,000	147	183	0.25%	0.29%	3,629,536	4,615,416	0.89%	1.14%
30,001 to 40,000	72	84	0.12%	0.13%	2,493,725	2,954,786	0.61%	0.73%
40,001 to 50,000	60	82	0.10%	0.13%	2,724,479	3,772,353	0.67%	0.93%
50,001 to 100,000	116	166	0.20%	0.26%	8,267,895	12,083,693	2.04%	2.98%
100,001 to 1,000,000	163	183	0.28%	0.29%	48,891,611	53,639,190	12.06%	13.23%
Over 1,000,000	38	41	0.07%	0.07%	301,619,811	285,853,127	74.37%	70.47%
Total	**57,982**	**62,741**	**100%**	**100%**	**405,556,445**	**405,556,445**	**100%**	**100%**

E. Market Price of Ordinary Shares:

The shares are listed in Dhaka and Chittagong Stock Exchanges of Bangladesh and GDRs in AIM of London Stock Exchange. Prices of each Share/ GDR on the last working day of the year were:

		June 30 , 2018	June 30 , 2017
Dhaka	Tk.	93.90	113.00
Chittagong	Tk.	94.70	113.00
AIM	GBP	0.510	0.605

F. Option on unissued Ordinary Shares:

There is no option on unissued shares as on 30.06.2018.

15. 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.

16. Long Term Borrowings - Net of Current Maturity

(a) This is arrived at as follows :

Amount in Taka

	June 30, 2018	June 30, 2017
Project Loan - ODDO BHF Aktiengesellshaft, Frankfurt, Germany	2,809,556,317	1,167,114,340
Obligation Under Finance Leases	280,596,178	350,296,702
AB Bank	759,326,232	1,118,495,983
	3,849,478,727	**2,635,907,025**

(b) Project Loan - ODDO BHF Aktiengesellshaft, Frankfurt, Germany

This represents part of the foreign currency loan of US $ 51.559 million sanctioned by ODDO BHF Aktiengesellshaft, Frankfurt, Germany to partially finance the machinery and equipment to be procured for expansion and diversification project being implemented by the company. The loan has exclusive first charge by way of hypothecation against the machinery and equipment being procured under the finance. It carries interest @ 6 month's USD LIBOR plus 2.25% per annum.

(c) Obligation Under Finance Leases	**June 30, 2018**	**June 30, 2017**
Gross Finance Lease - minimum lease Liability:		
Within one year	260,426,903	238,426,406
Within two to five years	336,141,714	413,213,083
Total	**596,568,617**	**651,639,489**
Less future finance charges on finance lease liability	(114,965,180)	(132,529,673)
Present Value of Finance Lease liability	**481,603,437**	**519,109,816**
This consists of as follows:		
Within one year	201,007,259	168,813,114
Within two to five years	280,596,178	350,296,702
Present Value of Finance Lease liability	**481,603,437**	**519,109,816**

(d) AB Bank

This loan is payable in quarterly installments and is secured by paripassu hypothication along with Janata Bank on all fixed and floating assets of the Company excepting the machineries and equipments financed by ODDO BHF Aktiengesellshaft, Frankfurt, Germany.

17. Liability for Gratuity and WPPF & Welfare Funds

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

Amount in Taka

(a) Gratuity Payable	June 30, 2018	June 30, 2017
Opening Balance	529,565,300	445,226,921
Provisions during the year	155,686,017	100,578,000
	685,251,317	**545,804,921**
Paid during the year	(25,247,014)	(16,239,621)
Closing balance at end of the Year	**660,004,303**	**529,565,300**
(b) Workers Profit Participation and Welfare Fund	**564,457,967**	**587,529,129**
	1,224,462,270	**1,117,094,429**

18. Deferred Tax Liability

Opening Balance	1,852,665,968	1,756,723,000
Addition during the Year :		
Deferred Tax on Assets (cost basis)-Note : 33 (b)	16,614,044	72,803,945
Deferred Tax on revalued amount	20,543,373	23,139,023
Closing Balance at end of the Year	**1,889,823,385**	**1,852,665,968**

19. Short Term Borrowings

Janata Bank Ltd. - Cash Credit-Hypothecation Loan	3,897,681,180	1,239,757,995
Liability for UPAS Letter of Credit	1,064,417,066	245,674,665
	4,962,098,246	**1,485,432,660**

20. Long Term Borrowings-Current Maturity

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

Project Loan - Local Banks	-	96,418,429
Project Loan - ODDO BHF Aktiengesellshaft, Frankfurt, Germany	852,470,599	84,706,841
Obligation Under Finance Leases	201,007,259	168,813,114
AB Bank	400,341,697	365,851,816
	1,453,819,555	**715,790,200**

21. Creditors and Other Payables

Goods & Services	569,160,255	140,880,215
Provident Fund	188,151,262	275,950,713
Advance Against Sales	43,576,730	57,922,126
Others	138,649,988	63,410,725
	939,538,235	**538,163,779**

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22. Accrued Expenses

Amount in Taka

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

	June 30, 2018	June 30, 2017
For Expenses	136,464,535	102,140,931
Workers' Profit Participation and Welfare Funds - current year's expense (net off interim payments)	166,983,289	143,234,083
	303,447,824	**245,375,014**

23. Income Tax Payable

Opening Balance	420,924,678	347,233,813
Provision for the year	790,580,483	627,764,437
Short / (Excess) Provision for previous year	-	(35,781,848)
	1,211,505,161	**939,216,402**
AIT & Treasury deposits during the year	(778,088,709)	(518,291,724)
	433,416,452	**420,924,678**

24. Net Sales Revenue

This consists of as follows :

Amount in Taka

	July 2017 - June 2018	July 2016 - June 2017
Domestic	15,903,750,112	14,430,304,971
Export *	1,476,977,889	1,078,472,001
	17,380,728,001	**15,508,776,972**

* Equivalent US Dollar 17,953,810 for 2017-18 as against US Dollar 13,672,099 for 2016-17.

Sales represents:

Product Category	Quantity		
	Unit	July 2017 - June 2018	July 2016 - June 2017
Tablet, Capsule, Suppository & DPI	Million pcs.	4,520.25	4,008.10
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable and Inhaler	Million pcs.	97.08	87.65
Diet Care Products	Pcs	21,566	36,193
Active Pharmaceutical Ingredients	Kg	141,374	177,737
Liquid Nitrogen	Liter	437,986	388,917

25. Cost of Goods Sold

Amount in Taka

This is made-up as follows :	July 2017 - June 2018	July 2016 - June 2017
Work-in-Process (Opening)	110,263,528	194,155,965
Materials Consumed (Note: 26)	7,174,927,962	6,126,293,944
Factory Overhead (Note: 27)	2,462,809,815	2,287,126,449
Total Manufacturing Cost	**9,748,001,305**	**8,607,576,358**
Work-in-Process (Closing)	(205,169,517)	(110,263,528)
Cost of Goods Manufactured	**9,542,831,788**	**8,497,312,830**
Finished Goods (Opening)	648,654,846	639,923,877
Finished Goods available	**10,191,486,634**	**9,137,236,707**
Cost of Physician Sample transferred to Sample Stock	(191,843,220)	(164,686,512)
Finished Goods (Closing)	(744,138,733)	(648,654,846)
	9,255,504,681	**8,323,895,349**

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

Stock as June 30, 2018	Unit	Quantity	Value (Tk.)
Tablet, Capsule, Suppository & DPI	Million pcs.	419.50	438,495,650
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable and Inhaler	Million pcs.	7.20	276,721,452
Active Pharmaceutical Ingredients	Kg	9,592	26,362,126
Diet Care Products	Pcs	4,918	2,559,505
			744,138,733

Stock as June 30, 2017	Unit	Quantity	Value (Tk.)
Tablet, Capsule, Suppository & DPI	Million pcs.	372.34	359,671,620
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable and Inhaler	Million pcs.	6.80	258,260,476
Active Pharmaceutical Ingredients	Kg	11,336	28,958,108
Diet Care Products	Pcs	4,094	1,764,642
			648,654,846

