



ANNUAL REPORT **2019-20**

**BEXIMCO
PHARMA**

here's to life

EXCELLENCE IN PHARMA:
INNOVATION IN RESPONSE TO COVID-19

WINNER 2020

BEXIMCO PHARMACEUTICALS



ANNUAL REPORT
2019-20



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BEXIMCO PHARMACEUTICALS LIMITED



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We continually strive to provide access to safe, effective and affordable medicines. Over the last 4 decades of operation, our motto has remained the same: ensuring health and wellbeing of the people.

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Our Essence

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.



BEXIMCO
PHARMA

About the Company

Beximco Pharmaceuticals Limited 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 Pharma began manufacturing of these products under licensing arrangement and in 1983 launched its own formulation brands. From that humble beginning, Beximco Pharma has grown from strength to strength. Today, it has become an emerging global generic pharma company in the region. The Company'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 for 5 times. It remains the only Company in the country to win the highly prestigious SCRIP Award as the "Best Pharma Company in an Emerging Market" and also won CPhI Pharma Awards 2020 for "Innovation in Response to COVID-19." It also has the unique distinction as the only Bangladeshi Company listed on the AIM of London Stock Exchange.

In 2018, Beximco Pharma acquired majority stake in Nuvista Pharma (formerly Organon Bangladesh), a leading hormone and steroid manufacturer in the country.

The Company currently employs more than 4,700 employees including pharmacists, doctors, engineers, chemists, microbiologists, accountants, business graduates and other white collar professionals.



Corporate Information

Registered Office

17 Dhanmondi R/A, Road No. 2
Dhaka- 1205, Bangladesh
Phone: +880-2-58611891
Fax: +880-2-58613470
E-mail: beximchq@bol-online.com

Operational Headquarters

19 Dhanmondi R/A, Road No. 7, Dhaka- 1205, Bangladesh
Phone: +880-2-58611001
Fax: +880-2-58614601
E-mail: info@bpl.net
Website: www.beximcopharma.com

Factory

Tongi Plant
126 Kathaldia, Auchpara, Tongi
Gazipur-1711, Bangladesh

Kaliakoir Plant
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

Public Relations

IMPACT PR
Apartment No. A-1, House No. 17,
Road No. 4, Gulshan-1,
Dhaka-1212, Bangladesh

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

Legal Advisor

Huq & Co.
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

Bankers

Janata Bank Ltd.
AB Bank Ltd.
First Security Islami Bank Ltd.
Dhaka Bank Ltd.

Subsidiaries

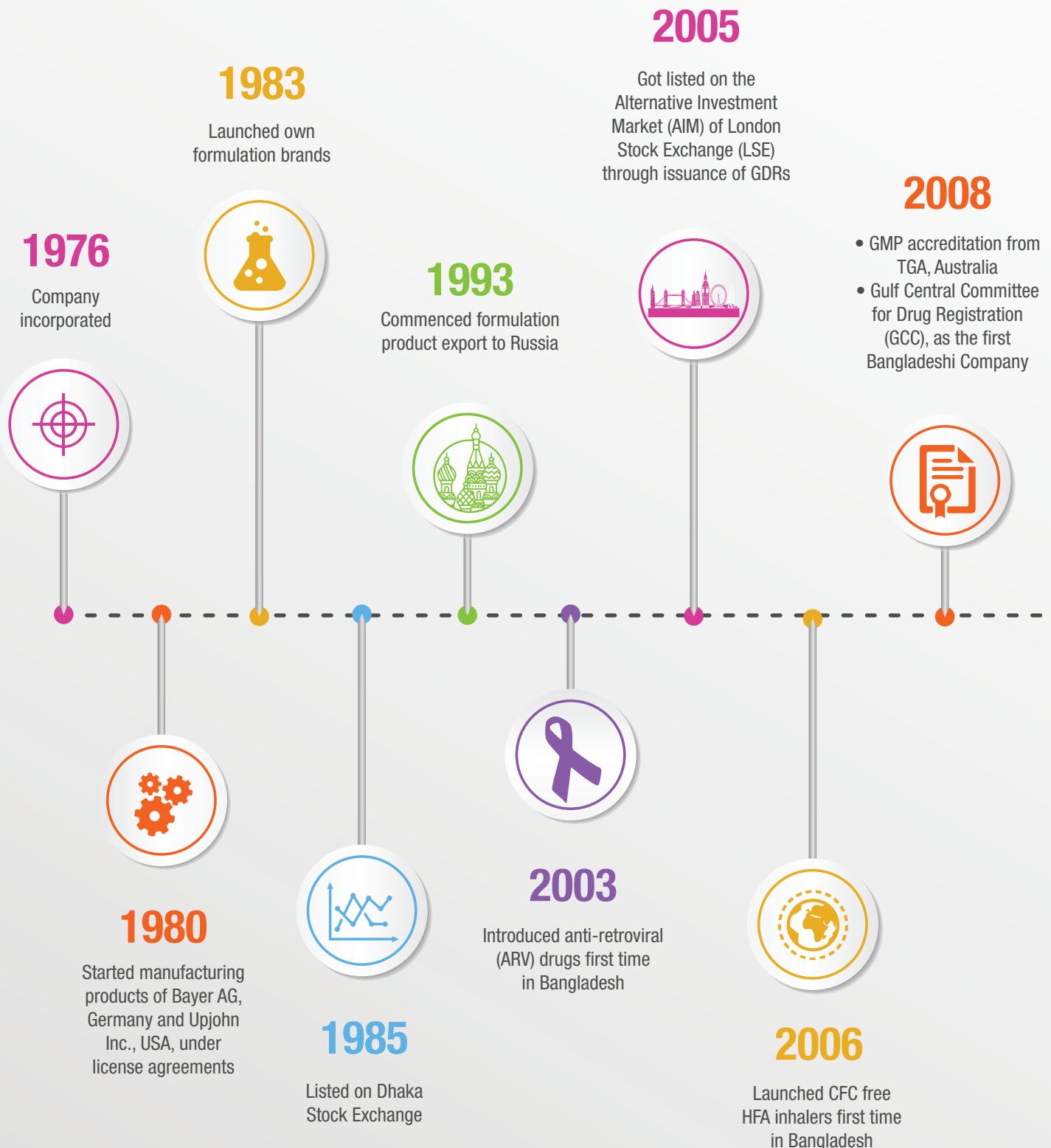
Nuvista Pharma Limited
Registered Office
Mascot Plaza, 8th Floor
107/A, Sonargaon Janapath; Sector- 7
Uttara C.A, Dhaka - 1230, Bangladesh
Phone: +880-2-58952811,

Beximco Pharma API Limited
Registered Office
17 Dhanmondi, Road No. 2
Dhaka-1205, Bangladesh

Associates

BioCare Manufacturing Sdn Bhd
Seri Iskandar Pharmaceutical Park
32600 Bota, Perak, Malaysia

Our Journey



2011

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



2014

- GMP accreditation from Taiwan Food & Drug Administration (TFDA) and Health Canada
- Commenced export to Australia



2013

Commenced first time export to Europe



2015-16

- GMP approval from the U.S. FDA as the first Bangladeshi company
 - Launched generic version of revolutionary hepatitis C drugs Sovaldi® and Harvoni®
 - Entered the Gulf pharma market (Kuwait)



2016-17

- Commenced export to the USA.
 - First overseas collaboration with BioCare Manufacturing Sdn Bhd, Malaysia



2018-19

Won the Scrip Award in the category of "Community Partnership of the Year"



2019-20

- GMP approval from German Regulatory Authority and Malta Medicines Authority (European Union)
- Global Generics & Biosimilars Awards 2019 as "The Company of the Year, Asia-Pacific"
- CPhI Pharma Awards 2020 for "Innovation in response to COVID-19"

2017-18

- Won the Scrip Award in the category of "Best Company in an Emerging Market"
- Oral solid dosage facility received WHO prequalification
- Acquired 85.22% stake in Nuvista Pharma Limited



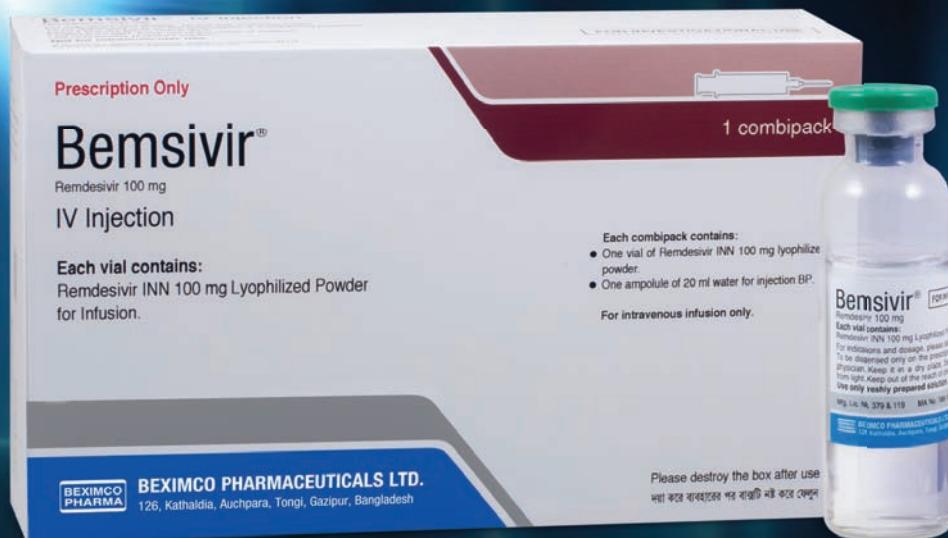
Beximco Pharma became the first company in the world to launch generic version of Remdesivir, the most anticipated treatment of **COVID-19**. It gives hope to the healthcare professionals and patients to fight this unprecedented disease.

Beximco Pharma offers

World's first generic Remdesivir

Bemsivir®

Remdesivir INN 100 mg Injection



**BEXIMCO
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Our Products

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 created strong differentiation for the Company. Many of its brands remain consistent leaders in their respective therapeutic categories. The Company continuously explores and expands its product portfolio to ensure access to newer, better treatment options at affordable cost. Amdocal, Atova, Azmasol, Bexitrol-F, Bextram Gold, Bizaran, D-Rise, Glipita, Napa, Napa Extra, Neofloxin, 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 for the Company. The Company also focuses on strengthening API portfolio and its pipeline includes a number of patented, high value products.

Our Leading Brands

Analgesics	NAPA	Tablet	Paracetamol 500 mg
		Syrup	Paracetamol 120 mg / 5 ml
		Suspension	Paracetamol 120 mg / 5 ml
		Drops	Paracetamol 80 mg / ml
		Suppository	Paracetamol 125 mg, 250 mg And 500 mg
		Injection	Paracetamol 10 mg / ml
	NAPA EXTRA	Tablet	Paracetamol 500 mg + Caffeine 65 mg
	NAPA EXTEND	Tablet	Paracetamol 665 mg Extended Release
	NAPADOL	Tablet	Paracetamol 325 mg + Tramadol 37.5 mg
	NAPA RAPID	Tablet	Paracetamol 500 mg (with Actizorb technology)
Antacids	DIGECID PLUS	Suspension	Magaldrate 480 mg + Simethicone 20 mg / 5 ml
	VISCOCID	Suspension	Sodium Alginate 500 mg + Potassium Bicarbonate 100 mg / 5 ml
Oral Anti-Diabetic	GLIPITA	Tablet	Sitagliptin 50 mg, Sitagliptin 100 mg
	GLIPITA M	Tablet	Sitagliptin 50 mg + Metformin Hydrochloride 500 mg, Sitagliptin 50 mg + Metformin Hydrochloride 1000 mg
	TRANETA	Tablet	Linagliptin 5 mg
	TRANETA M	Tablet	Linagliptin 2.5 mg + Metformin Hydrochloride 500 mg, Linagliptin 2.5 mg + Metformin Hydrochloride 850 mg, Linagliptin 2.5 mg + Metformin Hydrochloride 1000 mg
	JARDIAN	Tablet	Empagliflozin 10 mg, Empagliflozin 25 mg
	JARDIMET	Tablet	Empagliflozin 5 mg + Metformin Hydrochloride 500 mg
	VIBOSE	Tablet	Voglibose 0.2 mg, Voglibose 0.3 mg
	INFORMET	Tablet	Metformin Hydrochloride 500 mg, Metformin Hydrochloride 500 mg LA, Metformin Hydrochloride 850 mg, Metformin Hydrochloride 1000 mg

Anti-Histamines	ATRIZIN	Tablet	Cetirizine Hydrochloride 10 mg
		Syrup	Cetirizine Hydrochloride 5 mg / 5 ml
		Drops	Cetirizine Hydrochloride 2.5 mg / ml
AXODIN	Tablet		Fexofenadine HCl 120 mg, Fexofenadine HCl 180 mg
		Suspension	Fexofenadine HCl 30 mg / 5 ml
DUVENT	Tablet		Rupatadine 10 mg
		Syrup	Rupatadine 5 mg / 5 ml
Anti-Hypertensives	BIZORAN	Tablet	Amlodipine 5 mg + Olmesartan Medoxomil 40 mg, Amlodipine 5 mg + Olmesartan Medoxomil 20 mg
	OLMESAN	Tablet	Olmesartan Medoxomil 10 mg, Olmesartan Medoxomil 20 mg, Olmesartan Medoxomil 40 mg
	OLMESAN PLUS	Tablet	Olmesartan Medoxomil 20 mg + Hydrochlorothiazide 12.5 mg
	AMDOCAL	Tablet	Amlodipine 5 mg, Amlodipine 10 mg
	AMDOCAL PLUS	Tablet	Amlodipine 5 mg + Atenolol 25 mg, Amlodipine 5 mg + Atenolol 50 mg
	TELMA	Tablet	Telmisartan 40 mg, Telmisartan 80 mg
	TELMACAL	Tablet	Telmisartan 40 mg + Amlodipine 5 mg, Telmisartan 80 mg + Amlodipine 5 mg
	TELMA PLUS	Tablet	Telmisartan 40 mg + Hydrochlorothiazide 12.5 mg
Anti-Infectives	ARLIN	Tablet	Linezolid 400 mg, Linezolid 600 mg
		Suspension	Linezolid 100 mg / 5 ml
		Injection	Linezolid 2 mg / 2 ml IV Infusion
	TRIOCIM	Capsule	Cefixime 200 mg, Cefixime 400 mg
		Suspension	Cefixime 100 mg / 5 ml, Cefixime 200 mg / 5 ml
	TYCLAV	Tablet	Amoxicillin 250mg + Clavulanic Acid 125 mg, Amoxicillin 500 mg + Clavulanic Acid 125 mg, Amoxicillin 750 mg + Clavulanic Acid 125 mg
		Suspension	Amoxicillin 125 mg + Clavulanic Acid 31.25 mg / 5 ml, Amoxicillin 400 mg + Clavulanic Acid 57 mg / 5 ml
		Injection	Amoxicillin 1 Gm + Clavulanic Acid 200 mg, Amoxicillin 500 mg + Clavulanic Acid 100 mg
	TURBOCLAV	Tablet	Cefuroxime 250 mg + Clavulanic Acid 62.5 mg, Cefuroxime 500 mg + Clavulanic Acid 125 mg
	AZITHROGIN	Tablet	Azithromycin 250 mg, Azithromycin 500 mg
		Suspension	Azithromycin 200 mg / 5 ml
		Injection	Azithromycin 500 mg IV
	FILMET	Tablet	Metronidazole 200 mg, Metronidazole 400 mg, Metronidazole 800 mg
		Syrup	Metronidazole 200 mg / 5 ml
	NEOFLOXIN	Tablet	Ciprofloxacin 750 mg, Ciprofloxacin 500 mg, Ciprofloxacin 250 mg
		Injection	Ciprofloxacin 250 mg / 5 ml

Anti-Ulcerants	ACIFIX	Tablet	Rabeprazole 20 mg
	OPTON	Tablet	Esomeprazole 20 mg, Esomeprazole 40 mg
		Capsule	Esomeprazole 20 mg, Esomeprazole 40 mg
		Injection	Esomeprazole 40 mg
	PANTOBEX	Tablet	Pantoprazole 20 mg, Pantoprazole 40 mg
		Injection	Pantoprazole 40 mg
CNS	PROCEPTIN	Capsule	Omeprazole 20 mg, Omeprazole 40 mg
		Injection	Omeprazole 40 mg
	YAMADIN	Tablet	Famotidine 20 mg, Famotidine 40 mg
Cough & Cold	FRENXIT	Tablet	Flupentixol 0.5 mg + Melitracen 10 mg
	NERVALIN	Capsule	Pregabalin 25 mg, Pregabalin 50 mg, Pregabalin 75 mg
	EMIJOY	Tablet	Chlordiazepoxide 5 mg + Amitriptyline Hcl 12.5 mg
Anti-Fungals	DEXTRIM	Syrup	Dextromethorphan Hydrobromide 20 mg + Phenylephrine Hydrochloride 10 mg + Triprolidine Hydrochloride 2.5 mg / 5 ml
		Syrup	Guaifenesin 200 mg + Dextromethorphan Hydrobromide 15 mg + Menthol 15 mg / 5 ml
		Syrup	Ambroxol Hydrochloride 15 mg / 5 ml
	MUCOSOL	Drops	Ambroxol Hydrochloride 6 mg / ml
Enzymes	OMASTIN	Capsule	Fluconazole 150 mg, Fluconazole 200 mg, Fluconazole 50 mg
		Suspension	Fluconazole 50 mg / 5 ml
		Injection	Fluconazole 2 mg / ml Infusion
	TERBEX	Tablet	Terbinafine 250 mg
		Cream	Terbinafine HCl 1%
Gastropokinetics	ZYMET	Tablet	Pancreatin 325 mg
Hormones	DEFFLUX	Tablet	Domperidone 10 mg, Domperidone 10 mg Meltab
		Suspension	Domperidone 5 mg / 5 ml
		Drops	Domperidone 5 mg / ml
Antispasmodic	FEMZOLE	Tablet	Letrozole 2.5 mg
	TAMONA	Tablet	Tamoxifen Citrate 10 mg, Tamoxifen Citrate 20 mg
Respiratory	ROSTIL	Capsule	Mebeverine Hydrochloride 200 mg
		Tablet	Mebeverine Hydrochloride 135 mg
Respiratory	AZMASOL	MDI	Salbutamol 100 mcg / Puff
		Respirator Solution	Salbutamol 2.5 mg / 3 ml Ampoule, Salbutamol 5 mg / ml in amber glass bottle
	BEXITROL-F	MDI	Salmeterol 25 mcg + Fluticasone Propionate 125 mcg, Salmeterol 25 mcg + Fluticasone Propionate 250 mcg, Salmeterol 25 mcg + Fluticasone Propionate 50 mcg

Respiratory	DPI	Salmeterol 50 mcg + Fluticasone Propionate 100 mcg, Salmeterol 50 mcg + Fluticasone Propionate 200 mcg, Salmeterol 50 mcg + Fluticasone Propionate 500 mcg	
	MAXHALER	Salmeterol 50 mcg + Fluticasone Propionate 100 mcg, Salmeterol 50 mcg + Fluticasone Propionate 200 mcg, Salmeterol 50 mcg + Fluticasone Propionate 500 mcg	
	DECOMIT	MDI	Beclomethasone Dipropionate (100 mcg / Puff), Beclomethasone Dipropionate (50 mcg / Puff)
	DECOMIT PLUS	MDI	Beclomethasone Dipropionate 100 mcg + Formoterol Fumarate 6 mcg, Beclomethasone Dipropionate 200 mcg + Formoterol Fumarate 6 mcg
	SYMBION	DPI	Formoterol Fumarate 6 mcg + Budesonide 100 mcg, Formoterol Fumarate 6 mcg + Budesonide 200 mcg
		MAXHALER	Formoterol Fumarate Dihydrate 12 mcg + Budesonide 400 mcg
	TIORIVA	DPI	Tritropium Bromide 18 mcg
	DECOMIT	Nasal Spray	Beclomethasone Dipropionate 100 mcg / Actua
	NASOMET	Nasal Spray	Mometasone Furoate 50 mcg / Actuation
	PERINASE	Nasal Spray	Fluticasone Propionate 50 mcg / Actuation
	DYNASE	Nasal Spray	Azelastine hydrochloride 137 mcg + Fluticasone propionate 50 mcg / Actuation
	TOFEN	Tablet	Ketotifen Fumarate 1mg
		Syrup	Ketotifen 1 mg / 5 ml
	MONOCAST	Tablet	Montelukast 4 mg, Montelukast 5 mg, Montelukast 10 mg
		Sachet	Montelukast 4 mg
	FIXOLIN	Tablet	Doxofylline 200 mg, Doxofylline 400 mg
	MUCOMIST	Tablet	Acetylcysteine 600 mg
		Respirator Solution	Acetylcysteine 600 mg / 3 ml Ampoule
Insulin	GENSULIN	Injection	Human Insulin 100 IU / ml Injection
IV Fluids	DEXAQUA	Injection	Dextrose 10% W/V, Dextrose 5% W/V
	DEXORIDE	Injection	NaCl 0.9% W/V & Dextrose 5% W/V
	SALORIDE	Injection	Sodium Chloride 0.09% W/V
Laxatives	FRELAX	Suspension	Liquid Paraffin 1.25 ml + Magnesium Hydrochloride 300 mg / 5 ml
	SERELOSE	Solution	Lactulose 3.35 gm / 5 ml
Lipid Lowering	ATOVA	Tablet	Atorvastatin 10 mg, Atovastatin 20 mg, Atovastatin 40 mg
	ROSUTIN	Tablet	Rosuvastatin 5 mg, Rosuvastatin 10 mg, Rosuvastatin 20 mg
Joint Supplement	JOINTEC MAX	Tablet	Glucosamine 750 mg + Diacerein 50 mg
Muscle Relaxant	RELENTUS	Tablet	Tizanidine 2 mg
NSAIDs	DINOVO	Tablet	Naproxen 375 mg + Esomeprazole 20 mg, Naproxen 500 mg + Esomeprazole 20 mg
	VOLIGEL	Cream	Diclofenac Sodium 50 mg

	XIDOLAC	Tablet	Ketorolac Tromethamine 10 mg
		Injection	Ketorolac Tromethamine 30 mg / ml
	ZOLFIN	Tablet	Aceclofenac 100 mg
Ophthalmic	ODYCIN	Eye Drops	Moxifloxacin 0.5%
	TEARON	Eye Drops	Polyethylene Glycol 400 0.4% + Propylene Glycol 0.3%
	TEARON FRESH	Eye Drops	Caboxymethyl Cellulose Sodium 1%
	VIVIS	Capsule	Antioxidants & Minerals
Urogenital	URAL-K	Solution	Potassium Citrate 1500 mg + Citric Acid Monohydrate 250 mg / 5 ml Solution
	UROFLO	Capsule	Tamsulosin Hydrochloride 0.4 mg
	UROFLO PLUS	Capsule	Tamsulosin Hydrochloride 0.4 mg + Dutasteride 0.5 mg
Vitamins & Minerals	BEXTRAM GOLD	Tablet	High Potency 32 Multivitamin-Mineral
	BEXTRAM SILVER	Tablet	High Potency 30 Multivitamin-Mineral
	D-RISE	Capsule	Cholecalciferol 20000 IU, Cholecalciferol 40000 IU
		Tablet	Cholecalciferol 2000 IU
	HEMOFIX FZ	Tablet	Elemental Iron 48 mg (Ferrous Ascorbate), Folic Acid 0.5 mg And Elemental Zinc 22.5 mg Tab
	NEUROCARE	Tablet	Vitamin B1, B6, and B12
	CALORATE	Tablet	Calcium Orotate 400 mg, Calcium Orotate 740 mg

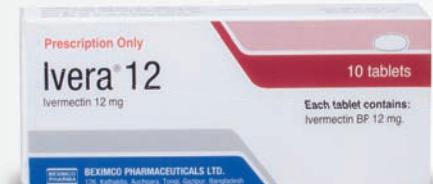
Our product portfolio color

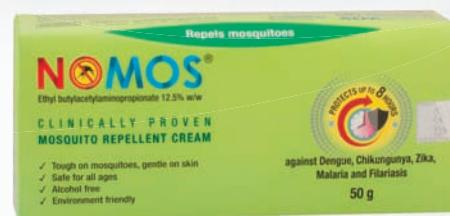
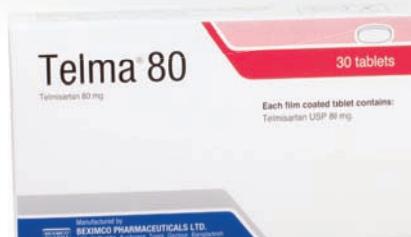
 Anti Allergy & Cough and Cold	 Endocrine	 Others
 Analgesic & Musculoskeletal	 GI	 Respiratory
 Anti-Infective	 IV Fluids	 Anti-Fungal
 CNS	 Ophthalmics	
 CVS & Lipid Lowering	 Vitamins	

Major Active Pharmaceutical Ingredients (APIs)

- APIXABAN
 - LINAGLIPTIN
 - RIVAROXABAN
 - ROSUVASTATIN
 - SITAGLIPTIN
-

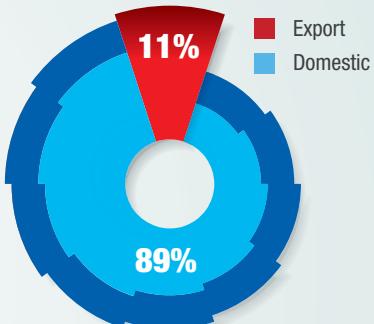
Key Products Launched in FY 2019-20





Our Market

We are a leading player in Bangladesh with over 8.5% share of country's Taka 230 billion pharma market. The Company over the years has emerged as a dominant exporter with its footprint in more than 50 countries across all continents. We are the only Bangladeshi company exporting medicines to the United States, the largest and most stringent pharma market in the world. While our current revenue predominantly comes from the domestic market, we have a strategic focus on export with an ambition to achieve export-led growth in the longer term.



2019-20 (Net Sales)

Export Destination





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, insulin, dry powder inhaler, small scale API unit, etc. The site has its own infrastructure to ensure adequate generation and distribution of electricity with an installed capacity of 15 MW. It also contains water purification, effluent treatment, liquid nitrogen and steam generation plant/facilities. There is 125,000 sq ft 5-tier warehouse to accommodate materials and finished products maintaining the GMP compliance.

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 (OSD)



► Semi Solid and Liquid (SSL)



► Sterile Production (STP)

Oral Solid Dosage (OSD)

- Two units (OSD-1 and OSD-2); Tablets, Capsules, Powder for Suspension, Sachets and Oral Soluble Films
- Capacity: Tablets-3,556 million, Capsules-223 million, Powder for Suspension-1.86 million bottles, Sachets- 4 million units and Oral Soluble Films- 0.52 million units

Semi Solid and Liquid (SSL)

- One unit; Large and Small Volume Liquids, Cream & Ointment, Shampoo & Lotion and Suppository
- Capacity: Liquids-41.28 bottles, Cream & Ointment-3.2 million tubes, Shampoo & Lotion- 0.25 million bottles and Suppository-10.20 million pieces

Sterile Production (STP)

- Eight units- Infusion Unit, Amino Acid Unit, Insulin Unit, Nasal Spray and Respiratory Solutions (Non-Steroids), Nasal Spray and Respiratory Solutions (Steroids), Lyophilized Injection Unit, Prefilled Syringe Unit and Ophthalmic Unit
- Capacity: Infusion Unit-9.84 million bottles, Amino Acid Unit-0.96 million bottles, Insulin Unit-3 million vials and cartridges, Nasal Spray and Respiratory Solutions (Non-Steroids)- 4.32 million ampules, Nasal Spray and Respiratory Solutions (Steroids)- 2.85 million HDPE containers, Lyophilized Injection Unit-0.93 million vials, Prefilled Syringe Unit-1.92 million units and Ophthalmic Unit – 4.00 million LDPE containers



Inhalers

- Two Metered Dose Inhalers (MDI) units, one Dry Powder Inhaler(DPI) Unit and one Multi Dose Dry Powder Inhaler (mDPI) Unit
- Capacity: MDI- 14 million Cans, DPI- 60 million Capsules and mDPI-12 million units

Penicillin

- One unit, Manufactures Capsules and Dry Syrups
- Capacity: Capsules - 3.06 million and Dry Syrups- 42.24 million bottles

Active Pharmaceutical Ingredients (APIs)

- Two units- API -1 and API-2. Manufactures small volume APIs
- Capacity 9.05 MT

Our Global Accreditations

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

- U.S. FDA
- Therapeutic Goods Administration (TGA), Australia
- Malta Medicines Authority (European Union)
- German Regulatory Authority (Regierungspräsidiums Tübingen)
- Health Canada
- Gulf Central Committee (GCC)
- World Health Organization (WHO)

Approved by the U.S. FDA also Certified by



Board and Management



Salman F Rahman MP
Vice Chairman

A S F Rahman
Chairman

The Board of Directors

A S F Rahman	Chairman
Salman F Rahman MP	Vice Chairman
Nazmul Hassan MP	Managing Director
Osman Kaiser Chowdhury	Director
Abu Bakar Siddiqur Rahman	Director
Iqbal Ahmed	Director
Mamtaz Uddin Ahmed	Independent Director
Shah Monjurul Hoque	Independent Director
Mohammad Asad Ullah, FCS	Company Secretary

Audit Committee

Mamtaz Uddin Ahmed	Chairman
Shah Monjurul Hoque	Member
Osman Kaiser Chowdhury	Member
Mohammad Asad Ullah, FCS	Company Secretary

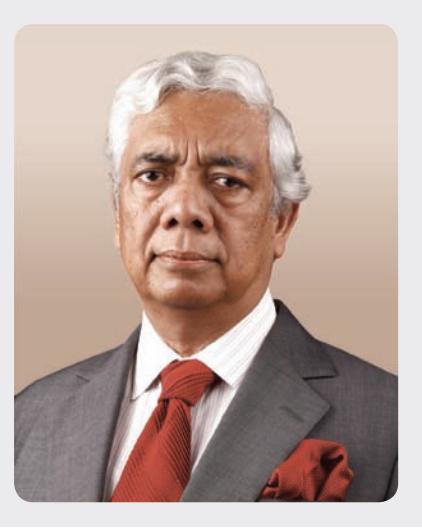
Nomination and Remuneration Committee

Shah Monjurul Hoque	Chairman
Iqbal Ahmed	Member
Osman Kaiser Chowdhury	Member
Mohammad Asad Ullah, FCS	Company Secretary

Executive Committee

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

Directors' Profile



Ahmed Sohail Fasihur Rahman

Chairman

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

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

He is currently a member of the Board of Governors of North South University Foundation, the first private sector university in Bangladesh.

Salman Fazlur Rahman MP

Vice Chairman

Mr. Salman Fazlur Rahman MP is an industrialist, philanthropist and politician of Bangladesh. A Member of Parliament, Mr. Rahman currently serves as the Prime Minister's Private Industry and Investment Adviser, with the rank and status of a cabinet minister, principally tasked with promoting trade, business and investment in the country. He is best known as the co-founder and Vice Chairman of the Beximco Group, the country's largest private sector conglomerate.

He was the President of SAARC Chamber of Commerce and Industry, Federation of Bangladesh Chambers of Commerce and Industries (FBCCI), Metropolitan Chamber of Commerce and Industry (MCCI), Bangladesh Textile Mills Association, Bangladesh Association of Pharmaceutical Industry and Association of Television Channel Owners (ATCO).

Currently, he is the Chairman of the Board of Governors, Bangladesh Enterprise Institute, a leading think tank focusing on the growth of private enterprise in Bangladesh. He is also the Chairman of IFIC Bank Limited, Chairman of the Board of Editors, the Independent, one of the leading English-language newspapers, Chairman of the Independent Television, a popular and influential 24-hour news channel and the Chairman of Abahani Ltd. the nation's premier sporting club and the Adviser of Bangladesh Association of Pharmaceutical Industries (BAPI).

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



Nazmul Hassan MP

Managing Director

Mr. Nazmul Hassan MP is the Managing Director of Beximco Pharmaceuticals Limited and the Chairman of Nuvista Pharma Ltd. and Beximco Pharma API Ltd. He is also the Director of the Board of Bangladesh Antibiotic Industries Limited, Independent Television and Padma Mining and Energy Limited.

Mr. Hassan obtained his graduation degree in Public Administration from the University of Dhaka and an MBA degree in Marketing from Institute of Business Administration (IBA). He also received executive education from University of California Los Angeles (UCLA) and Kellogg School of Management, Chicago.

Since 2009, Mr. Hassan has been an elected Member of Parliament (MP) of Bangladesh for three consecutive terms. He is also a Member of the Parliamentary Committee for Finance, Sports & Defense. Mr. Hassan is currently the President of Bangladesh Association of Pharmaceutical Industries (BAPI). He is involved with various national and international committees and task force on healthcare and drug policy.

Mr. Hassan is the elected President of Bangladesh Cricket Board (BCB) and Asian Cricket Council (ACC), Director of International Cricket Council (ICC) Board and ICC Business Corporation (IBC). He is the President of IBA Alumni Association and a Member of the American Management Association and the Australian Institute of Management.

A prominent and highly respected business leader in the country, Mr. Hassan received the prestigious Asia's Most Influential Leader award at the Asian Brand Summit 2013, Dubai for his outstanding business leadership.



Osman Kaiser Chowdhury

Director

Mr. Osman Kaiser Chowdhury is a member of the Institute of Chartered Accountants of England and Wales and a Fellow member of the Institute of Chartered Accountants of Bangladesh. He is involved with Beximco Group for over 40 years and is currently the Director of Group Finance and Corporate Affairs, Chief Executive Officer of Beximco Power Ltd. and Beximco Engineering Ltd. He has over 13 years' experience working abroad, including the United Kingdom.

Mr. Chowdhury is a member of the Board of Directors of a number of listed and non-listed Companies including Bangladesh Export Import Company Ltd., Beximco Synthetics Ltd., Shinepukur Ceramics Ltd. and Beximco Securities Ltd.



Abu Bakar Siddiqur Rahman

Director

Mr. Abu Bakar Siddiqur Rahman holds senior positions at a number of entities within the Beximco Group of companies and has over 48 years business experiences in trading, jute, textiles, pharmaceuticals and other sectors. He has been in the Board of Beximco Pharma since 1993. Mr. Rahman is also a member of the Board of Directors of Bangladesh Export Import Company Limited.



Iqbal Ahmed

Director

Mr. Iqbal Ahmed has been with the Beximco Group since 1972 and holds senior positions in a number of entities within the Beximco Group of companies. He received his Bachelor's Degree in Science from the University of Dhaka in 1966. He has over 48 years business experiences in trading, jute, textile, pharmaceuticals, engineering, IT and other sectors. He has been in the board of Beximco Pharma since 1985. He was the publisher of "The Independent" and the "Muktakantha" an English and a Bengali national daily newspaper respectively in Bangladesh.



Mamtaz Uddin Ahmed

Independent Director

Professor Mamtaz Uddin Ahmed FCMA has joined Beximco Pharmaceuticals Limited as an Independent Director in July 2020. He is currently the Professor of the Department of Accounting and Information Systems, Chairman of the Bureau of Business Research and the Treasurer of the University of Dhaka, Bangladesh. Professor Ahmed is also an experienced Board member, currently an Independent Director in the Board of Ashuganj Power Station Company Ltd. owned by the government of Bangladesh. His previous Board positions include Director of the Chittagong Stock Exchange Ltd. and Director of the Dhaka Stock Exchange Ltd. Professor Ahmed is the former President of the Institute of Cost and Management Accountants of Bangladesh (ICMAB).

Professor Ahmed obtained his Bachelor and Masters in Accounting from University of Dhaka. He also obtained MBA from University of Castle, USA and CMA degree from ICMAB, Bangladesh.



Shah Monjurul Hoque

Independent Director

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

Company Secretary



Mohammad Asad Ullah, FCS

Executive Director & Company Secretary

Mr. Mohammad Asad Ullah has been working with Beximco Group since 1983. He obtained his Bachelor of Arts and Master of Law degree from University of Dhaka. He also holds an MBA with major in Human Resource Management.

Mr. Asad Ullah qualified as Chartered Secretary from the Institute of Chartered Secretaries of Bangladesh (ICSB) and is a Fellow Member of the institute. He was four times President of the Institute. He is a widely experienced person with long career in Company Secretarial functions.



