

Ambee Pharmaceuticals Limited
Financial Statement (Audited)
AS on 31st December 2013

AMBEE PHARMACEUTICALS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

ASSETS	NOTES	Amount in Taka	
		2013	2012
Non-Current Assets			
Property, Plant & Equipment	4	48,808,929	51,700,815
Current Assets		291,152,854	227,132,817
Inventories	5	133,329,534	119,872,967
Accounts Receivables	6	73,261,782	42,992,309
Advances, Deposits and Pre-payments	7	61,136,280	56,080,464
Cash and Cash Equivalents	8	23,425,258	8,187,077
Total Assets		339,961,783	278,833,632
EQUITY AND LIABILITIES			
Capital and Reserves		53,579,454	52,279,079
Share Capital	9	20,000,000	20,000,000
Tax-Holiday Reserve	10	5,134,154	5,134,154
Retained Earnings- As par statement of changes in equity		28,445,300	27,144,925
Non Current Liabilities			
Deferred Tax Liability		8,507,788	8,054,165
Current Liabilities and Provisions		277,874,541	218,500,388
Short Term Loan (secured)		141,189,131	103,892,826
Interest Payable		10,759,690	3,499,270
Trade and Other Payables		10,102,225	10,495,497
Accrued Expenses		18,200,484	27,775,395
Workers' Profit Participation Fund		1,870,509	1,034,943
Liabilities for other finance		67,523,044	47,408,269
Provision for Taxation	11	26,567,567	23,101,492
Unclaimed Dividend		1,661,890	1,292,696
		339,961,783	278,833,632

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

Approved and authorised for issue by the board of directors on 15 May 2014 and signed for and on behalf of the Board.

(Naureen Aziz M. Bhai)
Managing Director

(Nurjehan Hudda)
Director

(A. K. M. Khairul Aziz)
Chief financial officer

As per our report of even date

Dhaka
15 May 2014

SARWAR SALAMAT & CO
Chartered Accountants

AMBEE PHARMACEUTICALS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	NOTES	Amount in Taka	
		2013	2012
Revenue (Turnover) from Net Sales	12	342,972,431	281,084,880
Cost of Goods Sold	13	(163,324,226)	(132,352,513)
Gross Profit		179,648,205	148,732,367
OPERATING EXPENSES :		(167,206,023)	(139,207,905)
Administrative Expenses	14	18,689,414	11,534,569
Marketing & Selling Expenses	15	134,101,621	114,267,720
Financial Expenses	16	14,414,988	13,405,616
Other Income		-	500,944
OPERATING PROFIT		12,442,182	10,025,406
Contribution to Workers' Profit Participation Fund	17	(622,109)	(501,270)
NET PROFIT BEFORE TAX		11,820,073	9,524,136
Provision for Current tax		(3,466,075)	(2,544,936)
Deferred Tax Income / (Expenses)		(453,623)	891,176
		(3,919,698)	(1,653,760)
NET PROFIT AFTER TAX transferred to Statement of Changes in Equity		7,900,375	7,870,376
Number of Shares		2,000,000	2,000,000
Earnings per share (EPS) basic	18	3.95	3.94

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Chartered Accountants

AMBEE PHARMACEUTICALS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Amount in Taka	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES :		
Collections from turnover	312,702,958	284,974,449
Payments for cost and expenses	(306,880,105)	(262,716,274)
Income tax paid	(3,698,392)	(4,096,039)
Cash Generated From Operating Activities	2,124,461	18,162,136
CASH FLOWS FROM INVESTMENT ACTIVITIES :		
Acquisition of fixed assets	(770,249)	(1,097,200)
Sale of fixed assets	-	560,000
Cash Generated From Investment Activities	(770,249)	(537,200)
CASH FLOWS FROM FINANCING ACTIVITIES :		
Other Finance	20,114,775	(5,257,425)
Dividend paid	(6,230,806)	(6,310,512)
Cash Generated From Financial Activities	13,883,969	(11,567,937)
Increase/(Decrease) in cash and cash equivalents	15,238,181	6,056,999
Opening cash and cash equivalents	8,187,077	2,130,078
Closing cash and cash equivalents	23,425,258	8,187,077