26. Materials Consumed

This is made-up as follows:	July 2017 - June 2018	July 2016 - June 2017
Opening Stock	1,745,626,100	1,252,454,731
Purchase	8,412,712,388	6,619,465,313
Closing Stock	(2,983,410,526)	(1,745,626,100)
	7,174,927,962	**6,126,293,944**

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27. Factory Overhead

Amount in Taka

	July 2017 - June 2018	July 2016 - June 2017
Salary & Allowances	861,570,554	723,627,956
Repairs and Maintenance	204,042,376	189,600,074
Insurance Premium	22,183,717	18,389,627
Municipal Tax & Land Revenue	2,508,685	3,003,485
Advertisement	196,960	74,602
Registration & Renewals	13,724,885	11,136,097
Travelling & Conveyance	9,364,755	7,337,312
Entertainment	1,799,806	1,622,407
Research and Development	216,131,607	236,318,682
Printing & Stationery	22,062,770	20,824,317
Telephone, Internet & Postage	9,211,158	8,054,456
Toll Expense	211,932,071	201,710,308
Electricity, Gas & Water	135,414,774	129,746,397
Training & Conference	4,961,417	6,230,654
Plant Certification and Regulatory Approvals	26,780,147	24,852,026
Depreciation	699,635,924	684,144,850
Other Expenses	21,288,209	20,453,199
	2,462,809,815	**2,287,126,449**

(a) Salary and allowances include Company's Contribution to provident fund amounting to Tk. 15,775,182.
(b) Repairs and maintenance includes maintenance of office, premises, vehicles, building, equipment and other infrastructures. Also included therein imported stores and spares that has been consumed during the year.
(c) Other expenses does not include any item exceeding 1% of total revenue.

28. Administrative Expenses

Salary & Allowances	299,668,418	268,697,454
Rent	11,320,578	10,340,260
Repairs and Maintenance	48,306,306	44,592,453
Registration & Renewals	8,507,108	4,749,077
Travelling & Conveyance	26,412,385	24,757,331
Entertainment	6,605,694	5,588,149
Printing & Stationery	5,965,303	4,333,150
Audit Fee	1,600,000	1,500,000
Telephone, Internet & Postage	6,036,768	5,747,696
Electricity, Gas & Water	12,688,120	11,520,307
Legal & Consultancy	8,104,405	7,499,601
Business Acquisition Cost	12,619,081	-
Company Secretarial, Regulatory Fee and AGM Expense	32,250,219	35,852,501
Advertisement	413,705	318,031
Training & Conference	9,504,679	7,038,537
Depreciation	27,057,743	26,458,640
Board Meeting Attendance Fee	468,564	268,338
Other Expenses	77,656,553	63,134,924
	595,185,629	**522,396,449**

(a) Salary and allowances include Company's Contribution to provident fund amounting to Tk. 6,887,331.
(b) Repairs and maintenance includes maintenance of office, premises, vehicles, building, equipment and other infrastructures.
(c) Remuneration is paid to the Directors for attending Board and Audit Committee Meetings.

29. Selling, Marketing and Distribution Expenses

Amount in Taka

	July 2017 - June 2018	July 2016 - June 2017
Salary & Allowances	1,212,995,091	1,072,107,395
Rent	77,134,110	70,979,649
Repairs and Maintenance	8,301,461	7,877,136
Travelling & Conveyance	424,569,958	399,446,059
Entertainment	53,216,266	46,529,440
Printing & Stationery	40,282,407	35,775,940
Telephone, Internet & Postage	17,357,357	15,623,145
Electricity, Gas & Water	9,364,325	9,046,220
Market Research & New Products	48,764,784	43,233,034
Training & Conference	96,624,078	88,446,315
Insurance Premium	30,946,509	23,542,254
Sample Expense	261,921,844	254,732,956
Sales & Market Promotion Expenses	421,085,672	408,729,153
Pharmacovigilance	10,893,311	11,585,795
Literature/News Letter	128,227,175	132,709,374
Registration & Renewals	54,760,086	51,017,650
Export Insurance, Freight and C&F Expenses	120,383,504	55,435,614
Distribution Commission	234,392,430	218,636,233
Delivery Expense	179,142,387	172,852,703
Depreciation & Amortization	90,578,669	71,648,256
Other Expenses	27,496,402	24,324,781
	3,548,437,826	**3,214,279,102**

(a) Salary and allowances include Company's Contribution to provident fund amounting to Tk. 28,035,404.
(b) Distribution commission on local sales of Formulation and IV Fluid products were 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 expenses.

30. Other Income

Interest Income	54,928,425	161,110,825
Dividend Income	1,504,092	1,427,955
Royalty	6,093,728	-
Technology Transfer Income*	18,145,620	10,554,000
Income From sale of Product Dossier	4,959,000	-
Distribution Commission	22,851,313	-
Exchange Rate Fluctuation Gain / (Loss) **	(42,662,242)	(26,444,057)
Profit/(Loss) on Sale of Fixed Assets (Note 40)	(846,352)	(1,795,892)
	64,973,584	**144,852,831**

* Equity shares were issued by Biocare Manufacturing SDN. BHD. Malaysia against transfer of technologies.
**This is arrived after netting off exchange rate fluctuation loss amounting Tk. 49,510,471 on account of outstanding foreign currency loan from ODDO BHF Aktiengesellshaft, Frankfurt, Germany translated at exchange rate prevailing on Financial Position date.

31. Finance Cost

Amount in Taka

	July 2017 - June 2018	July 2016 - June 2017
Interest on Working Capital Loan	361,626,873	303,316,773
Interest on Project / Consortium Loan *	(21,183,793)	13,904,256
Interest on Lease Finance	73,199,604	111,145,912
Interest on Loan from PF, WPPF & Welfare Fund	85,080,425	107,554,563
Other Bank Charges	13,376,260	21,081,658
	512,099,369	**557,003,162**

* Net of Interest rebate received as per the terms of the Sanction letter of the loan for the timely repayment of all the installments.

32. 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).

33. Income Tax Expenses

This consists of as follows :

(a) Current Tax		
(i) Tax provision for current Year (Note 3.9)	790,580,483	627,764,437
(ii) Short/(Excess) Provision for earlier year	-	(35,781,848)
	790,580,483	591,982,589
(b) Deferred Tax Expense	16,614,044	72,803,945
	807,194,527	**664,786,534**

Deferred Tax Expense is arrived at as follows :

Property, Plant & Equipment (Difference in book value & Tax base)	8,219,297,841	7,940,229,171
Deferred Liability (Gratuity)	(660,004,303)	(529,565,300)
Temporary Difference	**7,559,293,538**	**7,410,663,871**
Tax Rate	25%	25%
Deferred Tax Liability at end of the Year	1,889,823,385	1,852,665,968
Deferred Tax Liability at beginning of the Year	1,852,665,968	1,756,723,000
Change in Deferred Tax Liability	**37,157,417**	**95,942,968**
Deferred Tax on Revaluation Surplus	(20,543,373)	(23,139,023)
Deferred Tax charged to Profit or Loss and Other Comprehensive Income	**16,614,044**	**72,803,945**

34. Other Comprehensive Income/(Loss)

Fair Value Gain/(Loss) on Investment in Listed Shares	(942,433)	1,953,407
Exchange Rate Fluctuation Gain on Investment in Biocare Manufacturing	1,424,130	626,100
	481,697	**2,579,507**

35. Earnings Per Share (EPS)

(a) Earnings attributable to the Ordinary Shareholders	Tk.	2,558,971,263	2,226,695,124
(b) Weighted average number of Shares outstanding during the year (Note 3.15)		405,556,445	405,556,445
Earnings Per Share (EPS)	**Tk.**	**6.31**	**5.49**