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



Executive Committee

Executive Committee comprises of five members- Mr. Osman Kaiser Chowdhury, Mr. Nazmul Hassan MP, Mr. Rabbur Reza, Mr. Mohammad Ali Nawaz and Mr. Afsar Uddin Ahmed. Mr. Chowdhury and Mr. Hassan are also members of the Board of Directors.



Rabbur Reza

Chief Operating Officer

Mr. Rabbur Reza, the Chief Operating Officer of the Company, has 25 years of experience in pharmaceutical industry, in the areas of sales, marketing and brand management, international business development, operations management, acquisition and partnerships etc. He had previously worked for Biotech and Milton Pharmaceuticals in Australia. He is also serving as the Managing Director of Nuvista Pharma Ltd. and of Beximco Pharma API Ltd.

Mr. Reza holds a Bachelor of Pharmacy from Panjab University, India and an MBA from Queensland University of Technology (QUT), Australia. He received executive education in Strategy and Leadership at Harvard Business School, USA and London Business School, UK.

He is a fellow of Australian Institute of Management, a member of Pharmaceutical Society of Australia, and also a member of Montreal Protocol's Medical Technical Options Committee (United Nations Environment Program–UNEP). Mr. Reza received the prestigious “Australian Alumni Excellence Awards 2014” in the category of Business and Leadership.

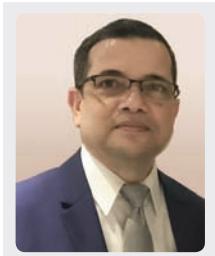


Mohammad Ali Nawaz

Chief Financial Officer

Mr. Mohammad Ali Nawaz qualified as a CMA from the institute of Cost and Management Accountants of Bangladesh, and is currently a Fellow Member of the Institute. He also obtained an MBA from the Institute of Business Administration, University of Dhaka.

After joining as a management trainee in 1990, he worked for different entities within the Beximco group of companies, in varying capacities. He is also the Director of Nuvista Pharma Ltd. and Beximco Pharma API Ltd. He possesses diversified skills and experience in Accounting, Finance, HRM, Project Management, Supply Chain and Operations Management. He attended a number of training courses, seminars and symposiums at home and abroad in various functional areas including organizational leadership.



Afsar Uddin Ahmed

Director Commercial

Mr. Afsar Uddin Ahmed completed his MBA from the Institute of Business Administration (IBA), University of Dhaka, with a major in Marketing. He also received advanced management training at International Management Centre, Ilkley College, UK.

Mr. Ahmed has worked in and supervised a number of operational areas of BPL including Marketing, Sales, Distribution, Exports, Planning, Procurement, MIS, Business Development, Project Management and API business. Mr. Ahmed also worked as the Country Manager of BPL's Pakistan operation. Currently he is also serving as the Director of Beximco Pharma API Ltd.

He worked for Sanofi-Aventis as Director Marketing of its Bangladesh business overseeing the marketing operations of several business units.

Management Committee



Nazmul Hassan MP
Managing Director



Osman Kaiser Chowdhury
Member of the Board of Directors



Rabbur Reza
Chief Operating Officer



Mohammad Ali Nawaz
Chief Financial Officer



Mohd. Tahir Siddique
Director, Quality



A R M Zahidur Rahman
Director, Production



Zakaria Seraj Chowdhury
Head of Distribution Services &
Director, International Marketing



Jamal Ahmed Choudhury
Executive Director, Accounts & Finance



M A Arshad Bhuiyan
General Manager
Human Resource



Afsar Uddin Ahmed
Director, Commercial



Rizvi Ul Kabir
Director, Marketing



Lutfur Rahman
Director, Manufacturing



Shamim Momtaz
Director, Manufacturing



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



Prabir Ghose
Executive Director, Quality Assurance



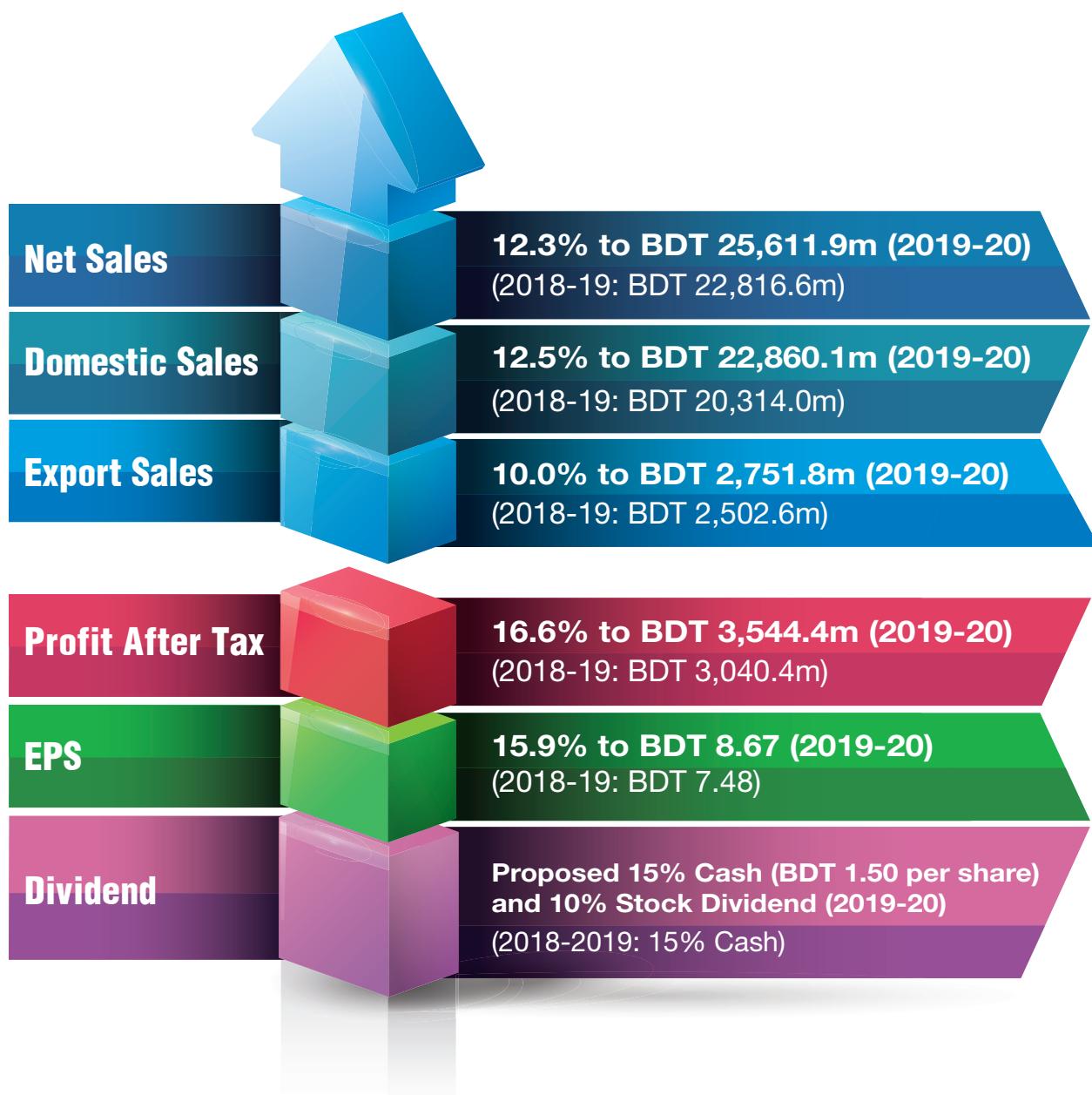
Dr. Selina Akter
Executive Director
Department of Medical Affairs



Shawkat Haider, Ph D
Executive Director, Business Development
& Corporate Affairs

Highlights 2019-20

Financial Highlights



Operational Highlights

Expansion of Domestic Portfolio

- Launched 26 new Products, including
 - 4 new products first time in Bangladesh
 - Maxhaler mDPI, the generic version of GSK's Seretide Accuhaler, for the first time in Bangladesh
 - Bemsivir, the world's first generic version of Remdesivir for the treatment of COVID-19
 - Viraflu (Favipravir 200mg), a repurposed drug for COVID19 treatment
- Launched 5 new gastrointestinal and hormonal products from subsidiary, Nuvista Pharma, in the domestic market

Export Business

- Completed 63 registrations for 50 products in 20 countries
- Commenced export of Nadolol and Sotalol AF, both cardiovascular drugs, in US market
- Received GMP approval from a German Regulatory Authority and Malta Medicine Authority (European Union)
- Entered four new countries: Maldives, Pakistan, Nicaragua and Dominican Republic

Collaboration

- Signed an exclusive agreement with Mylan (Now Viatris) for distributing a range of biosimilar products in Bangladesh



Post-Period Highlights

- Signed an exclusive agreement with the Serum Institute of India Pvt. Ltd (SII), the world's largest vaccine producer, for distribution of Oxford/AstraZeneca vaccine AZD1222 for COVID-19 in Bangladesh
- Received highly prestigious CPhI Pharma Award in the category of 'Innovation in Response to COVID-19'
- Received US Food and Drug Administration (FDA) approval for Flecainide Acetate (50, 100 and 150 mg tablets), an antiarrhythmic drug used for treating irregular heartbeats in conditions such as tachycardia and atrial fibrillation
- Assigned AAA Long Term Rating (Indicates Highest Safety for Timely Repayment) by Credit Rating Information and Services Limited (CRISL) the top credit rating company of the country



Accolades and Awards

CPhI Pharma Awards 2020 for “Innovation in Response to COVID-19”



Beximco Pharma has been awarded the prestigious CPhI Pharma Award in the category 'Innovation in Response to COVID-19' on October 13, 2020. CPhI Pharma Awards are among the most prestigious recognitions within the pharmaceutical industry judged by an esteemed panel of industry experts from around the world.

Global Generics & Biosimilars Awards 2019



Beximco Pharma has been recognized as the “Company of the Year, Asia Pacific” at the Global Generics & Biosimilars Awards 2019, held in Frankfurt, Germany, on 5 November 2019. The Company has won the award in this category after competing with global peers namely Aurobindo, MSN Laboratories, Piramal Pharma Solutions and Shanghai Henlius Biotech. Beximco Pharma COO, Mr. Rabbur Reza received the award on behalf of the Company.

The Global Generics & Biosimilars Awards are amongst the most coveted recognitions in the pharmaceutical industry, that recognize the efforts made by global generics and biosimilar companies, to make affordable medicines available to more patients across the globe.



Global Generics & Biosimilars Award

Beximco Pharma has been nominated for the Global Generics & Biosimilars Awards 2020 in the categories of “Company of the Year, Asia Pacific.” The Global Generics & Biosimilars Awards recognise the best in the global generics and biosimilars industries. An initiative of UK based Pharma Intelligence/Informa PLC, world's leading business intelligence, academic publishing, knowledge and events group, these prestigious awards reward ‘best practice’ in the pharma industry.

ABBC Business Excellence Award 2019



Beximco Pharma won the “ABBC Business Excellence Awards 2019” as a recognition for its pharmaceutical export to Australia and contribution to promoting bilateral trade.

ICMAB Best Corporate Award



Beximco Pharmaceuticals Limited won the third position in pharmaceutical category in the “ICMAB Best Corporate Award-2018” for excellenc in corporate performance.



► Learning and Development Center

Our People

BPL has a dynamic team of over 4,700 people who are the driving force behind its progress. Our devoted and highly competent people are our key resource to accomplish our mission and consistently remain at the centre of our strategy. We recognize it is our people's resolute efforts that have driven us to a greater height over the years. Currently, our strong pool of expertise includes over 1,500 professionals such as pharmacists, chemists, doctors, engineers, microbiologists, researchers, and business graduates.

At Beximco Pharma, we endeavour to create, promote and sustain an inclusive, high performing and diversified culture for our employees to promote empowerment and encourage innovation. We emphasize on enhancing capacity, strengthening skills, and enabling their success, both individually and collectively.

Training and Development

We relentlessly focus on providing learning and development opportunities to help our employees achieve career advancement and attain professional success. To ensure that our people are empowered and remain responsive to a rapidly changing world, we provide them with high-quality training to broaden and enrich their professional competencies. Throughout the year, we arranged a wide range of training and professional development programs across different



functional areas on a routine basis. The programs are designed and tailored for different levels of employees based on assessment of their needs. The Company has a dedicated training department manned with experienced professionals to conduct in-house training. Besides our own expertise, we invite local and international experts and trainers to conduct these programs. In order to keep our employees abreast of the latest developments in different fields, we send our employees to external training, seminars and workshops arranged at home and abroad. The Company also has resourceful libraries and access to online resources for the employees to encourage self-development.

In 2019-20, 779 employees received 7,284 man-hours of specialized training in a wide range of areas including technology transfer, analytical testing and validation, data management & data integrity, leadership skill, brand management, quality risk management and quality control. Sixty five employees received 2,036 man-hours of overseas training in ten different countries including Germany, Switzerland, Italy and Singapore. Additionally, individual departments throughout the year conducted in-plant GMP compliance, Sales skills development and other similar programs which they do on a regular basis.

Specialised Training Programs 2019-20

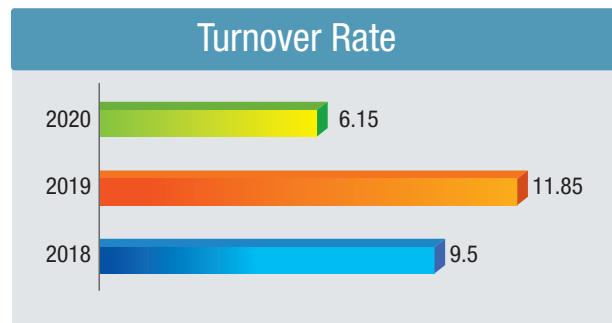
Description	Participants	Training Hours
Overseas Training	65	2,036
Local Training	714	5,248

Employment, Retention and Rewards

In Beximco Pharma, we always assert on diversity and adopt an inclusive management style through which we gain access to a broader pool of talented workforce and benefits from their innovative strength. The Company's employment and recruitment policy does not contain any discriminative provision with respect to gender, religion or caste. Currently, we have 160 female employees working at different levels from production workers to managerial positions, and two of them are members of the Company's seventeen member Management Committee. Employment of female in the

pharmaceutical industry of Bangladesh is quite low due to socio-cultural reasons. The Company has created a specific segment of the production line to be run exclusively by females to manifest its commitment of minimizing gender gap. The proportion of women across all levels of the organization is increasing gradually. Women are now part of more diverse and challenging roles compared to the previous years.

Beximco Pharma offers its employees competitive reward packages to attract and retain the industry's most talented workforce. This well-designed retention program comprises employee compensation, recognition and reward system, work life balance, communication and feedback, effective teamwork, etc. The Company annually revises individual employee salary based on annual assessment of performance. Company's pay and benefit structures are reviewed at longer intervals to match with the industry trends.



Employee Welfare

Beximco Pharma's employee welfare schemes reinforce its strong bonding with the employees. The Company carries out routine health check up of our factory based workers and has arranged for free of cost doctor's consultation services for the members of their families. Under a defined education scholarship program, the children of our workers receive education stipends for their outstanding results at different public examinations and success in enrolling with recognized universities. This year a total of 65 students received such financial support. The Company provides lunch at a nominal charge (free of cost for the workers) to the employees at factory and head office; arranges annual picnic, cultural programs, family day events for workers and officers to strengthen interpersonal relationship and organizes intra and inter-company sports events for better health and mind.

Support to Employees during Pandemic

We care for our employees and impose highest priority on their

safety and health. During this ongoing COVID-19 pandemic, ensuring uninterrupted production and supply of essential medicine maintaining health and safety of our employees were a tough call for us. Since the begining of the pandemic, we took a series of measures for our employees to provide maximum protection at workplace and render every support to them and their family in any medical crisis.

Work from Home, Rotation Attendance and Social Distancing

During the nationwide lockdown, considering the safety of our employees, we created Work from Home facility for our employees. At office-based facilities, employees were encouraged to work remotely where possible, with the minimum number of people attending the office. Subsequently after withdrawal of the lockdown, to keep our work place less crowded, we encouraged our employees to attend office on a rotation basis. At the manufacturing sites, we implemented new work practices to ensure social distancing. At all facilities, employees were screened upon entry and disinfectants and masks were made available.

Everyone working for us got their wages on time. We made full payments to every employee for the leave beyond their entitlements who were sick, quarantined or in isolation because of COVID-19.

24 hours Hotline Service for the Employees and Their Family Members

To provide the best care to our employees and their family members during the pandemic, 24 hours hotline service was opened from the begining to respond to all COVID-19 related queries and provide necessary health advice. A team of qualified in-house doctors and pharmacists engaged to render the services.

Care for Mental Wellbeing

Our Human Resource Management (HRM) monitoring team has remained continuously vigilant to monitor mental health and emotional status of our employees so that they never feel left alone in this critical time. Our HRM monitoring team made follow-up calls to sick employees to enquire whether they require any kind of assistance.

Managing Director of the Company sent gift basket with "Get Well Soon" card to each COVID-19 positive patient to provide emotional support.

Free Medical Tests

Beximco Pharma outsourced the services of a government authorized testing centre for the COVID-19 tests of all suspected employees and their family at free of cost. We also set up special screening facility in our plant premises.

Free Medicines and Ambulance Services

Employees who have been tested COVID-19 positive were provided all prescribed medicines at free of cost. Two ambulances were available 24 hours for any emergency need.

Establishing Isolation and Quarantine Centres

We established several isolation and quarantine centres at different locations of the city. COVID-19 positive employees who do not have isolation facility in their home were placed in the isolation centre for treatment.

Oxygen Cylinder for the Emergency Patient

We arranged a pool of oxygen cylinders when nationwide oxygen cylinders were in extreme scarcity. In emergency medical crisis of our employees, our trained doctors and technicians rushed home to provide temporary oxygen support till the patients get admitted to the hospitals.

Emergency Food Support for Employees in Lockdown Zones

We arranged food for the employees, whose residences were under lock down imposed by the government. In some cases where entire family got infected with COVID-19 we even delivered cooked food at their homes.

Sample Collection Points for COVID-19 Test

We set up few sample collection points so that employees can avoid the hassles and risks of going to the test centres.



Environment, Health and Safety (EHS)

As a responsible company we are committed to provide a safe and healthy workplace for our employees, promote environmental excellence in our operations and meet global EHS standards. We actively comply with relevant government regulations, industry standards and other requirements to which the Company subscribes and preaches vigorously. Beximco Pharma selects the eco-friendliest technology and our plant & equipment boasted to have the most state of the art technology. We regularly review and implement adequate regulations to ensure the health and safety of our employees, contractors, visitors and neighbors. The company strives to reduce environmental footprint, create adequate facilities and employs appropriate processes to keep the environmental effects to a practicable minimum level. All our liquid and solid waste and gaseous emissions generated from our operations are controlled, disposed and managed in the best practicable means.

Environment Sustainability Measures

Beximco Pharma has been diligently measuring its carbon footprint and environmental impacts such as quality of treated water, sound level and air quality in the factory surroundings and successfully meeting all the standards set by the Department of Environment (DoE). Our environmental practices boasted to be voluntarily more advanced than the regulatory requirements and does not pose any financial risk to the Company. We are always in compliance with the rules and regulations set by the regulatory authorities and keep all licenses and certificates updated such as Manufacturing License, Fire License, Environmental Clearance, Boiler License, Explosive License, Narcotic License and License from

the Bangladesh Energy Regulatory Commission (BERC).

The carbon footprint in the factory surroundings is measured in regular intervals as per government regulations and is well within the standard limit. Our last analysis is presented below.

Solid Waste Control and Conduction

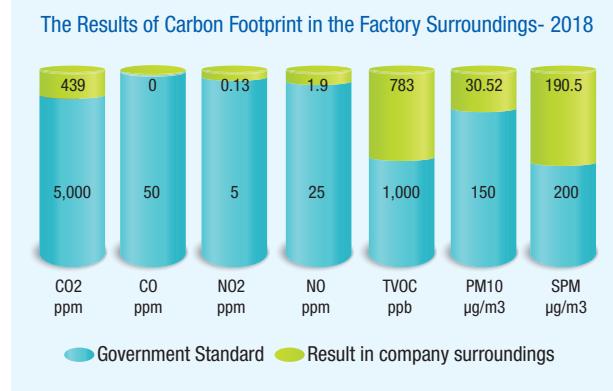
The solid waste generated from pharmaceutical manufacturing operations may have an adverse effect on the environment and ecological system. Our solid wastes are strictly managed to comply with the environmental regulations. The entire waste management is handled with the Best Available Technologies (BAT) that includes proper cleaning and disposal system and protocol, dust control units to capture the solid waste generated during manufacturing process and a solid waste incineration plant to burn all solid waste including ETP sludge. Beximco Pharma has installed one of the largest incinerators having capacity of 250 kg per hour. The Incinerator and its operating procedures are approved by the DoE.

Liquid Waste Control and Conduction

Liquid wastes are primarily generated from floor wash, machineries and utensils wash etc. The other source of liquid waste consists of dissolved and suspended APIs, excipients, laboratory reagents and water from cooling tower. Beximco Pharma has proper protocol on the use of water and waste water generation in the facility. We have a large modern waste water treatment plant at our factory site. Waste water is treated in the ETP and the sludge is incinerated and ensured that Chemical Oxygen Demand (COD) and Biological Oxygen Demand (BOD) of the released water are well within the permissible limit.

The Company has currently undertaken a project to upgrade the existing ETP through incorporation of PLC based Membrane Bioreactor MBR technology, and the system is based on the combination of a suspended biomass reactor and a separation step on porous membrane filtration. Our efficient MBR technology based ETP will produce high-quality treated water along with reduction of space requirement.

We continuously monitor the quality of our discharged water and always found it to be well below the prescribed limit of DoE.



Tests	Specification	Results found in October 2020
pH	6 to 9	7.56
TDS	NMT 2,100 ppm	680
Dissolved Oxygen	4.528 ppm	4.8
COD	NMT 200 ppm	158.47
BOD	NMT 50 ppm	46.02
Arsenic	NMT 0.2 ppm	0.005

	Sound dBA 2020	Sound dBA 2019
Government Standard	75	75
Result in company surroundings	54	59

Gaseous Emission Control and Conduction

Our manufacturing operation does not produce or generate any harmful gases. Generation of gaseous emissions in the manufacturing process is of insignificant quantity and fully contained by our HVAC system through HEPA filtration, hence there is no discharge of gaseous particles in the atmosphere. The company has phased out the use of CFC as well. The air quality analysis of our surrounding areas depicted in the below table certifies our claim.

Sample Location	Ambient Air Pollutant Concentration (micro gram/ cubic meter)	Remarks
	SPM	
North side and 15 meter from Production Air Quality Standard	168 <=200	<ul style="list-style-type: none"> Wind Direction was from South to North Weather was sunny and Rainy

Noise, Odor and Vibration Control and Conduction

Noise and certain vibrations commonly produced by the electromechanical equipment may affect workers and the environment at the vicinity. The machineries used in our production units do not vibrate or create noise and hence have very insignificant effect. The working personnel inside the plant are provided with Personal Protective Equipment (PPE). There is no major odor problem as the factory premises are regularly disinfected and materials are handled in closed spaces where the air in the rooms are frequently changed with the HEPA filter capturing all the particles, hence maintaining a clean air.

Health, Safety and Hygiene

It is the policy of our Company to ensure a safe and healthy workplace for our employees. Beximco Pharma is determined to protect and promote employee health and safety. We enacted proper and effective health and safety guidelines in all our operational and manufacturing sites. Beximco Pharma identifies and assess' potential exposure to chemical and physical stresses utilizing qualitative and quantitative analysis. Significant risks to chemical and physical stresses are controlled by isolation, engineering control, administrative control and providing protective equipment. EHS aspects are considered before procurement of any equipment. EHS attribute is a part of User Specification Requirement (USR) of all equipment. All machines and moving parts are covered and interlocked through sensors to protect employees from physical injury. Proper work uniforms, lab coats, eye and ear protections are provided where required. We also identify, assess and control the factors that may lead to musculoskeletal or other ergonomically related disorders. Automation in most of the areas reduces work stress. Smoking is prohibited in all our operational and manufacturing premises. Eating or drinking is not permitted in the manufacturing areas and analytical labs where chemical exposures are possible. All employees are trained on different EHS issues including firefighting, personal protective equipment, First Aid and Material Safety Data Sheet (MSDS). All areas in head office and factories are provided with emergency exits along with proper signage, and where applicable, flame proof appliances, fire doors etc. are used. Partitions are made with PU panel capable of retaining fire for a definitive time period. Each and every employee undergoes pre-employment and annual health check-ups organized by the Company. Company has contracted physicians specialized in Medicine, Gynecology, Child Health etc. Employees can consult them free of cost. We have a sick bay and employees can take advice from the qualified physicians engaged by the Company. There is an arrangement with the nearest clinics for handling emergencies. We have several ambulances to send patients to the hospitals and clinics in emergency cases. First aid boxes are provided to each department of every facility.

Company conducts mock evacuation drills twice in a year in order to prepare the employees to act properly incase an emergency arises. Operational and manufacturing sites are fully equipped with fire hydrants and standalone fire extinguishers. We have installed sophisticated Fire Detection and Alarm System in our factory and head office premises to locate the exact place of any fire occurrence and employed trained experienced Emergency Core Response Team (ECRT) to respond to any situation.

Child Labor

The Company strictly complies with the codes of Bangladesh Labor Act in all respects including restrictive provisions relating to "Employment of Adolescent". No Child labor is directly or indirectly employed in any part of the Company.



Our CSR Initiatives

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 CSR activities and in 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 2019-20 were:

COVID-19 Contributions

Donated PPE Worth Taka 15 Crore to Protect the Healthcare Professionals



Beximco Pharma has remained fully committed to fighting the pandemic, in all possible ways. In response to crisis, Beximco was among the first to source and procure high quality personal protective equipment (PPE), N95 masks, goggles, PCR kits etc. from abroad, despite very limited availability of those products due to soaring demands worldwide. The company provided different types of protective equipment worth Taka 15 crore to protect the frontline health workers in Bangladesh. These were distributed nationwide to more than 150 leading hospitals.

Provided Remdesivir Injection Free of Cost to All Govt. Designated COVID-19 Hospitals



Beximco Pharma donated large quantities of Remdesivir (Bemsivir) injections to the Bangladesh Government for supply to all government designated COVID-19 hospitals free of cost. Remdesivir is administered intravenously and is authorized for the treatment of hospitalized patients with severe COVID-19 disease. While handing over this drug to the Health Minister, Beximco Pharma Managing Director Nazmul Hassan MP said, "We are pleased to be the first generic company in the world to introduce this very important drug for COVID-19 patients. This reinforces our commitment to ensure access to breakthrough therapies, despite facing tremendous challenges amid this pandemic."

Collaboration for Development of Isolation Canopy for Protecting Frontline Health Workers



Beximco Pharma provided funding and full logistics support for development of negative pressure isolation canopy to protect the healthcare workers in COVID-19 hospitals. This research was led by Professor Khondkar Siddique-e Rabbani, founding chairperson and now Honorary Professor of Biomedical Physics and Technology Department in Dhaka University, along with Professor AKM Akhtaruzzaman, head of Anaesthesia, Analgesia and Intensive Care Medicine Department of BSMMU.

Negative pressure isolation canopy uses an ultraviolet light (UVC) chamber which destroys all micro-organisms and viruses before the air is further disinfected and cleaned by a HEPA filter. This isolation canopy, developed first time in the country, has more advanced features than similar devices currently available in many countries. Our researchers could keep the cost reasonably within reach and significantly less than those available in other countries since the technology is homegrown.

Sweden's Uppsala University is also a partner of this initiative. The first prototype of the isolation canopy was demonstrated at BSMMU, and several canopies were later donated by Beximco Pharma to the same hospital.

BPL Employees Donated One-day Salary for Victims of COVID-19



Employees of Beximco Pharma and its subsidiary Nuvista Pharma contributed one day's salary to the fight against COVID-19 pandemic. The lockdowns and restrictions in the country to prevent the spread of COVID-19 harshly impacted those who depend on daily wages for their livelihood. Beximco Pharma pledged to contribute to alleviate their struggle by working with other volunteer organizations who work in the frontline to provide emergency food, medicine etc. to the underprivileged people.

Regular Supply of Personal Protective Equipment (PPE) to Frontline Healthcare Professionals



Providing PPE to Brig Gen Jamil Ahmed, Director, Kurmitola General Hospital, Kurmitola, Dhaka Cantonment.



Providing PPE to Dr. Abul Hashem Sheikh, Asst. Director, Mugda Medical College Hospital, Dhaka.



Providing PPE to the Director of Dhaka Medical College Hospital.



Providing PPE and medicines to icddr,b.

Telemedicine Initiatives for Doctors During the Pandemic

A screenshot of the Highway to Health telemedicine platform. On the left, there is a large graphic of a doctor's head with a stethoscope. Below it is the "HIGHWAY TO HEALTH" logo. The main area shows the "Patient Login Panel" with fields for email/phone number and password, and a "Sign in" button. Below the form, text reads: "This page is the login page for the doctor's appointment. If you have registered earlier, you can provide here for registration. If you are a New Patient on this online platform, click on Registration now bottom of the Sign in button then register yourself for only first time." To the right, a smartphone displays the mobile application interface with the same login screen and the "Logout Successful" message.

COVID-19 seriously disrupted healthcare services and it has created panic among the doctors, nurses and patients alike. Hundreds of frontline health-workers including renowned doctors in the country have died from COVID-19. The situation led doctors reluctant about seeing patients and providing direct consultations to them. Beximco Pharma has taken several initiatives especially with Bangladesh Society of Medicine to allow leading doctors to render their services to the patients. In addition it partnered with different telehealth service providers to organize online appointment with doctors.

Nationwide Campaign for Mask Awareness



Beximco Pharma sponsored the country's largest mask awareness campaign in partnership with Jaago Foundation, a leading volunteer organization in Bangladesh. The initiative called "Apnar Mask Kothay? (Where Is Your Mask?)" – aimed to inspire and create awareness among people to wear masks amid the COVID-19 pandemic. More than 6,000 volunteers participated from Dhaka, Chattogram, Khulna, Barisal, Sylhet, Rajshahi, Rangpur, and Mymensingh divisions and set out to raise mass awareness by taking to the streets. The volunteers discussed the ongoing coronavirus situation and made people aware of the importance of using masks to reduce the spread of COVID-19. Free masks were distributed among the people during the campaign.

Community Care Program

Support to Centre for the Rehabilitation of the Paralyzed (CRP)



Beximco Pharma has long been a supporter of CRP, an internationally known organization which serves and rehabilitates people with different kinds of disabilities. The company extended support in the form of funding on the occasion of CRP's 40th founding anniversary.

Free Medical Camps

Beximco Pharma supports many organizations to conduct health camps throughout the year. In the year, the Company provided free medicines to health camps organized by Diabetic Association of Bangladesh, Agami Education Foundation, Dhaka City Corporation, Bangladesh Medical Association, Bangladesh Air Force, Jaago Foundation, and UN Peace Keeping Missions in Lebanon and Central Africa.

Promoting Education

Support to Computer Literacy Centers



Beximco Pharma continued its financial support to three Computer Literacy Centers (CLCs) in two different districts of Bangladesh. These CLCs are being run in cooperation with the Computer Literacy Program (CLP), USA, and its implementation partner in Bangladesh-Dnet. The main objective of this initiative is to promote computer learning and information technology among the underprivileged students of Bangladesh.

Humanitarian Support to Rohingya Refugees



Beximco Pharma has been providing healthcare support to the Rohingya refugees since the beginning of this humanitarian crisis. Throughout the year, the Company continued to extend its support in many ways to Rohingya camps in Cox's Bazar.

Supporting Research, Innovation and Development

Beximco Pharma Sponsored icddr,b's Clinical Trial of Ivermectin for the Treatment of COVID-19



Beximco Pharma sponsored the clinical trial conducted by internationally renowned research organization ICDDR,B to evaluate the efficacy of Ivermectin in COVID19 patients. The randomised, double-blind, placebo-controlled clinical trial aims at evaluating the safety and efficacy of anti-parasitic medicine Ivermectin in combination with antibiotic doxycycline or Ivermectin alone. It is being conducted in hospitalised adults diagnosed with COVID-19.

About the trial, Beximco Pharma managing director Nazmul Hassan MP said, "We are pleased to sponsor the first randomized, well designed clinical trial of Ivermectin in COVID-19 patients in Bangladesh. Should the outcomes be positive from this trial, as well as other ongoing trials in different countries, Ivermectin can offer itself as a highly affordable and readily available solution for the COVID-19 pandemic."

The manuscript of this therapeutic study is now accepted for publication in a peer-reviewed international Journal

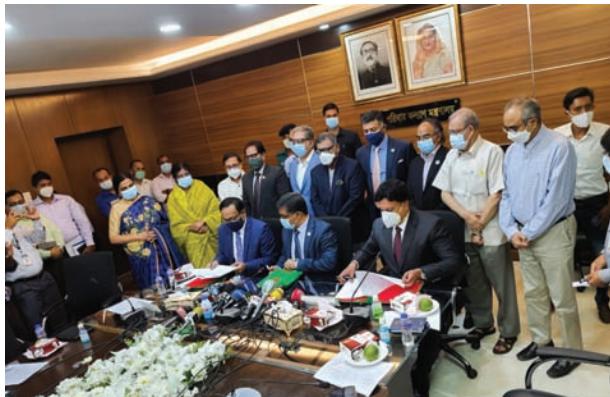
Supporting Other Clinical Trials on COVID-19 treatments



Beximco pharma extended support to several clinical trials initiated by leading institutes or researchers, namely IEDCR, Dr. Tarek Alam and Combined Military Hospital (CMH), Dhaka. The Company supported them with all trial drugs (Ivera, Megadox, Azithrocin, Bemsivir) free of cost to facilitate their trials to combat the COVID-19 pandemic.

Corporate Events

Beximco Pharma Signed MoU with Serum Institute for COVID-19 Vaccine



Beximco Pharma entered into a Memorandum of Understanding with Serum Institute of India and Govt of Bangladesh for the supply and distribution of 30 million doses of the Oxford/AstraZeneca vaccine, AZD1222, in Bangladesh. Serum Institute of India (SII) is the world's largest producer of vaccines which will manufacture the Oxford vaccine under a license agreement with AstraZeneca. Beximco Pharma also has an arrangement with SII to import the same vaccine for sale and distribution to the private pay market in Bangladesh.

Beximco Pharma Introduces World's First Generic Remdesivir for COVID-19 Treatment

Beximco Pharma Announces a Commercial Agreement with Mylan (Viatris)



On May 21, 2020 Beximco Pharma launched world's first generic remdesivir (under the brand name Bemsivir), an antiviral drug for the treatment of COVID-19. Originally developed by US based Gilead Sciences, Remdesivir is a direct acting antiviral drug that inhibits viral RNA synthesis, which received emergency use authorization from US FDA on May 1, 2020 for the treatment of hospitalized COVID19 patients. Bemsivir was launched in presence of Health and Family Welfare Minister Mr Zahid Maleque MP, Beximco Pharma managing director Nazmul Hassan MP and other high officials from the government and the company.

On February 24, 2020, Beximco Pharma signed an agreement for distribution of biosimilar products of Mylan in Bangladesh.

Under the terms of the agreement, Beximco Pharma has the exclusive rights to launch Mylan's portfolio of key monoclonal antibodies to treat different types of cancers, rheumatoid arthritis, Crohn's disease, ulcerative colitis and other medical conditions.

The first product under this deal, Ogviri™ (Trastuzumab), a breast cancer drug which is biosimilar to blockbuster drug Herceptin from Roche, has already been launched in the market.

6th International Conference on Lung Health, Pulmocon- 2019



The 6th international conference on lung health, Pulmocon-2019 was held in BICC during November 05-08, 2019. Beximco pharma was one of the major scientific partners of that conference.

Launching of Bexitrol F Maxhaler



Beximco Pharmaceuticals Limited achieved another milestone by launching Bexitrol F Maxhaler, generic equivalent of GSK's Seretide Accuhaler, on September 5, 2019. Beximco Pharma introduced this sophisticated mDPI device for the first time in Bangladesh.

GERD Awareness Week 2019



Beximco Pharma celebrated GERD awareness week 2019 during November 17-23, 2019. This year Beximco arranged an interactive live session with Prof. Dr. Mahmud Hasan, President, Bangladesh gastroenterology society to raise public awareness.