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Dhaka
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SARWAR SALAMAT & CO
Chartered Accountants

AMBEE PHARMACEUTICALS LIMITED
Statement of Changes in Equity
FOR THE YEAR ENDED 31 DECEMBER 2013

Particulars		Tax Holiday	Retained	
	Share Capital	Reserve	Earnings	Total
Balance as on 31 December 2012	20,000,000	5,134,154	27,144,925	52,279,079
Dividend for year the 2012	-	-	(6,600,000)	(6,600,000)
Net Profit after Tax for the year	-	-	7,900,375	7,900,375
Balance as on 31 December 2013	20,000,000	5,134,154	28,445,300	53,579,454

Statement of Changes in Equity
FOR THE YEAR ENDED 31 DECEMBER 2012

Particulars		Tax Holiday	Retained	
	Share Capital	Reserve	Earnings	Total
Balance as on 31 December 2011	20,000,000	5,134,154	25,274,549	50,408,703
Dividend for year the 2011	-	-	(6,000,000)	(6,000,000)
Net Profit after Tax for the year	-	-	7,870,376	7,870,376
Balance as on 31 December 2012	20,000,000	5,134,154	27,144,925	52,279,079

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Dhaka
15 May 2014

SARWAR SALAMAT & CO.
Chartered Accountants

Ambee Pharmaceuticals Limited
Accounting Policies and Explanatory Notes to the Financial Statements
as at and for the Year Ended 31 December 2013

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

The Domicile, Legal Form and Address

The Ambee Pharmaceuticals Limited (the "Company"), was incorporated in Bangladesh as a public company on 4th February, 1976. It commenced commercial operation in 1978 and went for public issue of shares in 1986. The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges of Bangladesh.

The registered office of the company is located at 184/1, Tejgaon I/A, Dhaka - 1208 and the manufacturing plant is located at same place at 184/1, Tejgaon I/A, Dhaka - 1208.

Nature of Operations and Principal Activities

During the year, the principal activities of the company were manufacturing of pharmaceuticals drugs and medicines and sales thereof.

2. Basis of Presenting Financial Statements

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

Going concern;

Accrual;

Historical Cost Convention;

Generally Accepted Accounting Principles and Practices in Bangladesh;

The Companies Act 1994;

The Securities and Exchange Rules, 1987;

The Listing Regulations of Dhaka and Chittagong Stock Exchanges ; and

The Bangladesh Accounting Standards (BAS).

The preparation of financial statements in conformity with Bangladesh accounting standards requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and

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

Following are the accounting policies relating to recognition and valuation of items in financial statements:

(a) Recognition of Income

In conformity with the requirements of provisions of BAS-18 "Revenue," Vat as included in sales price and collected on behalf of customers is not considered as "Revenue".

(b) Property, Plant and Equipment

These are initially stated at cost of acquisition and subsequently stated at cost less accumulated depreciation. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. In respect of major projects involving construction, related pre-operational expenses form part of the value of asset capitalized. Expenses capitalized also include pre-operational borrowing cost. Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

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

(c) Depreciation

Property, Plant and Equipments are stated at their cost less accumulated depreciation in accordance with BAS 16 "Property, Plant and Equipment". Cost represents cost of acquisition or construction and Capitalization of Pre-production expenditure including interest during construction period. Uninstalled machinery represents cost of procurement. No depreciation is charged on leasehold land, capital work in progress and un-installed machinery. Depreciation is on all other property, plant and equipments are computed using the reducing balance method.