36. Net Asset Value (NAV) Per Share

Amount in Taka

	June 30, 2018	June30, 2017
Total Assets	42,165,015,439	34,084,132,870
Less Total Liabilities	(15,060,625,508)	(9,011,706,970)
Net Assets	**27,104,389,931**	**25,072,425,900**
Number of Shares at Financial Position date	405,556,445	405,556,445
Net Asset Value (NAV) Per Share	**66.83**	**61.82**

37. Net Operating Cash Flow Per Share (NOCFPS)

Net Cash Generated from Operating Activities	1,848,067,034	2,388,290,321
Number of Shares at Financial Position date	405,556,445	405,556,445
Net Operating Cash Flow Per Share (NOCFPS)	**4.56**	**5.89***

*Restated

38. Reconciliation of Net Profit with Cash Flows from Operating Activities

Profit after Tax	**2,558,971,263**	**2,226,695,124**
Adjustment to reconcile net profit to net cash provided by operating activities :		
Non-cash Expenses:	**972,619,072**	**1,010,275,459**
Depreciation	773,078,369	755,961,160
Amortization	44,193,967	26,290,586
Gratuity & WPPF	107,367,841	132,895,970
Technology Transfer Income -Biocare Manufacturing SDN. BHD., Malaysia	(18,145,620)	(10,554,000)
Exchange rate fluctuation loss on Bank Loan - Foreign Currency	49,510,471	32,877,798
Deferred Tax	16,614,044	72,803,945
Non-operating items:	**(657,740)**	**367,937**
Dividend Income	(1,504,092)	(1,427,955)
Loss on Sale of Fixed Assets	846,352	1,795,892
Changes in working Capital	**(1,682,865,561)**	**(849,048,199)**
(Increase)/Decrease in Inventories	(1,197,360,400)	(697,757,386)
(Increase)/Decrease in Spares & Supplies	(18,678,378)	(21,496,780)
(Increase)/Decrease in Accounts Receivable	(569,604,280)	(486,733,071)
(Increase)/Decrease in Loans, Advances & Deposits	(369,161,543)	104,624,767
Increase/(Decrease) in Creditors and Other Payables	401,374,456	84,335,167
Increase/(Decrease) in Accrued Expenses	58,072,810	94,288,239
Increase/(Decrease) in Income Tax Payable	12,491,774	73,690,865
Net cash Generated from Operating Activities	**1,848,067,034**	**2,388,290,321**

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39. Related Party Disclosures

Amount in Taka

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	Balance at year end
(a) I & I Services Ltd.	Local Delivery Distribution Commission	19,075,349,798 234,392,430	2,011,958,959
(b) Bangladesh Export Import Co. Ltd.	Short Term Investment & Interest there on	547,179,732	339,397,174
(C) Nuvista Pharma Ltd.	Toll Expense Distribution Commission Income	3,970,778 18,584,888	2,313,836 18,584,888

40. Particulars of Disposal of Property, Plant and Equipment

The following assets were disposed off during the year ended June 30, 2018:

Particulars of Assets	Cost	Accumulated Depreciation	Written Down Value	Sales Price	Profit / (Loss)	Mode of Disposal	Name of Parties
Plant & Machinery	30,979,553	29,066,434	1,913,119	782,650	(1,130,469)	Negotiation	Different Individuals
Transport & Vehicle	3,345,000	3,057,667	287,333	571,450	284,117	Negotiation	Different Individuals
Tk.	**34,324,553**	**32,124,101**	**2,200,452**	**1,354,100**	**(846,352)**		

41. 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 July 2017 - June 2018
Remuneration	228,156,894
Gratuity	10,407,588
Contribution to Provident Fund	10,187,070
Bonus	25,467,675
Medical	5,438,661
Others	6,705,192
Total	**286,363,080**

(b) The above includes salary, allowances, and perquisites amounting Tk.41,244,135 paid to the Managing Director.

(c) This also includes Tk. 468,564 paid to Directors including Independent Directors for attending Board and Audit Committee meetings.

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

42. Production Capacity and Utilization

Item	Unit	Production Capacity		Actual Production		Capacity Utilization	
		July 17 - June 18	July 16 - June 17	July 17 - June 18	July 16 - June 17	July 17 - June 18	July 16 - June 17
Tablet, Capsule, Suppository & DPI	Million Pcs	4,349.64	4,241.14	4,741.32	4,140.72	109.00%	97.63%
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable and Inhaler	Million Pcs	94.49	100.71	97.83	87.81	103.53%	87.19%

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

43. Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for at June 30, 2018.

44. Finance Lease Commitment

At June 30, 2018 the company had annual commitment under finance leases as set out below :

Leases expiring within 1 year		201,007,259
Leases expiring within 2-5 years (inclusive)		280,596,178
	Tk.	**481,603,437**

45. Claim not Acknowledged as Debt

There was no claim against the company not acknowledged as debt as on June 30, 2018.

46. Un-availed Credit Facilities

There is no credit facilities available to the Company under any contract, other than credit available in the ordinary course of business and not availed of as on June 30, 2018.

47. Payments Made in Foreign Currency

	Foreign Currency (Equivalent US$)	Taka
Import of Machinery, Equipment & Spares	21,905,397	1,789,972,659
Import of Materials	53,674,485	4,391,116,168
Regulatory Fees, Foreign Currency Loan repayment & Other Expenses	12,406,551	1,023,429,971

48. Foreign Exchange Earned / Received

	Foreign Currency (US$)	Taka
(a) Collection from Export Sales	14,700,850	1,214,290,222
(b) Loan from ODDO BHF Aktiengesellshaft, Germany	33,653,959	2,820,121,650
(c) Royalty and other Income	133,507	11,052,728

49. 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.

50. Contingent Liability

The company has a contingent liability aggregating Tk. 150,788,789 against disputed income tax claims for the year 1999, 2007, 2008 and 2010. The company has filed Income Tax Reference cases with the High Court Division of the supreme court against this claims.

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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 guarantee favoring Standard Bank Ltd. Dhanmondi Branch for Beximco Engineering Limited.

51. Events after The Reporting Period

(a) The directors recommended 12.5% cash dividend (i.e. Tk. 1.25 per share) for the year 2017-18. The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting.

(b) A separate entity named Beximco Pharma API Limited has been formed with a paid up capital of Taka 20,000,000 divided into 2,000,000 shares of Tk. 10 each. Beximco Pharmaceuticals Ltd. holds 1,999,990 shares of the total paid up shares of the company. Beximco Pharma API Limited will setup manufacturing facilities in the API Industrial Park (at Gozaria, Munshiganj)- newly established by the government in order to promote API manufacturing in the country. Two plots measuring 3.27 acres land have been alloted in the name of Beximco Pharmaceuticals Ltd. which are now in the process of being transfered in favour of Beximco Pharma API Limited.

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.

52. 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

52.01 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 June 30, 2018 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.

52.02 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.

52.03 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
October 25, 2018

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Audited Financial Statements-Nuvista Pharma

Audited Financial Statements
Nuvista Pharma Ltd
For the Year Ended June 30, 2018

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AUDITORS' REPORT

To the shareholders of Nuvista Pharma Limited

We have audited the accompanying financial statements of Nuvista Pharma Limited which comprise the statement of financial position as at 30 June 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), 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 the financial statements based on our audit. We conducted our audit in accordance with 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 the auditors' 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, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, 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 present fairly, in all material respects, the financial position of Nuvista Pharma Limited as at 30 June 2018 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof.

(b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books.

(c) The statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.