Annual Sales and Marketing Conference, Kenya



Annual Sales and Marketing Conference 2018-19 of the field force of BPL – Kenya was held on October 18, 2019, in Nairobi. The field force also received an extensive 6-day training before the Conference.

CPhI Worldwide 2019, Germany



Beximco Pharma showcased its products to potential clients from around the world in CPhI Worldwide 2019 held in Frankfurt, Germany in November 2019.

Plant Visit

Visitors from Drug Administration



A group of high officials from Drugs Administration, Bangladesh headed by Major General Md. Mahbubur Rahman, Director General visited the factory on October 07, 2019.

Delegates from Maldives



A group of delegates from State Trading Organization, Maldives headed by Mr. Mohammed Nizam visited the Tongi Plant of BPL on July 07, 2019.

Visitors from China



A group of visitors from China visited the factory on October 09, 2019.



Media Spotlight

This year, the Company received tremendous media coverage in global media especially for its outstanding initiatives in fighting COVID-19 pandemic. The top executives were interviewed on multiple platforms both nationally and internationally during the year 2019-20.

1. On May 5, 2020 Reuters featured Beximco Pharma exclusively for launching world's first generic Remdesivir.
2. Mr. Rabbur Reza, COO of the Company was interviewed on digital platform of British Broadcaster, Sky TV on 21 May, 2020 on the occasion of introducing Remdesivir generic (Bemsivir) in Bangladesh.
3. An international news agency Bloomberg News, headquartered in New York, featured Beximco Pharma for pioneering role in producing Remdesivir to treat COVID-19 on 21 May, 2020.
4. Mr. Nazmul Hassan MP, Managing Director of Beximco Pharmaceuticals Ltd. was interviewed by Manufacturing Chemist, leading global magazine for the pharmaceuticals industry, on 26 May, 2020 regarding donation of Remdesivir (Bemsivir) to the Bangladesh Government for treating critical COVID-19 patients.
5. Bemsivir Launch was also covered by various other digital platforms around the globe such as The New York Times, The Business Standard, S & P Global, and Mint.



Bloomberg

First Copies of Gilead Virus Drug to Start Selling in Bangladesh

By Arun Devnath
May 21, 2020, 11:30 AM GMT+6

Beximco to sell remdesivir at \$71 a vial for private clinics.
Gilead's drug cleared by U.S. regulator for emergency use

[Sign up here for our daily coronavirus newsletter on what you need to know, and subscribe to our Covid-19 podcast for the latest news and analysis.](#)

Bangladesh's Beximco Pharmaceuticals Ltd. said it has become the world's first company to start selling the generic version of Gilead Sciences Inc.'s antiviral drug on mounting urgency to treat the infection caused by the deadly coronavirus across the developing world.

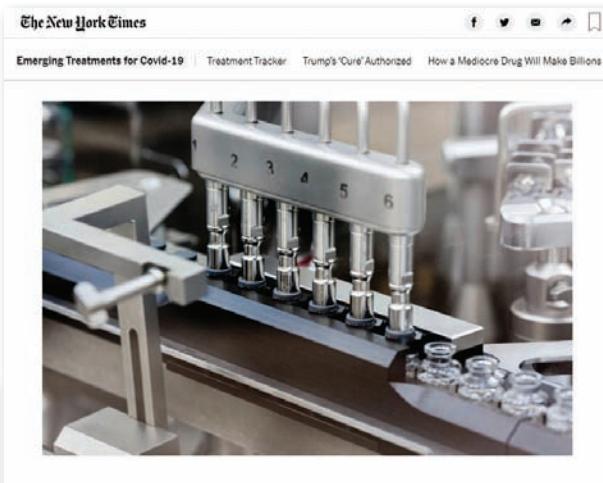
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IN THIS LIST

Bangladesh's Beximco to launch 1st generic of Gilead's COVID-19 drug remdesivir

Beximco Pharmaceuticals Ltd. is launching the first generic version of Gilead Sciences Inc.'s antiviral drug remdesivir, which is being used to treat COVID-19. Remdesivir received the U.S. Food and Drug Administration's emergency use authorization earlier in May, after the therapy was proven to be effective against symptoms of COVID-19, the respiratory disease caused by the novel coronavirus. Beximco, which is headquartered in Dhaka, Bangladesh, will market remdesivir as Bemsivir. Bangladesh's directorate general of drug administration granted an emergency use authorization to Beximco's generic copy of remdesivir, allowing broader access to the intravenous drug, especially in developing countries. The company will donate Bemsivir to Bangladesh's government, which will distribute the therapy to public hospitals for free. The medicine will not be available through retail.



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Beximco Pharma introduces first generic remdesivir for COVID-19

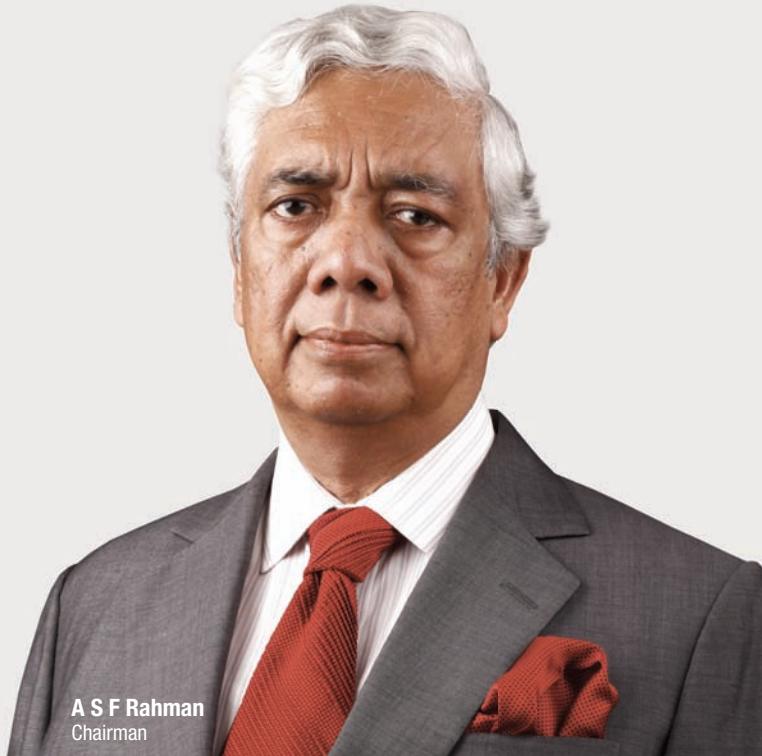
26-May-2020 [Facebook](#) [Twitter](#) [LinkedIn](#) [Email](#)

FINANCE / INGREDIENTS

Beximco Pharma is donating remdesivir (Bemsivir) to the Bangladesh Government for supply only to Government hospitals

Beximco Pharmaceuticals has announced the launch of remdesivir (under the brand name Bemsivir), an antiviral drug developed by US-based pharmaceutical company Gilead Sciences. The drug was recently approved by the US FDA for the treatment of COVID-19. With this introduction, Beximco Pharma says it is the first company in the world to launch a generic version of remdesivir for the treatment of COVID-19. The launch, which was anticipated in the company's announcement on 4 May 2020, follows the grant of Emergency Use Authorization by the Directorate General of Drug Administration (DGDA), the regulatory authority in Bangladesh, for Beximco Pharma's remdesivir IV injection received on 21 May 2020. Emergency approvals will help to broaden the use of remdesivir in hospitalised patients, especially in developing and least developed countries where access to breakthrough advanced drugs remains a major challenge.

Chairman's Statement



A S F Rahman
Chairman

Dear Shareholders,

We are now passing through a hard time. The COVID-19 pandemic has shattered the economy and life of the people across the world. Amidst this economic onslaught and social disruptions, we completed perhaps one of the most challenging years in our history.

Despite hurdles and challenges, our performance during the year was truly remarkable. We achieved double digit growth in domestic and international sales, attained excellent profit growth, enriched our product portfolio, expanded our market reach and delivered results for our shareholders. Such an impressive performance in an entirely volatile situation is a manifestation of our strength to withstand and ability to drive business in any difficult and uncertain condition. Our experienced, matured and expert management team took appropriate decisions and realigned their strategies to achieve targets defying the pandemic.

We played a pioneering and laudable role to address the public health crisis caused by the pandemic. Beximco Pharma became the first Company in the world to launch a generic version of remdesivir which has earned global respect for us. Besides this, we launched another repurposed COVID-19

drug Viraflu. During the extreme crisis, we came forward to supplement governmental efforts to save lives. We are the first to donate high quality personal protective equipment (PPEs) and other logistics to our doctors and frontline workers.

Our proactive response to public health issues has earned us the most prestigious CPhI Award 2020 in the category of "Innovation in Response to COVID-19." This award is a clear testimony of our technical capability and foresighted leadership.

Dr. Abdur Rahman Khan, Independent Director and Chairman of the Audit Committee, has retired from the Board on completion of his tenure of office for two consecutive terms of three years each. On behalf of the Board, I thank Dr. Khan for his guidance and valuable contribution as a Director of the Company. Dr. Khan has been replaced by Mr. Mamta Uddin Ahmed, Professor, Department of Accounting and Information System, University of Dhaka. Professor Ahmed is also the Treasurer of the University of Dhaka. I welcome Professor Mamta Uddin Ahmed in the Beximco Pharma family and like to ensure him all necessary co-operation from the Board in discharging his duty as an Independent Director and Chairman, Audit Committee.

The Audit Committee and the Nomination and Remuneration Committee have carried out their respective responsibilities with utmost sincerity and diligence. On behalf of the Board, I like to thank the Chairman and members of both the committees for their sincere efforts and valued contribution.

During this pandemic we lost two of our employees Mr. Mohd. Haydarul Islam and Mr. Amjad Hussain. I am extremely saddened on their premature departure and respectfully recognize their contribution to the Company.

I want to thank the employees of the company for their dedication and hard work amid the devastation of COVID-19 pandemic. It is their passionate and committed effort that drives the business forward delivering excellent results and strong growth. The success we have achieved was only possible due to their collective efforts.

Finally, I express my gratitude to you, dear shareholders, for extending invaluable support at all times. I wish you all good health and safe life.

Thanking you

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

A S F Rahman

Chairman

চেয়ারম্যানের প্রতিবেদন

সম্মানিত শেয়ারহোল্ডারবৃন্দ,

আমরা সবাই বর্তমানে অত্যন্ত কঠিন সময় অতিবাহিত করছি। কোভিড-১৯ মহামারী পৃথিবী জুড়ে মানুষের জীবন এবং অর্থনৈতিকে বিপর্যস্ত করেছে। অর্থনৈতি ও সমাজের উপর সৃষ্টি আঘাতের ব্যাপকতার মধ্য দিয়ে আমরা ইতিহাসের কঠিনতম বছরটি অতিবাহিত করেছি। বিভিন্ন প্রতিকূলতা এবং বাধা সত্ত্বেও আলোচ্য বিষয়ে আমাদের সফলতা ছিল উল্লেখযোগ্য। আমরা অভ্যন্তরীণ বিক্রয় এবং রপ্তানী উভয় ক্ষেত্রেই দুই অংকের প্রত্বন্দী অর্জন করেছি। একইভাবে আমাদের মুনাফা বৃদ্ধি পেয়েছে এবং উল্লেখযোগ্য সংখ্যক নতুন ঔষধ বাজারজাত করেছি যা বয়ে এনেছে আপনাদের জন্য কাঞ্চিত ফলাফল। সম্পূর্ণ অস্থির একটি পরিবেশে এই চমৎকার সাফল্য আমাদের শক্তিভূতি, প্রতিকূল এবং অনিচ্ছিত অবস্থায় ব্যবসা চালিয়ে নিয়ে যাওয়ার সক্ষমতার বহিঃপ্রকাশ।

মহামারীকে মোকাবেলা করে কাঞ্চিত লক্ষ্য অর্জনের জন্য আমাদের অভিজ্ঞ, পরিপক্ষ এবং দক্ষ ব্যবস্থাপনামণ্ডলী প্রয়োজনীয় কৌশল অবলম্বনের সঠিক সময়ে সঠিক সিদ্ধান্ত গ্রহণ করেছেন। মহামারীর কারণে সৃষ্টি জনস্বাস্থের ঝুঁকি মোকাবেলায় আমরা অগ্রণী এবং প্রশংসনীয় ভূমিকা পালন করেছি। বিশ্বের প্রথম কোম্পানী হিসাবে বেঙ্গলিমকো ফার্ম রেমডিসিভির এর জেনেরিক ভার্সন বাজারজাত করণের মাধ্যমে আন্তর্জাতিক মহলে ব্যাপক সম্মান অর্জন করেছে। এছাড়াও আমরা কোভিড-১৯ এর ব্যবহারযোগ্য আরও একটি ঔষধ “ভিরাফু” বাজারজাত করি। চৰম সংকট মুহূর্তে দেশের মানুষের জীবন রক্ষায় আমরা সরকারের সাথে কাধে কাধে মিলিয়ে অংশ নিয়েছি। বেঙ্গলিমকো ফার্মই সর্বপ্রথম দেশের চিকিৎসক এবং সম্মুখসারির স্বাস্থ্য কর্মীদের উপযুক্ত মানসম্পন্ন ব্যক্তিগত সুরক্ষা সামগ্ৰী (PPE) আমদানী করে বিনামূল্যে প্রদানের মাধ্যমে কোভিড-১৯ রোগীদের চিকিৎসায় উল্লেখযোগ্য ভূমিকা পালন করেছে।

বেঙ্গলিমকো ফার্মাসিউটিক্যালস লি: কোভিড-১৯ মোকাবেলায় তার স্বপ্নগোদিত এবং উত্তোলনী উদ্যোগসমূহের জন্য অত্যন্ত মৰ্যাদাপূর্ণ (CPhI) পুরস্কার ২০২০ অর্জন করেছে। এ পুরস্কার অর্জন আমাদের কারিগরি এবং ব্যবসায়িক উৎকর্ষতা এবং দূরদৃষ্টি সম্পন্ন নেতৃত্বের কারণেই সম্ভব হয়েছে।

কোম্পানীর সতত্ত্ব পরিচালক এবং অডিট কমিটির চেয়ারম্যান ড: আবদুর রহমান খান পরপর দুই মেয়াদে কোম্পানীর

পরিচালনা পর্ষদে দায়িত্ব পালন করেছেন। মেয়াদ পূর্ণ হওয়ায় বর্তমানে তিনি পরিচালনা পর্ষদ থেকে অবসর গ্রহণ করেছেন। আমি পরিচালকমণ্ডলীর পক্ষ থেকে ড: আবদুর রহমান খানকে পরিচালক হিসাবে তার মূল্যবান অবদানের জন্য ধন্যবাদ জানাচ্ছি। ঢাকা বিশ্ববিদ্যালয়ের একাউন্টিং এবং ইনফরমেশন সিস্টেম বিভাগের অধ্যাপক মমতাজ উদ্দিন আহমেদ ড: আবদুর রহমান খান এর স্তলাভিষিক্ত হয়েছেন। অধ্যাপক মমতাজ উদ্দিন আহমেদ বর্তমানে ঢাকা বিশ্ববিদ্যালয়ের কোষাধ্যক্ষ হিসাবেও দায়িত্ব পালন করছেন। আমি অধ্যাপক মমতাজ উদ্দিন আহমেদকে আমাদের বেঙ্গলিমকো ফার্ম পরিবারে স্বাগত জানাই এবং সতত পরিচালক এবং অডিট কমিটির চেয়ারম্যান হিসাবে দায়িত্ব পালনের ক্ষেত্রে সর্বাত্মক সহযোগিতার আশ্বাস প্রদান করছি।

অডিট কমিটি এবং Nomination and Remuneration কমিটি অত্যন্ত আন্তরিকতা এবং পরিশ্রমের সাথে তাদের দায়িত্ব যথাযথভাবে পালন করেছেন। আমি অডিট কমিটি এবং Nomination and Remuneration কমিটির চেয়ারম্যান এবং সদস্যদের মূল্যবান অবদানের জন্য ধন্যবাদ জানাচ্ছি।

কোভিড-১৯ মহামারীর কারণে আমাদের দুই জন সহকর্মী জনাব মোহাম্মদ হায়দারুল ইসলাম এবং জনাব আমাজাদ হোসেনকে হারিয়েছি। আমি তাদের অকাল প্রয়াণে দুঃখ প্রকাশ করছি এবং কোম্পানীতে তাদের অবদানের কথা শ্রদ্ধা এবং সম্মানের সাথে স্মরণ করছি।

কোভিড-১৯ মহামারীর মধ্যেও আমাদের কর্মী বাহিনী যেভাবে নিবেদিত চিন্তে কঠোর পরিশ্রম করেছেন তার জন্য তাদের আন্তরিক ধন্যবাদ জানাই। কোম্পানীর অগ্রিয়া সাফল্য এবং প্রত্বন্দী সবকিছুই হচ্ছে আমাদের কর্মী বাহিনীর আন্তরিক প্রচেষ্টার ফসল।

পরিশেষে আমি আমাদের সম্মানিত শেয়ারহোল্ডারবৃন্দকে সকল সময়ে তাদের অমূল্য সমর্থনের জন্য আন্তরিক কৃতজ্ঞতা জ্ঞাপন করছি এবং আপনাদের সকলের সুস্থান্ত্র এবং নিরাপদ জীবন কামনা করছি।

ম. ক. ফ. লালমু।
এ এস এফ রহমান
চেয়ারম্যান

Management Discussion and Analysis



Nazmul Hassan MP
Managing Director

Economic and Industry Overview

COVID-19 pandemic has confronted the world with an unprecedented situation and has profoundly impacted human lives and well-being. The massive shock of the pandemic and lockdown measures around the world to contain it have plunged the global economy into a severe contraction.

According to IMF projections, the global economy would contract by 3% in 2020, while the World Bank predicts that to decline by 2.1-3.9%. GDP growth of Bangladesh fell to 5.24% in FY2019-20, lowest in 12 years, as the pandemic ravaged the economy for at least a third of the financial year. Country's export earnings registered a sharp decline of 16.9% at US \$33.67 billion.

As the pandemic continues to impact global economy taking toll on every industry, pharma sector is no exception to this economic downturn. According to IQVIA 2020 audited report (MAT June 2020), Bangladesh pharma market managed to grow by just 4.34% in 2019-20, the lowest in recent times.

The sector was particularly affected in the last quarter (April–June 2020) when its growth sharply fell below 1%. Many of the leading companies slipped into negative territory. Beximco Pharma, however, still managed to grow by 8% in the last quarter owing to its proactive planning and timely execution of strategies. This growth was largely driven by our performance in key therapeutic areas namely cardiovascular, analgesics, anti-diabetic and respiratory.

Bangladesh reported its first confirmed case of COVID-19 on 8 March 2020 and since then the number of cases has risen steadily to cross 400,000 in November with more than 6,000 deaths which include hundreds of frontline healthcare workers. Bangladesh imposed a nationwide lockdown on 26 March 2020 that was extended up to end of May 2020. Subject to a few exceptions, manufacturing units across all industries, business and offices remained shut and all kinds of public transport were suspended. Pharma companies were however exempted from the lockdown and allowed to continue their operations ensuring social distancing and strict health safety measures at the factories.

The lockdown in China and many other countries throughout the first quarter of 2020 had a significant impact on price and availability of APIs and packaging materials. Price of large number of APIs suddenly shot up causing a shortage of many drugs. Serious disruptions in supply chain posed tremendous challenge to the industry to continue production and delivery of medicines across the country maintaining adequate safety of our people. We had to take several mitigating measures to confront the unforeseen situation in order to continue our operations.

Review of Operations

Sales, Profits and Products

Despite facing unprecedented challenges of COVID-19 pandemic, we achieved a growth of 12.5% in consolidated revenue in the domestic market over the last year. Our export business posted 10% growth amid serious supply chain and logistics challenges, especially in the last quarter. Many of our export markets were hit hard due to extended lock down in those countries; shipping and cargo operations collapsed and freight cost increased manifold.

We launched 26 new products in the local market to expand

and strengthen our existing product portfolio which includes 4 products introduced for the first time in Bangladesh. We also launched 5 new products from our subsidiary, Nuvista Pharma Limited.

The COVID-19 pandemic has been considered as a humanitarian crisis with a public health dimension that has put tremendous pressure on pharma industry to act swiftly to make treatments available to the patients. On 21 May 2020 Beximco Pharma launched generic version of Remdesivir (under the brand name Bemsivir) in Bangladesh, which received emergency use authorization from US FDA. Beximco Pharma became the first pharma company in the world to launch this generic version for the treatment of COVID-19 patients which drew worldwide attention. We also launched Favipiravir tablets, another repurposed drugs for the treatment of COVID-19 patients under the brand name Viraflu.

We introduced multidose Dry Powder Inhaler (mDPI) device for the first time in Bangladesh under the name Maxhaler mDPI and our first product in this delivery system was Bexitrol-F mDPI which is equivalent to GSK's Seretide Accuhaler. Globally there are only a few manufacturers using this delivery system for this product.

Our newly launched products cover 12 therapeutic segments, which includes analgesic, anti-diabetic, anti-infective cardiovascular, hormones, gastrointestinal and respiratory to name a few.

Our leading brands across key therapeutic areas performed strongly with cardiovascular, analgesic, respiratory and anti-diabetic posting impressive double-digit growth.

All the key financial indexes of the Company have moved upward in the financial year concluded. The pre and post-tax profit increased in consistent with growth in sales revenue. Profit before tax rose by 17.9% over last year to reach at Taka 4,653 million; profit after tax also grew by 16.6% to Taka 3,544 million. Earnings per Share has increased by 15.9% to Taka 8.67. Directors have proposed 15% cash and 10% stock dividend.

Report of the Directors presents further details on financial performance.

International Market

We completed 63 registrations of 50 Products in 20 countries to further broaden and consolidate our export markets. In the US, currently our largest export market, we launched two new products, Nadolol and Sotalol AF, both are cardiovascular drugs. We received regulatory approval from German Regulatory Authority and Malta Medicines Authority (European Union). During the year we began exporting to 4 new markets namely, Maldives, Pakistan, Nicaragua and Dominican Republic.

We also received US Food and Drug Administration (FDA) approval for Flecainide Acetate (50, 100 and 150 mg tablets), an antiarrhythmic drug used for treating irregular heartbeats in conditions such as tachycardia and atrial fibrillation.

COVID-19 Responses

As a socially responsible organization, Beximco Pharma has always responded to national and international emergency and this remains an integral part of its strategic commitment. During the critical and uncertain times, amid serious supply chain disruptions and prolonged lockdowns, we responded effectively to ensure uninterrupted supply of medicines throughout the country. Besides taking a series of measures to protect health and safety at work places, we ensured that our employees and their families get every possible support in any health crises. We implemented new work practices, introduced social distancing and encouraged employees to work remotely where possible. The Company among host of other initiatives has also set up an emergency response team, available 24 hours a day, to respond to employee concerns and provide medical support in the event they may be exhibiting COVID-19 symptoms.

During the initial outbreak of COVID-19 in Bangladesh, health services across the country went through a tremendous crisis. Visits to hospitals and clinics sharply declined, Doctors and other healthcare workers, as well as patients were fearful of the infection. This caused healthcare delivery system to nearly collapse resulting in significant increase in other non-communicable, life threatening diseases. Beximco Pharma was among the first to extend support in this critical time to the frontline health workers. We provided much needed personal protective equipment (PPE), N95 masks, goggles, and PCR kits worth US \$2 million.

The Company supported various telemedicine initiatives for doctors to continue providing treatment to their patients.

As noted earlier, we launched a number of repurposed drugs including the world's first generic Remdesivir that earned us the prestigious CPhI Awards 2020 for "Innovation in Response to COVID-19." The Company has been providing Bemsivir to the government designated COVID-19 hospitals free of cost from the very first day of its official launch. It has also sent free medicines abroad on humanitarian grounds. This has drawn positive attention and notes of praise from around the world. We collaborated and sponsored the research done by University of Dhaka and Bangabandhu Sheikh Mujib Medical University (BSMMU) to develop country's first Negative Pressure Isolation Canopy to prevent patients from spreading COVID-19 in hospitals.

We have sponsored a clinical trial to evaluate the efficacy of two potential treatments, Ivermectin alone and Ivermectin with Doxycycline, in COVID-19 patients of Bangladesh in collaboration with globally reputed research organization, icddr,b. The manuscript of this therapeutic study is now accepted for publication in a peer reviewed international journal.

We have also signed the Open pledge from global manufacturers of generic medicines against COVID-19. Through this pledge, we commit to work with the UN-backed Medicines Patent Pool (MPP) in making COVID-19 treatments available especially in low- and middle-income countries. And by doing so, we support SUCCESS (Sustainable Universal access through Collaboration, Coordination, Emergency measures, Scale and Speed).

Our positive branding and overall performance earned us the prestigious "Global Generics & Biosimilars Awards 2019" in the category of Company of the Year, Asia Pacific, which recognizes the efforts made by global generics and biosimilars sectors, to make affordable medicines available to more patients across the globe.

Credit Rating

Credit Rating Information and Services Limited (CRISL), the country's leading credit rating company, has assigned AAA (Highest safety for timely repayment) rating in the long term and ST-1 (Highest certainty of timely repayment which

indicates strong internal fund generation and outstanding alternative source of fund) rating in the short term to Beximco Pharmaceuticals Limited.

Accounting Policies and Estimates

Bangladesh has adopted International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS). Beximco Pharma has been consistently applying these standards in preparation of its financial statements. Management has the discretion to decide on the accounting policies within the financial reporting framework and make estimates and provision in preparing those financial statements. The Company's accounting policies remain consistent with those of the previous year and there has been no changes in the accounting policies that could materially impact the financial statements. The accounting estimates and provisions are based on prudent judgments.

A new IFRS 16: Leases has introduced a single on-balance sheet lease accounting model for leases and replaces the previously adopted IAS 17: Leases. The standard requires that an asset acquired under a lease be recognized as Right-of-use Asset and the corresponding liability as lease liability. The company has reclassified the assets acquired under the lease into 'Right-of-use Assets' and presented them in the Statement of Financial Position following IFRS 16.

Risks related to the Financial Statements

The Company has a robust system of internal control and well-designed accounting reporting process. The Company's accounting and finance functions are manned with adequate experienced professionals. Appropriate policies and procedures, as well as adequate review and control mechanisms are in place in every steps of the financial reporting value chain to avoid, eliminate or reduce the risk of errors, omissions or material misstatements in the financial reports. Moreover, quarterly and annual public reports are subject to rigorous review by the Board's audit committee in addition to the annual accounts being audited by independent external auditors.

Looking Forward

With the pandemic trajectory still remains unpredictable, we are trying our best to respond to the challenges arising from the economic and social disruptions while adjusting our short and long-term operating strategies in light of the experience

gathered from the crisis.

As vaccines remain the mainstay in combating the pandemic, we have been closely watching the developments in this space from the very beginning. Recently we have signed Distribution Agreement with the Serum Institute of India Pvt. Ltd. (Serum), the world's largest vaccine producer to become its exclusive distributor for supplying Oxford/AstraZeneca vaccine AZD1222 and Novavax vaccine NVXCoV2373 in Bangladesh. Subsequent to this agreement, a tripartite Memorandum of Understanding (MoU) has been signed among Serum, Government of Bangladesh (GoB) and Beximco Pharma for procurement of 30 (thirty) million doses of Oxford/AstraZeneca vaccine AZD1222 by GoB for the people of Bangladesh. Beximco Pharma has further booked 1 (one) million doses of this vaccine for the private pay market.

We also signed a distribution agreement with Mylan (Viatris) for certain biosimilar products in Bangladesh. Our key focus would remain on launching a range of biosimilar products which have good potential in the market. Under the Mylan deal, Beximco Pharma has the exclusive rights to launch Mylan's portfolio of key monoclonal antibodies to treat different types of cancers, rheumatoid arthritis, Chron's disease, ulcerative colitis and other medical conditions. We have already launched Ogviri

(Trastuzumab), a breast cancer drug which is biosimilar to blockbuster drug Herceptin from Roche. Cancer is now one of the leading causes of death in Bangladesh and currently there are more than 50,000 HER2-positive breast cancer patients in the country. We expect to launch additional biosimilar products progressively.

Implementation of our new Oral Solid Dosage (OSD) expansion project- Unit-III was affected during the lockdown imposed by the government. As the situation is slowly improving, we have resumed some of our project activities. We hope if situation does not get any worse to enforce further lockdown, our new facility will be operational by the middle of 2021.

At Beximco Pharma, as we face the COVID-19 challenges, we take this as an opportunity to become more resilient and efficient, and make ourselves prepared for any future crisis. We are doing our best to respond to the disruption caused by COVID-19 and taking all measures to ensure continuity of our business.

Nazmul Haaaan

Nazmul Hassan MP

Managing Director



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 2020 along with the report of the auditors thereon.

General Economic Overview

Performance of the Economy

Bangladesh economy despite the hit of the pandemic performed relatively well and attained a remarkable 5.2% GDP growth against its targeted 8.2% growth set for the fiscal year. Following the spread of pandemic in early March, the government announced countrywide lockdown, imposing restrictions on business and social activities at varying levels with exceptions for certain essential sectors. The lockdown continued till May which was gradually relaxed to bring back normalcy in economic and business life of people. This adversely impacted the entire fourth quarter of the 2019-20 fiscal period pulling back the robust economic growth achieved in the previous three quarters.

Country's industrial sector which contributes around 35% of the GDP grew by 6.48% while the agriculture sector increased by 3.11% even with the asymmetric shock and downswing due to the pandemic. The per capita income though improved by 8.15% to US \$2,064, the economists fear that the number of people living below the poverty line may go up for loss of their earnings consequent to the pandemic. Domestic inflation remained under control at a moderate 5.6% level. Although earnings from export, which is predominantly from the readymade garments, declined by almost 17%, remittance inflow from the wage earners reached a record high. The downturn in import and strong inflow of remittance resulted in a record foreign exchange reserve of US \$35.8 billion and helped the exchange rate of domestic currency against US dollar remain stable.

The economic outlook of Bangladesh in the prevailing global context appears encouraging. While the economists predict a 3% contraction of the global economy, Bangladesh is projected to grow by 6.8% in the fiscal year 2020-21.

COVID-19 Support to Business

Alongside with taking up measures prioritizing the healthcare and earnings of the disadvantaged people, the government offered several fiscal and non-fiscal schemes for the business

and industries to combat the COVID-19 crisis and keep the economy afloat. These includes cash credit at a subsidised interest rates for payments of wages and salaries; extension of time for loan repayment; reduced 4% interest for agricultural credit; allowing foreign-owned companies to obtain loan from abroad; relaxing letter of credit usance period for certain imports. The Central Bank also announced certain monetary measures importantly reduction of repo interest rates, purchase of securities from the secondary markets, various refinancing schemes to help ease the liquidity.

Duty and tax waivers were granted for import and sale of all COVID-19 related life saving medicines, Personal Protective Equipment (PPEs), testing Kits, medical equipment and other essential medical items. Banks relaxed the payment criteria for import and allowed advance payment up to US \$500k without repayment guarantee for import of COVID-19 related items. Further measures include putting restrictions on laying off workers, mandated payment of full salary in garments and disbursement of Taka 12.5 billion cash aid for the poor families.

This year banks have reduced their interest rate following a Central Bank's directive that puts a maximum 9% interest rate cap on lending. This is going to benefit industries across all sectors.

Review of Financial Performance

Impressive sales and Profit Growth Despite COVID-19-hit fourth quarter

The Company continued its historic growth momentum with notable increase in sales, operating and net profit defying a difficult market condition prevailing throughout the fourth quarter of the fiscal period. Our consolidated sales registered a 12.3% increase to reach at Taka 25,612 million from Taka 22,816 million of previous year. Sales in the domestic market increased by 12.5% while our export rose by 10% to Taka 2,751.8 million. The growth in export though falls short of our expectation, given the context of disruptive supply chain and global lockdown, it deserves appreciation.

Our profit from operation, pre-tax and post-tax profit all posted a double digit growth. The operating profit rose by 10.7% to Taka 5,609 million, while the pre -tax profit increased by

17.9% to Taka 4,653 million. The net profit after tax reached to Taka 3,544 million with 16.6% YoY growth.

	Million Taka		
	2019-2020	2018-2019	Growth
Sales Revenue	25,612	22,816	12.3%
Gross Profit	11,899	10,620	12.0%
Operating Profit	5,609	5,066	10.7%
Pre-Tax Profit	4,653	3,946	17.9%
Net Profit after Tax	3,544	3,040	16.6%
Earnings Per Share (Taka)	8.67	7.48	15.9%

Improved sales mix and relatively stable exchange rate coupled with leverage effect of higher sales volume has helped maintain the gross margin at 46.5% neutralizing the effect of an increase in cost of materials in international and domestic markets. Country wide lockdown throughout the fourth quarter compelled us to cancel or defer certain programs, events and market promotion activities which have caused a decrease or relatively lower increase of some operating expenses. Additionally, the distribution commission expenses have increased partly because of the higher sales volume and partly for the use of BPL's distribution network by the subsidiary company Nuvista Pharma for greater cost synergy. Overall, the operating expenses remained contained at 24.6% of sales as against 24.3% of the previous year. Earnings per Share also went up to Taka 8.67 from Taka 7.48 of last year.

Improved Operating Cash Flow

Strong sales and profit growth coupled with insignificant changes in the working capital resulted in a considerable increase in operating cash flow. Our NOCFPS increased to Taka 13.67 as compared to Taka 7.30 of the previous year. This also contributed to the decline in Bank borrowings by Taka 2,981 million during the year, bringing the total bank borrowing to Taka 10,504 million in 2019-20 as against Taka 13,485 million of last year. The Net Asset Value (NAV) per share increased to Taka 80.12 from Taka 72.96 of the prior year.

Continuity of Other Income

Cash incentives on export and Royalty are two significant sources of other income reported during the period under review. The government declared 10% cash incentive on export of finished pharmaceutical products, which came into effect from the fourth quarter of 2018-19. The companies receive this incentive on the FOB value of their export subject

to fulfilment of certain conditions. Cash incentives on export as reported in the financial statement represent the amount claimed and accrued for the year fulfilling the eligibility criteria. We have royalty income from the sale of few selected products in the overseas markets. The amount reported in the consolidated financial statements does not include the royalty earned from the subsidiary company Nuvista Pharma, which are eliminated as inter-company transactions. Both the cash incentives and royalty are linked to export and accounted for on accrual basis.

An amount of Taka 18.25 million included in the interest income reported for the period relates to the interest earned on Company's short term investment with Bangladesh Export Import Company Limited. The Company has fully recalled the investment and as such this income will not continue in future periods.

The other items of income are either insignificant or inherent to normal business operations.

Profit and its Appropriation

Directors propose the appropriation of profit as follows:

Particulars	Amount in Taka'000	
	2019-20	2018-19
Net Profit After Tax	3,363,400	3,023,500
Adjustment for depreciation of Revalued Assets	8,114	9,175
Profit Brought Forward	16,548,524	14,124,183
Profit Available for Appropriation	19,920,038	17,156,858
Proposed Dividend:		
Cash Dividend	(608,334)	(608,334)
Stock Dividend	(405,556)	-
Profit Carried Forward	18,906,148	16,548,524

Dividend

The Board of Directors recommends 15% Cash Dividend i.e. Taka 1.50 per share and 10% Stock Dividend i.e. 10 shares for every 100 shares held for the year ended 30 June 2020 for onward approval at the Annual General Meeting. The Company has declared no interim dividend during the year.

The Board of Directors found it prudent to propose stock dividend along with cash dividend considering the Company's

requirement of cash to invest in growth opportunities, support its ongoing capital expenditure projects and to fund the import of vaccines for COVID-19.

Risks and Concerns

Risks have always been an important and inherent part of doing business and pharmaceutical industry is no exception to it. Beximco Pharma like any other company, is exposed to different risks-systematic and unsystematic, that might affect its operating and economic performance. Managing risk thus remains key to a sustainable advancement and expansion of our business. Beximco Pharma's strong and experienced executive team has over the years established robust policies and controls to identify, assess and address diverse risks that might affect the accomplishment of its operational or financial targets. Under the broad direction of the Board, the management of the Company monitors and reviews risks on a continual basis. Based on the variety and intensity of the risk, the business takes appropriate mitigating measures to avoid, eliminate or reduce risks.