The annual depreciation rates applicable to the principal categories are:

Factory Building	2.5%
Plant and Machinery	7.0%
Deep Tube Well	15.0%
Diesel Generating Set	15.0%
Loose Tools	15.0%
Laboratory Equipment	10.0%
Electrical Installation	10.0%
Laboratory Glassware	15.0%
Production Equipment	10.0%
Transport and Vehicles	20.0%
Motor Cycle	20.0%
Furniture and Fixtures	10.0%
Office Equipment	15.0%
Office By- cycles	20.0%
Books	15.0%

(d) Impairment

Carrying amount of the company's assets are reviewed at each balance sheet date or whenever there is an indication of impairment. If any such indication exist, the assets 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 loss, if any, is recognized in the profit and loss account.

(e) Capital Work-In- Progress

Amount paid to acquire fixed assets and the cost of assets not put to use before the year end are disclosed under work-in-progress.

(f) Research and Development Expenses

Research cost are expensed in the period in which they are incurred.

Development cost are also expensed when incurred instead of recognition as an asset due to the uncertainty of the related future economic benefits.

(g) Advertising and Promotional Expenses

All costs associated with advertising and promoting products are expenses in the year incurred.

(h) Borrowing Costs

Borrowing costs are charged as expenses.

(i) Inventories

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

The cost is calculated on first in first out method consistently. Costs comprise expenditure incurred in the normal course of business in bringing such inventories to its location and conditions. Where necessary, provision is made for obsolete, slow moving and defective inventories (if any) identified at the time of physical verification of inventories.

Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

(j) Accounts Receivable

These are carried at original invoice amount which represents net realisable value only. This is considered good and collectible, and therefore, no amount was written off as bad debt and no debt was considered doubtful to provide for.

(k) Cash and Cash Equivalents

Cash in hand and cash at banks have been considered as the cash and cash equivalents for preparation of these financial statements as there were insignificant risk of changes in value of these current assets.

(l) Other Current Assets

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

(m) Lease

Fixed assets acquired under leases are considered as finance lease as required by Bangladesh Accounting Standard.

(n) Income Taxes

i. Current Tax

Current tax has been provided on the estimated taxable profit for the year under review @ 27.5%, being the tax rate applicable for publicly traded company.

ii. Deferred tax

The company has adopted deferred tax in compliance with the provisions of Bangladesh Accounting Standard (BAS)-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 purposes and its tax base, and accordingly deferred tax income / expenses has been considered to determine net profit after tax and earnings per share (EPS).

(o) Provisions for cost of post employment benefits

The Company operates a contributory provident fund for its Head Office Staff. Assets of provident fund are held in a separate trustee who administrated fund as per the relevant rules and is funded by payments from employees and by the Company at pre-determined rates. The company's contribution to the provident fund is charged off as revenue expenditure in the period to which the contributions relate.

(p) Other corporate debt, accounts payable, trade and other liabilities.

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

(q) Provisions

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

(r) Proposed Dividend

Dividend proposed by the board of directors for the year under review shall be accounted for after the approval of the shareholders in the annual general meeting.

(s) Earnings Per Share (EPS)

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

Basic Earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Weighted Average Number of Ordinary Shares Outstanding During the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the period.

Diluted Earnings Per Share

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

(t) Foreign Currencies

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

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchange ruling at that date. But there were no monetary assets and liabilities in foreign currencies at the balance sheet date.