(A. Qasem & Co.)
Chartered Accountants

Dhaka, 13 October 2018

Nuvista Pharma Limited
Statement of Financial Position
As at 30 June 2018

	Notes	30 June 2018	30 June 2017
		Taka	Taka
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,245,065,897	1,316,345,370
Capital work-in-progress	5	15,956,525	10,752,416
Loan to employees	6	6,099,718	9,794,183
		1,267,122,140	1,336,891,969
Current assets			
Advances, deposits and prepayments	7	42,294,454	14,974,627
Loan to employees	6	3,679,374	3,729,656
Advance income tax net of tax provision	8	32,568,508	21,533,188
Inventories	9	402,528,046	334,192,418
Trade receivables	10	26,879,082	411,329,751
Cash and cash equivalents	11	24,627,392	26,131,694
		532,576,856	811,891,334
Total assets		1,799,698,996	2,148,783,303
EQUITY AND LIABITIES			
Shareholders' equity			
Share capital	12	117,501,600	117,501,600
Reserves and surplus	13	334,874,560	430,784,450
		452,376,160	548,286,050
Non-current liabilities			
Lease obligation - long term portion		-	23,341,735
Long term bank borrowings	14	167,946,540	202,210,694
Deferred liability - gratuity payable	15	99,704,228	148,114,957
Deferred tax liabilities	16	137,448,710	109,160,066
		405,099,478	482,827,452
Current liabilities and provisions			
Lease obligation - current portion		-	16,521,684
Short term bank borrowings	17	753,898,579	805,974,589
Trade payables	18	54,488,508	122,743,736
Liabilities for expenses	19	100,860,014	134,755,028
Other liabilities	20	32,976,257	37,674,764
		942,223,358	1,117,669,801
Total liability		1,347,322,836	1,600,497,253
Total equity and liabilities		1,799,698,996	2,148,783,303

Footnotes:
1. Auditors' Report - page 1
2. The annexed notes 1 to 34 form an integral part of these finacial statements.

Chairman | **Managing Director** | **Director**

As per our report of same date

(A. Qasem & Co.)
Chartered Accountants

Dhaka, 13 October 2018

Nuvista Pharma Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2018

	Notes	30 June 2018 Taka	30 June 2017 Taka
Revenue	21	1,319,875,856	1,807,232,987
Cost of goods sold	22	(666,021,602)	(941,807,008)
Gross profit		**653,854,254**	**865,425,979**
General and administration expenses	23	(120,728,065)	(128,474,244)
Selling and distribution expenses	24	(496,322,557)	(524,355,150)
Profit/(loss) from operations		**36,803,632**	**212,596,585**
Non-operating income/(expenses)	25	(2,543,380)	1,340,827
Interest expenses	26	(92,782,227)	(90,276,796)
Profit/(loss) before tax and WPPF		**(58,521,975)**	**123,660,616**
Contribution to WPPF		-	(5,888,601)
Profit/(loss) before tax		**(58,521,975)**	**117,772,015**
Tax expense			
Current	8	(7,919,255)	(29,480,645)
Deferred	16	(28,288,644)	(25,635,237)
		(36,207,899)	(55,115,882)
Profit/(loss) after tax		(94,729,874)	62,656,133
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		**(94,729,874)**	**62,656,133**
Earnings Per Share (EPS)		**(8.06)**	**5.33**

Footnotes:

1. Auditors' Report - page 1
2. The annexed notes 1 to 34 form an integral part of these financial statements.

Chairman | **Managing Director** | **Director**

As per our report of same date

(A. Qasem & Co.)
Chartered Accountants

Dhaka, 13 October 2018

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Nuvista Pharma Limited

Statement of changes in equity

For the year ended 30 June 2018

Particulars	Share capital	Reserves and surplus						Total
		General reserve	Share premium	Pre-incorporation profit	Revaluation reserve	Retained earnings	Total reserves and surplus	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 July 2016	**58,750,800**	**7,511,991**	**30,844,170**	**243,737**	**162,337,766**	**167,939,266**	**368,876,930**	**427,627,730**
Isssue of share capital	58,750,800							58,750,800
Dividend paid						(748,613)	(748,613)	(748,613)
Profit after tax for the year ended 30 June 2017	-	-	-	-	-	62,656,133	62,656,133	62,656,133
Balance as at 30 June 2017	**117,501,600**	**7,511,991**	**30,844,170**	**243,737**	**162,337,766**	**229,846,786**	**430,784,450**	**548,286,050**
Number of shares								**11,750,160**
Net assets value per share								**46.66**
Balance as at 1 July 2017	**117,501,600**	**7,511,991**	**30,844,170**	**243,737**	**162,337,766**	**229,846,786**	**430,784,450**	**548,286,050**
Dividend paid						(1,180,016)	(1,180,016)	(1,180,016)
Loss after tax for the year ended 30 June 2018	-	-	-	-	-	(94,729,874)	(94,729,874)	(94,729,874)
Balance as at 30 June 2018	**117,501,600**	**7,511,991**	**30,844,170**	**243,737**	**162,337,766**	**133,936,896**	**334,874,560**	**452,376,160**
Number of shares								**11,750,160**
Net assets value per share								**38.50**

Nayeemul Hasaan
Chairman

Rabbur Raza
Managing Director

Director

As per our report of same date

(A. Qasem & Co.)
Chartered Accountants

Dhaka, 13 October 2018

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Nuvista Pharma Limited
Statement of cash flows
For the year ended 30 June 2018

		30 June 2018 Taka	30 June 2017 Taka
A.	**Cash flows from operating activities**		
	Cash receipts from customers	1,704,326,525	1,593,417,058
	Cash paid to suppliers and employees	(1,421,067,187)	(1,446,813,906)
	Cash generated from operation	283,259,338	146,603,152
	Interest paid	(95,952,969)	(90,276,796)
	Income tax paid	(18,954,575)	(17,254,894)
	Net cash generated from operating activities	168,351,794	39,071,462
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(55,549,997)	(186,753,414)
	Proceeds from disposal of property, plant and equipment	13,077,500	2,185,252
	Net cash used in investing activities	(42,472,497)	(184,568,162)
C.	**Cash flows from financing activities**		
	Long term bank borrowings	(34,264,154)	(120,689,044)
	Short term bank borrowings	(52,076,010)	241,237,743
	Lease finance	(39,863,419)	(14,544,125)
	Dividend paid	(1,180,016)	(748,613)
	Share Capital	-	58,750,800
	Net cash (used in)/from financing activities	(127,383,599)	164,006,761
D.	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**	(1,504,302)	18,510,061
E.	**Opening cash and cash equivalents**	26,131,694	7,621,633
F.	**Closing cash and cash equivalents (D+E)**	**24,627,392**	**26,131,694**
	Net operating cash flow per share	**14.33**	**3.33**
	Number of shares	**11,750,160**	**11,750,160**

Chairman | **Managing Director** | **Director**

As per our report of same date

(A. Qasem & Co.)
Chartered Accountants

Dhaka, 13 October 2018

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1. Reporting entity

1.1 Nuvista Pharma Limited ("the company") was originally incorporated as a private limited company in 1973 in Bangladesh as Organon (Bangladesh) Limited under the Companies Act 1913. The company in its extra ordinary general meeting of the shareholders held on 02 November 2006 changed the name of the company from "Organon (Bangladesh) Limited" to "Nuvista Pharma Limited" which was approved by the Registrar of Joint Stock Companies and Firms on 29 November 2006.

The company in its extra ordinary general meeting held on 05 May 2011 made some amendments to the Memorandum and Articles of Association with a view to broadening the objects clause of the company (subsequently approved by the High Court on 12 October 2011), converting it into a Public Limited company, increasing its authorized capital, complying with the Companies Act 1994, and eliminating certain redundant provisions in the Articles of Association of the company consequent upon the transfer of Organon International's shareholding in the Company, which were filed with the Registrar of Joint Stock Companies and Firms, Dhaka.

On 2nd April 2018, Beximco Pharmaceuticals Limited (BPL), a public limited company listed with Dhaka Stock Exchange, Chittagong Stock Exchange and London Stock Exchange has acquired majority shareholdings in Nuvista Pharma Limited (NPL) and through this acquisition BPL has become the immediate and ultimate parent of the company. Current shareholding comprises 85.22% by BPL, 12.92% by Government of Bangladesh and rest by other local shareholders.

1.2 The address of the registered office of the company is Plot no. 107/A, Mascot Plaza (8th floor), Sonargaon Janapath, Sector-7, Uttara C/A, Dhaka-1230, Bangladesh.