While the Company has an appropriate system of vigilance and established procedures to address the risks arising from internal or external sources, there are uncertainties beyond control of the Company which might affect achievement of its goals. Demand for pharmaceutical products is largely driven by the economic advancement and consequent increase in the purchasing power of the people. Any decline in economic growth could affect the future demand for pharmaceutical products. Bangladesh maintained steady economic progress over the years with substantial uplift in all socio-economic indexes. However, the country's economy along with the world is now passing through a difficult time and there are uncertainties about how the COVID-19 situations evolve and affect the socio-economic indexes in the days ahead. The growth of Pharmaceutical market in Bangladesh being primarily driven by individual private spending for healthcare, the current pandemic if prolonged, might impact individual's earnings and hinder the future economic progress, thus affecting the Company's growth target. However, after an initial shock of the pandemic, the economy of Bangladesh has started to revert and there are signs of recovery. Economists project a positive outlook for Bangladesh with economy growing at 6.8% for the fiscal year 2020-21 while the global economy is expected to shrink.

The global pandemic is creating disruptions in the supply chain, which if persists for long might adversely affect the cost of materials, shipment and logistics. We have encountered such an increase in cost at the initial stage of the COVID-19 outbreak.

Because of regulatory control and sensitivity to public health, prices of pharmaceutical products can't be promptly adjusted responding to the rise in cost. This poses additional threat to attaining Company's profit target. The management is quite aware of the risk and the Company's sourcing, procurement and pricing strategies properly accommodates the issues to minimise any adverse impact. Beximco Pharma buys its raw materials from multiple sources, both local and international, at competitive prices. The Company is not reliant on any single supplier for its materials and thus, reduces the individual supplier's influence on procurement prices. BPL manufactures few of the APIs and steadily building up its API manufacturing capabilities to lessen dependency on import. The regulatory authority in the past has always responded positively to any upward adjustment of price for increase of costs.

Government policy for the Pharmaceutical sector continues to remain supportive to its growth. Existing fiscal and non-fiscal incentives enjoyed by the industry is expected to continue in future. No significant changes in policy, regulation or tax regime that can have any adverse effect on the growth potential of the business are foreseen in the days ahead.

Retirement and Re-election of Directors

Mr. A S F Rahman and Mr. Salman F Rahman, Directors of the Company retire by rotation as per Articles 126 and 127 of the Articles of Association of the Company and being eligible, offer themselves for re-election. Both Mr. A S F Rahman and Mr. Salman F Rahman are long term directors in the Board. Detailed bio-data of the Directors are available in the Directors' Profile section of this Annual Report.

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 43rd Annual General Meeting of the Company has carried out the audit for the year ended 30 June 2020. 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 2020-21. 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 2020-21.

Related Party Disclosure

The Company has a number of transactions between its subsidiaries and other related parties. The transactions are carried out on an arm's length basis. The Audit Committee

periodically reviews these transactions. The full disclosure of all related party transactions are provided in the notes to the accounts.

Remuneration to Directors

All the Directors in the Board except the Managing Director are non-executive and receive no remuneration or benefits from the Company other than the Board Meeting attendance fee. The salary and other perquisites paid to the Managing Director for his service has been disclosed in the notes to the accounts.

Compensation Policy for Top Executives

The Company offers industry competitive compensation packages to the employees. Managing Director and all other senior management team members are full time employees of the Company and receive fixed monthly salary. They are also entitled to certain perquisites as per the terms of their employment contract. Additionally, Beximco Pharma has defined contribution plan (Provident Fund) and defined benefit plan (Gratuity) for employees irrespective of their positions. The Company has a rigorous performance evaluation and appraisal system linked to KPIs. Employee salary and allowances are reviewed once in every year and revised based on individual performance. The Nomination and Remuneration Committee is entrusted with the responsibility of reviewing and appraising the salary of the senior executives and making appropriate recommendation to the board. Senior management is not entitled to any performance linked variable incentive scheme other than the benefits of statutory workers' profit participation fund.

Directors' Statement 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 and that the accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) have been followed in preparation of the financial statements.
- Internal Control System is sound in design and has been effectively implemented and monitored.
- Interests of the minority shareholders have been duly protected.

- There is no significant doubt about the ability of the Company to continue as a going concern.

Declaration by CEO and CFO

Declaration by CEO and CFO on the Financial Statement of the Company is attached as Annexure- 1.

Key Operating and Financial Data

The summarized key operating and financial data for 2019-20 and immediately preceding five years is provided in Annexure- 2.

Management Discussion and Analysis

Detailed discussion on the Operating and Financial performance of the Company along with other disclosures as required under Corporate Governance Code issued by Bangladesh Securities and Exchange Commission through Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 has been separately reported by the Managing Director.

Board Meetings and Attendance

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

Name	Representation in the Board	Attendance in Board Meeting
A S F Rahman	Chairman	9
Salman F Rahman MP	Vice Chairman	12
Nazmul Hassan MP	Managing Director	12
Osman Kaiser Chowdhury	Director	12
Iqbal Ahmed	Director	12
A B Siddiqur Rahman	Director	12
Dr. Abdur Rahman Khan	Independent Director	8
Shah Monjurul Hoque	Independent Director	12

The Pattern of Shareholding

The Shareholding of Directors, CEO, CFO, Company Secretary, Key Executives and their spouses and children are provided in Annexure- 3.

Corporate Governance Compliance Report

In accordance with the requirement of Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018, Report on "Corporate Governance Compliance" is provided in Annexure- 4.

On behalf of the Board,



A S F Rahman

Chairman

Annexure- 1

The Board of Directors
Beximco Pharmaceuticals Limited

Subject: Declaration on Financial Statements for the year ended on 30 June 2020

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRC/2016-158/207 Admin/80, Dated June 03, 2018 & under section 2CC of the Securities and Exchange Ordinance 1969, we do hereby declare that:

1. The Financial Statements of Beximco Pharmaceuticals Limited for the year ended on 30 June 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- i. We have reviewed the financial statements for the year ended on 30 June 2020 and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Nazmul Hassan

Nazmul Hassan MP
Managing Director

Mohammad Ali Nawaz

Mohammad Ali Nawaz
Chief Financial Officer

Annexure- 2

Key Operating and Financial Data

	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016	31 Dec 2014
	Taka in Thousand					
Authorized Capital	15,000,000	15,000,000	9,100,000	9,100,000	9,100,000	9,100,000
Paid up Capital	4,055,564	4,055,564	4,055,564	4,055,564	3,862,442	3,678,516
Shareholders' Equity	32,797,450	29,864,324	27,351,837	25,072,426	23,059,412	20,920,185
Fixed Assets (Gross)	45,615,625	43,454,027	39,081,675	31,692,789	28,756,326	25,818,728

Net Asset Value (NAV) Per Share -Taka	80.12	72.96	66.78	61.82	59.70	56.87
Market Price Per Share	69.20	83.50	93.90	113.00	83.50	58.70
Price Earning Ratio (Time)	7.98	11.16	15.02	20.58	17.47	14.82

Number of Shareholders	56,101	56,177	57,982	62,741	67,679	89,913
Foreign Investors	71	77	90	92	83	68
ICB including ICB Investors Account	882	881	879	874	878	882
Sponsors, General Public & Other Institutions	55,148	55,219	57,013	61,775	66,718	88,963
Number of employees	4,737	4,523	4,256	3,833	3,515	3,063

	2019-20	2018-19	2017-18	2016-17	2015-16	Jan-Dec14
	Taka in Thousand					
Total Sales	25,611,947	22,816,630	17,716,717	15,508,777	13,785,325	11,206,886
Export Sales	2,751,790	2,502,633	1,476,978	1,078,472	861,653	500,469
Gross Profit	11,899,100	10,620,343	8,285,979	7,184,882	6,408,857	5,104,191
Profit Before Tax	4,653,440	3,946,065	3,361,334	2,891,482	2,564,267	2,109,556
Net Profit	3,544,483	3,040,403	2,532,654	2,226,695	1,938,894	1,528,298

EPS/Restated EPS- Taka	8.67	7.48	6.25	5.49	4.78	3.96
Net Operating Cash Flow Per Share	13.67	7.30	4.49	6.49	8.21	6.02
New Product Launched-numbers	26	20	16	15	21	28

Cash Dividend	15%	15%	12.50%	12.50%	15%*	10%
Stock Dividend	10%	-	-	-	5%*	5%

*18 months period.

Graphical View of Selected Growth Indicators

Taka in million



Annexure-3

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.	1,189,550
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	-

Annexure-4

Corporate Governance Compliance Report

As per condition No. 1(5)(xxvii)

Status of compliance with the conditions imposed by the Commissions Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969

(Report under Condition No. 9)

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)(a)	Number of Independent Directors [at least 1/5th of the Board members shall be the Independent Directors]	√		
1(2)(b)(i)	Holding no share or holding less than 1% shares	√		
1(2)(b)(ii)	Not being a sponsor and connected with any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries, and parents or holding entities who holds 1% or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members are also not allowed to hold more than 1% shares of the total paid-up shares of the Company	√		
1(2)(b)(iii)	Not an executive of the company in immediately preceding 2 (two) financial years	√		
1(2)(b)(iv)	Not having any pecuniary or otherwise relationship with the company or its subsidiary/associated companies	√		
1(2)(b)(v)	Not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	√		
1(2)(b)(vi)	Not a shareholder, director excepting independent director or officer of any member or TREC holder of any stock exchange or an intermediary of the capital market	√		
1(2)(b)(vii)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance	√		
1(2)(b)(viii)	Not an Independent Director in more than 5 listed companies	√		
1(2)(b)(ix)	Not been convicted by a court as defaulter in any loan of a bank or NBFI	√		
1(2)(b)(x)	Not been convicted for a criminal offence	√		
1(2)(c)	To be appointed by BOD and approved by the shareholders in the AGM	√		
1(2)(d)	The post cannot remain vacant for more than 90 days	√		
1(2)(e)	Office tenure of Independent Director	√		
1(3)	Qualification of Independent Director			
1(3)(a)	Knowledgeable, having integrity, ability to ensure compliance with relevant laws and make meaningful contribution to the business	√		

Condition No.	Title	Compliance Status ("√" in appropriate Column)		Remarks (if any)
		Complied	Not Complied	

1(3)(b)(i)	Business Leader: Promoter/director of an unlisted company having minimum paid up capital of Taka 100.00 mil. or any listed company or a member of any national or international chamber of commerce/business association, or	√		
1(3)(b)(ii)	Corporate Leader: who is or was a top level executive not lower than CEO/ MD/ AMD/DMD/COO/ CFO/CS or Head of Finance or Accounts or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Taka 100.00 mil. or of a listed company, or			
1(3)(b)(iii)	Former official of Govt./statutory/autonomous/regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics/commerce/business or law, or			
1(3)(b)(iv)	University Teacher having educational background in Economics or Commerce or Business Studies or Law, or			
1(3)(b)(v)	Practicing advocate at least in the High Court Division of Bangladesh Supreme Court or a CA/CMA/CFA/CCA/CPA or CS			
1(3)(c)	Having at least 10 (ten) years of experiences in any field mentioned in clause (b)			
1(3)(d)	Qualification of Independent Directors may be relaxed subject to prior approval of the Commission.	N/A		
1(4)	Duality of Chairperson of the Board and MD or CEO			
1(4)(a)	The positions of the Chairperson of the Board and MD and/or CEO of the company shall be different individuals	√		
1(4)(b)	MD and/or CEO of a listed company shall not hold the same position in another listed company	√		
1(4)(c)	Chairperson shall be a non-executive directors of the company	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the MD and/or CEO	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect from non-executive directors as Chairperson for that particular Board's meeting	√		
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 including internal and external risk factors, threat to sustainability and negative impact on environment, if any	√		
1(5)(iv)	Discussion on COGS, Gross Profit and Net Profit Margins	√		
1(5)(v)	Discussion on continuity of Extra-Ordinary gain or loss	√		
1(5)(vi)	A detailed discussion on related party transactions	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	N/A		
1(5)(viii)	Explanation, if the financial results deteriorate after going for IPO, RPO, Right Offer, Direct Listing, etc.	N/A		
1(5)(ix)	Explanation about significant variance between Quarterly Financial performance and Annual Financial Statements	N/A		
1(5)(x)	Remuneration paid to directors including Independent Directors	√		
1(5)(xi)	Statement on fair presentation in the 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	√		

Condition No.	Title	Compliance Status ("√" in appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xiv)	IAS/IFRS applied and adequate disclosure made	√		
1(5)(xv)	Soundness of internal control system and it's monitoring	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or controlling shareholders acting either directly or indirectly	√		
1(5)(xvii)	Statement regarding ability to continue as going concern	√		
1(5)(xviii)	Significant deviations from last year's operating results	√		
1(5)(xix)	Summary of key operating/financial data of last 5 years	√		Disclosed in Annexure- 2
1(5)(xx)	Reason for non declaration of Dividend	N/A		
1(5)(xxi)	Board's statement on interim bonus share or stock dividend	N/A		
1(5)(xxii)	Number of Board meetings and attendance of directors	√		
1(5)(xxiii)	Pattern of shareholding (along with name wise details)			
1(5)(xxiii)(a)	Parent/Subsidiary/Associate Companies & related parties	√		Annexure-3
1(5)(xxiii)(b)	Directors, CEO, CS, CFO, HOIA, their spouses & children	√		
1(5)(xxiii)(c)	Executives (Top 5 salaried employees other than above)	√		
1(5)(xxiii)(d)	Shareholders holding 10% or more voting interest	√		
1(5)(xxiv)	Appointment/re-appointment of a director			
1(5)(xxiv)(a)	A brief resume of the director	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas	√		
1(5)(xxiv)(c)	Names of companies in which he/she holds directorship and the membership of committees of the board	√		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation	√		
1(5)(xxv)(c)	Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		Disclosed in Annexure-2
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure- 1	√		Disclosed in Annexure- 1
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-5 and Annexure-4.	√		
1(6)	Meetings of the Board of Directors			
1(6)	Shall conduct Board meetings and record the minutes of the meetings as per the provisions of the relevant Bangladesh Secretarial Standards (BSS)	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	A code of conduct for the Chairperson of the Board based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6.	√		
1(7)(b)	The code of conduct as shall be posted on the website of the company	√		

Condition No.	Title	Compliance Status ("√" in appropriate Column)		Remarks (if any)
		Complied	Not Complied	
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Composition of BOD to be similar to holding company	√		
2(b)	One Independent Director to be in both holding and subsidiary company	√		
2(c)	Minutes of Board meetings of subsidiary company to be placed at following Board meeting of holding company	√		
2(d)	Minutes of respective Board meeting of holding company to state that affairs of subsidiary company be reviewed	√		
2(e)	Audit Committee of holding company to review financial statements/investments of subsidiary company	√		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	Appointment of MD or CEO, CS, CFO and a HIAC	√		
3(1)(b)	The positions of the MD or CEO, CS, CFO and HIAC shall be different individuals	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board	√		
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board	√		
3(3)	Duties of MD or CEO and CFO			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year	√		
3(3)(a)(i)	Financial statements do not contain anything which is materially untrue or misleading	√		
3(3)(a)(ii)	Financial statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are no transactions entered during the year which are fraudulent, illegal or in violation of the code of conduct	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		Annexure-1
4	Board of Directors' Committee			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5	Audit Committee			
5(1)(a)	Having Audit Committee as a sub-committee of the BOD	√		
5(1)(b)	Assist the BOD in ensuring fairness of financial statements and a good monitoring system	√		
5(1)(c)	Duties of Audit Committee clearly set out in writing	√		
5(2)(a)	Audit Committee composition	√		
5(2)(b)	Audit Committee members to be non-executive	√		
5(2)(c)	Members to be "financially literate" and at least one to have 10 years of accounting/financial management experience	√		
5(2)(d)	Vacancy in Audit Committee to be filled up immediately or no later than 1 month	√		
5(2)(e)	The CS to act as the secretary of the Audit Committee	√		

Condition No.	Title	Compliance Status ("√" in appropriate Column)		Remarks (if any)
		Complied	Not Complied	
5(2)(f)	No quorum in Audit Committee meeting without one Independent Director	√		
5(3)(a)	Chairperson to be an Independent Director, selected by the BOD	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting	√		
5(3)(c)	Chairperson of audit committee to remain present in AGM	√		
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	√		Total 4 meetings held in the FY 2019-20.
5(4)(b)	The meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Committee, whichever is higher, where presence of an Independent Director is a must	√		
5(5)	Role of Audit Committee			Referred to Report of the Audit Committee.
5(5)(a)	Oversee the financial reporting process	√		
5(5)(b)	Monitor choice of accounting policies and principles	√		
5(5)(c)	Monitor Internal Audit and Compliance process, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		
5(5)(d)	Oversee hiring and performance of external auditors	√		
5(5)(e)	Meeting with the external auditors for review of the annual financial statements	√		
5(5)(f)	Review the annual financial statements	√		
5(5)(g)	Review the quarterly and half yearly financial statements	√		
5(5)(h)	Review the adequacy of internal audit function	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		
5(5)(j)	Review statement of significant related party transactions	√		
5(5)(k)	Review Letter of Internal Control weakness issued by statutory auditors	√		
5(5)(l)	Oversee the determination of audit fees and time required for effective audit and evaluate the performance of external auditors	√		
5(5)(m)	Review disclosures/statements/ declarations about uses of funds Raised through IPO/RPO/Right Issue	-	-	No such IPO/RPO/Right Issue occurred during FY 2019-20.
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	Reporting on the activities of Audit Committee	√		
5(6)(a)(ii)(a)	Reporting on conflicts of interests	-	-	Audit Committee found no such issue or activity.
5(6)(a)(ii)(b)	Reporting on suspected/presumed fraud or irregularity or material defect in the internal control system	-	-	
5(6)(a)(ii)(c)	Reporting on suspected infringement of laws	-	-	
5(6)(a)(ii)(d)	Reporting on any other matter to disclose immediately	-	-	
5(6)(b)	Reporting to BSEC	-	-	
5(7)	Reporting to the Shareholders and General Investors	√		
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	Shall have a NRC as a sub-committee of the Board	√		
6(1)(b)	Assists the Board in formulation of the NRC policy	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing	√		
6(2)	Constitution of the NRC			

Condition No.	Title	Compliance Status ("√" in appropriate Column)		Remarks (if any)
		Complied	Not Complied	
6(2)(a)	At least three members including an Independent Director	√		
6(2)(b)	All Committee members shall be non-executive directors	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board	√		
6(2)(d)	The Board reserve the authority to remove and appoint any member of the Committee	√		
6(2)(e)	The Board shall fill the vacancy in case of death, resignation, disqualification, or removal of any member	-	-	No such instance occurred during the period.
6(2)(f)	The Chairperson of the Committee may appoint external expert for advice or suggestion	√		
6(2)(g)	The company secretary shall act as the secretary of the Committee	√		
6(2)(h)	Quorum of the NRC meeting shall not constitute without attendance of at least an Independent Director	√		
6(2)(i)	No remuneration other than director fees/honorarium for any member	√		
6(3)	Chairperson of the NRC			
6(3)(a)	Board shall select 1 (one) member of the NRC to be Chairperson who shall be an ID	√		
6(3)(b)	In the absence of regular Chairperson, the position may elect from the remaining members of the committee	√		
6(3)(c)	Chairperson shall attend the AGM	√		
6 (4)	Meeting of the NRC			
6(4)(a)	At least one meeting in a financial year	√		
6(4)(b)	Any emergency meeting upon request by any member of the NRC	-	-	No such instance happened during the period.
6(4)(c)	Quorum: Higher of two members or 2/3 of total members including at least one independent director	√		
6(4)(d)	The proceedings of each meeting shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of NRC	√		
6(5)	Role of the NRC			
6(5)(a)	Shall be independent and responsible or accountable to the Board and to the shareholders	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	Formulation of the nomination criteria and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate suitable directors	√		
6(5)(b)(i)(b)	Clear relationship among remuneration, performance & benchmarks	√		
6(5)(b)(i)(c)	Balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	√		
6(5)(b)(ii)	Devising a policy on Board's diversity	√		
6(5)(b)(iii)	Identification of qualification of directors and recommendation for their appointment and removal to the Board	√		
6(5)(b)(iv)	Evaluating the performance of independent directors and the Board	√		
6(5)(b)(v)	Identifying needs for employees and determine their selection, transfer or replacement and promotion criteria	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies	√		

Condition No.	Title	Compliance Status ("√" in appropriate Column)		Remarks (if any)
		Complied	Not Complied	
6(5)(c)	Disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report	√		
7	External or Statutory Auditors			
7(1)(i)	Non-engagement in appraisal/valuation/fairness opinions	√		External or statutory auditors are not engaged in any kind of internal issue of the company.
7(1)(ii)	Non-engagement in designing & implementation of Financial Information System	√		
7(1)(iii)	Non-engagement in Book Keeping or accounting	√		
7(1)(iv)	Non-engagement in Broker-Dealer services	√		
7(1)(v)	Non-engagement in Actuarial services	√		
7(1)(vi)	Non-engagement in Internal Audit services or special audit services	√		
7(1)(vii)	Non-engagement in services determined by Audit Committee	√		
7(1)(viii)	Not involved in audit or certification services on compliance of corporate governance	√		The auditors performed no other services except statutory audit.
7(1)(ix)	Not involved in any other service that creates conflict of interest	√		
7(2)	No partner or his/her family or employees of the external audit firms hold any share at least during the tenure of their audit assignment	√		
7(3)	Representative of external auditors shall remain present in the AGM	√		
8	Maintaining a website by the Company			
8(1)	An official website linked with the website of the stock exchange	√		
8(2)	Website shall keep functional from the date of listing	√		
8(3)	Shall make available the detailed disclosures on website as required under the listing regulations of the concerned stock exchanges	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	Compliance certificate on Corporate Governance Code of the Commission shall be disclosed in the Annual Report	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the AGM	√		
9(3)	The directors shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not	√		

Annexure-5



Suraiya Parveen & Associates

(Chartered Secretaries, Financial & Management Consultants)

[Certificate as per condition No.1 (5) (XXVII)]

Report to the Shareholders of Beximco Pharmaceuticals Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Beximco Pharmaceuticals Limited for the year ended on 30 June 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code 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 Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

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:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

Dhaka, Dated
November 10, 2020



For Suraiya Parveen & Associates
Chartered Secretaries

Suraiya Parveen, FCS
Chief Executive Officer

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Report of the Audit Committee

This report of the Audit Committee of Beximco Pharmaceuticals Limited is being presented in pursuance with the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC), dated June 03, 2018. 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 BSEC which includes but not confined to overseeing the financial reporting process, monitoring accounting policies and principles, evaluating internal control system, reviewing the statement of significant related party transactions, assessing potential conflict of interests, reviewing the management discussion and analysis, overseeing selection and performance of external auditors and reviewing the financial statements of subsidiary companies. This report is a brief on the activities performed by the Audit Committee throughout the year.

Review of Financial Statements

The Audit Committee in its meeting held on 25 October 2020 reviewed along with management, the financial statements and the report of the auditors of the company and its subsidiaries for the year ending on June 30, 2020. During the meeting Mr. Mohammad Ali Nawaz, the Chief Financial Officer of the Company presented the annual accounts along with the independent auditors report to the Committee. Detailed discussions on the financial statements were held with the representatives of the management of the Company. The CFO briefed the Committee that the consolidated as well as standalone financial statements have been prepared in compliance with IFRS/IAS. He appraised the Committee that the accounting policies applied in preparation of the financial statements are consistent with those of the previous financial years and are within the framework of international accounting standards and practices. The Committee reviewed the significant estimates and judgements made in preparation of the accounts and looked into their prudence and justification. They also evaluated the compliance of the financial statements to the disclosure requirements as per IFRS/IAS and other regulatory authorities including BSEC. They further discussed the financial reporting process and the adequacy of the internal control system of the Company in place, to prevent errors and fraudulent activities.

The Committee carefully examined the related party transactions carried out among 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 as per IAS 24: 'Related Party Disclosures.' 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 annual 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.

Changes in the Composition of the Committee

Dr. Abdur Rahman Khan an Independent Director of the Board and the Chairman of the Audit Committee retired from the Board on completion of his tenure of office for two consecutive terms of three year each. He has been replaced by Mr. Mamatz Uddin Ahmed, Professor, Department of Accounting and Information system and Treasurer, University of Dhaka. The Board has appointed Mr. Ahmed as Chairman of the Audit Committee. The Committee has been reconstituted as follows:

Membership	Representation in the Board	Position in the Committee
Prof. Mamtaz Uddin Ahmed	Independent Director	Chairman
Mr. Shah Monjurul Hoque	Independent Director	Member
Mr. Osman Kaiser Chowdhury, FCA	Director	Member
Mr. Mohammad Asad Ullah, FCS	Company Secretary	Secretary

Meetings and Attendance

The Committee held four meetings to carry out its business under the ToR during the year. Record of attendance of the members in the meetings are as below:

Membership	Representation in the Board	Position in the Committee	Attendance in Meeting
Dr. Abdur Rahman Khan*	Independent Director	Chairman (outgoing)	3/4
Prof. Mamtaz Uddin Ahmed*	Independent Director	Chairman	1/4
Mr. Shah Monjurul Hoque	Independent Director	Member	4/4
Mr. Osman Kaiser Chowdhury, FCA	Director	Member	4/4
Mr. Mohammad Asad Ullah, FCS	Company Secretary	Secretary	4/4

*The period of Dr. Abdur Rahman Khan has expired on 12 March 2020 and Mr. Mamtaz Uddin Ahmed has joined as Chairman of the Audit Committee in place of Dr. Khan.

External Auditor

The Committee assessed the independence, objectivity and expertise of the independent auditors engaged to carry out the audit for the year 2019-20. Based on the evaluation, the Committee proposed the Board to re-engage existing auditors M. J. Abedin & Co., Chartered Accountants, for the year 2020-21 which shall be subject to the approval of the shareholders in the Annual General Meeting.

Other Reviews and Activities

During 2019-20 the Committee also assessed and examined risk management process, monitored internal audit and compliance process and reviewed the report thereon. The financial reporting process and the related compliance and disclosure issues also came up as matters of periodic review by the Committee. The senior management of the company on invitation attended various meetings of the Audit Committee to apprise the members on different issues. The Committee noted no material deviations or non-compliance or adverse audit findings that warrants for board or shareholders' attention during the year under review.

Mamtaz Uddin Ahmed

Chairman
Audit Committee

Activities and other Details of Nomination and Remuneration Committee (NRC)

Formation and Composition of the Committee

The Board of Directors of Beximco Pharmaceuticals Limited constituted the Nomination and Remuneration Committee as a sub Committee of the Board. The Committee is independent of the Company's executive management and is composed of three members including one independent director, nominated by the Board. The Committee comprises the following members:

Membership	Representation in the Board	Position in the Committee
Mr. Shah Monjurul Hoque	Independent Director	Chairman
Mr. Iqbal Ahmed	Director	Member
Mr. Osman Kaiser Chowdhury, FCA	Director	Member
Mr. Mohammad Asad Ullah, FCS	Company Secretary	Secretary

Terms of Reference (ToR) of the Committee

The Board of the Directors sets out the ToR of the Committee in line with the corporate governance code issued by Bangladesh Securities and Exchange Commission. The ToR of the Committee includes the following:

- Formulate policy on qualifications criteria, positive attributes and independence of Directors and top-level executives.
- Oversee the Company's remuneration policy for the Directors and top-level executives and make appropriate recommendation to the Board.
- Assist the Board to select persons qualified to be a Director or hold a top-level executive position fulfilling the pre-set nomination criteria and recommend for their appointment.
- Devise a policy on Board's diversity taking into consideration of age, gender, experience, ethnicity, educational background, etc.
- Review the code of conduct of the Board on a periodic basis and recommend any amendments for Board's consideration.
- Assist the Board to devise the criteria for evaluation of performance of Independent Directors and other Board members.
- Develop, recommend and review annually the Company's human resources and training policies.

Meeting and Attendance

The Committee had one meeting during the year. All the three members attended the meeting. The proceedings of the meeting were appropriately recorded. No member of the Committee received any remuneration other than the meeting attendance fee.

Nomination and Remuneration Policy

The Company has a written policy on nomination and appointment of Directors in the Board. The policy it sets out the detail qualification and other eligibility norms for the members and the process of their nomination. The policy is fair and non-discriminative. The Company is listed with AIM of London Stock Exchange and in compliance to AIM regulations it conducts independent third party verification of the eligible candidates before their appointment as Directors.

All the Directors of the Board except the Managing Director are non-executive. The Company pays no remuneration to them

other than the fees for attending the Board and other committee meeting.

The Company has a well-structured policy on selection, recruitment and promotion of the senior level executives which is duly authorized by the Board. The Managing Director and all other top-level executives are full-time employee of the Company. They get fixed monthly salary and allowances as per terms of their service contracts. The Company has a robust performance appraisal system linked to KPI. Performances are reviewed on an annual basis. Further details on the remuneration policy are available in the report of Directors.

Activities carried out during the period

The Committee carried out the following activities in line with its Terms of Reference during the reporting period:

- a. Evaluated the code of conduct for the Chairman and other Board members and made appropriate recommendation.
- b. Reviewed the Company's existing policy on remuneration to Directors and top executives.
- c. Studied Company's human resource and training policies.
- d. Conducted an assessment of the qualification and other details of the Independent Director and made appropriate recommendation to the Board.

Investor Relations

Communication with Shareholders and Investors

The shareholders and investors are kept well informed of the Company's operation and performance through periodic updates of price sensitive information, publications of financial reports, investors' meeting with the Company's top executives and Annual General Meeting (AGM) of the Company. Any price sensitive information are immediately released through the stock exchanges and Company's own website. In applicable cases such information are also published in the print media and online portals.

The Company regularly holds AGM as required by the Companies Act, 1994 to inform the shareholders about the overall affairs of the Company and to obtain their consent on agenda placed in the meeting. Extra-ordinary General Meeting (EGM) are also held in cases that require calling of such meeting. The board members and senior management of the Company remains present in those meetings to answer queries and address any concerns of the shareholders and investors. This year, the AGM of the Company will be held virtually by using digital platform.

Beximco Pharma has a distinct Company Secretarial Department adequately manned with qualified professionals to carry out the regulatory company secretarial functions and to meet administrative enquiries from the shareholders and investors. There is also a proactive investor relation team within accounting and finance function to deal with investor queries and complaints with high priority. During the year under review, the Company has not received any complaints from its shareholders/investors.

Beximco Pharma is the only company in Bangladesh listed with Alternative Investment Market (AIM) of London Stock Exchange. In compliance to AIM regulation, the Company has engaged SPARK Advisory Partners Limited as Nominated Advisor (NOMAD), SP Angel Corporate Finance LLP as designated Broker and FTI Consulting LLP as Public Relations agent. Analyst of SP Angel publishes report on the Company for the investors.

We are followed by a wide range of institutional investors. The senior management of the Company meets large scale GDRs

investors overseas to update them about the ongoing business of the Company. The fund managers and analysts at home also holds pre-arranged meeting with our top management to know the present and future potentials of the Company. During the year, COO and CFO attended a total of 17 meetings with the foreign investors.

Reporting to the Shareholders

The Company prepares unaudited financial statements for first, second and third quarters and full year Audited Financial Statements and publishes the summary of the financial statements through newspapers and online portals as required by law. Detailed financial statements are released through the Company's website. Additionally, the Company prepares Annual Reports that contains detailed operational and financial information along with other statutory disclosures.

Company's Reporting Calendar



Website Communication



The Company has a rich website (www.beximcopharma.com) that contains historical as well as latest information about the Company and its operation. The website is well organized to meet information requirement of different stakeholders and updated on a regular basis. The Company's corporate website is linked with Dhaka, Chittagong and AIM of London Stock Exchange. In addition to accessing information on the Company's website, investors and other report users are able to contact the company for their information. The contact details are available on the Company's website, in the annual report and other communications.

Dividend Policy

The Company does not have a declared dividend policy but consistently paying dividend over the years based on its earnings and availability of free cash. Bangladesh Companies Act 1994 authorises the board of directors to make decision on dividend which is to be approved by the shareholders in the Annual General Meeting. Shareholders however, can't approve more dividend than what is recommended by the board.

Bangladesh Tax regulation provides for a penalising tax provision for companies that fail to declare at least 30% of

their net earnings for the year as dividend. The rule further specifies that where a company declares both cash and stock dividend, the amount of stock dividend must not exceed the cash dividend.

Market Capitalization

Market capitalization of Beximco Pharma as on 30 June 2020 both in DSE/CSE and GDRs in the AIM of London Stock Exchange are as follows:

Stock Exchange	No. of Securities	Closing Price (BDT/GBP)	Market Capitalization In BDT (mln.)	Market Capitalization In GBP (mln.)
DSE/CSE	314,612,818	69.2	21,771	208.67
GDRs	90,943,627	0.355	3,368	32.28
	405,556,445		25,139	240.95

GDRs Information

Nominated Advisor

SPARK Advisory Partners Limited
5 St. John's Lane, EC1M 4BH,
London, UK
No.1 Aire Street, Leeds, LS1 4PR, UK

Broker

SP Angel Corporate Finance LLP
Prince Frederick House
35-39 Maddox Street, London
W1S 2PP, United Kingdom

Custodian

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

Depository

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

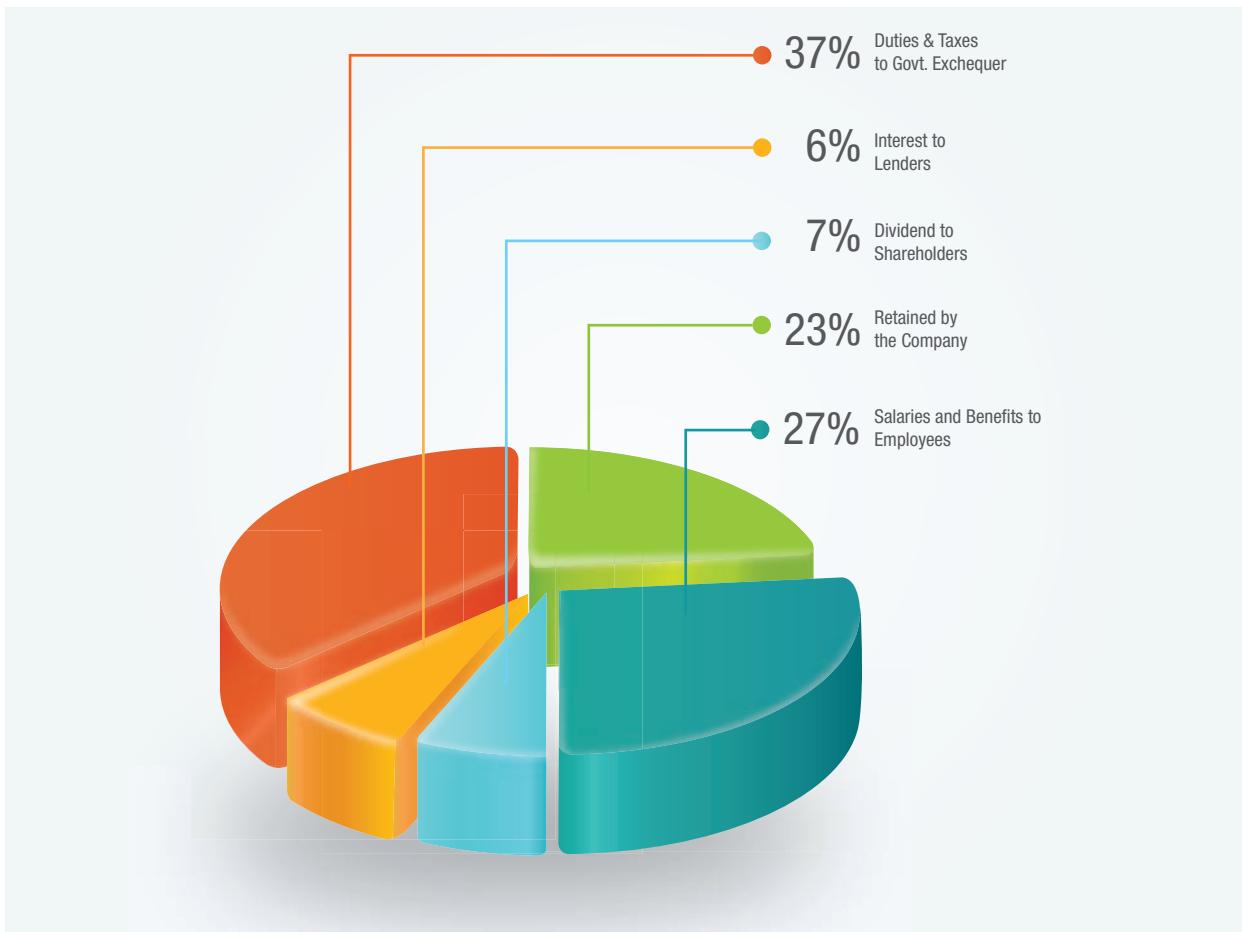


Value Added Statement

For the Year Ended 30 June 2020

Taka in thousand

	Taka	%
Value Added :		
Sales & Other Income	29,924,359	
Bought-in-Materials & Services	(14,357,927)	
	15,566,432	100
Appilcations :		
Retained by the Company	3,625,707	23
Salaries and Benefits to Employees	4,131,651	27
Interest to Lenders	1,013,804	6
Dividend to Shareholders	1,055,017	7
Duties & Taxes to Govt. Exchequer	5,740,253	37
	15,566,432	100



Independent Auditor's Report

To the Shareholders of

Beximco Pharmaceuticals Limited and its Subsidiaries

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Beximco Pharmaceuticals Limited (the "Company"), which comprise the Consolidated Statement of Financial Position as at June 30, 2020 and 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 then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies.