4.00 PROPERTY, PLANT & EQUIPMENT

Particulars	C O S T				Rate %	D E P R E C I A T I O N				Net Book Value as on 31.12.2013
	As on 01.01.2013	Addition during year	Adjustment during year	As on 31.12.2013		As on 01.01.2013	Adjustment during year	For the year	As on 31.12.2013	
Existing Units -1										
Leasehold Land	1,215,803	-	-	1,215,803	-	-	-	-	-	1,215,803
Factory Building	24,304,253	-	-	24,304,253	2.5	11,959,988	-	308,607	12,268,595	12,035,658
Plant and Machinery	57,735,186	-	-	57,735,186	7	38,251,060	-	1,363,889	39,614,949	18,120,237
Deep Tube Well	1,125,000	-	-	1,125,000	15	699,043	-	63,894	762,937	362,063
Diesel Generating Set	402,000	-	-	402,000	15	225,879	-	26,418	252,297	149,703
Loose Tools	98,001	-	-	98,001	15	87,049	-	1,643	88,692	9,309
Laboratory Equipment	2,987,336	12,820	-	3,000,156	10	1,482,779	-	150,456	1,633,235	1,366,921
Electrical Installation	46,318	55,750	-	102,068	10	26,527	-	1,979	28,506	73,562
Laboratory Glass Ware	41,626	-	-	41,626	15	41,226	-	60	41,286	340
Production Equipment	1,220,541	-	-	1,220,541	10	396,612	-	82,393	479,005	741,536
Transport and Vehicles	6,602,162	-	-	6,602,162	20	6,090,217	-	127,986	6,218,203	383,959
Motorcycle	6,750,500	-	-	6,750,500	20	4,980,897	-	353,921	5,334,818	1,415,682
Furniture and Fixtures	3,305,449	101,637	-	3,407,086	10	1,755,440	-	155,001	1,910,441	1,496,645
Office Equipment	9,744,806	600,042	-	10,344,848	15	6,213,928	-	529,632	6,743,560	3,601,289
Office By-cycles	15,962	-	-	15,962	20	14,726	-	247	14,973	989
Books	98,060	-	-	98,060	15	74,777	-	3,492	78,269	19,791
Sub Total	115,693,003	770,249	-	116,463,252		72,300,148	-	3,169,616	75,469,764	40,993,488
Injectable (Ampoule) Unit -2										
Factory Building	3,627,409	-	-	3,627,409	2.5	823,146	-	70,107	893,253	2,734,156
Plant and Machinery	10,109,773	-	-	10,109,773	7	5,152,655	-	346,998	5,499,654	4,610,119
Production Equipment	80,500	-	-	80,500	10	48,791	-	3,171	51,962	28,538
Transport and Vehicles	2,235,000	-	-	2,235,000	20	2,027,446	-	41,511	2,068,957	166,043
Furniture and Fixture	930,903	-	-	930,903	10	623,587	-	30,732	654,319	276,584
Sub Total	16,983,585	-	-	16,983,585		8,675,626	-	492,518	9,168,144	7,815,441
December 31, 2013 Tk.	132,676,588	770,249	-	133,446,837		80,975,774	-	3,662,135	84,637,908	48,808,929
December 31, 2012 Tk.	132,179,388	1,097,200	(600,000)	132,676,588		77,717,857	(540,944)	3,798,860	80,975,773	51,700,815

Note : Depreciation Charged to :

Cost of Goods Sold (Note - 13)
Administrative Expenses (Note - 14)

	31-12-2013	31-12-2012
	2,491,856	2,584,412
	1,170,279	1,214,448
Tk.	3,662,135	3,798,860