1.3 The company produces various pharmaceutical products including oral contraceptives, hormone, steroid, anti-histamine, anti-fibrinolytic, anti-infective, cardiac, gastrointestinal, musculoskeletal, respiratory, vitamin & mineral supplement and women's health products which are sold in the local market.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BASs), International Accounting Standards (IASs), Bangladesh Financial Reporting Standards (BFRSs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except revaluation of certain property, plant and equipment.

2.3 Functional and presentational currency

These financial statements are prepared in Bangladeshi Taka (Taka/Tk.), which is the company's functional currency. All financial information has been presented in Taka and rounded off to the nearest integer.

2.4 Use of estimates and judgments

The preparation of financial statements requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an on going basis.

2.5 Going concern

The company has adequate resources to continue its operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current resources and credit facilities of the company are sufficient to meet the present requirements of its existing business.

2.6 Statement of cash flows
Statement of cash flows has been prepared in accordance with as per BAS 7: "Statement of cash flows" under direct method.

2.7 Reporting period
These financial statements cover one year from 1 July 2017 to 30 June 2018.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Shareholders' capital - paid-up capital
Paid-up capital represents the total amount of shareholders capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time.

3.2 Lease transactions
All lease transactions have been classified based on the extent to which risks and rewards incident to ownership of leased assets lie with the lessor or lessee. According to this classification, all the lease transactions have been identified as finance lease as per BAS 17: "Leases", based on the substance of the transactions not merely the legal form.

Finance lease has been recognised as assets and liabilities in the Statement of financial position at amount equal at the inception of lease to the lower of fair value of leased property and present value of minimum lease payments. The interest rate implicit in the lease has been used to calculate the present value of minimum lease payments.

3.3 Staff gratuity fund
The company operates an unfunded gratuity scheme, provision in respect of which is made annually for all eligible employees. Gratuity payable to all eligible employees at the end of each year is determined on the basis of the existing rules and regulations of the company.

3.4 Employees provident fund
The company subscribes to a contributory provident fund for its permanent employees which is administered by a Board of Trustees.

3.5 Property, plant and equipment

3.5.1 Recognition and measurement
Property, plant and equipment (PPE) is recognised as an asset if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the item can be measured reliably.
Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the assets, bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

3.5.2 Subsequent costs
The costs of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its costs can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognised in the Statement of profit or loss and other comprehensive income as incurred.

3.5.3 Depreciation
Depreciation is recognised in the Statement of profit or loss and other comprehensive income on a straight line basis over the estimated useful lives of each item of property, plant and equipment. Depreciation on property, plant and equipment is charged from the month of acquisition. In case of disposals, depreciation is charged up to the immediate previous month of disposal. No depreciation is charged on leasehold land and capital work-in-progress. Depreciation is calculated and charged on all other property, plant and equipment at the following rates on cost or valuation, considering the estimated useful lives of the assets:

Factory building and warehouse	2.5%
Motor cars and vans	20%-25%
Plant, machinery and equipment	5% -15%
Computer and IT equipment	30%
Electric fixtures and fittings	7%
Furniture and fittings	6%

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Gain or loss on sale of property, plant and equipment is recognised in the Statement of profit or loss and other comprehensive income as per provision of BAS 16: "Property, plant and equipment".

3.6 Impairment

3.6.1 Recognition

The carrying value of the company's assets, other than inventories, are reviewed at each Statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the Statement of profit or loss and other comprehensive income. For the assets that have indefinite useful life, the recoverable amount is estimated at each Statement of financial position date.

No indication of impairment was observed in the year ending 30 June 2018.

3.6.2 Calculation of recoverable amount

The recoverable amount of an asset is the greater of net selling price and value in use. The estimated future cash flows are discounted to their present value using discount rate that reflects the current market assessment of the time value of money and the risk specific to the asset. For an asset that does not generate significantly independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

3.6.3 Reversal of impairment

An impairment loss recognised in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.
An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognised for the asset in prior years.

There was no reversal of impairment in the year ended 30 June 2018.

3.7 Capital work-in-progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that were not ready for use at the year end and these are stated at cost.

3.8 Taxation

Tax on the Statement of profit or loss and other comprehensive income for the year comprises current and deferred tax. Tax is recognised in the Statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

3.8.1 Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Statement of financial position date, and any adjustment to tax payable in respect of previous years.

3.8.2 Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are offset if there is a legal enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefit will be realised.

3.9 Inventories

Inventories are valued at the lower of cost and Net Realisable Value (NRV).

Costs of raw materials, chemicals and packing materials are valued at cost.

Costs of semi-finished and work-in-process inventories include cost of materials and allocated manufacturing overhead.

Spare parts, laboratory consumables and miscellaneous items are valued at cost.

3.10 Trade receivables
Trade receivables at the year end are stated at amounts which are considered realisable.

3.11 Foreign currency

3.11.1 Foreign currency transactions
Foreign currency transactions are converted into equivalent Taka at the ruling exchange rates on the respective dates of such transactions and subsequently retranslated using the rate at the date of settlement.

3.11.2 Foreign currency translations
Monetary assets and liabilities denominated in foreign currencies have been converted into Taka at the exchange rate ruling at the year end.

3.11.3 Translation gains and losses
Foreign exchange difference arising on translation are recognised in the Statement of profit or loss and other comprehensive income.

3.12 Provisions
A provision is recognised in the Statement of financial position when the company has a legal or constructive obligation as a result of past events, and 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.

3.13 Revenue recognition
Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and VAT. Revenue is recognised when significant risks 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, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Transfer of risk and rewards occurs for the sale of goods, when the product is delivered to the customers along with dispatch documents and invoices.

Toll income is recognised when the products are manufactured and delivered under a toll agreement with a third party.

3.14 Interest expenses
Interest expense comprises interest expense on overdraft, import loan, demand loan, finance lease and term loan. All interest expenses are recognised in the Statement of profit or loss and other comprehensive income when it accrues.

3.15 Workers' Profit Participation Fund (WPPF)
The company provides 5% of its net profit before tax after charging such expense as WPPF in accordance with Bangladesh Labour Act 2006.

3.16 Events after the reporting date
Events after the reporting date that provide additional information about the company's position at the reporting date are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

3.17 General
Previous year's figures have been rearranged/reclassified wherever considered necessary to conform to current year's presentation.

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4. Property, plant and equipment

Particulars	Leasehold land	Factory building	Factory warehouse	Plant and machinery	Motor vehicles	Computer and IT equipment	Equipment and electric fixtures and fittings	Furniture fittings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Cost or valuation									
As at 1 July 2017	**274,301,991**	**236,790,594**	**9,909,831**	**441,775,302**	**164,158,589**	**19,783,906**	**647,445,423**	**44,255,643**	**1,838,421,279**
Addition during the year	1,306,722			737,796	28,154,300	6,195,829	13,861,241	90,000	50,345,888
Adjustment/disposal					(47,859,633)	(1,125,848)	(2,012,238)	-	(50,997,719)
As at 30 June 2018	**275,608,713**	**236,790,594**	**9,909,831**	**442,513,098**	**144,453,256**	**24,853,887**	**659,294,426**	**44,345,643**	**1,837,769,448**
Accumulated depreciation									
As at 1 July 2017	**-**	**36,479,194**	**2,831,408**	**124,907,263**	**85,928,460**	**12,623,278**	**239,330,223**	**19,976,083**	**522,075,909**
Charge during the year		5,907,364	247,746	23,405,450	29,188,895	4,538,208	40,587,940	2,015,413	105,891,016
Adjustment/disposal					(32,499,479)	(751,668)	(2,012,227)	-	(35,263,374)
As at 30 June 2018	**-**	**42,386,558**	**3,079,154**	**148,312,713**	**82,617,876**	**16,409,818**	**277,905,936**	**21,991,496**	**592,703,551**
Net book value									
As at 30 June 2018	**275,608,713**	**194,404,036**	**6,830,677**	**294,200,385**	**61,835,380**	**8,444,069**	**381,388,490**	**22,354,147**	**1,245,065,897**
As at 30 June 2017	**274,301,991**	**200,311,400**	**7,078,423**	**316,868,039**	**78,230,129**	**7,160,628**	**408,115,200**	**24,279,560**	**1,316,345,370**

4.1 Depreciation charge has been allocated as under:

	30 June 2018 Taka	30 June 2017 Taka
Conversion cost included in cost of goods sold (Note 22.3)	80,838,538	78,811,500
General and administration expenses (Note 23)	6,735,673	4,747,821
Selling and distribution expenses (Note 24)	18,316,805	15,140,240
	105,891,016	**98,699,561**

4.2 Disclosure for revalued assets

The leasehold land is stated at revalued amount on the basis of the reports of external surveyor. The surplus on revaluation over the original cost of the assets was credited to revaluation reserve.