The Accounting year of the subsidiary companies- Beximco Pharma API Limited and Nuvista Pharma Limited, ends on the same date as of the Company. We have audited the Financial statements of Beximco Pharma API Limited and expressed our unmodified opinion on those statements vide our report dated October 28, 2020. The Financial Statements of Nuvista Pharma Limited was audited by A. Qasem & Co. Chartered Accountants, who through their report dated October 21, 2020 have also expressed unmodified opinion on those statements.

In our opinion, the accompanying consolidated financial statements of the Company give a true and fair view of the Consolidated Financial Position of the Company as at June 30, 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Valuation of Property, Plant and Equipment (PPE)	
<p>The carrying value of the PPE was Tk. 35,000,809,631 as at June 30, 2020.</p> <p>Expenditures are capitalized if they create new assets or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the assets or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.</p> <p>The valuation of PPE was identified as a key audit matter due to the significance of this balance to the consolidated financial statements and that there is significant measurement uncertainty involved in this valuation.</p> <p>See Note No. 4 to the consolidated financial statements</p>	<p>Our audit included the following procedure:</p> <ul style="list-style-type: none">• We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.• We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate.• We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.• We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with the date of the act of completion of the work.

Risk	Our response to the risk
Valuation of Inventory	
<p>The inventory of Tk. 5,944,769,057as at June 30, 2020 was held at different locations across the country.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the management apply judgment in determining the appropriate values for slow-moving or obsolete items.</p> <p>Since the value of Inventory is significant to the consolidated financial statements and there is significant measurement uncertainty involved in this valuation, the valuation of inventory was significant to our audit.</p> <p>See Note No. 8 to the consolidated financial statements.</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory by:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls. • Attending inventory counts on sample basis and reconciling the count results to the inventory listing to test the completeness of data. • Reviewing the requirement of inventory provisioning and action there upon by the management. • Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.
Related party transactions	
<p>The Company has related party transactions as described in Note No. 35 of the consolidated financial statements.</p> <p>We focused on identification of related parties and disclosure of related party transactions in accordance with relevant accounting standards.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions. • Evaluated the transactions among the related parties and tested material accounts balances. • Evaluated the disclosures in the consolidated financial statements in compliance with IAS 24.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on such work we perform, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Company in accordance with IFRSs, 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal controls of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the

audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, The Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, 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 purposes of our audit and made due verification thereof;
- b. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- c. The company's Consolidated Statement of Financial Position (Balance sheet) and Consolidated Statement of Profit or Loss and Other Comprehensive Income (Profit & Loss Account) dealt with by this report are in agreement with the books of accounts and;
- d. The expenditures incurred and payment made were for the purpose of the Company's business for the year.

The engagement partner on the audit resulting in the independent auditor's report is **Hasan Mahmood, FCA**



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

Dhaka
October 28, 2020

Beximco Pharmaceuticals Limited and its Subsidiaries
Consolidated Statement of Financial Position
As at June 30, 2020

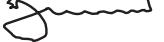
	Notes	June 30, 2020	Amount in Taka June 30, 2019
ASSETS			
Non-Current Assets		37,069,663,021	35,949,930,818
Property, Plant and Equipment- Carrying Value	4	35,000,809,631	33,853,977,656
Right-of-use Assets	4(a)	240,163,919	202,689,556
Intangible Assets	5	1,275,560,330	1,334,921,698
Goodwill	6	546,691,213	546,691,213
Other Investment	7	3,751,551	5,329,379
Other Non-current Assets		2,686,377	6,321,316
Current Assets		13,049,078,919	13,264,161,542
Inventories	8	5,944,769,057	5,924,031,678
Spares & Supplies	9	775,528,787	726,127,262
Accounts Receivable	10	3,305,451,434	3,334,958,905
Loans, Advances and Deposits	11	2,388,313,122	2,309,503,747
Advance Income Tax		-	35,681,115
Short Term Investment	12	-	323,364,536
Cash and Cash Equivalents	13	635,016,519	610,494,299
TOTAL ASSETS		50,118,741,940	49,214,092,360
EQUITY AND LIABILITIES			
Equity Attributable to the Owners of the Company		32,495,120,607	29,588,317,284
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		1,689,636,958	1,689,636,958
Capital Reserve on Merger		294,950,950	294,950,950
Revaluation Surplus		1,125,767,451	1,131,853,004
Unrealized Gain/(Loss)		926,375	2,504,203
Retained Earnings		20,058,799,733	17,144,333,029
Non-Controlling Interest	15	302,329,006	276,006,553
TOTAL EQUITY		32,797,449,613	29,864,323,837
Non-Current Liabilities		5,963,327,323	6,603,936,369
Long Term Borrowings-Net of Current Maturity	16	1,651,590,390	2,595,607,792
Liability for Gratuity and WPPF & Welfare Funds	17	2,144,053,434	1,860,904,996
Deferred Tax Liability		2,167,683,499	2,147,423,581
Current Liabilities and Provisions		11,357,965,004	12,745,832,154
Short Term Borrowings	18	7,398,361,360	9,272,501,280
Long Term Borrowings-Current Maturity	19	1,454,311,995	1,616,670,549
Creditors and Other Payables	20	1,462,806,200	1,091,809,722
Accrued Expenses	21	739,512,826	590,317,150
Dividend Payable		17,086,213	7,235,215
Income Tax Payable		285,886,410	167,298,238
TOTAL EQUITY AND LIABILITIES		50,118,741,940	49,214,092,360

The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 28, 2020 and signed for and on behalf of the Board :

	 Nazmul Hassan Managing Director	 Mohammad Ali Nawaz Chief Financial Officer
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Dhaka
October 28, 2020

Per our report of even date

M.J. Abedin & Co.
Chartered Accountants

Beximco Pharmaceuticals Limited and its Subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2020

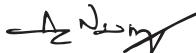
	Notes	July 2019 - June 2020	Amount in Taka
			July 2018 - June 2019
Net Revenue	22	25,611,947,655	22,816,629,795
Cost of Goods Sold	23	(13,712,847,509)	(12,196,286,770)
Gross Profit		11,899,100,146	10,620,343,025
Operating Expenses		(6,289,606,032)	(5,554,169,458)
Administrative Expenses	26	(792,951,709)	(752,944,182)
Selling, Marketing and Distribution Expenses	27	(5,496,654,323)	(4,801,225,276)
Profit from Operations		5,609,494,114	5,066,173,567
Other Income	28	293,558,304	139,917,665
Finance Cost	29	(1,013,804,085)	(1,029,762,542)
Share of Loss of Associates		-	(29,325,720)
Profit Before Contribution to WPPF & Welfare Funds		4,889,248,333	4,147,002,970
Contribution to WPPF & Welfare Funds		(235,808,378)	(200,937,234)
Profit Before Tax		4,653,439,955	3,946,065,736
Income Tax Expenses	30	(1,108,956,854)	(905,662,782)
Current Tax		(1,086,668,418)	(803,760,846)
Deferred Tax		(22,288,436)	(101,901,936)
Profit After Tax		3,544,483,101	3,040,402,954
Profit/(Loss) Attributable to:			
Owners of the Company		3,514,687,301	3,033,402,333
Non-controlling interest		29,795,800	7,000,621
		3,544,483,101	3,040,402,954
Other Comprehensive Income-Unrealized Gain/(Loss)		(1,577,828)	(1,852,559)
Total Comprehensive Income		3,542,905,273	3,038,550,395
Total Comprehensive Income Attributable to:			
Owners of the Company		3,513,109,473	3,031,549,774
Non-controlling interest		29,795,800	7,000,621
		3,542,905,273	3,038,550,395
Earnings Per Share (EPS)	31	8.67	7.48

The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 28, 2020 and signed for and on behalf of the Board :

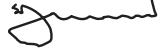

Osman Kaiser Chowdhury
Director


Nazmul Hassan
Nazmul Hassan
Managing Director


Mohammad Ali Nawaz
Chief Financial Officer

Per our report of even date

Dhaka
October 28, 2020


M.J. Abedin & Co.
Chartered Accountants

Beximco Pharmaceuticals Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended June 30, 2020

Amount in Taka

As at June 30, 2020

	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 Owners of the Company	Non-Controlling Interests	Total Equity
Balance as on July 01, 2019	4,055,564,450	5,269,474,690	1,689,636,958	294,950,950	1,131,853,004	2,504,203	17,144,333,029	29,588,317,284	276,006,553	29,864,323,837
Total Comprehensive Income:										
Profit/(Loss) for the Year	-	-	-	-	-	-	3,514,687,301	3,514,687,301	29,795,800	3,544,483,101
Other Comprehensive Income/(Loss)	-	-	-	-	-	(1,577,828)	-	(1,577,828)	-	(1,577,828)
Transactions with the Shareholders:										
Cash Dividend							(608,334,668)	(608,334,668)	(3,473,347)	(611,808,015)
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(8,114,071)	-	8,114,071	-	-	-
Adjustment for Deferred Tax on Revalued Assets	-	-	-	-	2,028,518	-	-	2,028,518	-	2,028,518
Balance as on June 30, 2020	4,055,564,450	5,269,474,690	1,689,636,958	294,950,950	1,125,767,451	926,375	20,058,799,733	32,495,120,607	302,329,006	32,797,449,613
Net Asset Value (NAV) Per Share (Note-32)										80.12

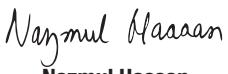
As at June 30, 2019

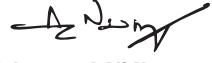
	Share Capital	Share Premium	Excess of Issue Price over Face Value of GDRs	Capital Reserve on Merger	Revaluation Surplus	Unrealized Gain/ (Loss)	Retained Earnings	Equity attributable to Owners of the Company	Non-Controlling Interests	Total Equity
Balance as on July 01, 2018	4,055,564,450	5,269,474,690	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
Total Comprehensive Income:										
Share Capital Beximco Pharma API Ltd.	-	-	-	-	-	-	-	-	100	100
Profit/(Loss) for the Year	-	-	-	-	-	-	3,033,402,333	3,033,402,333	7,000,621	3,040,402,954
Other Comprehensive Income/(Loss)	-	-	-	-	-	(1,852,559)	-	(1,852,559)	-	(1,852,559)
Transactions with the Shareholders:										
Cash Dividend							(506,945,556)	(506,945,556)	(868,344)	(507,813,900)
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(9,175,291)	-	9,175,291	-	-	-
Adjustment for Deferred Tax on Revalued Assets	-	-	-	-	(18,249,550)	-	-	(18,249,550)	-	(18,249,550)
Balance as on June 30, 2019	4,055,564,450	5,269,474,690	1,689,636,958	294,950,950	1,131,853,004	2,504,203	17,144,333,029	29,588,317,284	276,006,553	29,864,323,837
Net Asset Value (NAV) Per Share (Note-32)										72.96

The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 28, 2020 and signed for and on behalf of the Board :

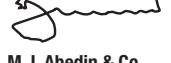

Osman Kaiser Chowdhury
Director


Nazmul Hassan
Managing Director


Mohammad Ali Nawaz
Chief Financial Officer

Per our report of even date

Dhaka
October 28, 2020


M.J. Abedin & Co.
Chartered Accountants

Beximco Pharmaceuticals Limited and its Subsidiaries
Consolidated Statement of Cash Flows
For the year ended June 30, 2020

	Notes	July 2019-June 2020	Amount in Taka July 2018-June 2019
Cash Flows from Operating Activities :			
Receipts from Customers and Others		25,934,454,695	22,463,550,299
Payments to Suppliers and Employees		(18,467,458,543)	(17,434,690,241)
Cash Generated from Operations		7,466,996,152	5,028,860,058
Interest Paid		(1,012,519,091)	(1,032,409,014)
Interest Received		20,409,291	36,457,527
Income Tax Paid		(932,399,131)	(1,072,991,667)
Net Cash Generated from Operating Activities	34	5,542,487,221	2,959,916,904
Cash Flows from Investing Activities :			
Acquisition of Property, Plant and Equipment		(2,243,555,782)	(4,416,446,385)
Intangible Assets		(31,745,002)	(128,619,282)
Disposal of Property, Plant and Equipment		3,646,251	17,540,625
Dividend Received		1,427,930	1,491,901
Decrease in Short Term Investment		323,364,536	16,032,638
Net Cash Used in Investing Activities		(1,946,862,067)	(4,510,000,503)
Cash Flows from Financing Activities :			
Net Increase /(Decrease) in Long Term Borrowings		(1,000,373,112)	(1,412,334,115)
Net Increase/(Decrease) in Short Term Borrowings		(1,970,741,462)	3,684,312,230
Share capital		-	100
Dividend Paid		(601,957,017)	(505,351,881)
Net Cash (Used in) / from Financing Activities		(3,573,071,591)	1,766,626,334
Increase in Cash and Cash Equivalents		22,553,563	216,542,735
Cash and Cash Equivalents at Beginning of Year		610,494,299	393,735,946
Effect of exchange rate changes on Cash and Cash Equivalents		1,968,657	215,618
Cash and Cash Equivalents at End of Year	13	635,016,519	610,494,299
Net Operating Cash Flow Per Share	33	13.67	7.30

The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 28, 2020 and signed for and on behalf of the Board :

Osman Kaiser Chowdhury
Director

Nazmul Hassan
Managing Director

Mohammad Ali Nawaz
Chief Financial Officer

Per our report of even date

M.J. Abedin & Co.
Chartered Accountants

Dhaka
October 28, 2020

Beximco Pharmaceuticals Limited and its Subsidiaries

Notes to the Financial Statements

As at and for the year ended June 30, 2020

1. The Reporting Entity

1.1 About the Company

Beximco Pharmaceuticals Limited (BPL/ the Company) is a public limited company incorporated in Bangladesh in 1976. It is a leading manufacturer of pharmaceutical formulations and Active Pharmaceutical Ingredients (APIs). 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 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). In 2018, BPL acquired 85.22% shares of Nuvista Pharma Limited – a non-listed pharmaceutical company in Bangladesh specializing in hormones and steroid drugs and took over control of its management. 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. The manufacturing facilities of the Company are certified by leading global regulatory authorities including United States Food and Drug Administration (USFDA).

1.2 The Subsidiaries

Nuvista Pharma Limited (NPL)

Nuvista Pharma, formerly Organon (Bangladesh) Ltd., was a subsidiary of Netherlands based Organon International. It was originally incorporated in 1973 as a private limited company. In 2006 the foreign shareholding was sold out to Bangladeshi management and was renamed as Nuvista Pharma Limited. The Company through amendments to its memorandum of association in 2011 converted it into a public limited company. In April 2018, Beximco Pharmaceuticals Limited acquired majority shareholdings in Nuvista Pharma Limited (NPL) and became the immediate and ultimate parent of the company.

Beximco Pharma API Limited

Beximco Pharma API Limited was formed as a private limited company in December 2017 with a paid up capital of Taka 20 million divided into 2 million shares of Taka 10 each, fully held by BPL. The company intends to set up a facility at API Industrial Park to manufacture Active Pharmaceutical Ingredients (APIs) for domestic and international markets. The company is still in the initial phase of establishment.

1.3 Nature of Business

BPL is engaged in manufacturing and marketing of generic pharmaceuticals formulation products covering a wide range of therapeutic categories. It offers products in different dosage forms including Solid, Liquid, Cream and Ointment, Suppositories, Metered Dose Inhaler, Dry Powder Inhaler, Nasal Spray, Sterile, Lyophilized Injectable, Large Volume Intravenous Fluids. Besides formulation products BPL also manufactures Active Pharmaceutical Ingredients (APIs) and renders contract manufacturing services to other companies. Products of the company are sold in domestic and international markets.

NPL 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 domestic market.

Both BPL and NPL provide 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).

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. 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 Beximco Pharmaceutical Limited (BPL) and its subsidiaries Nuvista Pharma Limited (NPL) and Beximco Pharma API Limited begins on July 1 and ends on June 30. The Financial Statements cover 12 months period starting from July 01,2019 to June 30, 2020.

2.4 Comparative Information

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

3. Significant Accounting Policies

3.1 Basis of Consolidation

The financial statements of the subsidiaries-Nuvista Pharma Limited and Beximco Pharma API Limited, have been consolidated with those of Beximco Pharmaceuticals Limited in accordance with IFRS 10: Consolidated Financial Statements.

The Company acquired 85.22% shares of the issued and 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 10: Consolidated Financial Statements to consider NPL as a subsidiary.

Beximco Pharma API Limited (BPAL) was formed with a paid up capital of Tk.20,000,000 divided into 2,000,000 shares of Tk.10 each, all of which excepting 10 shares are held by Beximco Pharmaceuticals Ltd (BPL). Beximco Pharma API Ltd thus meets the conditions stated in IFRS 10: Consolidated Financial Statements to consider it as a subsidiary.

3.2 Inter-Company Transactions

Assets, Liabilities, Equity, Income, Expenses and Cash Flows arising out of transactions between the Company and the subsidiaries 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 Valuation of Goodwill

Goodwill has been determined in accordance with IFRS 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.

3.5 Investment in Associates

Investment in Associates has been accounted for using the Equity method as per IAS 28: Investment in Associates and Joint Ventures. This represents value of 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. was issued 30% of the equity share of the Malaysian based company for providing full technical support to set up a manufacturing facility to produce specialized pharmaceutical products in Seri Iskandar Pharmaceutical Park, Perak, Malaysia. BioCare is considered to be an associate of BPL as per IAS 28: Investment in Associates and Joint Ventures.

Accounting year of BioCare ends on December 31 which is different from the date of preparation of this Consolidated Statement of Financial Positions. BioCare has provided unaudited interim financial statements as of June 30, 2020. Beximco Pharma has not recognized 30% share of the accumulated loss of the company exceeding the value of investment of Tk 29,325,720 by an amount of Tk. 19,813,172 following IAS 28: Investment in Associates and Joint Ventures as the Company has no obligation for any liability beyond the value of its investment in associates.

4. Property Plant and Equipment

As on June 30, 2020

Amount in Taka

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Transport and Vehicle	Office Equipment	Total Property Plant & Equipment	Right-of-use Assets	Total
Cost									
As on July 01, 2019	4,067,829,596	7,820,306,150	15,758,504,631	314,394,814	832,159,558	594,975,443	29,388,170,192	312,742,914	29,700,913,106
Additions	-	1,964,386	76,637,502	16,059,142	8,650,472	23,204,371	126,515,873	81,724,782	208,240,655
Transferred in & Capitalized	-	-	-	-	-	-	-	-	-
Disposal during the Year	-	-	(68,147,647)	-	(13,523,004)	(1,327,600)	(82,998,251)	-	(82,998,251)
Cost As on June 30, 2020	4,067,829,596	7,822,270,536	15,766,994,486	330,453,956	827,287,026	616,852,214	29,431,687,814	394,467,696	29,826,155,510
<hr/>									
Accumulated Depreciation									
As on July 01, 2019	-	1,988,863,726	6,205,719,687	142,895,364	563,820,219	386,007,571	9,287,306,567	110,053,358	9,397,359,925
Depreciation Charged	-	188,862,087	667,013,870	17,051,814	59,343,002	34,309,438	966,580,211	44,250,419	1,010,830,630
Fair Value Depreciation	-	2,363,364	9,652,060	-	-	-	12,015,424	-	12,015,424
Adjustment for Assets disposed off	-	-	(34,640,793)	-	(9,928,860)	(984,456)	(45,554,109)	-	(45,554,109)
Accumulated Depreciation As on June 30, 2020	-	2,180,089,177	6,847,744,824	159,947,178	613,234,361	419,332,553	10,220,348,093	154,303,777	10,374,651,870
<hr/>									
Net Book Value June 30, 2020	4,067,829,596	5,642,181,359	8,919,249,662	170,506,778	214,052,665	197,519,661	19,211,339,721	240,163,919	19,451,503,640
<hr/>									
Capital Work in Progress							15,789,469,910		-
Carrying Value as on June 30, 2020							35,000,809,631	240,163,919	35,240,973,550
Carrying Value as on June 30, 2019							33,853,977,656	202,689,556	34,056,667,212

4 (a). Right-of-use Assets

Amount in Taka

	June 30, 2020	June 30, 2019
At Cost	394,467,696	312,742,914
Accumulated Depreciation	(154,303,777)	(110,053,358)
	240,163,919	202,689,556

5. Intangible Assets

Particulars	Product development, Licensing and Marketing Rights	ERP Project	Trade Name & Trade Marks	Total
Cost				
As on July 01, 2019	1,319,952,047	167,103,702	54,000,000	1,541,055,749
Addition During the year	29,103,370	2,641,632	-	31,745,002
As on June 30, 2020	1,349,055,417	169,745,334	54,000,000	1,572,800,751
Amortization				
As on July 01, 2019	203,974,051	-	2,160,000	206,134,051
Amortized During the year	72,236,000	16,710,370	2,160,000	91,106,370
As on June 30, 2020	276,210,051	16,710,370	4,320,000	297,240,421
Balance as on June 30, 2020	1,072,845,366	153,034,964	49,680,000	1,275,560,330
Balance as on June 30, 2019	1,115,977,996	167,103,702	51,840,000	1,334,921,698

6. Goodwill

This is carried forward from the previous year and relates to acquisition of Nuvista Pharma Limited (Note 3.4). There has been no indication of impairment of goodwill during the year.

7. Other Investments

a. Investment Details (Taka)

	Balance July 01, 2019	Addition/ Adjustment Unrealised Gain/(Loss)	Amount in Taka Balance June 30, 2020
Bangladesh Export Import Co. Ltd.	3,759,929	(1,577,828)	2,182,101
Central Depository Bangladesh Ltd. (CDBL)	1,569,450	-	1,569,450
	5,329,379	(1,577,828)	3,751,551

b. Number of Shares:

	Balance July 01, 2019	Balance June 30, 2020
Bangladesh Export Import Co. Ltd.	167,854	167,854
Central Depository Bangladesh Ltd. (CDBL)	571,182	571,182

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 the last working day of the year 2019-2020 was Tk. 13.00 (2018-2019: Tk.22.40). The fair value loss of Tk. 1,577,828 has been accounted for as Other Comprehensive Income following IFRS:9 Financial Instruments.

d. Shares of Central Depository Bangladesh Ltd.(CDBL) are not traded . The value at acquisition is considered to be the fair value as on the Balance Sheet date.

8. Inventories

	Amount in Taka June 30, 2020	Amount in Taka June 30, 2019
This consists of as follows :		
Finished Goods	1,128,728,172	1,255,181,983
Work in Process	294,258,178	455,530,899
Raw Materials	3,089,296,983	2,710,825,646
Packing Materials	960,326,569	1,098,348,379
Laboratory Chemicals	64,584,938	44,838,125
Physician Samples	69,468,235	85,135,960
R&D Materials	15,232,992	12,004,065
Materials in Transit	322,872,990	262,166,621
	5,944,769,057	5,924,031,678

9. Spares & Supplies

This consists of as follows :

Spares & Accessories	660,313,987	579,804,147
Stock of Stationery	14,209,600	13,100,977
Literature & Other Materials	101,005,200	133,118,401
Miscellaneous Item	-	103,737
	775,528,787	726,127,262

10. Accounts Receivable

	Amount in Taka	
	June 30, 2020	June 30, 2019
This consists of :		
Trade Receivable	3,088,509,497	3,244,703,035
Other Receivable	216,941,937	90,255,870
	3,305,451,434	3,334,958,905

Accounts Receivable is reported net of provision for bad debts of Tk. 6,554,783. It includes an amount of Tk. 817,658,851, equivalent USD 9,710,913 (June 30, 2019: Tk. 771,731,426, USD 9,214,704) receivable 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. 1,969,764,709 due from I & I Services Ltd., who provides distribution service to the Company and a "Related Party". The maximum amount due from the company during the year was Tk. 2,719,264,917 on April 30, 2020.

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.

Aging of Trade Receivables :

Amount due within 6 months	3,036,824,038	3,171,871,132
Amount due for 6 months & above	51,685,459	72,831,903
	3,088,509,497	3,244,703,035

11. Loans, Advances and Deposits

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

Clearing & Forwarding	281,675,299	159,119,478
VAT	441,074,569	329,321,836
Claims Receivable	6,636,489	6,320,466
Security Deposit & Earnest Money	83,541,576	67,972,220
Lease Deposit	10,821,850	10,821,850
Capital Expenditure/ Project	209,723,000	224,723,000
Expenses	264,086,628	255,058,852
Bank Guarantee Margin	35,585,120	37,773,704
Salary Advance / Loan	161,306,524	155,890,739
Rent Advance	29,898,335	13,420,366
Motor Cycle	154,443,129	199,755,875
Raw & Packing Material	442,658,728	592,000,065
Prepaid Insurance	155,346,536	163,840,275
Overseas Liaison Office	40,724,614	35,318,373
Others	70,790,725	58,166,648
	2,388,313,122	2,309,503,747

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 project loan which is an integral part of the overseas loan financing agreement with ODDO BHF Aktiengesellschaft, Frankfurt, Germany.

12. Short Term Investment

The Company has fully recalled the Short Term Investment with Bangladesh Export Import Company Limited (Beximco Ltd.).

13. Cash and Cash Equivalents

	Amount in Taka	
	June 30, 2020	June 30, 2019
This consists of as follows :		
a. Cash in Hand (including Imprest Cash)	170,478,822	235,292,449
b. Cash at Bank :		
Current & FC Account	426,156,203	338,805,413
FDR Account	38,381,494	36,396,437
	635,016,519	610,494,299

14. Issued Share Capital

a. Authorized :

1,000,000,000 Ordinary Shares of Tk. 10 each	10,000,000,000	10,000,000,000
50,000,000 fully convertible 5 % Preference Shares of Tk. 100 each	5,000,000,000	5,000,000,000
	15,000,000,000	15,000,000,000

b. Issued, Subscribed and Paid-up :

51,775,750 Ordinary Shares fully paid-up in cash	517,757,500	517,757,500
316,538,298 Ordinary Shares issued as stock dividend	3,165,382,980	3,165,382,980
5,951,250 Ordinary Shares issued in Exchange of Shares of Beximco Infusions Ltd.	59,512,500	59,512,500
31,291,147 Ordinary 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 its 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.

90,943,627 Ordinary Shares have been issued as underlying shares for the GDRs listed with AIM of London Stock Exchange.

c. Composition of Shareholding :

	June 30, 2020		June 30, 2019	
	Number of shares	% of Share Capital	Number 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	37,019,789	9.13	37,019,789	9.13
	53,509,774	13.20	53,509,774	13.20
Public Issue:				
GDRs- AIM of London Stock Exchange	90,943,627	22.42	90,943,627	22.42
Foreign Portfolio Investors (DSE/CSE)	48,720,273	12.01	60,060,586	14.81
Institutions (ICB, ICB Investors Accounts & Others)	148,762,402	36.68	136,573,957	33.67
Individual Shareholders	63,620,369	15.69	64,468,501	15.90
	352,046,671	86.80	352,046,671	86.80
	405,556,445	100.00	405,556,445	100.00

15. Non-controlling Interest	Amount in Taka	
	June 30, 2020	June 30, 2019
Non-controlling Interest (Opening)	276,006,553	269,874,176
Proportionate profit/loss (NPL)	29,795,800	7,000,621
Less Cash Dividend (NPL)	(3,473,347)	(868,344)
Share Capital - Beximco Pharma API Limited (API)	-	100
	302,329,006	276,006,553

16. Long Term Borrowings - Net of Current Maturity

This is arrived at as follows :

Project Loan - ODDO BHF Aktiengesellschaft, Frankfurt, Germany	1,437,978,890	1,974,611,879
Lease Liability	208,860,444	247,375,215
Term Loan-AB Bank Limited	-	330,410,281
Dhaka Bank Ltd.	4,751,056	43,210,417
	1,651,590,390	2,595,607,792

Lease Liability

This consists of as follows:

Within one year	108,115,288	165,766,263
Within two to five years	208,860,444	247,375,215
	316,975,732	413,141,478

17. Liability for Gratuity and WPPF & Welfare Funds

Gratuity Payable	1,185,669,111	1,040,022,968
Workers Profit Participation and Welfare Fund	958,384,323	820,882,028
	2,144,053,434	1,860,904,996

18. Short Term Borrowings

Janata Bank Ltd. - Cash Credit-Hypothecation Loan	3,963,918,204	5,336,101,392
AB Bank Limited	1,106,352,880	2,491,112,625
Liability for UPAS Letter of credit	1,406,768,304	873,810,482
First Security Islamic Bank Ltd.	510,491,234	-
Dhaka Bank Ltd.	410,830,738	571,476,781
	7,398,361,360	9,272,501,280

19. Long Term Borrowings-Current Maturity

Amount in Taka
June 30, 2020 June 30, 2019

This consists of as follows:

Project Loan - ODDO BHF Aktiengesellschaft, Frankfurt, Germany	937,110,252	860,104,664
Lease Liability	108,115,288	165,766,263
Term Loan-AB Bank Limited	377,802,906	462,991,847
Dhaka Bank Ltd	31,283,549	127,807,775
	1,454,311,995	1,616,670,549

20. Creditors and Other Payables

Goods & Services	575,012,150	573,345,769
Provident Fund	726,878,755	403,722,991
Advance Against Sales	12,393,114	23,952,936
Others	148,522,181	90,788,026
	1,462,806,200	1,091,809,722

21. Accrued Expenses

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

For Expenses	503,704,448	389,379,916
Workers' Profit Participation and Welfare Funds -(Current year)	235,808,378	200,937,234
	739,512,826	590,317,150

	Amount in Taka	
	July 2019- June 2020	July 2018- June 2019
22. Net Revenue		
Domestic Sales	22,808,998,367	20,300,942,074
Export Sales	2,751,790,244	2,502,632,517
Toll Income	51,159,044	13,055,204
	25,611,947,655	22,816,629,795

23. Cost of Goods Sold

This is made-up as follows :

Work-in-Process (Opening)	455,530,899	262,723,223
Materials Consumed (Note: 24)	10,054,371,739	9,840,645,571
Factory Overhead (Note: 25)	3,623,979,789	3,165,298,448
Total Manufacturing Cost	14,133,882,427	13,268,667,242
Work-in-Process (Closing)	(294,258,178)	(455,530,899)
Cost of Goods Manufactured	13,839,624,249	12,813,136,343
Finished Goods (Opening)	1,255,181,983	864,137,218
Finished Goods available	15,094,806,232	13,677,273,561
Cost of Physician Sample transferred to Sample Stock	(253,230,551)	(225,804,808)
Finished Goods (Closing)	(1,128,728,172)	(1,255,181,983)
	13,712,847,509	12,196,286,770

24. Materials Consumed

This is made-up as follows :

Opening Stock	3,854,012,150	3,182,574,225
Purchase	10,314,568,079	10,512,083,496
Closing Stock	(4,114,208,490)	(3,854,012,150)
	10,054,371,739	9,840,645,571

Amount in Taka

25. Factory Overhead

	July 2019-June 2020	July 2018-June 2019
Salary & Allowances	1,345,684,174	1,188,378,116
Repairs and Maintenance	391,224,077	357,815,843
Insurance Premium	36,933,338	31,563,027
Municipal Tax & Land Revenue	9,034,338	2,340,256
Advertisement	-	39,992
Registration & Renewals	19,443,939	12,214,261
Travelling & Conveyance	27,128,815	13,607,099
Entertainment	2,801,983	2,406,063
Research and Development	272,389,951	284,160,790
Rent	4,756,535	-
Printing & Stationery	30,094,938	30,586,880
Telephone, Cell Phone, Internet & Postage	9,599,588	9,563,197
Toll Expense	231,429,690	211,045,966
Electricity, Gas & Water	252,097,664	185,846,861
Training & Conference	6,129,368	5,847,370
Plant Certification and Regulatory Approvals	37,358,555	26,970,395
Depreciation	920,137,361	776,720,982
Security Expenses	21,979,283	19,223,665
Other Expenses	5,756,192	6,967,685
	3,623,979,789	3,165,298,448

26. Administrative Expenses

	July 2019-June 2020	July 2018-June 2019
Salary & Allowances	458,035,801	422,172,373
Rent	23,948,000	21,596,203
Repairs and Maintenance	58,709,365	52,754,516
Registration & Renewals	5,019,043	11,157,571
Travelling & Conveyance	29,587,058	33,292,606
Entertainment	6,881,179	7,452,594
Printing & Stationery	5,572,906	9,623,113
Audit Fee	2,195,000	2,090,000
Telephone, Cell Phone, Internet & Postage	5,927,093	8,389,087
Electricity, Gas & Water	13,770,520	15,238,998
Legal & Consultancy	15,823,054	10,931,928
Business Acquisition Cost	-	2,876,555
Company Secretarial, Regulatory Fee and AGM Expense	34,599,077	27,156,197
Municipal Tax & Land Revenue	463,682	1,294,203
Advertisement	-	72,068
Training & Conference	6,630,474	12,734,287
Depreciation	35,015,790	29,897,226
Meeting Fee	2,301,650	1,108,950
Security Expenses	11,209,371	9,011,269
Other Expenses	77,262,646	74,094,438
	792,951,709	752,944,182

27. Selling, Marketing and Distribution Expenses

	Amount in Taka	
	July 2019- June 2020	July 2018- June 2019
Salary & Allowances	2,092,122,649	1,746,110,649
Rent	82,034,461	86,475,238
Repairs and Maintenance	15,310,108	10,265,214
Travelling & Conveyance	567,898,731	520,316,148
Entertainment	56,439,513	54,522,468
Printing & Stationery	37,381,062	36,718,700
Telephone, Cell Phone, Internet & Postage	58,915,054	31,583,013
Software & Licences	26,876,458	2,659,362
Electricity, Gas & Water	15,361,760	10,614,278
Market Research & New Products	69,374,568	57,305,983
Training & Conference	112,364,209	103,797,825
Insurance Premium	29,966,989	32,048,113
Sample Expense	315,070,105	286,686,387
Advertisement	2,555,997	2,633,824
Field Operation	44,293,568	61,562,536
Events, Programs & Campaigns	186,559,672	224,353,163
Brand Development	106,570,287	90,550,386
CSR Expenses	81,344,051	15,344,589
Sales Promotion Expenses	138,324,168	79,557,840
Books, Journal and Periodicals	8,705,778	8,276,327
Salesforce Logistics	32,042,162	19,773,552
Clinical Studies and Research	5,002,419	4,652,433
Pharmacovigilance	14,768,459	11,394,312
Literature and News Letter	209,372,035	207,829,781
Registration & Renewals	62,603,853	87,161,934
Export Insurance, Freight and C&F Expenses	225,789,212	273,539,867
Distribution Commission	376,830,927	260,673,378
Delivery Expense	335,270,945	315,948,856
Depreciation & Amortization	158,799,273	136,144,095
Security Expenses	19,941,269	18,179,874
Bad Debts	3,692,812	2,894,595
Other Expenses	5,071,769	1,650,556
	5,496,654,323	4,801,225,276

28. Other Income

	Amount in Taka	
	July 2019- June 2020	July 2018- June 2019
Interest Income	20,409,291	36,457,527
Dividend Income	1,427,930	1,491,901
Royalty	151,552,031	95,941,689
Cash Incentive on Export	139,620,667	23,646,180
Exchange Rate Fluctuation Gain / (Loss)	13,196,829	(20,010,341)
Sale of Miscellaneous Item	1,149,448	952,663
Profit/(Loss) on Sale of Fixed Assets	(33,797,892)	1,438,046
	293,558,304	139,917,665

29. Finance Cost

Interest on Bank Borrowings	787,650,804	824,858,713
Interest on Lease Liability	28,711,869	60,109,947
Interest on Loan from PF, WPPF & Welfare Fund	166,837,043	128,075,983
Other Bank Charges	30,604,369	16,717,899
	1,013,804,085	1,029,762,542

30. Income Tax Expenses

This consists of as follows :

(a) Current Tax	1,086,668,418	803,760,846
(b) Deferred Tax Expense	22,288,436	101,901,936
	1,108,956,854	905,662,782

31. Earnings Per Share (EPS)

(a) Earnings attributable to the Owners of the Company	3,514,687,301	3,033,402,333
(b) Weighted average number of Shares outstanding during the year	405,556,445	405,556,445
Earnings Per Share (EPS)	8.67	7.48

32. Net Asset Value (NAV) Per Share

	Amount in Taka	
	June 30, 2020	June 30, 2019
Total Assets	50,118,741,940	49,214,092,360
Less Total Liabilities	(17,321,292,327)	(19,349,768,523)
Less Non-controlling Interest	(302,329,006)	(276,006,553)
Equity Attributable to the Owners of the Company	32,495,120,607	29,588,317,284
Number of Ordinary Shares	405,556,445	405,556,445
Net Asset Value (NAV) Per Share	80.12	72.96

33. Net Operating Cash Flow Per Share (NOCFPS)

Amount in Taka

	July 2019- June 2020	July 2018- June 2019
Net Cash Generated from Operating Activities	5,542,487,221	2,959,916,904
Number of Ordinary Shares	405,556,445	405,556,445
Net Operating Cash Flow Per Share (NOCFPS)	13.67	7.30

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

Profit after Tax	3,544,483,101	3,040,402,954
Adjustment to reconcile net profit to net cash provided by operating activities :		
(a) Non-cash Expenses :	1,409,987,996	1,606,962,596
Depreciation	1,022,846,054	868,369,303
Amortization	91,106,370	74,393,000
Gratuity & WPPF	283,148,438	536,738,498
Exchange rate fluctuation (Gain) / Loss on Foreign Currency Bank Loan	(9,401,302)	25,559,859
Deferred Tax	22,288,436	101,901,936
(b) Non-operating Items	30,401,305	26,190,223
Dividend Income	(1,427,930)	(1,481,833)
(Profit) / Loss on sale of Fixed Assets	33,797,892	(1,438,046)
Effect of exchange rate changes on Cash and Cash Equivalents	(1,968,657)	(215,618)
Share of Loss of Associates	-	29,325,720
(c) Changes in working Capital	557,634,819	(1,713,638,869)
(Increase)/Decrease in Inventories	(20,737,379)	(865,183,997)
(Increase)/Decrease in Spares & Supplies	(49,401,525)	(62,216,166)
(Increase)/Decrease in Accounts Receivable	29,507,471	(573,449,512)
(Increase)/Decrease in Advance Income Tax	35,681,115	(3,112,607)
(Increase)/Decrease in Loans, Advances & Deposits	(78,809,375)	(215,273,845)
(Increase)/Decrease in Other Non-current Assets	3,634,939	(221,598)
Increase/(Decrease) in Creditors and Other Payables	370,996,478	100,096,815
Increase/(Decrease) in Accrued Expenses	148,154,924	171,840,255
Increase/(Decrease) in Income Tax Payable	118,588,172	(266,118,214)
Net cash Generated from Operating Activities	5,542,487,221	2,959,916,904

35. Related Party Disclosures

a. 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
(i) I & I Services Ltd.	Local Delivery Distribution Commission	23,912,620,326 376,830,927	1,969,764,709
(ii) Bangladesh Export Import Co. Ltd	Short Term Investment & Interest there on	341,614,550	-

b. Related party transaction between the Company and its subsidiaries have been eliminated in the consolidation.