		Amount in Taka	
		2013	2012
5.00 INVENTORIES			
Raw materials		45,812,353	24,189,437
Packing materials		22,812,655	19,414,504
Promotional materials		1,538,809	3,458,548
Work-in-process		3,819,210	9,675,699
Finished goods		59,147,839	62,637,790
Materials-in-transit		198,668	496,989
		133,329,534	119,872,967
6.00 ACCOUNTS RECEIVABLES			
a)	Accounts Receivables of Tk. 73,261,782 (2012 - 42,992,309) is considered good in respect of which the company holds no security other than the debtors personal security.		
b)	No amount was due by the associated undertakings.		
c)	No amount was due by the directors (including Managing director), managing agents, managers and other officers of the company and any of them severally or jointly with any other person.		
(d)	Debtors outstanding for a period		
	Above six months	Tk. 47,244,280	
	Below six months	Tk. 26,017,502	
7.00 ADVANCES, DEPOSITS AND PRE-PAYMENTS			
a)	Advances	58,592,377	51,022,843
b)	Deposit and Prepayments	2,543,903	5,057,621
		61,136,280	56,080,464
a) Advances			
	Advances to staff	1,525,105	3,079,905
	Advance Rent	616,000	-
	Income tax	28,253,683	24,555,291
	Against purchases and expenses	18,480,706	13,826,627
	Associated Undertaking	9,716,883	9,561,020
	Sub total	58,592,377	51,022,843
b) Deposit and Prepayments			
	VAT deposit	153,463	981,824
	L/C Margin	1,034,000	2,406,000
	Guarantee Margin	20,175	20,715
	Other Deposits	1,311,265	1,624,082
	Pre-payments	25,000	25,000
	Sub total	2,543,903	5,057,621
8.00 CASH AND CASH EQUIVALENTS			
	In hand	574,441	214,029
	At banks:	22,850,817	7,973,048
	In current account	12,769,302	7,891,533
	In FDR	10,000,000	-
	In in-operative account	81,515	81,515
		23,425,258	8,187,077

Amount in Taka	
2013	2012

09.00 ISSUED SHARE CAPITAL

AUTHORISED

2,500,000 Ordinary Shares of Tk. 10 each

25,000,000

25,000,000

Issued, Subscribed and paid-up Capital

1,821,008 Ordinary Shares of Tk. 10 each

fully paid up in cash

18,210,080

18,210,080

178,992 Ordinary Shares of Tk. 10 each paid-up

in full for consideration other-wise than

in cash

1,789,920

1,789,920

20,000,000

20,000,000

a) The break-up of share-holding is given below :

	2013		2012	
	No of Shares	%	No of Shares	%
Sponsors, Directors and Associates	1,326,108	66.31	1,295,958	64.80
ICB (Investment Corporation of Bangladesh)	65,000	3.25	94,030	4.70
Foreign Investors	178,992	8.95	178,992	8.95
General Public	429,900	21.50	431,020	21.55
	2,000,000	100	2,000,000	100

b) The distribution schedule showing the number of shareholders' and their shareholdings in Percentage has been disclosed as a requirement of the "Listing Regulation" of Dhaka and Chittagong Stock Exchanges as on 31st December, 2013.

Range of Holdings	Number of Shareholders	No.of Shares	Holdings %
Less than 500 shares	3,804	230,870	11.54%
501 to 5,000 shares	163	198,130	9.91%
5,001 to 10,000 shares	7	45,850	2.29%
10,001 to 20,000 shares	-	-	-
20,001 to 30,000 shares	1	20,100	1.01%
30,001 to 40,000 shares	2	80,000	4.00%
40,001 to 50,000 shares	1	40,100	2.01%
50,001 to 100,000 shares	-	-	-
100,001 to 1,000,000 shares	1	178,992	8.95%
Over 1,000,000 shares	1	1,205,958	60.30%
	3,980	2,000,000	100%

c) **Market Price :**

The shares are listed in the Dhaka and Chittagong Stock Exchanges, on 31.12.2013 each share was quoted at Tk. 259.00 (on 2012 - Tk. 226.70) in the Dhaka Stock Exchange Ltd. and Tk. 257.00 (on 2012 - Tk. 230.00) in the Chittagong Stock Exchange Ltd.

d) **Option on unissued shares :**

There is no option regarding authorised capital not yet issued but can be used to increase the issued, subscribed and paid-up capital through the issuance of new shares against cash contributions and bonus.

10.00 TAX-HOLIDAY RESERVE

This is being provided out of Tax-Holiday Profit to invest in the same undertaking or in any new industrial undertaking or in stocks and shares of a public company or in government bonds or securities or for other purposes as specified in this respect as one of the condition of granting Tax Holiday.