Land was revalued in 1976 for the first time. The company once again revalued its land, plant and machinery, and equipment at the time of divestment of Organon (Bangladesh) Limited in 2006. The Company's land was further revalued in 2010.

5. Capital work-in-progress

	As at 1 July 2017 Taka	Addition during the year Taka	Transfer to property, plant and equipment Taka	As at 30 June 2018 Taka
Leasehold land	-	1,306,722	1,306,722	-
Plant and machinery	8,985,317	4,629,586	737,796	12,877,107
Motor vehicles	-	28,154,300	28,154,300	-
Electric fixture and fittings	-	847,000	847,000	-
Furniture	-	90,000	90,000	-
Equipment	87,099	16,006,560	13,014,241	3,079,418
Computer and IT equipment	1,680,000	4,515,829	6,195,829	-
Balance as at 30 June	**10,752,416**	**55,549,997**	**50,345,888**	**15,956,525**

6. Loan to employees

	30 June 2018 Taka	30 June 2017 Taka
Car loan	7,596,179	11,287,839
General Loan	2,182,913	2,236,000
	9,779,092	13,523,839
Current portion of loan to employees	(3,679,374)	(3,729,656)
Balance as at 30 June	**6,099,718**	**9,794,183**

7. Advances, deposits and prepayments

Advance against operating expenses	1,407,976	1,131,079
Rent advance	1,700,850	4,918,950
Security deposits	2,631,154	2,341,154
Lease deposits	-	1,668,003
VAT	31,556,463	122,842
Prepaid insurance	4,800,492	4,670,616
Others	197,519	121,983
Balance as at 30 June	**42,294,454**	**14,974,627**

8. Advance income tax, net of tax provision

Balance as at 1 July	21,533,188	33,758,939
AIT and treasury deposits during the year	18,954,575	17,254,894
Provision for the year	(7,919,255)	(17,500,000)
Short provision for earlier years	-	(11,980,645)
Balance as at 30 June	**32,568,508**	**21,533,188**

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9. Inventories

	30 June 2018 Taka	30 June 2017 Taka
Stocks		
Finished goods	119,998,485	68,228,503
Semi-finished and Work-in-process	57,553,706	88,832,381
Raw materials	143,365,346	96,328,190
Chemicals	23,977,793	22,431,222
Packing materials	31,820,560	27,566,362
Materials-in-transit	16,682,330	22,724,278
	393,398,220	326,110,936
Stores		
Spare parts	7,666,099	5,914,939
Laboratory consumables	330,437	341,908
Miscellaneous items	518,687	1,597,556
Spares-in-transit	614,603	227,079
	9,129,826	8,081,482
Balance as at 30 June	**402,528,046**	**334,192,418**

10. Trade receivables

Ageing of the trade receivables is as follows:

Receivables due over six months	6,284,139	-
Receivables due below six months	20,594,943	411,329,751
Balance as at 30 June	**26,879,082**	**411,329,751**

Above receivables are unsecured and considered good.

11. Cash and cash equivalents

Cash in hand	243,281	58,797
Cash at banks		
Eastern Bank Limited	41,669	353,219
HSBC	-	773
The City Bank Limited	1,233,878	26,530
Mutual Trust Bank Limited	644,326	-
Dhaka Bank Limited	194,513	43
BRAC Bank Limited	66,992	25,469,869
IFIC Bank Limited	16,553,213	-
Janata Bank Limited	5,432,489	-
National Bank Limited	217,031	222,463
	24,384,111	26,072,897
Balance as at 30 June	**24,627,392**	**26,131,694**

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12. Share capital

		30 June 2018	30 June 2017
		Taka	Taka
Authorised			
50,000,000	Ordinary shares of Tk 10 each	**500,000,000**	**500,000,000**
Issued, subscribed and paid-up			
11,579,160	Ordinary shares of Tk 10 each issued for cash	115,791,600	115,791,600
171,000	Ordinary shares of Tk 10 each issued for consideration other than cash	1,710,000	1,710,000
11,750,160		**117,501,600**	**117,501,600**

Shareholding position

	Nominal value (Taka)		Percentage of holding (%)	
	30 June 2018	30 June2017	30 June 2018	30 June 2017
Beximco Pharmaceuticals Limited	100,134,740	-	85.22	-
Government of Bangladesh	15,186,000	15,186,000	12.92	12.92
Mr. Akhter Matin Chaudhury	-	64,961,380	-	55.29
Mr. Kanai Lal Saha	-	14,832,290	-	12.62
Mr. Asif Ahmed	-	14,085,620	-	11.99
Mr. Rahbar Alam Anwar	-	6,133,450	-	5.22
Other shareholders (2018:28; 2017:27)	2,180,860	2,302,860	1.86	1.96
	117,501,600	**117,501,600**	**100**	**100**

12.1 In 2012, the company raised its paid-up capital from Tk. 9,791,800 to Tk. 58,750,800 by issuing 4,895,900 rights share to the existing shareholders on the basis of 5R:1 (i.e. five rights share against one existing share held on the record date). However, the subscription against the rights share (632,750 share of Tk. 10 each) held by the Ministry of Industries, Govt. of Bangladesh was received on 20 June 2013.

12.2 In 2017, the company further raised its paid-up capital from Tk. 58,750,800 to Tk. 117,501,600 by issuing 5,875,080 rights share to the existing shareholders on the basis of 1R:1 (i.e. one rights share against one existing share held on the record date).

13. Reserves and surplus

	30 June 2018	30 June 2017
	Taka	Taka
General reserve	7,511,991	7,511,991
Share premium (Note 13.1)	30,844,170	30,844,170
Pre-incorporation profit	243,737	243,737
Revaluation reserve (Note 13.2)	162,337,766	162,337,766
Retained earnings	133,936,896	229,846,786
Balance as at 30 June	**334,874,560**	**430,784,450**

13.1 Share premium

This represents the amount received on 48,959 ordinary shares @ Tk. 630 each issued in 1997.

13.2 Revaluation reserve

This represents revaluation surplus on revaluation of land made during 2006 and 2010.

14. Long term bank borrowings

	30 June 2018	30 June 2017
	Taka	Taka
Dhaka Bank Limited (Note 14.1)	283,116,730	111,087,949
The City Bank Limited	-	237,500,000
Mutual Trust Bank Limited	-	6,271,470
Total long term bank borrowings	283,116,730	354,859,419
Less: Current portion (Note 17)	(115,170,190)	(152,648,725)
Balance as at 30 June	167,946,540	202,210,694

14.1 Dhaka Bank Limited

All loan liabilities outstanding with Mutual Trust Bank Limited and The City Bank Limited and lease finance liabilities with United Finance Limited were taken over by Dhaka Bank Limited with effect from 29 March 2018. Loan liabilities outstanding with Brac Bank Limited was also taken over by Dhaka Bank Limited with effect from 10 May 2015.

This also represents amount outstanding against the term loans taken from Dhaka Bank Limited on various dates for setting up the new Oral Solids facility and equipments at the factory.

14.2 Collateral

All loans are secured by a registered mortgage on specific factory land and buildings of the company.

14.3 Security

All loans are also secured with respect to the following:

a) Registered (1st charge) hypothecation on present and future plant and machinery, equipment, furniture and fixture of the company.
b) Registered (1st charge) hypothecation over all stock, book debts and receivables of the company.
c) Shares held by Beximco Pharmaceuticals Ltd. are kept under lien with Dhaka Bank Ltd.
d) Corporate guarantee to be issued by Beximco Pharmaceuticals Limited on a later date.