Osman Kaiser Chowdhury
Director


Nazmul Hassan
Managing Director


Mohammad Ali Nawaz
Cheif Financial Officer

Dhaka
October 28, 2020

Financial Statements- Beximco Pharma- Standalone

Independent Auditor's Report

To the Shareholders of Beximco Pharmaceuticals Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Beximco Pharmaceuticals Limited (the "Company"), which comprise the Statement of Financial Position as at June 30, 2020 and 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Valuation of Property, Plant and Equipment (PPE)	
<p>The carrying value of the PPE was Tk. 33,244,656,330 as at June 30, 2020.</p> <p>Expenditures are capitalized if they create new assets or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the assets or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.</p> <p>The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements and that there is significant measurement uncertainty involved in this valuation.</p> <p>See Note No. 4 to the financial statements</p>	<p>Our audit included the following procedure:</p> <ul style="list-style-type: none">• We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.• We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate.• We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.• We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with the date of the act of completion of the work.

Risk	Our response to the risk
Valuation of Inventory	
<p>The inventory of Tk. 5,528,438,165 as at June 30, 2020 was held at different locations across the country.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the management apply judgment in determining the appropriate values for slow-moving or obsolete items.</p> <p>Since the value of Inventory is significant to the Financial Statements and there is significant measurement uncertainty involved in this valuation, the valuation of inventory was significant to our audit.</p> <p>See Note No. 9 to the financial statements</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory by:</p> <ul style="list-style-type: none"> Evaluating the design and implementation of key inventory controls. Attending inventory counts on sample basis and reconciling the count results to the inventory listing to test the completeness of data. Reviewing the requirement of inventory provisioning and action there upon by the management. Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.
Contingent Liabilities	
<p>The Company is subject to a number of claims and litigations. The amounts of claims are significant and estimates of the amounts of provisions or contingent liabilities are subject to management judgement. These claims and regulatory matters are uncertain in timing of resolutions and amount or consequences.</p> <p>These claims and litigation matters were a key audit matter due to the amounts involved, potential consequences and the inherent difficulty in assessing the outcome. The assessment of whether or not a liability should be recognized involves judgement from management.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the legal provision and contingency processes.</p> <p>We enquired to those charged with governance to obtain their view on the status of the litigations.</p> <p>We enquired of the company's internal legal counsel for the litigation and inspected internal notes and reports. We also reviewed formal confirmations in this regard from external counsel.</p> <p>We also validated the completeness and appropriateness of the related disclosures in Note No. 49 of the financial statements.</p>
Related party transactions	
<p>The Company has related party transactions with its subsidiaries and other related parties as described in Note No. 40 of the financial statements.</p> <p>We focused on identification of related parties and disclosure of related party transactions in accordance with relevant accounting standards.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions. Evaluated the transactions among the related parties and tested material accounts balances. Evaluated the disclosures in the financial statements in compliance with IAS 24.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on such work we perform, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal controls of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, The Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, 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 purposes of our audit and made due verification thereof;
- b. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- c. The company's Statement of Financial Position (Balance sheet) and Statement of Profit or Loss and Other Comprehensive Income (Profit & Loss Account) dealt with by this report are in agreement with the books of accounts and;
- d. The expenditures incurred and payment made were for the purpose of the Company's business for the year.

The engagement partner on the audit resulting in the independent auditor's report is **Hasan Mahmood, FCA**

Dhaka
October 28, 2020



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

Beximco Pharmaceuticals Limited
Statement of Financial Position
As at June 30, 2020

	Notes	June 30, 2020	Amount in Taka June 30, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment- Carrying Value	4	33,244,656,330	32,010,669,238
Right-of-use Assets	4 (c)	237,100,169	198,770,806
Intangible Assets	5	580,960,330	610,121,698
Investment in Subsidiaries	6	2,145,185,900	2,145,185,900
Investment In Associates	7	29,325,720	29,325,720
Other Investments	8	3,751,551	5,329,379
Current Assets			
Inventories	9	5,528,438,165	5,573,549,171
Spares & Supplies	10	735,703,950	715,341,316
Accounts Receivable	11	3,213,666,345	3,325,890,597
Loans, Advances and Deposits	12	2,345,039,872	2,273,040,821
Short Term Investment	13	-	323,364,536
Cash and Cash Equivalents	14	615,944,841	582,306,048
TOTAL ASSETS		48,679,773,173	47,792,895,230
EQUITY AND LIABILITIES			
Shareholders' Equity			
Issued Share Capital	15	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	16	1,689,636,958	1,689,636,958
Capital Reserve on Merger		294,950,950	294,950,950
Revaluation Surplus	4(b)	1,125,767,451	1,131,853,004
Unrealized Gain/(Loss)		926,375	2,504,203
Retained Earnings		19,920,038,261	17,156,858,985
Non-Current Liabilities			
Long Term Borrowings-Net of Current Maturity	17	1,641,924,046	2,544,732,500
Liability for Gratuity and WPPF & Welfare Funds	18	2,015,304,583	1,748,900,794
Deferred Tax Liability	19	2,035,744,789	2,002,571,178
Current Liabilities and Provisions			
Short Term Borrowings	20	6,987,530,622	8,701,024,499
Long Term Borrowings-Current Maturity	21	1,421,497,401	1,487,254,413
Creditors and Other Payables	22	1,332,058,976	1,037,089,244
Accrued Expenses	23	609,401,272	496,178,291
Dividend Payable		16,803,657	7,002,833
Income Tax Payable	24	263,148,692	167,298,238
TOTAL EQUITY AND LIABILITIES		48,679,773,173	47,792,895,230

The Notes are an integral part of the Financial Statements.

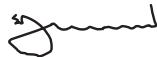
Approved and authorised for issue by the Board of Directors on October 28, 2020 and signed for and on behalf of the Board :


Osman Kaiser Chowdhury
 Director


Nazmul Hassan
 Managing Director


Mohammad Ali Nawaz
 Chief Financial Officer

Per our report of even date


M.J. Abedin & Co.
 Chartered Accountants

Beximco Pharmaceuticals Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2020

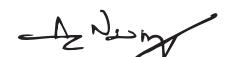
	Notes	July 2019 - June 2020	Amount in Taka July 2018 - June 2019
Net Sales Revenue	25	23,557,775,896	21,156,331,039
Cost of Goods Sold	26	(12,753,521,901)	(11,365,929,686)
Gross Profit		10,804,253,995	9,790,401,353
Operating Expenses		(5,690,899,854)	(4,991,627,668)
Administrative Expenses	29	(699,940,325)	(663,362,904)
Selling, Marketing and Distribution Expenses	30	(4,990,959,529)	(4,328,264,764)
Profit from Operations		5,113,354,141	4,798,773,685
Other Income	31	445,556,500	245,184,534
Finance Cost	32	(957,931,515)	(938,074,846)
Profit Before Contribution to WPPF & Welfare Funds		4,600,979,126	4,105,883,373
Contribution to WPPF & Welfare Funds	33	(219,094,244)	(195,518,256)
Profit Before Tax		4,381,884,882	3,910,365,117
Income Tax Expenses	34	(1,018,485,009)	(886,864,143)
Current Tax		(983,282,880)	(792,365,900)
Deferred Tax Income/ (Expense)		(35,202,129)	(94,498,243)
Profit after Tax		3,363,399,873	3,023,500,974
Other Comprehensive Income - Unrealized Gain/(Loss)	35	(1,577,828)	(1,852,559)
Total Comprehensive Income		3,361,822,045	3,021,648,415
Earnings Per Share (EPS)	36	8.29	7.46

The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 28, 2020 and signed for and on behalf of the Board :


Osman Kaiser Chowdhury
Director


Nazmul Hassan
Managing Director


Mohammad Ali Nawaz
Chief Financial Officer

Dhaka
October 28, 2020

Per our report of even date


M.J. Abedin & Co.
Chartered Accountants

Beximco Pharmaceuticals Limited
Statement of Changes in Equity
For the year ended June 30, 2020

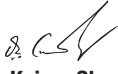
	Share Capital	Share Premium	Excess of Issue Price over Face Value of GDRs	Capital Reserve on Merger	Revaluation Surplus	Unrealized Gain/(Loss)	Retained Earnings	Total	Amount in Taka
Balance as on July 01, 2019	4,055,564,450	5,269,474,690	1,689,636,958	294,950,950	1,131,853,004	2,504,203	17,156,858,985	29,600,843,240	
Total Comprehensive Income for the Year :									
Profit for the Year	-	-	-	-	-	-	3,363,399,873	3,363,399,873	
Other Comprehensive Income/(Loss)	-	-	-	-	-	(1,577,828)	-	(1,577,828)	
Transactions with the Shareholders:									
Cash Dividend	-	-	-	-	-	-	(608,334,668)	(608,334,668)	
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(8,114,071)	-	8,114,071	-	
Adjustment for Deferred Tax on Revalued Assets	-	-	-	-	2,028,518	-	-	2,028,518	
Balance as on June 30, 2020	4,055,564,450	5,269,474,690	1,689,636,958	294,950,950	1,125,767,451	926,375	19,920,038,261	32,356,359,135	
Net Asset Value (NAV) Per Share (Note-37)									79.78

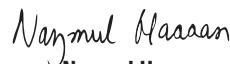
For the Year ended June 30, 2019

	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, 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
Total Comprehensive Income for the Year :								
Profit for the Year	-	-	-	-	-	-	3,023,500,974	3,023,500,974
Other Comprehensive Income/(Loss)	-	-	-	-	-	(1,852,559)	-	(1,852,559)
Transactions with the Shareholders:								
Cash Dividend	-	-	-	-	-	-	(506,945,556)	(506,945,556)
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(9,175,291)	-	9,175,291	-
Adjustment for Deferred Tax on Revalued Assets	-	-	-	-	(18,249,550)	-	-	(18,249,550)
Balance as on June 30, 2019	4,055,564,450	5,269,474,690	1,689,636,958	294,950,950	1,131,853,004	2,504,203	17,156,858,985	29,600,843,240
Net Asset Value (NAV) Per Share (Note-37)								72.99

The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 28, 2020 and signed for and on behalf of the Board :


Osman Kaiser Chowdhury
Director


Nazmul Hassan
Managing Director


Mohammad Ali Nawaz
Chief Financial Officer

Dhaka
October 28, 2020

Per our report of even date


M.J. Abedin & Co.
Chartered Accountants

Beximco Pharmaceuticals Limited
Statement of Cash Flows
For the year ended June 30, 2020

Amount in Taka

	Notes	July 2019 - June 2020	July 2018 - June 2019
Cash Flows from Operating Activities :			
Receipts from Customers and Others		24,096,145,079	20,798,619,790
Payments to Suppliers and Employees		(17,060,430,359)	(16,112,060,651)
Cash Generated from Operations		7,035,714,720	4,686,559,139
Interest Paid		(957,931,515)	(938,074,846)
Interest Received		20,409,291	36,457,527
Income Tax Paid		(887,432,426)	(1,058,484,114)
Net Cash Generated from Operating Activities	39	5,210,760,070	2,726,457,706
Cash Flows from Investing Activities :			
Acquisition of Property, Plant and Equipment		(2,224,544,487)	(4,337,220,303)
Intangible Assets		(31,745,002)	(128,619,282)
Investment in Subsidiary		-	(19,999,900)
Disposal of Property, Plant and Equipment		3,572,001	17,267,628
Dividend Received		21,454,903	1,491,901
Decrease in Short Term Investment		323,364,536	16,032,638
Net Cash Used in Investing Activities		(1,907,898,049)	(4,451,047,318)
Cash Flows from Financing Activities :			
Net Increase /(Decrease) in Long Term Borrowings		(959,164,164)	(1,296,871,228)
Net Increase/(Decrease) in Short Term Borrowings		(1,713,493,877)	3,738,926,253
Dividend Paid		(598,533,844)	(504,483,537)
Net Cash (Used in)/from Financing Activities		(3,271,191,885)	1,937,571,488
Increase/(Decrease) in Cash and Cash Equivalents		31,670,136	212,981,876
Cash and Cash Equivalents at Beginning of Year		582,306,048	369,108,554
Effect of Exchange Rate Changes on Cash and Cash Equivalents		1,968,657	215,618
Cash and Cash Equivalents at End of Year	14	615,944,841	582,306,048
Net Operating Cash Flow Per Share	38	12.85	6.72

The Notes are an integral part of the Financial Statements.

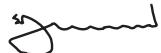
Approved and authorised for issue by the Board of Directors on October 28, 2020 and signed for and on behalf of the Board :


Osman Kaiser Chowdhury
Director


Nazmul Hassan
Nazmul Hassan
Managing Director


Mohammad Ali Nawaz
Chief Financial Officer

Per our report of even date


M.J. Abedin & Co.
Chartered Accountants

Beximco Pharmaceuticals Limited
Notes to the Financial Statements
As at and for the year ended June 30, 2020

1. Reporting entity

1.1. About the company

Beximco Pharmaceuticals Limited (BPL/ the Company) is a Public Limited Company incorporated in Bangladesh in 1976. It is a leading manufacturer of pharmaceutical formulations and Active Pharmaceutical Ingredients (APIs). 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 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). In 2018, BPL acquired 85.22% shares of Nuvista Pharma Limited – a non-listed pharmaceutical company in Bangladesh specializing in hormones and steroid drugs and took over control of its management. 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. The manufacturing facilities of the Company are certified by leading global regulatory authorities including United States Food and Drug Administration (USFDA).

1.2. Nature of Business

The Company is engaged in manufacturing and marketing of generic pharmaceuticals formulation products covering a wide range of therapeutic categories. It offers products in different dosage forms including Solid, Liquid, Cream and Ointment, Suppositories, Metered Dose Inhaler, Dry Powder Inhaler, Nasal Spray, Sterile, Lyophilized Injectable, Large Volume Intravenous Fluids. BPL also manufactures Active Pharmaceutical Ingredients (APIs) and renders contract manufacturing services to other companies. Products of the Company are sold in domestic and international markets.

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).

2.2. Basis of Measurement

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

2.3. 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 comprise of:

- a. Statement of Financial Position as at the end of the year June 30, 2020;
- b. Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2020;
- c. Statement of Changes in Equity for the year ended June 30, 2020;
- d. Statement of Cash Flows for the year ended June 30, 2020; 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, 2019 to June 30, 2020. The last audited financial statements were prepared for the year ending June 30, 2019. Figures for earlier year have been re-arranged wherever considered necessary to ensure better comparability with the current year.

2.5. Authorization for issue

The financial statements have been authorized for issue by the Board of Directors on October 28, 2020.

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, capitalization of assets 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 from Contracts with Customers

In compliance with the requirements of IFRS 15: Revenue from Contracts with Customers, revenue is recognized when the company fulfills the performance obligations in contract with the customers. It usually occurs when customers take possession of the products or goods are delivered at destination specified in the contracts and 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 sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

3.2. Property, Plant and Equipment (PP&E)

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 amortize 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. Right-of-use Assets

IFRS 16: Leases has introduced a single on-balance sheet lease accounting model for leases and replaces the previously adopted IAS 17: Leases. The standard requires that an asset acquired under a lease be recognized as Right of use Asset and the corresponding

liability as lease liability. The Leasee shall measure the lease liability at the present value of the future lease payment discounted using the interest rate implicit in the lease. The asset shall be depreciated over the lease period and the interest on the lease shall be charged as finance expense.

The Company has been consistently recording its underlying assets acquired under lease as Assets and the corresponding obligation as Lease Liabilities in the financial statements. The company has reclassified the assets acquired under the lease into "Right-of-use Assets" and presented them in the Statement of Financial Position following IFRS 16. Interest costs on lease liabilities and depreciation of right-of-use Assets are charged to the profit or loss account.

3.4. 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 software for internal use are capitalized as intangible fixed assets where the software 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.

3.5. 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. Financial Instruments comprise Financial Assets and Financial Liabilities which are recognized, classified, measured and reported following IFRS-9: Financial Instruments.

3.5.1. Financial assets

Financial assets of the company include cash and cash equivalents, accounts receivable, other receivables and investments in marketable securities.

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

3.6.1. 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.

3.6.2. 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%. However, profit generated from export is subject to a reduced 12.5% tax. Additionally certain other incomes are also liable to a lower rates which can be found in Note: 34

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). In BPL's case deferred tax arises due to the difference in the carrying amount and the tax base value of the Property, Plant & Equipment, Gratuity & Bad debts provisions.

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. Other Income

Dividend

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.

Export Incentives

Cash Incentives for export are recognized when all conditions as laid done in the relevant incentive scheme including receipt of export remittances are satisfied and the right to claim the incentives are established.

Royalty

Royalty income is accounted for on accrual basis on fulfillment of the terms laid in the agreement between the contracting parties giving BPL the right to claim the Royalty.

Toll Income

Toll income is recognized when services are delivered and there remains no unfulfilled obligation in connection with the service.

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 excepting those that qualifies for capitalization 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:

3.12.1. 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. Employees contribute 10% of their basic salary to the provident along with the Company that makes an 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.

3.12.2. 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.

3.12.3. Contribution to Workers' Profit Participation and Welfare Funds (WPPF)

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.

3.12.4. 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.

3.12.5. 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 . Property, Plant and Equipment

Amount in Taka

As on June 30, 2020

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Transport and Vehicle	Office Equipment	Total Property Plant & Equipment	Right-of-use Assets	Total
Cost									
As on July 01, 2019	3,343,741,442	7,497,797,147	14,503,959,431	267,440,926	690,157,709	568,771,334	26,871,867,989	308,467,914	27,180,335,903
Additions	-	1,964,386	59,327,454	13,630,814	5,219,741	18,322,149	98,464,544	81,724,782	180,189,326
Transferred in & Capitalized	-	-	-	-	-	-	-	-	-
Disposal during the Year	-	-	(68,147,647)	-	(9,372,204)	(1,278,000)	(78,797,851)	-	(78,797,851)
Cost as on June 30, 2020	3,343,741,442	7,499,761,533	14,495,139,238	281,071,740	686,005,246	585,815,483	26,891,534,682	390,192,696	27,281,727,378
Accumulated Depreciation									
As on July 01, 2019	-	1,934,157,220	5,704,119,053	118,839,763	463,605,963	365,410,593	8,586,132,592	109,697,108	8,695,829,700
Depreciation Charged	-	182,499,881	602,789,053	14,860,116	40,958,686	30,330,293	871,438,029	43,395,419	914,833,448
Adjustment for Assets disposed off	-	-	(34,640,793)	-	(5,820,178)	(942,296)	(41,403,267)	-	(41,403,267)
Accumulated Depreciation as on June 30, 2020	-	2,116,657,101	6,272,267,313	133,699,879	498,744,471	394,798,590	9,416,167,354	153,092,527	9,569,259,881
Net Book Value June 30, 2020	3,343,741,442	5,383,104,432	8,222,871,925	147,371,861	187,260,775	191,016,893	17,475,367,328	237,100,169	17,712,467,497
Capital Work in Progress 4 (a)							15,769,289,002		
Carrying Value as on June 30, 2020							33,244,656,330	237,100,169	33,481,756,499

As on June 30, 2019

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Transport and Vehicle	Office Equipment	Total Property Plant & Equipment	Right-of-use Assets	Total
Cost									
As on July 01, 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	-	24,008,785,368
Additions	-	-	1,465,749,248	18,622,458	88,962,490	25,435,247	1,598,769,443	-	1,598,769,443
Transferred in & Capitalized	-	703,230,227	905,532,878	1,252,298	-	1,096,395	1,611,111,798	-	1,611,111,798
Reclassified as Right-of-use Assets	-	-	-	-	(308,467,914)	-	(308,467,914)	308,467,914	-
Disposal during the Year	-	-	(21,845,168)	-	(16,485,538)	-	(38,330,706)	-	(38,330,706)
Cost as on June 30, 2019	3,343,741,442	7,497,797,147	14,503,959,431	267,440,926	690,157,709	568,771,334	26,871,867,989	308,467,914	27,180,335,903
Accumulated Depreciation									
As on July 01, 2018	-	1,780,559,564	5,238,747,927	104,536,829	503,064,602	334,366,427	7,961,275,349	-	7,961,275,349
Depreciation Charged	-	153,597,656	473,926,803	14,302,934	84,090,016	31,044,166	756,961,575	-	756,961,575
Reclassified as Right-of-use Assets	-	-	-	-	(109,697,108)	-	(109,697,108)	109,697,108	-
Adjustment for Assets disposed off	-	-	(8,555,677)	-	(13,851,547)	-	(22,407,224)	-	(22,407,224)
Accumulated Depreciation as on June 30, 2019	-	1,934,157,220	5,704,119,053	118,839,763	463,605,963	365,410,593	8,586,132,592	109,697,108	8,695,829,700
Net Book Value June 30, 2019	3,343,741,442	5,563,639,927	8,799,840,378	148,601,163	226,551,746	203,360,741	18,285,735,397	198,770,806	18,484,506,203
Capital Work in Progress 4 (a)							13,724,933,841		
Carrying Value as on June 30, 2019							32,010,669,238	198,770,806	32,209,440,044

	Amount in Taka	
	June 30, 2020	June 30, 2019
4 (a) Capital Work in Progress is arrived at as follows :		
Opening Balance	13,724,933,841	12,597,594,779
Addition during the year	2,044,355,161	2,738,450,860
	15,769,289,002	15,336,045,639
Transferred & Capitalized	-	(1,611,111,798)
Building and Other Constructions	-	(703,230,227)
Plant & Machinery	-	(905,532,878)
Furniture & Fixture	-	(1,252,298)
Office Equipment	-	(1,096,395)
Closing balance at end of year	15,769,289,002	13,724,933,841
4 (b). Revaluation Surplus		
Opening Balance	1,131,853,004	1,159,277,845
Adjustment for depreciation on revalued assets	(8,114,071)	(9,175,291)
Adjustment for Deferred Tax on revalued assets	2,028,518	(18,249,550)
	1,125,767,451	1,131,853,004
4 (c). Right-of-use Assets		
At Cost	390,192,696	308,467,914
Accumulated Depreciation	(153,092,527)	(109,697,108)
	237,100,169	198,770,806

5. Intangible Assets

Particulars	Product development, Licensing and Marketing Rights	ERP Project	Total
Cost			
As on July 01, 2019	618,952,047	167,103,702	786,055,749
Addition During the year	29,103,370	2,641,632	31,745,002
As on June 30, 2020	648,055,417	169,745,334	817,800,751
Amortization			
As on July 01, 2019	175,934,051	-	175,934,051
Amortized During the year	44,196,000	16,710,370	60,906,370
As on June 30, 2020	220,130,051	16,710,370	236,840,421
Carrying Value as on June 30, 2020	427,925,366	153,034,964	580,960,330
Carrying Value as on June 30, 2019	443,017,996	167,103,702	610,121,698

6. Investment in Subsidiaries

	Amount In Taka	
	June 30, 2020	June 30, 2019
Nuvista Pharma Ltd.	2,125,186,000	2,125,186,000
Beximco Pharma API Ltd.	19,999,900	19,999,900
	2,145,185,900	2,145,185,900

- a. The Company acquired 10,013,474 shares representing 85.22% of the Paid Up Capital of Nuvista Pharma Ltd (NPL) . The investment in subsidiary represents the cost of the aforesaid acquisition.
- b.Beximco Pharma API Limited (API) was formed with a paid up capital of Tk. 20,000,000 divided into 2,000,000 shares of Tk. 10 each, all of which excepting 10 shares are held by Beximco Pharmaceuticals Ltd (BPL).
- c. Investment in subsidiaries has been accounted for using cost method as per IAS 27: Separate Financial Statements, in preparing financial statements of the Company.

7. Investment in Associates

This represents value of 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. was issued 30% of the equity share of the Malaysian based company for providing full technical support to set up a manufacturing facility to produce specialized pharmaceutical products in Seri Iskandar Pharmaceutical Park, Perak, Malaysia. BioCare is considered to be an associate of BPL as per IAS 28: Investment in Associates and Joint Ventures. The Company follows Cost method for the investment as per IAS 27: Separate Financial Statements.

8. Other Investments

a. Investment Details (Taka):

	July 01, 2019	Addition/ Adjustment		June 30, 2020
		Unrealised	Gain/(Loss)	
Bangladesh Export Import Co. Ltd.(Note c)	3,759,929	(1,577,828)	-	2,182,101
Central Depository Bangladesh Ltd. (CDBL)	1,569,450	-	-	1,569,450
	5,329,379	(1,577,828)	-	3,751,551

b. Number of Shares:

	July 01, 2019	June 30, 2020
Bangladesh Export Import Co. Ltd.	167,854	167,854
Central Depository Bangladesh Ltd. (CDBL)	571,182	571,182

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 the last working day of the year 2019-2020 was Tk. 13.00 (2018-2019: Tk.22.40). The fair value loss of Tk. 1,577,828 has been accounted for as Other Comprehensive Income following IFRS:9 Financial Instruments.

d. Shares of Central Depository Bangladesh Ltd.(CDBL) are not traded . The value at acquisition is considered to be the fair value as on the Balance Sheet date.

9. Inventories

This consists of as follows :

	June 30, 2020	June 30, 2019	Amount in Taka
Finished Goods	972,564,349	1,155,804,007	
Work in Process	249,838,762	420,135,832	
Raw Materials	2,955,008,164	2,590,103,665	
Packing Materials	921,692,743	1,072,840,831	
Laboratory Chemicals	38,688,339	27,356,035	
Physician Samples	69,468,235	85,135,960	
R & D Materials	15,232,992	12,004,065	
Materials in Transit	305,944,581	210,168,776	
	5,528,438,165	5,573,549,171	

10. Spares & Supplies

This consists of as follows :

Spares & Accessories	649,953,543	569,443,182	
Stock of Stationery	14,209,600	13,100,977	
Literature & Other Materials	71,540,807	132,797,157	
	735,703,950	715,341,316	

11. Accounts Receivable

This consists of :

Trade Receivable	2,978,567,354	3,235,634,727	
Other Receivable	235,098,991	90,255,870	
	3,213,666,345	3,325,890,597	

Accounts Receivable is reported net of provision for bad debts of Tk. 5,144,353. It includes an amount of Tk. 817,658,851, equivalent USD 9,710,913 (June 30, 2019: Tk. 771,731,426, USD 9,214,704) receivable 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. 1,969,764,709 due from I & I Services Ltd., who provides distribution service to the Company and a "Related Party". The maximum amount due from the company during the year was Tk. 2,719,264,917 on April 30, 2020. Additionally Tk 17,612,694 and Tk. 544,360 is receivable from subsidiary companies- Nuvista Pharma Ltd. and Beximco Pharma API Ltd. respectively.

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.

Aging of Trade Receivables :

Amount due within 6 months	2,930,309,371	3,167,422,788	
Amount due for 6 months & above	48,257,983	68,211,939	
	2,978,567,354	3,235,634,727	

12. Loans, Advances and Deposits

Amount in Taka

This is unsecured, considered good and consists of as follows :	June 30, 2020	June 30, 2019
Clearing & Forwarding	281,675,299	159,119,478
VAT	419,480,062	306,316,482
Claims Receivable	6,636,489	6,320,466
Security Deposit & Earnest Money	76,960,836	62,559,041
Lease Deposit	10,821,850	10,821,850
Capital Expenditure/ Project Expenses	209,723,000 263,194,117	224,723,000 253,580,629
Bank Guarantee Margin	35,585,120	37,773,704
Advance against Salary	157,725,898	152,573,688
Rent Advance	29,898,335	13,420,366
Motor Cycle	154,443,129	199,755,875
Raw & Packing Material	442,658,728	592,000,065
Prepaid Insurance	150,084,798	160,757,931
Overseas Liaison Office	40,724,614	35,318,373
Others	65,427,597	57,999,873
	2,345,039,872	2,273,040,821

- a. The maximum amount due from the employees during the year was Tk. 161,359,843 on May 31, 2020.
- 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, Hamburg for guarantee of the project loan which is an integral part of the overseas loan financing agreement with ODDO BHF Aktiengesellschaft, Frankfurt, Germany.

13. Short Term Investment

The Company has fully recalled the Short Term Investment with Bangladesh Export Import Company Limited (Beximco Ltd.).

Amount in Taka

14. Cash and Cash Equivalents	June 30, 2020	June 30, 2019
This consists of as follows :		
a. Cash in Hand (including Imprest Cash)	170,283,669	235,175,572
b. Cash at Bank :		
Current & FC Account	407,279,678	310,734,039
FDR Account	38,381,494	36,396,437
	615,944,841	582,306,048

15. Issued Share Capital

	Amount in Taka	
a. Authorized :	June 30, 2020	June 30, 2019
1,000,000,000 Ordinary Shares of Tk. 10 each	10,000,000,000	10,000,000,000
50,000,000 Fully convertible 5 % Preference Shares of Tk. 100 each	5,000,000,000	5,000,000,000
	15,000,000,000	15,000,000,000

b. Issued, Subscribed and Paid-up :

51,775,750 Ordinary Shares fully paid-up in cash	517,757,500	517,757,500
316,538,298 Ordinary Shares Issued as stock dividend	3,165,382,980	3,165,382,980
5,951,250 Ordinary Shares issued in Exchange of Shares of Beximco Infusions Ltd.	59,512,500	59,512,500
31,291,147 Ordinary 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.

90,943,627 Ordinary Shares have been issued as underlying shares for the GDRs listed with AIM of London Stock Exchange.

c. Composition of Shareholding:

	June 30, 2020		June 30, 2019	
	Number of shares	% of Share Capital	Number 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	37,019,789	9.13	37,019,789	9.13
	53,509,774	13.20	53,509,774	13.20
Public Issue:				
GDRs- AIM of London Stock Exchange	90,943,627	22.42	90,943,627	22.42
Foreign Portfolio Investors (DSE/CSE)	48,720,273	12.01	60,060,586	14.81
Institutions (ICB, ICB Investors Accounts & Others)	148,762,402	36.68	136,573,957	33.67
Individual Shareholders	63,620,369	15.69	64,468,501	15.91
	352,046,671	86.80	352,046,671	86.80
	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, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
1 to 499	41,587	41,958	74.13%	74.69%	6,052,732	5,876,193	1.49%	1.45%
500 to 5,000	12,340	12,144	22.00%	21.62%	18,684,552	17,827,041	4.61%	4.40%
5,001 to 10,000	1,059	980	1.89%	1.74%	7,555,392	7,015,971	1.86%	1.73%
10,001 to 20,000	484	469	0.86%	0.83%	6,983,130	6,683,931	1.72%	1.65%
20,001 to 30,000	159	154	0.28%	0.27%	4,044,868	3,819,206	1.00%	0.94%
30,001 to 40,000	81	77	0.14%	0.14%	2,832,929	2,686,413	0.70%	0.66%
40,001 to 50,000	58	70	0.10%	0.12%	2,666,648	3,220,468	0.66%	0.79%
50,001 to 100,000	129	121	0.23%	0.22%	9,472,994	8,692,718	2.34%	2.14%
100,001 to 1,000,000	162	163	0.29%	0.29%	50,405,277	51,410,310	12.43%	12.68%
Over 1,000,000	42	41	0.07%	0.07%	296,857,923	298,324,194	73.20%	73.56%
Total	56,101	56,177	100%	100%	405,556,445	405,556,445	100%	100%

e. Market Price of Ordinary Shares:

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

	June 30, 2020	June 30, 2019
Dhaka Stock Exchange	Tk.	69.20
Chittagong Stock Exchange	Tk.	69.10
AIM	GBP	0.355
		0.389

f. Option on unissued Ordinary Shares :

There is no option on unissued shares as on June 30, 2020.

16. Excess of Issue Price over Face Value of GDRs

This represents excess of issue price of GDRs over the face value of underlying 28,175,750 ordinary shares issued against the same number of GDRs less GDRs issue expenses.

17. Long Term Borrowings - Net of Current Maturity

Amount in Taka

This is arrived at as follows :

	June 30, 2020	June 30, 2019
Project Loan - ODDO BHF Aktiengesellschaft, Frankfurt, Germany	1,437,978,890	1,974,611,879
Lease Liability	203,945,156	239,710,340
Term Loan- AB Bank Limited	-	330,410,281
	1,641,924,046	2,544,732,500

a. Project Loan - ODDO BHF Aktiengesellschaft, Frankfurt, Germany

This represents part of the foreign currency loan of US\$ 51.559 million and Euro 24.386 million to partially finance the machinery and equipment for expansion and diversification project being implemented by the Company. US Dollar loan carries interest at 6 month's USD LIBOR plus 2.25% while Euro loan is priced at 6 month's EURIBOR plus 1.30% interest per annum. Both the loans are secured by exclusive first charge by way of hypothecation against machinery and equipment procured under the pertinent loans.