Amount in Taka	
2013	2012

11.00 PROVISION FOR TAXATION

Opening Balance	23,101,492	20,556,556
Provision for the year	3,466,075	2,544,936
	26,567,567	23,101,492

Income tax assessment upto 31.12.2008 is completed. Assessment for the years 2010, 2011, & 2012 are finalized and in appeal. Income tax assessment for the year 2013 is filed for assessment.

12.00 REVENUE (TURNOVER) FROM NET SALES

Local Sales	341,112,218	275,712,615
Export Sales to Myanmar 2013 (US\$ 23,700) 2012 (US\$ 66,234)	1,860,213	5,372,265
	342,972,431	281,084,880

Sales Quantity :

Tablet	Pcs.	104,199,458	168,449,359
Capsules	Pcs.	35,702,503	16,478,942
Bottle	Unit	296,943	584,888
Ointment	Pcs.	44,219	90,699
Injection	Ampoule	2,407,129	1,534,614

13.00 COST OF GOODS SOLD

Work-in-process (Opening)	9,675,699	10,786,568
Raw materials consumed - (.01)	69,351,879	64,054,459
Packing materials consumed - (.02)	54,851,928	41,399,786
Promotional materials consumed -(.03)	3,317,006	1,411,031
Factory overhead -(.04)	26,782,274	25,067,195
Depreciation	2,491,856	2,584,412
Work-in-process (Closing)	(3,819,210)	(9,675,699)
Cost of production	162,651,431	135,627,752
Stock of finished goods (Opening)	62,637,790	62,069,397
Stock of finished goods (Closing)	(59,147,839)	(62,637,790)
Cost of free samples	(2,817,156)	(2,706,846)
	163,324,226	132,352,513

(.01) Raw Materials Consumed

	Active Ingredients (kg)	Recipients (kg)	E.H.G. Capsules (pcs)		
Opening Stock	7,421	68,235	4,197,580	24,189,437	24,903,225
Purchase	30,857	212,702	48,033,889	90,974,795	63,340,671
Closing Stock	(8,365)	(124,545)	(9,041,127)	(45,812,353)	(24,189,437)
	29,913	156,392	43,190,342	69,351,879	64,054,459

Raw materials consumed is 84.16 % imported.

(.02) Packing Materials Consumed

Opening Stock	19,414,504	18,831,128
Purchase	58,249,777	41,983,162
Closing Stock	(22,812,353)	(19,414,504)
	54,851,928	41,399,786

Packing materials consumed is 45.99 % imported.

Particulars in respect of quantity of each packing materials as well as value of each class of packing materials are not given as number of items as well as classes of items are large.

	Amount in Taka	
	2013	2012
(.03) Promotional Materials Consumed		
Opening Stock	3,458,548	3,576,819
Purchase	1,397,267	1,292,760
Closing Stock	(1,538,809)	(3,458,548)
	3,317,006	1,411,031

Particulars in respect of quantity of each promotional materials as well as value of each class of promotional materials are not given as number of items as well as classes of items are large.

(.04) FACTORY OVERHEAD

Salary, wages and allowances	19,325,091	19,043,175
Overtime allowances	128,925	11,470
Rent, rates and taxes	200,000	326,789
Electricity, Gas and Water	845,903	784,545
Car expenses	700	67,220
Bank charges	-	747
Conveyance	77,959	53,815
Entertainment	127,538	77,389
Printing and Stationery	214,215	219,878
Repairs and maintenance	987,233	849,156
Telephone	120,821	153,992
Security expenses	-	32,180
Indirect materials-Packing	619,112	321,427
Fees and Commissions	251,100	247,730
Newspaper and periodicals	1,986	42,895
Uniform	156,000	30,680
General Expenses	189,099	107,470
Washing and laundry expenses	87,143	8,487
Research and Development	-	900
Power & Fuel	3,449,449	2,687,250
	26,782,274	25,067,195