15. Deferred liability - gratuity payable

	30 June 2018 Taka	30 June 2017 Taka
Balance as at 1 July	148,114,957	137,844,382
Add : Provision made during the year	13,093,910	35,841,729
	161,208,867	173,686,111
Less: Payments made during the year	(61,504,639)	(25,571,154)
Balance as at 30 June	99,704,228	148,114,957

16. Deferred tax liabilities

Deferred tax liabilities arrived at as follows:

	Carrying amount on statement of financial position date Taka	Tax base Taka	Taxable/ (deductible) temporary difference Taka
Year: 2017-2018			
Property, plant and equipment	969,457,185	558,893,333	410,563,852
Provision for gratuity (net of payment)	(99,704,228)	-	(99,704,228)
Temporary difference			310,859,624
Applicable tax rate for items recognised in statement of comprehensive income			35%
Applicable tax rate for items recognised in equity			15%
Deferred tax Liabilities (a)			(108,800,869)
Deferred tax liabilities on revaluation surplus			(28,647,841)
Net deferred tax liabilities			**(137,448,710)**

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	Carrying amount on statement of financial position date	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
Year: 2016-2017			
Property, plant and equipment	1,042,043,379	663,893,494	378,149,885
Provision for gratuity (net of payment)	(148,114,957)	-	(148,114,957)
Temporary difference			230,034,928
Applicable tax rate for items recognised in statement of comprehensive income			35%
Applicable tax rate for items recognised in equity			15%
Deferred tax Liabilities (b)			(80,512,225)
Deferred tax Liabilities on revaluation surplus			(28,647,841)
Net deferred tax liabilities			**(109,160,066)**
Deferred tax recognised in the statement of profit or loss and other comprehensive income in 2017-2018 (a-b)			**(28,288,644)**
Deferred tax recognised in the statement of profit or loss and other comprehensive income in 2016-2017			**(25,635,237)**

17. Short term bank borrowings

	30 June 2018	30 June 2017
	Taka	Taka
Bank overdrafts		
Dhaka Bank Limited (Limit Tk. 180,000,000)	161,151,048	11,432,288
The City Bank Limited	-	31,302,860
Mutual Trust Bank Limited	-	77,461,281
	161,151,048	120,196,429
Short term bank loans		
The City Bank Limited	2,507,475	47,922,189
Mutual Trust Bank Limited	18,839,012	383,335,866
Dhaka Bank Limited	456,230,854	101,871,380
	477,577,341	533,129,435
Current portion of long term loan (Note 14)	115,170,190	152,648,725
	753,898,579	**805,974,589**

Collateral and security given against short-term finance are a part of overall financing arrangement with Dhaka Bank Limited as indicated in note 14. The interest rate is 9% -12.5% per annum and is payable on quarterly rests.

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18. Trade payables

	30 June 2018 Taka	30 June 2017 Taka
Trade payables	54,488,508	122,743,736
	54,488,508	122,743,736

This represents amount due against purchase of raw, chemical and packing materials.

19. Liabilities for expenses

Promotional expenses, literature, etc.	63,918,269	82,427,795
Leave encashment	3,348,532	3,564,414
Audit fees	638,750	300,000
Legal and professional fees	324,570	725,000
Utilities	4,820,000	3,918,416
Local travelling	6,000,000	6,000,000
Accrued interest	5,043,306	8,214,048
Toll manufacturing cost	-	2,945,564
Accrued expenses	16,766,587	26,659,791
	100,860,014	**134,755,028**

20. Other liabilities

Salary and allowances	945,243	229,689
Provident fund dues	2,056,929	2,736,376
Workers' profit participation fund	-	5,888,601
Tax deducted at source	1,513,724	2,114,205
VAT deducted at source	746,136	904,151
Tax on salaries	1,247,964	4,315,032
Final settlement of staff	2,279,150	5,177,294
Corporate social responsibility project	1,305,270	8,828,783
Commission payable to ADL	4,074,641	7,269,376
Commission payable to BPL	18,584,888	-
Unpaid dividend	222,312	211,257
	32,976,257	**37,674,764**

21. Revenue

	30 June 2018 Taka	30 June 2017 Taka
Net sales revenue	**1,300,442,853**	**1,789,773,306**
Toll income	19,433,003	17,459,681
	1,319,875,856	**1,807,232,987**

Quantitative details of sales

	Unit	30 June 2018 Quantity	30 June 2017 Quantity
Locally manufactured products	Tabs	187,208,876	260,701,456
	Caps	25,989,669	42,484,568
	Amps & Suspensions	10,149,157	11,423,344

22. Cost of goods sold

	30 June 2018 Taka	30 June 2017 Taka
Opening stock of finished goods	68,228,503	99,652,236
Cost of production (Note 22.1)	724,888,476	918,678,261
Cost of goods available for sale	793,116,979	1,018,330,497
Cost of physician sample	(7,096,892)	(8,294,986)
Closing stock of finished goods	(119,998,485)	(68,228,503)
	666,021,602	**941,807,008**

22.1 Cost of production

Opening stock of semi-finished and WIP	88,832,381	61,602,087
Materials consumed (Note 22.2)	314,317,244	570,200,927
Conversion cost (Note 22.3)	379,292,557	375,707,628
	782,442,182	1,007,510,642
Closing stock of semi-finished and WIP	(57,553,706)	(88,832,381)
	724,888,476	**918,678,261**

22.2 Materials Consumed

Opening stock	146,325,774	124,339,224
Purchase	367,155,169	592,187,477
Closing stock	(199,163,699)	(146,325,774)
	314,317,244	**570,200,927**

Item wise quantity and value of finished goods stock are as follows :

Stock as July 1, 2017	**Unit**	**Quantity**	**Value (Tk.)**
Tabs	pcs.	35,881,662	45,447,388
Caps	pcs.	4,316,127	9,595,244
Amps & Suspensions	pcs.	715,576	13,185,871
			68,228,503

Stock as June 30, 2018	**Unit**	**Quantity**	**Value (Tk.)**
Tabs	pcs.	45,743,691	68,178,896
Caps	pcs.	9,778,283	21,313,752
Amps & Suspensions	pcs.	1,430,023	30,505,837
			119,998,485

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22.3 Conversion cost

	30 June 2018	30 June 2017
	Taka	Taka
Salaries and allowances	134,687,674	131,946,261
Contribution to provident fund	1,958,417	1,975,193
Power and fuel	36,669,889	31,331,568
Factory supplies	16,552,550	17,066,675
Software and hardware support expenses	1,215,860	1,190,967
Canteen expenses	6,808,872	6,993,454
Insurance	2,999,015	3,647,449
Repair and maintenance	18,354,691	17,842,261
Security services	2,655,011	2,389,384
Toll manufacturing charges	16,507,781	19,991,312
Stores materials consumed	29,361,448	30,916,155
Product development cost	18,115,904	18,799,587
Long service award	216,130	728,700
Overseas travelling expenses	3,163,453	3,665,895
Factory staff uniform	1,549,716	1,711,412
Printing and stationery	950,276	1,874,811
Entertainment	338,593	189,494
Vehicle repair, maintenance and running cost	2,468,713	2,585,102
Local authority taxes	2,220,120	526,541
Other expenses	1,659,906	1,523,907
Depreciation (Note 4.1)	80,838,538	78,811,500
	379,292,557	**375,707,628**