	Amount in Taka	
	June 30, 2020	June 30, 2019
This consists of as follows:		
Within one year	106,584,243	164,157,902
Within two to five years	203,945,156	239,710,340
	310,529,399	403,868,242

c. Term Loan-AB Bank Limited

This loan is payable in quarterly installments and is secured by hypothecation along with Janata Bank on all fixed and floating assets of the Company excepting the machinery and equipment financed by ODDO BHF Aktiengesellschaft, Frankfurt, Germany. The loan maturing in the current period has been reported under Long Term Borrowing - Current Maturity.

18. 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. Further detail is available at Note 3.12

a. Gratuity Payable

Opening Balance	933,437,744	660,004,303
Provisions during the year	184,425,140	306,176,739
	1,117,862,884	966,181,042
Paid during the year	(60,942,624)	(32,743,298)
Closing balance at end of the Year	1,056,920,260	933,437,744

b. Workers Profit Participation and Welfare Fund

958,384,323	815,463,050
2,015,304,583	1,748,900,794

19. Deferred Tax Liability

Opening Balance	2,002,571,178	1,889,823,385
Addition during the Year :		
Deferred Tax on Assets-Note : 34 (b)	35,202,129	94,498,243
Adjustment for Deferred Tax on revalued amount	(2,028,518)	18,249,550
Closing Balance at end of the Year	2,035,744,789	2,002,571,178

20. Short Term Borrowings

Janata Bank Ltd. - Cash Credit-Hypothecation Loan	3,963,918,204	5,336,101,392
AB Bank Limited	1,106,352,880	2,491,112,625
Liability for UPAS Letter of credit	1,406,768,304	873,810,482
First Security Islamic Bank Ltd.	510,491,234	-
	6,987,530,622	8,701,024,499

- a. Short term borrowings from Janata Bank represents revolving credit facilities renewable annually. The borrowing carries 9% interest.
- b. Loan from AB Bank represents the Time Loan taken by the Company to settle UPAS/Deferred LC liabilities related to import of various project materials other than machinery and equipment for different projects under implementation.
- c. The loan with Janata Bank and AB Bank is secured by hypothecation of fixed and floating assets of the Company excepting the machinery and equipment financed by ODDO BHF Aktiengesellschaft, Frankfurt, Germany.
- d. The borrowing from First Security Islami Bank Ltd represents a Bai-Murabaha (Hypo) investment limit of Tk.50 crore approved for purchasing raw and packing materials. The facility is secured by corporate guarantee and second charge by way of hypothecation on present and future fixed and floating assets of the company.

21. Long Term Borrowings-Current Maturity

	Amount in Taka	
	June 30, 2020	June 30, 2019
Project Loan - ODDO BHF Aktiengesellschaft, Frankfurt, Germany	937,110,252	860,104,664
Lease Liability	106,584,243	164,157,902
Term Loan-AB Bank Limited	377,802,906	462,991,847
	1,421,497,401	1,487,254,413

22. Creditors and Other Payables

Goods & Services	485,464,404	518,625,291
Provident Fund	726,878,755	403,722,991
Advance Against Sales	12,393,114	23,952,936
Others	107,322,703	90,788,026
	1,332,058,976	1,037,089,244

23. Accrued Expenses

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

For Expenses	390,307,028	300,660,035
Workers' Profit Participation and Welfare Funds - (current year)	219,094,244	195,518,256
	609,401,272	496,178,291

24. Income Tax Payable

Opening Balance	167,298,238	433,416,452
Provision for the year	983,282,880	809,208,912
Short / (Excess) Provision for previous year	-	(16,843,012)
	1,150,581,118	1,225,782,352
Advance Income Tax Paid	(887,432,426)	(1,058,484,114)
	263,148,692	167,298,238

25. Net Sales Revenue

	July 2019 - June 2020	July 2018 - June 2019
Domestic Sales	20,805,985,652	18,653,698,522
Export Sales	2,751,790,244	2,502,632,517
	23,557,775,896	21,156,331,039

a. Revenue consists of sales of pharmaceutical formulation products of wide range of therapeutic categories in different dosage forms and strengths and Active Pharmaceutical Ingredients (APIs). The quantity sold under different broad categories are as follows:

Product Category	Quantity		
	Unit	July 2019 - June 2020	July 2018 - June 2019
Tablet, Capsule, Suppository & DPI	Million pcs.	6,778.75	5,778.50
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable, Inhaler and Insulin	Million pcs.	114.54	111.96
Diet Care Products	Pcs	-	6,572
Active Pharmaceutical Ingredients	Kg	190,552	163,538
Liquid Nitrogen	Liter	438,734	379,012

b. Export Sales in foreign currency equivalent amounts to US\$ 32,745,911 in 2019-20 as against US\$ 30,064,573 in 2018-19.

26. Cost of Goods Sold

	Amount in Taka	
This is made-up as follows :	July 2019 - June 2020	July 2018 - June 2019
Work-in-Process (Opening)	420,135,832	205,169,517
Materials Consumed (Note: 27)	9,491,277,964	9,461,947,813
Factory Overhead (Note: 28)	3,153,943,937	2,749,978,649
Total Manufacturing Cost	13,065,357,733	12,417,095,979
Work-in-Process (Closing)	(249,838,762)	(420,135,832)
Cost of Goods Manufactured	12,815,518,971	11,996,960,147
Finished Goods (Opening)	1,155,804,007	744,138,733
Finished Goods available	13,971,322,978	12,741,098,880
Cost of Physician Sample transferred to Sample Stock	(245,236,728)	(219,365,187)
Finished Goods (Closing)	(972,564,349)	(1,155,804,007)
	12,753,521,901	11,365,929,686

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

Stock as June 30, 2020	Unit	Quantity	Value (Tk.)
Tablet, Capsule, Suppository & DPI	Million pcs.	451.57	535,160,110
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable, Inhaler and Insulin	Million pcs.	7.23	421,235,247
Active Pharmaceutical Ingredients	Kg	5,674	16,168,992
			972,564,349

Stock as June 30, 2019	Unit	Quantity	Value (Tk.)
Tablet, Capsule, Suppository & DPI	Million pcs.	601.66	655,507,429
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable, Inhaler and Insulin	Million pcs.	9.81	471,081,153
Active Pharmaceutical Ingredients	Kg	9,390	29,215,425
			1,155,804,007

27. Materials Consumed

	Amount in Taka	
	July 2019 - June 2020	July 2018 - June 2019
This is made-up as follows :		
Opening Stock	3,690,300,531	2,983,410,526
Purchase	9,716,366,679	10,168,837,818
Closing Stock	<u>(3,915,389,246)</u>	<u>(3,690,300,531)</u>
	<u>9,491,277,964</u>	<u>9,461,947,813</u>

28. Factory Overhead

Salary & Allowances	1,164,060,001	1,027,826,755
Repairs and Maintenance	278,944,645	266,430,909
Insurance Premium	33,154,830	29,239,356
Municipal Tax & Land Revenue	7,485,850	1,743,735
Advertisement	-	39,992
Registration & Renewals	19,443,939	12,214,261
Travelling & Conveyance	24,252,401	10,510,955
Entertainment	2,058,287	1,892,086
Research and Development	242,175,885	259,057,257
Rent	4,756,535	-
Printing & Stationery	28,658,943	28,098,315
Telephone, Cell Phone, Internet & Postage	9,599,588	9,563,197
Toll Expense	245,250,757	217,766,232
Electricity, Gas & Water	199,203,953	145,518,810
Training & Conference	6,129,368	5,847,370
Plant Certification and Regulatory Approvals	37,358,555	26,970,395
Depreciation	827,924,271	685,050,226
Security Expenses	19,794,331	19,223,665
Other Expenses	3,691,798	2,985,133
	<u>3,153,943,937</u>	<u>2,749,978,649</u>

- a. Salary and allowances include Company's Contribution to provident fund amounting to Tk. 21,084,619
- 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. Travelling & Conveyance includes foreign travel Tk. 3,284,085 (in 2018-19 Tk. 4,346,488)
- d. Other expenses does not include any item exceeding 1% of total revenue.

29. Administrative Expenses

	Amount in Taka	
	July 2019 - June 2020	July 2018 - June 2019
Salary & Allowances	402,132,499	369,071,303
Rent	12,494,000	10,998,853
Repairs and Maintenance	49,579,163	47,635,169
Registration & Renewals	5,019,043	11,157,571
Travelling & Conveyance	25,983,471	29,680,929
Entertainment	5,745,084	6,875,109
Printing & Stationery	4,869,332	6,145,732
Audit Fee	1,800,000	1,700,000
Telephone, Cell Phone, Internet & Postage	4,102,321	6,637,613
Electricity, Gas & Water	11,669,432	13,282,061
Legal & Consultancy	15,679,054	9,670,609
Business Acquisition Cost	-	2,876,555
Company Secretarial, Regulatory Fee and AGM Expense	34,599,077	27,156,197
Advertisement	-	72,068
Training & Conference	4,853,033	11,104,287
Depreciation	32,019,171	26,493,655
Meeting Fee	2,013,650	838,950
Security Expenses	11,209,371	9,011,269
Other Expenses	76,172,624	72,954,974
	699,940,325	663,362,904

- a. Salary and allowances include Company's Contribution to provident fund amounting to Tk. 7,771,231
- b. Repairs and maintenance includes maintenance of office, premises, vehicles, building, equipment and other infrastructures.
- c. Meeting fee is paid to the Directors for attending Board and other Committee Meetings.
- d. Travelling & Conveyance includes foreign travel Tk. 10,163,463 (in 2018-19 Tk.11,803,905)
- e. Other expenses does not include any item exceeding 1% of total revenue.

30. Selling, Marketing and Distribution Expenses

	Amount in Taka	
	July 2019 - June 2020	July 2018 - June 2019
Salary & Allowances	1,814,891,870	1,505,566,145
Rent	77,674,161	82,061,605
Repairs and Maintenance	11,169,984	6,533,997
Travelling & Conveyance	501,475,286	456,534,374
Entertainment	55,361,967	53,789,575
Printing & Stationery	36,243,329	35,647,182
Telephone, Cell Phone, Internet & Postage	48,665,728	21,656,034
Software & Licences	26,876,458	2,659,362
Electricity, Gas & Water	14,609,690	9,779,736
Market Research & New Products	61,977,278	49,003,151
Training & Conference	106,900,944	98,146,246
Insurance Premium	27,514,266	30,611,846
Sample Expense	303,551,534	277,485,580
Advertisement	339,292	524,550
Field Operation	38,162,913	54,193,966
Events, Programs & Campaigns	181,475,156	219,091,710
Brand Development	103,983,835	84,315,097
CSR Expenses	79,166,624	15,344,589
Sales Promotion Expenses	124,237,987	59,348,518
Books, Journal and Periodicals	7,590,396	7,267,968
Salesforce Logistics	16,732,466	6,220,243
Clinical Studies and Research	5,002,419	4,652,433
Pharmacovigilance	14,768,459	11,394,312
Literature and News Letter	189,320,900	188,842,902
Registration & Renewals	62,136,798	86,136,878
Export Insurance, Freight and C&F Expenses	225,789,212	273,539,867
Distribution Commission	376,830,927	260,673,378
Delivery Expense	335,270,945	315,948,856
Depreciation & Amortization	115,796,376	89,610,694
Security Expenses	19,941,269	18,179,874
Bad Debts	2,983,000	2,193,977
Other Expenses	4,518,060	1,310,119
	4,990,959,529	4,328,264,764

- a. Salary and allowances include Company's Contribution to provident fund amounting to Tk. 36,231,843.
- b. Distribution commission is paid to I & I Services Ltd., a "Related Party" for rendering distribution services throughout the country.
- c. Repairs and maintenance includes maintenance of office, premises, vehicles, building, equipment and other infrastructures.
- d. Sample expense includes VAT on sample.
- e. Travelling & Conveyance includes foreign travel Tk. 9,794,247 (in 2018-19 Tk. 4,734,661)
- f. Other expenses does not include any item exceeding 1% of total revenue.

31. Other Income

	Amount in Taka	
	July 2019 - June 2020	July 2018 - June 2019
Interest Income	20,409,291	36,457,527
Dividend Income	21,454,903	1,491,901
Royalty	172,940,165	104,779,694
Distribution Commission Income	111,757,229	91,886,707
Cash Incentive on Export	139,620,667	23,646,180
Exchange Rate Fluctuation Gain / (Loss)	13,196,829	(20,010,341)
Income from sale of materials	-	5,588,720
Profit/(Loss) on Sale of Fixed Assets (Note 41)	<u>(33,822,584)</u>	1,344,146
	445,556,500	245,184,534

a. Taka 21,388,134 of the Royalty income comes from licensing of BPL products given to Nuvista Pharma Limited while the remaining amount is from overseas business.

b. The Distribution Commission is received from the subsidiary company Nuvista Pharma Limited for providing delivery of Nuvista's products using the BPL's distribution network across the country as per the agreement entered into between the companies on an arm's length basis.

c. In December 2018, Government declared 10% incentives on net FOB value of export of finished pharmaceutical formulation products subject to fulfillment of certain conditions. The incentive claimed during the reporting period has been accrued and accounted for. Further details are available in Note 3.10.

d. Exchange rate fluctuation gains has been netted off with the Exchange rate fluctuation losses. An exchange gain of Tk. 9,401,302 has arisen from the translation of outstanding foreign currency loan from ODDO BHF Aktiengesellschaft, Frankfurt, Germany at the exchange rate prevailing on the financial position date.

32. Finance Cost

Interest on Bank Borrowings	733,669,187	734,759,832
Interest on Lease Liability	27,790,746	59,643,281
Interest on Loan from PF, WPPF & Welfare Fund	166,837,043	128,075,983
Other Bank Charges	29,634,539	15,595,750
	957,931,515	938,074,846

33. Contribution to WPPF & Welfare Funds

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

34. Income Tax Expenses

This consists of as follows :

a. Current Tax

	Amount in Taka	July 2019 - June 2020	July 2018 - June 2019
(i) Tax provision for current Year (Note 3.9)	983,282,880	809,208,912	
(ii) Short/(Excess) Provision for earlier year	-	(16,843,012)	
	983,282,880	792,365,900	
b. Deferred Tax Expense	35,202,129	94,498,243	
Total Tax	1,018,485,009	886,864,143	

Deferred Tax Expense is arrived at as follows :

Property, Plant & Equipment (Difference in book value & Tax base)	9,205,043,771	8,943,722,454
Deferred liability (Gratuity)	(1,056,920,260)	(933,437,744)
Bad Debts	(5,144,353)	-
Temporary Difference	8,142,979,158	8,010,284,710
Tax Rate	25%	25%
Deferred Tax Liability at end of the year	2,035,744,789	2,002,571,178
Deferred Tax Liability at beginning of the year	2,002,571,178	1,889,823,385
Change in Deferred Tax Liability	33,173,611	112,747,793
Adjustment for Deferred tax on Revaluation Surplus	2,028,518	(18,249,550)
Deferred Tax charged to profit or Loss and Other Comprehensive Income	35,202,129	94,498,243

Reconciliation of Effective tax rate

Profit before Tax

	2019-20	2018-19
	%	Tk.
	4,381,884,882	3,910,365,117
Applicable Tax	25.00%	977,591,279
Effect of lower rate on Export Profit excluding Cash Incentive	-2.20%	(94,689,032)
Effect of lower rate on cash incentive	-0.48%	(3,546,927)
Effect of lower rate on dividend income	-0.02%	(74,595)
Effect of permanent disallowances	0.94%	24,426,430
Tax impact of prior year adjustment	0.00%	(16,843,012)
Income Tax Expense	23.24%	22.68%
	1,018,485,009	886,864,143

a. Export Profits are subject to 12.5% Tax rate

b. 10% Tax deductible at source on the incentives as final tax liability on such income as per the Income Tax regulations

c. Dividend Income is taxable @ 20%

	Amount in Taka	
	July 2019 - June 2020	July 2018 - June 2019
35. Other Comprehensive Income - Unrealized Gain/(Loss)		
Fair Value Gain/(Loss) on Investment in Listed Shares (Note-8 a)	(1,577,828)	(428,429)
Exchange Rate Fluctuation Gain or loss/adjustment	-	(1,424,130)
	(1,577,828)	(1,852,559)
 36. Earnings Per Share (EPS)		
a. Earnings attributable to the Ordinary Shareholders	3,363,399,873	3,023,500,974
b. Weighted average number of Shares outstanding during the year (Note 3.15)	405,556,445	405,556,445
Earnings Per Share (EPS)	8.29	7.46
 37. Net Asset Value (NAV) Per Share		
	June 30, 2020	June 30, 2019
Total Assets	48,679,773,173	47,792,895,230
Less Total Liabilities	(16,323,414,038)	(18,192,051,990)
Net Assets	32,356,359,135	29,600,843,240
Number of Ordinary Shares	405,556,445	405,556,445
Net Asset Value (NAV) Per Share	79.78	72.99
 38. Net Operating Cash Flow Per Share (NOCFPS)		
	July 2019 - June 2020	July 2018 - June 2019
Net Cash Generated from Operating Activities	5,210,760,070	2,726,457,706
Number of Ordinary Shares	405,556,445	405,556,445
Net Operating Cash Flow Per Share (NOCFPS)	12.85	6.72

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

	Amount in Taka	
	July 2019 - June 2020	July 2018 - June 2019
Profit after Tax	3,363,399,873	3,023,500,974
Adjustment to reconcile net profit to net cash provided by operating activities :		
Non-cash Expenses :	1,267,944,433	1,445,651,201
Depreciation	914,833,448	756,961,575
Amortization	60,906,370	44,193,000
Gratuity & WPPF	266,403,789	524,438,524
Exchange rate fluctuation (Gain)/loss (Foreign Currency Bank Loan)	(9,401,302)	25,559,859
Deferred tax	35,202,129	94,498,243
Non-operating items:	10,399,024	(3,051,665)
Dividend Income	(21,454,903)	(1,491,901)
(Profit) /Loss on sale of Fixed Assets	33,822,584	(1,344,146)
Effect of exchange rate changes on Cash and Cash Equivalents	(1,968,657)	(215,618)
Changes in working Capital	569,016,740	(1,739,642,804)
(Increase)/Decrease in Inventories	45,111,006	(908,099,710)
(Increase)/Decrease in Spares & Supplies	(20,362,634)	(60,560,046)
(Increase)/Decrease in Accounts Receivable	112,224,252	(588,946,450)
(Increase)/Decrease in Loans, Advances & Deposits	(71,999,051)	(206,199,860)
Increase/(Decrease) in Creditors and Other Payables	294,969,732	97,551,009
Increase/(Decrease) in Accrued Expenses	113,222,981	192,730,467
Increase/(Decrease) in Income Tax Payable	95,850,454	(266,118,214)
Net cash Generated from Operating Activities	5,210,760,070	2,726,457,706

40. Related Party Disclosures

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

Name of Related Parties	Nature of Transactions	Value of Transaction	Balance Type	Balance at year end
a. I & I Services Ltd.	Local Delivery Distribution Commission	23,912,620,326 376,830,927	Dr.	1,969,764,709
b. Bangladesh Export Import Co. Ltd	Short Term Investment & Interest there on	341,614,550		-
c. Nuvista Pharma Ltd	Toll Manufacturing Cost of services Asset Transfer Gratuity (Transferred Employee) Dividend Distribution Commission	19,417,187 51,318,664 3,430,731 12,455,838 20,026,948 111,757,229	Cr. Dr.	1,730,683 4,191,977 - - - 13,420,717
d. Beximco Pharma API Limited	Short Term Advance	544,360	Dr.	544,360

41. Particulars of Disposal of Property, Plant and Equipment

The following assets were disposed off during the year ended June 30, 2020:

Particulars of Assets	Cost	Accumulated Depreciation	Written Down Value	Sales Price	Profit / (Loss)	Mode of Disposal	Name of Parties
Plant & Machinery	68,147,647	34,640,793	33,506,854	-	(33,506,854)	Retirement	N/A
Office Equipment	1,278,000	942,296	335,704	8,000	(327,704)	Negotiation	Individuals
Transport & Vehicle	9,372,204	5,820,178	3,552,026	3,564,001	11,975	Negotiation	Individuals
Total Taka	78,797,851	41,403,267	37,394,584	3,572,001	(33,822,584)		

42. Payment / Perquisites to Managers and Directors

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

	Amount in Taka
Remuneration	379,789,680
Gratuity	37,322,147
Contribution to Provident Fund	14,483,023
Bonus	37,497,936
Medical	10,178,039
Others	13,025,783
Total	492,296,608

- a. The above includes salary, allowances, and perquisites amounting Tk. 53,323,926 paid to the Managing Director.
- b. No remuneration is paid to Directors of the board other than meeting attendance fees which has been separately reported.
- c. No amount of money was expended by the Company for compensating any member of the board for special services rendered.

43. Production Capacity and Utilization

Item	Unit	Production Capacity		Actual Production		Capacity Utilization	
		July 19 to June 20	July 18 to June 19	July 19 to June 20	July 18 to June 19	July 19 to June 20	July 18 to June 19
Tablet, Capsule, Suppository & DPI	Million Pcs	5,842.87	5,560.19	6,586.29	6,125.42	112.72%	110.17%
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable, Inhaler and Insulin	Million Pcs	100.98	98.99	115.39	117.28	114.27%	118.48%

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

44. Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for at June 30, 2020.

45. Claim not Acknowledged as Debt

There was no claim against the Company not acknowledged as debt as on June 30, 2020.

46. Un-availed Credit Facilities

ODDO BHF Aktiengesellschaft, Frankfurt, Germany approved an ECA term loan of Euro 24.386 million to partially finance the machinery and equipment for expansion project being implemented by the Company. An amount of Euro 4.59 million has been disbursed as on Balance Sheet date. The remaining Euro 19.80 million is disbursable against procurement of the machinery & equipment.

47. Payments & Receipts Made in Foreign Currency :

	Foreign Currency (Equivalent US\$)	Taka
Payments :		
Materials, Spares and Capital Machinery,	114,834,021	9,744,198,289
Foreign Currency Loans, Fees & Expenses	14,780,165	1,244,489,856
Receipts :		
Export Sales & Others	33,464,524	2,811,262,283

48. 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.

49. Contingent Liability

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

There is also a disputed VAT claim aggregating Tk. 144,113,691 against the Company. The Company owns the verdict of the Appellate Tribunal in its favor. 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.

50. Events after The Reporting Period

50.1 The directors recommended 15% cash dividend (i.e. Tk. 1.50 per share) and 10% stock dividend (i.e. 10 shares for every 100 shares held) for the year 2019-20. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.

50.2 Board of Directors of Nuvista Pharma Limited (NPL)- a subsidiary of BPL has declared Cash dividend @ 35%, i.e. Tk. 3.50 per share for the financial year ended on June 30, 2020. The proposed dividend is subject to approval of the shareholders of NPL in their Annual General meeting.

50.3 The COVID-19 pandemic that began in Bangladesh since early March 2020 continued to disrupt social and economic activities of the country as with the world. The government announced countrywide lockdown from 26 March which lasted till the end of May. The healthcare and certain other essential services though remained exempted from the lockdown, ensuring uninterrupted production and supply with highest priority on the health and safety of the employees was indeed challenging. Management took various mitigating measures to confront this unforeseen situation and continued its production and supply of products overcoming the challenges. Directors are continually reviewing the local and global situation of the pandemic and the associated risks affecting the operation of the business.

As the country gradually adapts to the new environment, the economy started showing signs of recovery in the post balance sheet period. While there are uncertainties how the COVID-19 situations evolve and affects the business in the future, given the currently prevailing situation, directors believe that there is no material adverse effect of the pandemic on the business's continuity in the foreseeable future.

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.

51. 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

51.1 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, 2020 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.

51.2 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.

51.3 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 export revenues and import of raw material, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD. Additionally the Company has foreign currency loan which shall be repaid in foreign currency. However, The Company maintains an Export Retention Quota (ERQ) account in USD where 50% of the export earnings are deposited. This partly contributes to minimize the currency risk associated with payments in foreign currency.

b. Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. An increase in interest rates will result in higher borrowing costs and impact the Company's profitability. The Company continuously monitors and negotiates viable deals to minimize the interest rate risk. Further, the company tries to remain at a lower level of gearing to minimize the impact of financing costs. With its strong ability to generate cash flows from operating activities, the company tries to pay off its debts on due time to minimize the impact of an increase in interest rates. The company has arrangement with banks to transfer the sales proceeds into its overdraft account on a real time basis through RTGS system to minimize borrowing cost.

The foreign currency loan is subject to floating rates of interest. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.


Osman Kaiser Chowdhury
Director


Nazmul Hassan
Managing Director


Mohammad Ali Nawaz
Chief Financial Officer

Dhaka
October 28, 2020

NUVISTA PHARMA LIMITED DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors of Nuvista Pharma Limited, I am pleased to present the Directors' Report and the Audited Financial Statements for the year ended 30 June 2020 together with the Auditors' Report thereon.

1. Operating Performance

We concluded year 2019-20 with remarkable achievement despite a challenging economic and business environment prevailing throughout the fourth quarter of the year. To contain the spread of Covid-19, the Government announced lockdown from 26th March imposing restrictions at varying degrees on social and business activities with limited exceptions. This lasted till the end of May 2020, affecting the entire fourth quarter of the fiscal year under review. Like all other businesses, the pandemic impacted the healthcare services across the country; Doctors refrained from private practices and visits to hospitals and clinics declined significantly. In this hard time, our key challenge was to ensure uninterrupted production and supply of essential medicines across the country with highest priority on the health and safety of our employees. We took various measures to cope up with the unforeseen challenge and managed to keep the impact of the pandemic on the operational performance of the Company at its minimum.

Our sales revenue increased by a significant 24.2% to reach a new height of Tk. 2,073.6 million in 2019-20 as against Tk. 1,669.4 million of preceding year. All of our key therapeutic segments recorded double digit growth. During the year, we added 5 new products in our portfolio and got encouraging market response. They contributed Tk. 73.7 million in sales in the first year of introduction, which shows their strong growth potential. Also in 2019-20, we generated Tk. 70.57 million from rendering Toll Services as compared to Tk. 22.15 million of 2018-19.

The Company earned an after-tax net profit of Tk. 243.8 million in 2019-20 as against Tk. 89.6 million in 2018-19. Impressive achievement of sales, improved gross margin predominantly for the revenue mix and proper containment of operating expenses helped attain such a growth in net profit. The Net Operating Cash Flow (NOCFPS) and the Net Asset Value (NAV) per share increased to Tk. 28.2 and Tk. 64.8 in 2019-20 from Tk. 19.9 and Tk. 46.1 respectively, of the previous year.

2. Profit and its Appropriation

	Amount in Taka	Year ended 30 June 2020	Year ended 30 June 2019
Net Profit before tax	334,282,670	108,379,564	
Provision for tax	(90,471,845)	(18,798,639)	
Net Profit after tax	243,810,825	89,580,925	
Unappropriated profit from previous year	222,649,477	133,936,896	
Payment of dividend	(23,500,320)	(868,344)	
Profit available for appropriation	442,959,982	222,649,477	
Recommended for appropriation:			
Proposed dividend	(41,125,560)	(23,500,320)	
Retained Earnings after proposed dividend	401,834,422	199,149,157	

3. Dividend

The Board of Directors recommends 35% cash dividend i.e. Tk. 3.50 per share for the year ended 30 June 2020 to the Shareholders subject to the approval of the Shareholders in the Annual General Meeting (AGM) of the Company.

4. Board of Directors

The current Board of Directors is composed of:

Mr. Nazmul Hassan, MP : Chairman and Director
Begum Parag : Nominee Director, Government of Bangladesh
Mr. S. M. Rabbur Reza : Managing Director
Mr. Mohammad Ali Nawaz : Director
Mr. Shah Monjurul Hoque : Independent Director

5. Retirement and Re-Election of Director

The Board appointed Mr.Nazmul Hassan, MP as Director of the Company in its meeting held on 13 May 2018. This was subsequently approved by the shareholders in the 44th AGM held on 25 November 2018.

As per Article 125 and 126 of the Articles of Association of the Company Mr. Nazmul Hassan, MP retires by rotation and being eligible, offer himself for re-election as Director and is placed for approval by the shareholders in the AGM.

6. Auditors

The existing auditors A. Qasem & Co., Chartered Accountants, who were appointed as auditors of the Company in the 45th AGM of the Company carried out the audit for the year ended 30 June 2020.

A. Qasem & Co., Chartered Accountants, the auditors of the Company retires at this meeting and have expressed their willingness to continue in office for the year ended on 30 June 2021 subject to the approval of the shareholders in the 46th AGM of the Company. The Board recommends for reappointment of A. Qasem & Co., Chartered Accountants as auditors of the Company for the year ended on 30 June 2021.

On behalf of the Board,

Nazmul Hassan

Nazmul Hassan, MP
Chairman

21 October 2020

Independent auditor's report
To the shareholders of Nuvista Pharma Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nuvista Pharma Limited (the Company), which comprise the statement of financial position as at 30 June 2020, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- (a) we have obtained all the information and explanation 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; and
- (c) the statement 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.

A. Qasem & Co.
Chartered Accountants
Partner: Mohammad Motaleb Hossain, FCA

Dhaka, 21 October 2020

Nuvista Pharma Limited
Statement of financial position
As at 30 June 2020

ASSETS	Notes	Amount in Taka	
		30 June 2020	30 June 2019
Non-current assets			
Property, plant and equipment	4	1,144,501,502	1,212,496,913
Capital work-in-progress	5	180,908	8,180,190
Loan to employees	6	2,686,377	6,321,316
		1,147,368,787	1,226,998,419
Current assets			
Advances, deposits and prepayments	7	39,692,624	33,145,875
Loan to employees	6	3,580,626	3,317,051
Advance income tax	20	-	35,681,115
Inventories	8	456,155,729	361,268,453
Trade receivables	9	111,672,826	31,341,064
Cash and cash equivalents	10	18,976,993	28,152,726
		630,078,798	492,906,284
Total assets		1,777,447,585	1,719,904,703
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	11	117,501,600	117,501,600
Reserves and surplus	12	643,897,646	423,587,141
		761,399,246	541,088,741
Non-current liabilities			
Lease liabilities - long term portion	13	4,915,288	7,664,875
Long term bank borrowings	14	4,751,056	43,210,417
Deferred liability - gratuity payable	15	128,748,851	106,585,224
Deferred tax liabilities	16	131,938,710	144,852,403
		270,353,905	302,312,919
Current liabilities and provisions			
Lease liabilities - current portion	13	1,531,045	1,608,361
Short term bank borrowings	17	442,114,287	699,284,556
Trade payables	18	89,547,746	53,587,152
Liabilities for expenses	19	132,720,796	99,996,369
Income tax payable	20	22,737,718	-
Other liabilities	21	57,042,842	22,026,605
		745,694,434	876,503,043
Total liability		1,016,048,339	1,178,815,962
Total equity and liabilities		1,777,447,585	1,719,904,703

The annexed notes 1 to 36 form an integral part of these financial statements.

Naymul Haasan
Chairman

Rabbur Rega
Managing Director

Z. J. Sengar
Director

As per our report of same date

A. Qasem & Co.
Chartered Accountants

Nuvista Pharma Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2020

	Notes	30 June 2020	Amount in Taka 30 June 2019
Revenue			
Cost of goods sold	23	(966,727,371)	(833,024,115)
Gross profit		1,106,861,575	836,368,376
General and administration expenses	24	(92,526,184)	(88,443,477)
Selling and distribution expenses	25	(608,640,157)	(543,485,224)
Profit from operations		405,695,234	204,439,675
Non-operating income	26	1,174,140	1,046,563
Interest expenses	27	(55,872,570)	(91,687,696)
Profit before tax and WPPF		350,996,804	113,798,542
Contribution to WPPF		(16,714,134)	(5,418,978)
Profit before tax		334,282,670	108,379,564
Tax expense			
Current	20	(103,385,538)	(11,394,946)
Deferred	16	12,913,693 (90,471,845)	(7,403,693) (18,798,639)
Profit after tax		243,810,825	89,580,925
Other comprehensive income		-	-
Total comprehensive income for the year		243,810,825	89,580,925
 Earnings Per Share (EPS)		 20.75	 7.62

The annexed notes 1 to 36 form an integral part of these financial statements.

Naymul Hassan

Chairman

Rabbur Rega

Managing Director

Alamgir

Director

Dhaka, 21 October 2020

As per our report of same date

A. Qasem & Co.
Chartered Accountants

Nuvista Pharma Limited
Statement of changes in equity
For the year ended 30 June 2020

Amount in Taka

Particulars	Share capital	Reserves and surplus						Total
		General reserve	Share premium	Pre-incorporation profit	Revaluation reserve	Retained earnings	Total reserves and surplus	
Balance as at 1 July 2018	117,501,600	7,511,991	30,844,170	243,737	162,337,766	133,936,896	334,874,560	452,376,160
Dividend paid						(868,344)	(868,344)	(868,344)
Profit after tax for the year ended 30 June 2019	-	-	-	-	-	89,580,925	89,580,925	89,580,925
Balance as at 30 June 2019	117,501,600	7,511,991	30,844,170	243,737	162,337,766	222,649,477	423,587,141	541,088,741
Number of shares							11,750,160	11,750,160
Net assets value per share							46.05	46.05
Balance as at 1 July 2019	117,501,600	7,511,991	30,844,170	243,737	162,337,766	222,649,477	423,587,141	541,088,741
Dividend paid						(23,500,320)	(23,500,320)	(23,500,320)
Profit after tax for the year ended 30 June 2020	-	-	-	-	-	243,810,825	243,810,825	243,810,825
Balance as at 30 June 2020	117,501,600	7,511,991	30,844,170	243,737	162,337,766	442,959,982	643,897,646	761,399,246
Notes	11	12	12	12	12	12	12	12
Number of shares							11,750,160	11,750,160
Net assets value per share							64.80	64.80

The annexed notes 1 to 36 form an integral part of these financial statements.

Najmul Haque

Chairman

Rabibur Reza

Managing Director

— Md. Nazrul Islam

Director

As per our report of same date

A. Qasem & Co.

Chartered Accountants

Dhaka, 21 October 2020

Nuvista Pharma Limited
Statement of cash flows
For the year ended 30 June 2020

	Notes	30 June 2020	Amount in Taka 30 June 2019
A. Cash flows from operating activities			
Cash receipts from customers and others		1,993,257,184	1,664,930,509
Cash paid to suppliers and employees		(1,562,034,912)	(1,322,231,151)
Cash generated from operation		431,222,272	342,699,358
Interest paid		(54,587,576)	(94,334,168)
Income tax paid	20	(44,966,705)	(14,507,553)
Net cash generated from operating activities		<u>331,667,991</u>	<u>233,857,637</u>
B. Cash flows from investing activities			
Purchase of property, plant and equipment including right of use assets		(19,011,295)	(59,670,116)
Proceeds from disposal of property, plant and equipment		74,250	272,997
Net cash used in investing activities		<u>(18,937,045)</u>	<u>(59,397,119)</u>
C. Cash flows from financing activities			
Long term bank borrowings		(38,459,361)	(124,736,123)
Short term bank borrowings		(257,170,269)	(54,614,023)
Lease finance-payment for right of use assets		(2,826,903)	9,273,236
Dividend paid		(23,450,146)	(858,274)
Net cash (used in)/from financing activities		<u>(321,906,679)</u>	<u>(170,935,184)</u>
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)		(9,175,733)	3,525,334
E. Opening cash and cash equivalents		28,152,726	24,627,392
F. Closing cash and cash equivalents (D+E)		18,976,993	28,152,726
Net operating cash flow per share		28.23	19.90
Number of shares		11,750,160	11,750,160

The annexed notes 1 to 36 form an integral part of these financial statements.

Najmul Haasan
Chairman

Rabbur Rega
Managing Director

Al Naser
Director

As per our report of same date

A. Qasem & Co.
A. Qasem & Co.
Chartered Accountants

Dhaka, 21 October 2020

Nuvista Pharma Limited
Notes to the financial statements
As at and for the year ended 30 June 2020

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."

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 AIM of London Stock Exchange 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, gastrointestinal, musculoskeletal, respiratory, vitamin & mineral supplement and women's health products which are sold in the local market. The company also provides toll manufacturing services to other pharmaceutical companies.