14.00 ADMINISTRATIVE EXPENSES

Salary and allowances	7,422,612	4,808,364
Directors' Remuneration	4,200,000	2,400,000
Bonus	169,700	161,650
Car expenses	595,846	276,946
Bank Charges	69,511	36,048
Conveyance	136,511	119,387
Entertainment	421,241	87,049
Travelling Expenses	431,995	-
Postage expenses	39,463	36,999
Printing and Stationery	273,654	221,435
Electricity, Gas and Water	996,217	-
Repairs and maintenance	595,296	144,467
Telephone	662,430	579,427
Fees and commissions	82,202	52,300
Membership subscription	81,882	70,564
Audit fees (Statutory)	150,000	125,000
Insurance premium	265,930	267,465
Legal and professional charges	429,000	229,000
Companies Development (Software Programme)	-	300,000
AGM expenses	389,200	328,838
Advertisement & Publicity	106,446	75,182
Depreciation	1,170,279	1,214,448
	18,689,414	11,534,569

	Amount in Taka	
	2013	2012
15.00 MARKETING AND SELLING EXPENSES		
Salary and allowances	81,518,486	70,460,396
Incentive Bonus	1,916,008	1,103,417
Rent, rates and taxes	3,350,910	1,531,837
Car expenses	146,093	173,844
Bank charges	1,086,602	464,162
Conveyance	319,173	378,899
Entertainment	327,607	323,820
Postage expenses	31,268	14,340
Printing and Stationery	673,963	605,137
Repairs and maintenance	503,656	506,077
Telephone	1,157,352	1,035,148
Security expenses	15,340	13,950
Electricity, Gas and Water	357,970	282,047
Fees and commissions	32,080	4,190
Insurance Premium	-	1,043
TA/DA of MR and others	16,199,951	15,838,864
Legal and professional charges	5,300	-
Market Development Expenses	4,500	-
Medical expenses	200	15,000
General expenses	8,108	20,583
Meeting/Conference/Training expenses	1,703,348	1,238,733
Delivery Van expenses	889,599	886,838
Delivery expenses	19,471,039	14,943,457
Free Sample	4,303,068	4,168,938
Export expenses	80,000	257,000
	134,101,621	114,267,720
16.00 FINANCIAL EXPENSES		
Interest on Overdraft	14,201,531	13,405,616
Interest on WPPF	213,457	-
	14,414,988	13,405,616
17.00 CONTRIBUTION TO WORKERS PROFIT PARTICIPATION FUND		
This represents 5% of net profit before charging the contribution for the year provided as per provisions of the Companies Profit (Workers Participation) Act, 1968 and is payable to workers as defined in the said Act.		
18.00 BASIC EARNING PER SHARE (EPS)		
Earning attributable to the Ordinary Shareholders (Net profit after tax)	7,900,375	7,870,376
Weighted average number of Ordinary shares outstanding during the year	2,000,000	2,000,000
	3.95	3.94
19.00 NET ASSETS VALUE (NAV)		
Net Assets	53,579,454	52,279,079
Weighted average number of Ordinary shares outstanding during the year	2,000,000	2,000,000
	26.80	26.14
20.00 NET OPERATING CASH FLOW PER SHARE		
Cash flows from operating activities as per Statement of cash flows	2,124,461	11,735,670
Weighted average number of Ordinary shares outstanding during the year	2,000,000	2,000,000
	1.06	5.87
21.00 THIS REPRESENTS GAIN/(LOSS) ON SALES OF THE FOLLOWING FIXED ASSETS		

	Amount in Taka	
	2013	2012
Cost		
Transport and Vehicales	-	600,000
Less: Accumulated Depreciation	-	(540,944)
Written down value		59,056
Sale proceeds of above fixed assets	-	560,000
Total gain/ (loss) on sales of fixed assets	-	500,944

Gain on sale of Asset has been shown as Other Income.