23. General and administration expenses

Salaries and allowances	73,890,013	83,485,562
Directors' fees (Note 28)	390,000	220,800
Contribution to provident fund	2,377,913	2,674,926
Office rent	9,735,900	9,359,850
Overseas travelling expenses	2,411,044	3,817,265
Local travelling expenses	977,100	1,336,673
Entertainment	391,656	616,364
Vehicle repair, maintenance and running cost	2,868,339	3,054,468
Postage, telephone and internet	1,583,087	1,240,300
Printing and stationery	590,564	604,519
Advertisement	234,000	127,087
Repairs and maintenance	898,909	673,820
Office supplies	1,814,488	1,383,598
Software and hardware support expenses	2,794,163	2,696,784
Utilities	1,830,471	1,566,979
Canteen expenses	2,514,497	2,266,552
Local authority taxes	1,476,192	833,250
Medical expenses	1,494,167	1,106,523
Insurance premium	718,178	609,721
Statutory audit fees	325,000	300,000
Legal and professional expenses	1,281,370	1,514,047
Meeting and seminars	1,550,160	2,538,984
Bank charges	863,299	839,885
General expenses	981,882	858,466
Depreciation (Note 4.1)	6,735,673	4,747,821
	120,728,065	**128,474,244**

24. Selling and distribution expenses

	30 June 2018	30 June 2017
	Taka	Taka
Salaries and allowances	207,039,026	216,405,540
Contribution to provident fund	3,702,016	3,828,922
Overseas travelling expenses	6,612,503	10,354,213
Local travelling expenses	52,279,018	51,698,120
Entertainment	493,441	686,834
Samples	8,096,951	9,503,513
Promotional expenses	50,331,929	51,652,496
Literature, pad and handouts	16,817,775	15,344,812
Conference and workshop	4,662,843	7,214,537
Advertisement	1,794,133	1,915,790
Vehicle repair, maintenance and running cost	3,559,309	2,281,251
Postage, telephone and internet	9,490,821	8,887,014
Printing and stationery	963,632	1,895,553
Books and periodicals	1,245,934	1,690,080
Medical expenses	1,395,300	1,476,056
Training expenses	2,295,924	3,164,806
Prescription survey	917,253	3,571,330
Registration and renewals	613,695	772,201
Insurance premium	4,557,169	5,551,325
Office rent	4,560,136	1,825,391
Trade rebate	-	3,260,944
Meeting and seminars	2,874,359	7,097,673
Distribution commission	92,122,035	97,809,332
General expenses	1,580,550	1,327,177
Depreciation (Note 4.1)	18,316,805	15,140,240
	496,322,557	**524,355,150**

25. Non-operating income/(expenses)

Gain/(loss) on disposal of property, plant and equipment	(2,656,845)	1,203,869
Sale of miscellaneous items	113,465	136,958
	(2,543,380)	**1,340,827**

26. Interest expenses

Interest on		
Long term loan	32,695,455	40,292,694
Short term finance	55,468,898	45,012,437
Finance lease	4,617,874	4,971,665
	92,782,227	**90,276,796**

27. Capacity utilisation

	Installed capacity*	Actual production	Actual Utilisation
	Unit	Unit	%
Amps & Suspensions	19,822,400	12,157,738	61%
Tablet	1,322,390,400	172,314,986	13%
Capsule	56,044,880	30,540,785	54%

28. Remuneration and fees to directors

	30 June 2018 Taka	30 June 2017 Taka
Remuneration (included in salaries and allowances)	35,628,152	57,043,410
Fees (Note 23)	390,000	220,800
	36,018,152	**57,264,210**

29. Auditors' remuneration

Statutory audit fees	325,000	300,000
Special audit fees	243,750	-
P.F. audit fees	35,000	35,000
WPPF audit fees	35,000	35,000
	638,750	**370,000**

30. Related party disclosures

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

Name of related party	Relationship	Nature of transactions	Value of transaction	Balance at year end
Beximco Pharmaceuticals Limited	Immediate and ultimate parent	Toll income	3,970,778	2,313,836
		Distribution commission	18,584,888	18,584,888

31. Payments made in foreign currency:

Particulars	30 June 2018		30 June 2017
	Foreign currency (Equivalent USD)	Taka	Taka
Import of raw, chemicals and packing materials	2,660,212	223,457,810	287,182,664
Import of machinery and spare parts	162,138	13,619,571	45,756,747
		237,077,381	**332,939,411**

32. Contingent liabilities

32.1 There is a contingent liability of Tk. 75,195,722 in respect of disputed tax claim. This matter has been referred to the High Court for a ruling and is still pending.

32.2 There is additional contingent liabilities in respect of outstanding letters of credit of Tk. 20,778,877 (June 2017: Tk.48,235,423).

33. Number of employees engaged

The number of employees engaged for the whole period or part thereof who received a total remuneration of Tk. 36,000 and above were 954 (June 2017: 1061).

34. Events after reporting date

The Board in its meeting dated 22 October 2018 recommended that a dividend of 5% i.e. Tk. 0.50 per share, totalling Tk. 868,344 be paid for the year ended 30 June 2018 to all shareholders other than Beximco Pharmaceuticals Limited.

Chairman | **Managing Director** | **Director**

BEXIMCO PHARMA here's to life

Proxy Form

BEXIMCO PHARMACEUTICALS LIMITED

17, DHANMONDI, ROAD NO. 2, DHAKA-1205, BANGLADESH.

I/We..... of .... being a member of **Beximco Pharmaceuticals Limited** hereby appoint Mr./Mrs./Miss..... ..... of ..... as my proxy to attend and vote for me on my behalf at the 42nd Annual General Meeting of the Company to be held on Saturday, the 22nd December, 2018 at 10.30 a.m. at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur and at any adjournment thereof.

As witness my hand this ..... day of December, 2018.

Signed by the said in presence of .....

Revenue Stamp Tk. 20.00

....

(Signature of Proxy) Signature of Shareholder(s)

Dated ..... BO ID/Register Folio No.....

..... Dated .....

(Signature of Witness)

Note: A member is 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 appointed for the meeting.

Signature Verified

.....

Authorised Signatory

BEXIMCO PHARMA here's to life

BEXIMCO PHARMACEUTICALS LIMITED

SHAREHOLDERS' ATTENDANCE SLIP

I hereby record my attendance at the 42nd Annual General Meeting being held on Saturday, the 22nd December, 2018 at 10.30 a.m. at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur.

Name of Member/Proxy .....

BO ID/Register Folio No. .....holding of ..... ordinary shares of Beximco Pharmaceuticals Limited.

.....

Signature of Shareholder/Proxy

N.B. Please present this slip at the reception desk. Children and non-members will be not allowed at the AGM.

I AM A STOCK

Corporate Information

Operational Headquarters

19 Dhanmondi R/A, Road # 7
Dhaka- 1205, Bangladesh
Phone : +880-2-58611001
Fax : +880-2-58614601
E-mail : info@bpl.net
Website : www.beximcopharma.com

Corporate Headquarters

17 Dhanmondi R/A, Road # 2
Dhaka- 1205, Bangladesh
Phone : +880-2-58611891
Fax : +880-2-58613470
E-mail : beximchq@bol-online.com

Factory

Tongi Unit
126 Kathaldia, Tongi, Gazipur
Bangladesh

Kaliakoir Unit
Plot No. 1070/1083, Mouchak
Kaliakoir, Gazipur
Bangladesh

Stock Exchange Listing

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

Public Relations

IMPACT PR
Apartment # A-1, House # 17,
Road # 4, Gulshan-1,
Dhaka-1212, Bangladesh

FTI Consulting LLP
200 Aldersgate
Aldersgate Street, London EC1A 4HD
United Kingdom

Legal Advisor

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

Auditors

M. J. Abedin & Co.
Chartered Accountants
National Plaza (3rd Floor)
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

Nominated Advisor
SPARK Advisory Partners Limited
5 St. John's Lane, EC1M 4BH,
London, UK

No.1 Aire Street, Leeds, LS1 4PR, UK

Broker
Northland Capital Partners Limited
40 Gracechurch Street, 2nd Floor
London, EC3V 0BT

Custodian
HSBC
Level 4, Shanta Western Tower
186 Bir Uttam Mir Shawkat Ali Road
Tejgaon Industrial Area
Dhaka- 1208, Bangladesh

Depository Bank
The Bank of New York Mellon
240 Greenwich Street, 22W
New York, NY 10286- USA

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