2. Basis of preparation

2.1 Statement of compliance

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

Initial application of new standards

The company has initially applied IFRS 16 (see Note 4.3) from 1 July 2019. This new standard do not have a material effect on the company's financial statements.

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 IAS 7: "Statement of cash flows" under direct method.

2.7 Reporting period

These financial statements cover one year from 1 July 2019 to 30 June 2020.

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 Leases

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the company, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right of use asset is depreciated using the straight line methods from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate.

3.2.1 Leased vehicle

The company has adopted IFRS 16 in preparing the financial statements and reclassified leased vehicle as "Right-of-use assets" and disclosed it in note 4.3.

3.2.2 Office rent

As per IFRS 16, a contract is a lease if the contract conveys the right to control the use of an identified asset. As per terms of the agreement of office rent (clause 4.13, 17(m), 4.8, 4.9, 4.15, 4.18, 4.23) lessor has the right to control the use of office building. Furthermore, the lessee and lessor each has the right to terminate the lease by giving 90 days notice period without permission from the other party with no penalty clause. As a result, the company considers office rent as off-balance sheet item.

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%

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 IAS 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 ended 30 June 2020.

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 2020.

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 include raw materials, raw materials in transit, work-in-process, finished goods and spare parts. These are valued at the lower of cost and net realisable value, with appropriate provisions for obsolete and slow-moving items. Cost is determined using the weighted average method and includes all expenses incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.10 IFRS 9: Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 contains three principal classification categories for financial assets such as measured at amortised cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and the contractual cash flow characteristics. IFRS 9 replaces the previous financial assets categories defined under IAS 39.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

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 IFRS 15: Revenue from Contracts with Customers

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. The following steps provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

- Identify the contract with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract and
- Recognise revenue when the entity satisfies a performance obligation.

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 (but after charging such expense) as WPPF in accordance with Bangladesh Labour Act 2006.

3.16 Standards adopted but not yet effective-IFRS 17: Insurance Contracts

A new Standard IFRS 17: Insurance Contracts, has been made effective for the reporting period beginning on or after 1 January 2021. This standard, however, has no material issue that might affect the reported financial statements of the company.

3.17 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.

3.18 General

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

4. Property, plant and equipment

Amount in Taka

Particulars	Land	Factory building	Factory warehouse	Plant and machinery	Motor vehicles	Computer and IT equipment	Equipment and electric fixtures and fittings	Furniture fittings	Total
Cost or valuation									
As at 1 July 2019	275,608,713	236,790,594	18,193,678	472,146,006	146,276,849	26,204,107	676,834,023	46,953,888	1,899,007,858
Addition/transfer during the year				8,510,998	3,430,731	4,882,222	8,799,050	2,428,328	28,051,329
Adjustment/disposal				(4,150,800)	(49,600)				(4,200,400)
As at 30 June 2020	275,608,713	236,790,594	18,193,678	480,657,004	145,556,780	31,036,729	685,633,073	49,382,216	1,922,858,787
Accumulated depreciation									
As at 1 July 2019	-	48,293,922	3,458,379	171,317,721	100,570,506	20,596,978	318,217,838	24,055,601	686,510,945
Charge during the year		5,907,364	454,842	23,384,127	19,239,316	3,979,145	40,840,690	2,191,698	95,997,182
Adjustment/disposal				(4,108,682)	(42,160)				(4,150,842)
As at 30 June 2020	-	54,201,286	3,913,221	194,701,848	115,701,140	24,533,963	359,058,528	26,247,299	778,357,285
Net book value									
As at 30 June 2020	275,608,713	182,589,308	14,280,457	285,955,156	29,855,640	6,502,766	326,574,545	23,134,917	1,144,501,502
As at 30 June 2019	275,608,713	188,496,672	14,735,299	300,828,285	45,706,343	5,607,129	358,616,185	22,898,287	1,212,496,913

4.1 Depreciation charge has been allocated as under

	Amount in Taka	
	30 June 2020	30 June 2019
Conversion cost included in cost of goods sold (Note 23.3)	80,197,666	79,655,332
General and administration expenses (Note 24)	2,996,619	3,403,571
Selling and distribution expenses (Note 25)	12,802,897	16,333,401
	95,997,182	99,392,304

4.2 Disclosure for revalued assets

The 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.

4.3. Right-of-use assets

Motor vehicle includes right-of-use assets amounts to Tk. 4,275,000 (2019: Tk. 4,275,000) and written down value of which amounts to Tk. 3,063,750 (2019: Tk. 3,918,750) related to leased property.

5. Capital work-in-progress

	Amount in Taka			
	As at 1 July 2019	Addition during the year	Transfer to property, plant and equipment	As at 30 June 2020
Factory Warehouse	-	-	-	-
Plant and machinery	-	8,691,906	8,510,998	180,908
Motor vehicles	-	3,430,731	3,430,731	-
Furniture	-	2,428,328	2,428,328	-
Equipment & Electric fixture and fittings	7,280,190	1,518,860	8,799,050	-
Computer and IT equipment	900,000	3,982,222	4,882,222	-
Balance as at 30 June	8,180,190	20,052,047	28,051,329	180,908

6. Loan to employees

	Amount in Taka	
	30 June 2020	30 June 2019
Car loan	4,346,942	8,920,525
General loan	1,920,061	717,842
	<hr/>	<hr/>
Current portion of loan to employees	6,267,003	9,638,367
Balance as at 30 June	(3,580,626)	(3,317,051)
	<hr/>	<hr/>
	2,686,377	6,321,316
	<hr/>	<hr/>

7. Advances, deposits and prepayments

Advance against operating expenses	892,511	1,478,223
Security deposits	6,580,740	5,413,179
VAT	21,594,507	23,005,354
Prepaid insurance	5,261,738	3,082,344
LC Margin	4,265,999	-
Others	1,097,129	166,775
Balance as at 30 June	39,692,624	33,145,875

8. Inventories

	Amount in Taka	
	30 June 2020	30 June 2019
Stocks		
Finished goods	156,163,823	99,377,976
Semi-finished and Work-in-process	44,419,416	35,395,067
Raw materials	134,288,819	120,721,981
Chemicals	25,896,599	17,482,090
Packing materials	38,633,826	25,507,548
Materials-in-transit	16,928,409	51,997,845
	416,330,892	350,482,507
Stores		
Spares and accessories	9,928,538	9,577,874
Laboratory consumables	313,561	321,244
Miscellaneous items	-	103,737
Literature, brochure and other materials	29,150,832	-
Spares-in-transit	431,906	783,091
	39,824,837	10,785,946
Balance as at 30 June	456,155,729	361,268,453

9. Trade receivables

Ageing of the trade receivables is as follows:

Receivables due over six months	3,427,476	4,619,964
Receivables due below six months	108,245,350	26,721,100
Balance as at 30 June	111,672,826	31,341,064

Above receivables are unsecured and considered good.

Trade receivables is net off provision for bad debts Tk. 1,410,430.

10. Cash and cash equivalents

Cash in hand	100,468	81,352
Cash at banks		
Eastern Bank Limited	64,569	36,869
The City Bank Limited	415,483	111,519
Mutual Trust Bank Limited	-	30,395
Dhaka Bank Limited	655	32,983
BRAC Bank Limited	-	63,766
IFIC Bank Limited	13,559,470	20,445,497
Shimanto Bank Limited	28,160	23,850
Janata Bank Limited	4,493,168	6,697,164
National Bank Limited	315,020	629,331
	18,876,525	28,071,374
Balance as at 30 June	18,976,993	28,152,726

11. Share capital

		Amount in Taka
	30 June 2020	30 June 2019
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 2020	30 June 2019
Beximco Pharmaceuticals Limited	100,134,740	85.22
Government of Bangladesh	15,186,000	12.92
Other shareholders (2020:28; 2019:28)	2,180,860	1.86
117,501,600	117,501,600	100

11.1 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.

11.2 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).

12. Reserves and surplus

	30 June 2020	30 June 2019
General reserve	7,511,991	7,511,991
Share premium (Note 12.1)	30,844,170	30,844,170
Pre-incorporation profit	243,737	243,737
Revaluation reserve (Note 12.2)	162,337,766	162,337,766
Retained earnings	442,959,982	222,649,477
Balance as at 30 June	643,897,646	423,587,141

12.1 Share premium

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

12.2 Revaluation reserve

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

13. Lease liabilities

Lease liabilities arising from leased vehicle as per IFRS 16 is as follows:

	Amount in Taka	
	30 June 2020	30 June 2019
Not later than one year	1,531,045	1,608,361
Later than one year and not later than five years	4,915,288	7,664,875
	6,446,333	9,273,236

14. Long term bank borrowings

Dhaka Bank Limited (Note 14.1)	36,034,605	171,018,192
Less: Current portion (Note 17)	(31,283,549)	(127,807,775)
Balance as at 30 June	4,751,056	43,210,417

14.1 Dhaka Bank Limited

This represents amount outstanding against the remaining instalments of the loan balances which were taken over by Dhaka Bank Limited from The City Bank Limited and United Finance Limited on 29 March 2018.

This also represents amount outstanding against the term loans financed by Dhaka Bank Limited on various dates for setting up the new Oral Solids facility and equipment 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 issued by Beximco Pharmaceuticals Limited.

15. Deferred liability - gratuity payable

	Amount in Taka	
	30 June 2020	30 June 2019
Balance as at 1 July	106,585,224	99,704,228
Add : Provision made during the year	22,766,607	21,818,144
Add : Liability for transferred employees	12,455,838	-
	<u>141,807,669</u>	<u>121,522,372</u>
Less: Payments made during the year	(13,058,818)	(14,937,148)
Balance as at 30 June	128,748,851	106,585,224

16. Deferred tax liabilities

Deferred tax liabilities arrived at as follows:

	Carrying amount on statement of financial position date	Tax base	Taxable/ (deductible) temporary difference
Year: 2019-2020			
Property, plant and equipment	868,892,789	420,915,448	447,977,341
Provision for gratuity (net of payment)	(128,748,851)		(128,748,851)
Allowance for expected credit loss	(1,410,430)		(1,410,430)
Temporary difference		<u>317,818,060</u>	
Applicable tax rate for items recognised in statement of comprehensive income		<u>32.5%</u>	
Applicable tax rate for items recognised in equity		<u>15.0%</u>	
Deferred tax Liabilities(a):			(103,290,869)
Deferred tax liabilities on revaluation surplus			(28,647,841)
Net deferred tax liabilities			(131,938,710)

	Carrying amount on statement of financial position date	Tax base	Amount in Taka Taxable/ (deductible) temporary difference
--	--	----------	---

Year: 2018-2019

Property, plant and equipment	936,888,200	498,289,941	438,598,259
Provision for gratuity (net of payment)	(106,585,224)		(106,585,224)
Temporary difference			<u>332,013,035</u>
Applicable tax rate for items recognised in statement of comprehensive income			35.0%
Applicable tax rate for items recognised in equity			15.0%
Deferred tax Liabilities(b):			(116,204,562)
Deferred tax Liabilities on revaluation surplus			(28,647,841)
Net deferred tax liabilities			(144,852,403)
Deferred tax recognised in the statement of profit or loss and other comprehensive income in 2019-2020 (a-b)			<u>12,913,693</u>
Deferred tax recognised in the statement of profit or loss and other comprehensive income in 2018-2019			<u>(7,403,693)</u>

17. Short term bank borrowings

	30 June 2020	Amount in Taka 30 June 2019
Bank overdrafts		
Dhaka Bank Limited (Limit Tk.180,000,000)	77,213,282	86,077,696
	77,213,282	86,077,696
Short term bank loans		
Dhaka Bank Limited	333,617,456	485,399,085
	333,617,456	485,399,085
Current portion of long term loan (Note 14)	31,283,549	127,807,775
	31,283,549	127,807,775
	442,114,287	699,284,556

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 9.0% -12.5% per annum and is payable on quarterly rests.

18. Trade payables

Trade payables	89,547,746	53,587,152
	89,547,746	53,587,152

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

19. Liabilities for expenses

	Amount in Taka	
	30 June 2020	30 June 2019
Accrued expenses	128,588,968	97,117,035
Audit fees	450,000	482,500
Accrued interest	3,681,828	2,396,834
	132,720,796	99,996,369

20. Income tax payable

Balance as at 1 July	(35,681,115)	(32,568,508)
Add: Provision for the year	103,385,538	11,394,946
Less: AIT and treasury deposits during the year	(44,966,705)	(14,507,553)
Balance as at 30 June	22,737,718	(35,681,115)

21. Other liabilities

Salary and allowances	1,877,366	858,729
Provident fund dues	2,457,329	2,109,941
Workers' profit participation fund	16,714,134	5,418,978
Tax deducted at source	914,214	2,420
VAT deducted at source	-	809,848
Net VAT payable	16,424,262	-
Tax on salaries	600,790	1,025,940
Final settlement of staff	4,351,474	3,028,774
Corporate social responsibility project	-	374,270
Commission payable	13,420,717	8,165,323
Unpaid dividend	282,556	232,382
	57,042,842	22,026,605

22. Revenue

Net sales revenue	2,003,012,715	1,647,243,552
Toll income	70,576,231	22,148,939
	2,073,588,946	1,669,392,491

Quantitative details of sales

	Unit	30 June 2020	30 June 2019
		Quantity	Quantity
Locally manufactured products			
	Tabs	378,685,916	248,639,734
	Caps	32,207,937	26,627,792
	Amps & Suspensions	13,145,696	12,636,917

23. Cost of goods sold

	Amount in Taka	
	30 June 2020	30 June 2019
Opening stock of finished goods	99,377,976	119,998,485
Cost of production (Note 23.1)	1,031,507,041	818,843,227
Cost of goods available for sale	1,130,885,017	938,841,712
Cost of physician sample	(7,993,823)	(6,439,621)
Closing stock of finished goods	(156,163,823)	(99,377,976)
	966,727,371	833,024,115

23.1 Cost of production

	30 June 2020	Amount in Taka 30 June 2019
Opening stock of semi-finished and WIP	35,395,067	57,553,706
Materials consumed (Note 23.2)	563,093,775	384,286,478
Conversion cost (Note 23.3)	477,437,615	412,398,110
	<hr/>	<hr/>
Closing stock of semi-finished and WIP	1,075,926,457	854,238,294
	(44,419,416)	(35,395,067)
	<hr/>	<hr/>
	1,031,507,041	818,843,227

23.2 Materials Consumed

Opening stock	163,711,619	199,163,699
Purchase	598,201,400	348,834,398
Closing stock	(198,819,244)	(163,711,619)
	<hr/>	<hr/>
	563,093,775	384,286,478

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

Stock as July 1, 2019	Unit	Quantity	Value (Tk.)
Tabs	pcs.	36,149,741	57,990,530
Caps	pcs.	6,497,142	16,240,513
Amps & Suspensions	pcs.	1,473,298	25,146,933
		<hr/>	<hr/>
99,377,976			

Stock as June 30, 2020	Unit	Quantity	Value (Tk.)
Tabs	pcs.	59,388,662	89,677,865
Caps	pcs.	11,548,926	42,908,358
Amps & Suspensions	pcs.	1,416,442	23,577,599
		<hr/>	<hr/>
156,163,822			

23.3 Conversion cost

	Amount in Taka	
	30 June 2020	30 June 2019
Salaries and allowances	170,579,565	151,223,341
Power and fuel	52,893,711	40,328,051
Factory supplies	30,274,741	23,074,599
Software and hardware support expenses	1,531,525	1,372,706
Canteen expenses	8,936,659	7,582,176
Insurance	3,778,508	2,323,671
Repair and maintenance	35,074,596	26,067,334
Security services	2,184,952	2,115,683
Toll manufacturing charges	5,596,120	2,373,469
Stores materials consumed	42,183,816	39,384,600
Product development cost	30,214,066	25,103,533
Overseas travelling expenses	2,876,414	3,096,144
Factory staff uniform	2,107,949	1,745,844
Printing and stationery	1,435,995	1,115,859
Entertainment	743,696	513,977
Vehicle repair, maintenance and running cost	3,214,754	2,858,401
Local authority taxes	1,548,488	596,521
Other expenses	2,064,394	1,866,869
Depreciation (Note 4.1)	80,197,666	79,655,332
	477,437,615	412,398,110

Salaries and allowances include company's contribution to provident fund amounting to Tk. 2,048,504.

24. General and administration expenses

Salaries and allowances	52,704,065	50,241,444
Directors' fees (Note 29)	288,000	270,000
Office rent	11,454,000	10,597,350
Overseas travelling expenses	2,460,534	2,574,754
Local travelling expenses	1,143,053	1,036,923
Entertainment	807,635	577,485
Vehicle repair, maintenance and running cost	3,425,351	3,059,651
Postage, telephone and internet	1,824,772	1,751,474
Printing and stationery	703,574	643,358
Repairs and maintenance	1,271,822	966,473
Office supplies	1,181,300	1,093,223
Software and hardware support expenses	3,251,729	2,834,023
Utilities	2,101,088	1,956,937
Canteen expenses	3,078,880	2,748,550
Local authority taxes	463,682	1,294,203
Medical expenses	120,357	111,076
Insurance premium	181,869	420,402
Statutory audit fees	375,000	350,000
Legal and professional expenses	144,000	177,993
Meeting and seminars	1,777,441	1,630,000
General expenses	771,413	704,587
Depreciation (Note 4.1)	2,996,619	3,403,571
	92,526,184	88,443,477

Salaries and allowances include company's contribution to provident fund amounting to Tk. 1,088,218.

25. Selling and distribution expenses

	Amount in Taka	
	30 June 2020	30 June 2019
Salaries and allowances	275,653,657	239,172,276
Overseas travelling expenses	5,198,082	6,957,103
Local travelling expenses	61,225,363	56,824,671
Entertainment	1,077,546	732,893
Samples	11,518,571	9,200,807
Sales promotion expenses	14,086,181	20,209,322
Brand development	2,586,452	6,235,289
Product launch expenses	6,912,327	7,842,832
Sales force logistic	15,309,696	13,553,309
Welfare and corporate social responsibility	2,177,427	-
Field operation	6,130,655	7,368,570
Books and periodicals	1,115,382	1,008,359
Royalty expenses	21,388,134	8,838,005
Literature, brochure and printed materials	20,051,135	18,986,879
Distribution commission	111,757,229	91,886,707
Event, program and campaign	5,084,516	5,261,453
Sales meeting and conference	2,824,876	3,230,123
Advertisement	2,216,705	2,109,274
Vehicle repair, maintenance and running cost	4,140,124	3,731,217
Postage, telephone and internet	10,249,326	9,926,979
Printing and stationery	1,137,733	1,071,518
Medical expenses	1,577,122	1,372,228
Training expenses	2,638,389	2,421,456
Market survey and research	484,963	460,000
Registration and renewals	467,055	1,025,056
Insurance premium	2,452,723	1,436,267
Office rent	4,360,300	4,413,633
Bad debts	709,812	700,618
Utilities	752,070	834,542
General expenses	553,709	340,437
Depreciation (Note 4.1)	12,802,897	16,333,401
	608,640,157	543,485,224

Salaries and allowances include company's contribution to provident fund amounting to Tk. 5,069,183.

26. Non-operating income/(expenses)

Gain/(loss) on disposal of property, plant and equipment	24,692	93,900
Rental income	866,400	649,800
Sale of miscellaneous items	283,048	302,863
	1,174,140	1,046,563

27. Interest expenses

Interest on		
Long term loan	13,290,514	27,718,969
Short term finance	40,691,103	62,379,912
Finance lease	921,123	466,666
Bank charges	969,830	1,122,149
	55,872,570	91,687,696

28. Capacity utilisation

	Installed capacity	Actual production	Actual Utilisation
	Unit	Unit	%
Amps & Suspensions	19,822,400	14,225,790	72%
Tablet	1,322,390,400	436,886,250	33%
Capsule	56,044,880	37,125,140	66%

29. Remuneration and fees to directors

	30 June 2020	Amount in Taka
		30 June 2019
Fees (Note 24)	288,000	270,000
	288,000	270,000

30. Auditors' remuneration

Statutory audit fees	375,000	350,000
P.F. audit fees	40,000	35,000
WPPF audit fees	35,000	35,000
	450,000	420,000

31. Payments made in foreign currency

Particulars	30 June 2020		30 June 2019
	Foreign currency (Equivalent USD)	Taka	Taka
Import of raw, chemicals and packing materials	4,229,488	359,506,535	256,786,558
Import of machinery and spare parts	155,633	13,228,851	33,111,263
	372,735,386	372,735,386	289,897,821

32. 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	19,417,187	1,730,683
		Cost of services	51,318,664	4,191,977
		Asset purchase	3,430,731	-
		Dividend paid	20,026,948	-
		Gratuity	12,455,838	-
		Distribution commission	111,757,229	13,420,717

33. Capital expenditure commitment

There was no capital expenditure contracted but not incurred or provided for at 30 June 2020.

34. Contingent liabilities

- 34.1 There is a contingent liability of Tk. 75,195,722 in respect of disputed tax claim for earlier years (from AY:1996-1997 to AY: 1999-2000). This matter has been referred to the High Court for a ruling and is still pending.
- 34.2 There is additional contingent liabilities in respect of outstanding letters of credit of Tk. 91,536,648 (June 2019: Tk. 23,451,928).

35. 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 1,142 (June 2019: 1,007).

36. Events after reporting date

- 36.1 In an effort to curb the spread of COVID-19 pandemic, government announced countrywide lockdown from 26th of March imposing restrictions at varying levels on social and business activities with limited exceptions. Pharmaceuticals and other healthcare services though remained outside the purview of the lockdown, it was indeed challenging to operate, particularly ensuring the uninterrupted supply of essential medicines across the country during this disruptive period. Management however, took various mitigating measures and continued its production and supply overcoming the difficulties while giving highest priority on the health and safety of the employees. Directors are continually monitoring the local and global situation of the pandemic and taking up appropriate measures to mitigate the risks associated therewith.
With people gradually adapting to the new environment, the economy began to recover slowly in the post- balance sheet period. While there are uncertainties how the COVID-19 situations evolve and affects the business in the future, given the currently prevailing situation, directors believe that there is no material adverse effect of the pandemic on the business's continuity in the foreseeable future.
- 36.2 The Board in its meeting dated 21 October 2020 recommended that 35% cash dividend i.e. Tk. 3.50 per share, totalling Tk. 41,125,560 be paid for the year 2019-2020. The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting.

Naymul Hassan

Chairman

Rabbur Rega

Managing Director

[Signature]

Director

Beximco Pharma API Limited

DIRECTORS' REPORT 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, 2020 along with the report of the auditors thereon.

Beximco Pharma API Limited (BPAL) was incorporated in Bangladesh on December 12, 2017 as Private Limited Company under the Companies Act 1994. The Company is a fully owned Subsidiary of Beximco Pharmaceuticals Limited (BPL).

OPERATION

The Company intends to set up a API manufacturing facility at the API Industrial Park, Gajaria, Munshigang. API Industrial Park has been set up by the Government of Bangladesh to encourage and facilitate API manufacturing in Bangladesh to reduce import dependency and ensure availability of patented APIs after graduation of Bangladesh from LDC to developing nation status. Government has also promulgated National API Policy to ensure all necessary benefits and incentives that may be required by the API manufacturers in the initial years. We have 2 (two) plots in the API Park which are now fully developed to start construction. The company has identified number of APIs it intends to manufacture. It has also short listed few Indian/ Chines Technology partners evaluating their proposals. Once done, the agreements of construction shall be signed. It is expected that by the middle of Q3 of 2021 facility construction shall be started and within December 2022 the API unit will be ready for commercial production.

BOARD OF DIRECTORS

The Board of Director of BPAL consists of the following persons:

Nazmul Hassan MP, Chairman
S.M. Rabbur Reza, Managing Director,
Mohammad Ali Nawaz, Director
Afsar Uddin Ahmed, Director
Shah Monjurul Hoque, Independent Director

AUDITOR

The existing Auditors, M. J. Abedin & Co., Chartered Accountants, National Plaza, 109, Bir Uttam C. R. Datta Road, Dhaka-1205 has carried out the audit for the year ended 30 June 2020.

M. J. Abedin & Co., Chartered Accountants, National Plaza, 109, Bir Uttam C.R. Datta Road, Dhaka-1205, the Auditors of the Company has expressed their willingness to continue in office for the year 2020-21. The board after due consideration of the proposal made by the Audit Committee recommends the reappointment of M. J. Abedin & Co., Chartered Accountants as auditors for the year 2020-21.

On behalf of the Board

Nazmul Hassan

Chairman

Independent Auditors' Report
To the Shareholders of Beximco Pharma API Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Beximco Pharma API Limited, which comprise the Statement of Financial Position as at June 30, 2020, and 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 Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the Financial Position of the Company as at June 30, 2020 and of its Financial Performance and its Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those Charged with Governance 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), the Companies Act 1994, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional Skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidences that is sufficient and appropriate to provide a basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

In accordance 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 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 and;
- 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.

Dhaka
Date: October 28, 2020



M.J. Abedin & Co.
Chartered Accountants

Beximco Pharma API Limited
Statement of Financial Position
As at June 30, 2020

		Amount in Taka	
	Notes	June 30, 2020	June 30, 2019
ASSETS			
Non-current Assets		20,000,000	20,000,000
Advance against purchase of Land		20,000,000	20,000,000
Current Assets		94,685	35,525
Cash and Cash Equivalents	4	94,685	35,525
TOTAL ASSETS		20,094,685	20,035,525
EQUITY AND LIABILITIES			
Shareholders' Equity		18,376,999	18,862,199
Issued Share Capital	5	20,000,000	20,000,000
Retained Earnings		(1,623,001)	(1,137,801)
Current Liabilities		1,717,686	1,173,326
Short Term Advance		544,360	-
Creditors and Other Payables		1,153,326	1,133,326
Audit Fees Payable		20,000	40,000
TOTAL EQUITY AND LIABILITIES		20,094,685	20,035,525

The notes are an integral part of the financial statements.

Rabbur Reza
S.M. Rabbur Reza
Managing Director

Dhaka
Date: October 28, 2020

Mohammad Ali Nawaz
Mohammad Ali Nawaz
Director

Per our report of even date

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

Beximco Pharma API Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2020

	Notes	July 2019 - June 2020	Amount in Taka July 2018 - June 2019
Revenue			
Cost of Revenue		-	-
Gross Operating Profit/(Loss)		-	-
Administrative Expenses	6	(485,200)	(46,993)
Profit/(Loss) from Operations		(485,200)	(46,993)
Income Tax Expense		-	-
Net Profit/(Loss) after Tax		(485,200)	(46,993)
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss) for the Year		(485,200)	(46,993)
Earning Per Share (EPS)		(0.24)	(0.02)

The notes are an integral part of the financial statements.

Rabbur Reza
S.M. Rabbur Reza
Managing Director

Dhaka
Date: October 28, 2020

Mohammad Ali Nawaz
Mohammad Ali Nawaz
Director

Per our report of even date

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

Beximco Pharma API Limited
Statement of Changes in Equity
For the year ended June 30, 2020

Particulars	Share Capital	Retained Earnings	Amount in Taka
Balance as on July 01,2019	20,000,000	(1,137,801)	18,862,199
Net Loss for the Year	-	(485,200)	(485,200)
Balance as on June 30, 2020	20,000,000	(1,623,001)	18,376,999

Number of Shares	2,000,000
Net Assets value per share	9.19

For the year ended June 30, 2019

Particulars	Share Capital	Retained Earnings	Total
Balance as on July 01,2018	20,000,000	(1,090,808)	18,909,192
Net Loss for the Year	-	(46,993)	(46,993)
Balance as on June 30, 2019	20,000,000	(1,137,801)	18,862,199

Number of Shares	2,000,000
Net Assets value per share	9.43

The notes are an integral part of the financial statements.

Rabbur Reza

S.M. Rabbur Reza
Managing Director

Mohammad Ali Nawaz
Director

Per our report of even date

M.J. Abedin & Co.
Chartered Accountants

Dhaka
Date: October 28, 2020

Beximco Pharma API Limited
Statement of Cash Flows
For the year ended June 30, 2020

	Amount in Taka	
	July 2019 - June 2020	July 2018 - June 2019
Cash Flows from Operating Activities:		
Cash receipts from customers and others	544,360	-
Payments for expenses & others	(485,200)	(13,840)
Net Cash Generated from/(Used in) Operating Activities	59,160	(13,840)
Cash Flows from Investing Activities:		
Advance Against Purchase of Land	-	(20,000,000)
Net Cash Used in Investing Activities	-	(20,000,000)
Cash Flows from Financing Activities:		
Net Cash Generated from Financing Activities	-	-
Increase/(Decrease) in Cash and Cash Equivalents	59,160	(20,013,840)
Cash and Cash Equivalents at Beginning of Year	35,525	20,049,365
Cash and Cash Equivalents at End of Year	94,685	35,525

The notes are an integral part of the financial statements.

Rabbur Reza

S.M. Rabbur Reza
Managing Director

Mohammad Ali Nawaz
Director

Per our report of even date

M.J. Abedin & Co.
Chartered Accountants

Dhaka
Date: October 28, 2020

Beximco Pharma API Limited
Notes to the Financial Statements
As at and for the year ended June 30, 2020

1. Reporting Entity

1.01 Statutory Background of the Company

Beximco Pharma API Limited was incorporated in Bangladesh on December 12, 2017 as a Private Limited Company under the Companies Act, 1994. The Company is a fully-owned subsidiary of Beximco Pharmaceuticals Limited (BPL).

1.02 Nature of Business Activities

The company intends to set up a facility at API Industrial Park to manufacture Active Pharmaceutical Ingredients (APIs) for domestic and International markets. However, the Company is still in the initial phase of establishment and has carried out no operational activities.

2. Basis of Preparation

2.01 Basis of Measurement

The financial statements have been prepared under historical cost convention which does not take into consideration the effect of inflation.

2.02 Statement of Compliance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994 and International Financial Reporting Standards (IFRSs), and other relevant and applicable local laws and regulations.

2.03 Presentation of Financial Statements

The financial statements comprise of:

- a) Statement of Financial Position as at June 30, 2020;
- b) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2020;
- c) Statement of Changes in Shareholders' Equity for the year ended June 30, 2020;
- d) Statement of Cash Flows for the year ended June 30, 2020 and
- e) Notes, comprising summary of significant accounting policies and explanatory information.

2.04 Reporting Period

Financial Statements of the company cover the period of 12 months from July 01, 2019 to June 30, 2020.

3. 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.

	Amount in Taka	
	June 30, 2020	June 30, 2019

4. Cash and Cash Equivalents

This represents Cash at Bank with Current Account (IFIC Bank Limited, Dhamondi Branch)

94,685	35,525
94,685	35,525

5. Issued Share Capital

A. Authorized:

100,000,000 Ordinary Shares of taka 10 each

1,000,000,000	1,000,000,000
1,000,000,000	1,000,000,000

B. Issued and Paid-up:

2,000,000 Ordinary Shares of taka 10 each paid in cash

20,000,000	20,000,000
20,000,000	20,000,000

C. Composition of Shareholding of Ordinary Shares

	No. of Shares	% of Shares Capital
Beximco Pharmaceuticals Limited	1,999,990	99.9995
S.M. Rabbur Reza	10	0.0005
	2,000,000	100

6. Administrative Expenses

	July 2019 - June 2020	July 2018 - June 2019
Legal Expenses	-	13,153
Audit Fees	20,000	20,000
Bank Charges	840	13,840
Entertainment	328,460	-
Other Expenses	135,900	-
	485,200	46,993

Rabbur Reza

S.M. Rabbur Reza
Managing Director

Mohammad Ali Nawaz
Director

Dhaka
Date: October 28, 2020

Notice of Annual General Meeting

BEXIMCO PHARMACEUTICALS LIMITED

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

NOTICE OF THE FORTY-FOURTH ANNUAL GENERAL MEETING

Notice is hereby given that the 44th Annual General Meeting of the Shareholders of Beximco Pharmaceuticals Limited will be held virtually on Saturday, the 19th December, 2020 at 10.30 a.m. 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, 2020 together with reports of the Auditors and the Directors thereon.
2. To declare 15% cash dividend and 10% stock dividend.
3. To elect Directors.
4. To approve the appointment of Independent Director.
5. To appoint Auditors for the year 2020-21 and to fix their remuneration.
6. To appoint Corporate Governance Compliance Auditor for the year 2020-21 and to fix remuneration.

By order of the Board,



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

Dated: November 18, 2020

NOTES:

- (1) The Shareholders whose names will appear in the Share Register of the Company or in the Depository Register on the record date i.e. 25 November, 2020, 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) Annual Report for the year 2019-20 will be sent through e-mail address of the Shareholders and will be available in the Website of the Company at: www.beximcopharma.com.
- (4) The Shareholders will join the Virtual AGM through the link <https://bxpharma.bdvirtualagm.com>. The Shareholders will be able to submit their questions/comments and vote electronically 1 (one) hour before commencement of the AGM and also during the AGM. For logging in to the system, the Shareholders need to put their 16-digit Beneficial Owner (BO) ID/Folio Number and other credential as proof by visiting the said link.
- (5) We encourage the Shareholders to login into the system prior to the meeting. Please allow ample time to login and establish your connectivity. For any IT related guidance, Shareholders may contact vide email : monir@beximco.net or mazibur@beximco.net .

Frequently Asked Questions (FAQs) on Virtual Shareholders' Meeting

1. Why is this Annual General Meeting (AGM) will only be held under virtual platform?

In light of the prevailing COVID-19 situation in Bangladesh and considering the health and safety of all shareholders, members and others, a listed company can arrange virtual shareholders meeting which may be conducted via live webcast by using digital platform to avoid large gathering at one place and also to maintain social distancing. In this connection, Bangladesh Securities and Exchange Commission has issued a directive, vide order no. SEC/SRMIC/04-231/932 dated 24 March, 2020. Under this circumstance, Beximco Pharmaceuticals Limited has planned to arrange its 44th AGM virtually by using digital platform.

2. Who are entitled to participate in the AGM?

The Shareholders, whose names will appear in the Share Register of the Company or in the Depository Register on the record date i.e. 25 November, 2020, will be entitled to attend at the Annual General Meeting and to receive the dividend.

3. How can I participate in the AGM?

The Shareholders will join the Virtual AGM through the link- <https://bxpharma.bdvirtualagm.com/>
For logging in to the system, the Shareholders need to put their 16-digit Beneficial Owner (BO) ID/Folio Number and other credential as proof by visiting the said link. We encourage the Shareholders to login into the system prior to the meeting.
Please allow ample time to login and establish your connectivity.

4. How can I submit questions/comments prior to and during the meeting?

The Shareholders will be able to submit their questions/comments electronically one (1) hour before commencement of the AGM and also during the AGM by visiting the link-<https://bxpharma.bdvirtualagm.com/>

5. How the Company will address our questions/comments?

During the live Q&A session on the AGM day, the Board and the Management will try to answer the relevant questions, which will be submitted through the system and email prior to or during the meeting. However, Beximco Pharma reserves the right to edit and reject questions if it deems impudent or otherwise inappropriate.

6. How can I vote my shares in the AGM?

You can vote your shares electronically one (1) hour prior to commencement of the AGM and during the AGM by visiting the link <https://bxpharma.bdvirtualagm.com/>

7. How can I submit Proxy Form?

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.

8. What If I have technical difficulties or trouble accessing the virtual meeting?

For any IT related guidance, Shareholders may contact vide email: monir@beximco.net or mazibur@beximco.net



Proxy Form



BEXIMCO PHARMACEUTICALS LIMITED
17, DHANMONDI R/A, ROAD NO. 2, DHAKA-1205, BANGLADESH

I/Weof.....

.....being a member of Beximco Pharmaceuticals Limited hereby appoint

Mr./Ms./Miss.....of.....

.....as my proxy to attend and vote for me on my behalf
at the 44th Annual General Meeting of the Company to be held on Saturday, the 19th December, 2020 at 10.30 a.m. under virtual
platform and at any adjournment thereof.

As witness my hand this.....day of December, 2020.

Signed by the said in presence.....

Revenue
Stamp
Tk. 20.00

.....
(Signature of Proxy)
Shareholder(s)

.....
Signature of

Dated:

Register Folio / BOID No.:

Dated:

.....
(Signature of Witness)

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

.....
Signature Verified

.....
Authorised Signatory

www.beximcopharma.com



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BEXIMCO PHARMACEUTICALS LIMITED