22.00 APPROPRIATION DURING THE YEAR

In accordance with BAS 1 "Presentation of Financial Statements", the appropriations for the year other than proposed dividend for 2013 are reflected in the statement of changes in equity.

The net profit for the year carried forward in the balance sheet will be applied for payment of this year's dividend proposed by the board of directors @ 20% Stock dividend and 15% Cash dividend and will be accounted for in the accounts as and when approved by the shareholders in the annual general meeting. The total amount of proposed dividend for the year 2013 is Tk. 7,000,000.

23.00 PAYMENT/PERQUISITES TO DIRECTORS AND OFFICERS

	Managing Director	Officers
Salary and allowances	-	14,712,000
Remuneration	3,990,000	-
Bonus	-	6,123,000
Entertainment allowance	210,000	-

The rate of Board meeting attendance fee per meeting per member is Tk.750 but no fees were drawn by the directors during the year under review.

No amount of money was spent by the Company for compensating any member of the Board, other than the managing director, for rendering special services.

24.00 NATURE OF SECURITY OF LOAN FROM NBP

The loan is secured against hypothecation on stocks, fixed assets, land and all other usual charge documents.

25.00 PLANT CAPACITY AND CAPACITY UTILISATION

Products	On single shift basis		Remarks
	Production capacity	Actual production	
Tablet group (Pcs)	126,000,000	147,285,171	Due to overtime work for increasing demand
Capsule group (Pcs)	120,960,000	46,403,670	As per market demand
Suspension group (Phials)	2,160,000	408,983	-do-
Injectable (Ampoules)	10,368,000	1,984,350	-do-

Amount in Taka	
2013	2012

26.00 There was no general nature of credit facilities available to the company under any contract, other than trade credit available in the ordinary course of business and not availed of as on 31.12.2013.

27.00 Contingent Liability

There was no sum for which the company was contingently liable as on 31.12.2013.

28.00 Capital Expenditure Commitment

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

There was no material capital expenditure authorised by the Board but not contracted for at December 31,2013.

29.00 Payments made in Foreign currency

2,013	2,012
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Import of Raw material	65,060,133	42,501,590
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Import of Packing material	22,876,782	18,166,114
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No other expenses including royalty, technical expert and professional advisory fees, interest etc. was incurred or paid in foreign currencies except as stated above.

30.00 Related Party Transactions - Disclosure under IAS 24 "Related Party Disclosure"

During the year under review, the company carried out transactions with Mr. Aziz Mohammad Bhai, managing director, of the company, amount payable at the year end against above transactions was 10,837,196 which is included in liabilities for other finance.

A sum of Tk. 7,806,502 payable to Olympic Industries Ltd. as on 31.12.2013 is included in trade & other payable.

A sum of Tk. 9,618,897 and 97,986 are due from Bengal Steel Works Ltd. and Ambee Films Ltd. Accordingly.

31.00 Foreign Exchange Earned

A sum of Tk. 1,860,213 (equivalent to US\$ 23,700) was earned/received by the Company in foreign Currency during the year under review against export of Medicine to Myanmar.

32.00 Post Closing Events

Following events have occurred since the balance sheet date:

(a) Subsequent to the balance sheet date, the Board of Directors recommended 20% (twenty percent) stock dividend i.e 1 (one) fully paid ordinary share for 5 (five) ordinary shares and 15% (fifteen percent) cash dividend i.e Taka 1.5/- (one and half) per share which will be recognized in the accounts as and when approved by the shareholders in the Annual General Meeting.

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

33.00 Comparative Figures

Certain comparative figures have been reclassified from statements previously presented to conform to the presentation adopted during the year ended 31 December 2013.

34.00 Approval of the Financial Statements

These financial statements were authorized for issue in accordance with a resolution of the Company's board of directors on 15 May 2014.

(Naureen Aziz Mohammad Bhai)
Managing Director

(Nurjehan Hudda)
Director

(A. K. M. Khairul Aziz)
Chief financial officer

Dhaka
15 May 2014