

**Ambee Pharmaceuticals Limited**  
**Financial Statement (Audited)**  
**AS on 31st December 2014**

**AMBEE PHARMACEUTICALS LIMITED****Statement of Financial Position**  
**as at 31 December, 2014.**

Particulars	Notes	Amount in Taka	
		31.12.2014	31.12.2013
<b>ASSETS</b>			
Non-Current Assets			
Property, Plant & Equipment (at carrying amount)	4	46,951,704	48,808,929
Capital Work in Progress (Plant and Machinery under Installation)		2,772,648	-
Total non-current assets		<b>49,724,351</b>	<b>48,808,929</b>
Current Assets			
Inventories	5	183,503,117	133,329,534
Trade Receivables	6	81,641,418	73,261,782
Advances, Deposits and Pre-payments	7	75,621,881	61,136,280
Short Term Investment		10,900,003	10,000,000
Cash & Cash Equivalents	8	15,676,469	13,425,258
<b>Total current assets</b>		<b>367,342,889</b>	<b>291,152,854</b>
Total Assets		<b>417,067,240</b>	<b>339,961,783</b>
Equity and liabilities			
Equity attributable to owners of the company			
Share Capital	9	24,000,000	20,000,000
Tax-Holiday Reserve	10	5,134,154	5,134,154
Retained Earnings		28,968,472	28,445,300
Total equity		<b>58,102,626</b>	<b>53,579,454</b>
Non-current liabilities			
Deferred Tax		8,319,966	8,507,788
Total non-current liabilities		<b>8,319,966</b>	<b>8,507,788</b>
Current liabilities			
Short Term Credit Facility	11	224,568,768	141,189,131
Interest Payable		22,590,514	10,759,690
Liabilities for Goods & Others	12	10,201,250	10,102,225
Liabilities for Expenses	13	17,495,985	18,200,484
Liabilities for Other Finance		41,347,364	67,523,044
Provision for Income Tax	14	29,622,451	26,567,567
Workers Profit Participation Fund		2,908,372	1,870,509
Unclaimed Dividend	15	1,909,944	1,661,890
Total current liabilities		<b>350,644,649</b>	<b>277,874,541</b>
Total equity and liabilities		<b>417,067,240</b>	<b>339,961,783</b>

The accompanying notes form an integral part of these financial statements.

Approved and authorised for issue by the Board of Directors on 10 May, 2015 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**

Subject to our separate report of even date.

Dhaka, 10 May, 2015.

**Khan Wahab Shafique Rahman & Co.**  
**Chartered Accountants**

**AMBEE PHARMACEUTICALS LIMITED****Statement of Comprehensive Income**  
**For the year ended 31 December, 2014.**

Particulars	Notes	Amount in Taka	
		2014	2013
<b>Revenue</b>	16	344,038,325	342,972,431
Cost of Sales	17	(161,807,685)	(163,324,226)
<b>Gross Profit</b>		<b>182,230,640</b>	<b>179,648,205</b>
<b>Operating expenses</b>		<b>(152,874,899)</b>	<b>(152,791,035)</b>
Administrative Expenses	18	20,014,464	18,689,414
Selling, Distributuion & Marketing Expenses	19	132,860,435	134,101,621
Profit from Operations		<b>29,355,740</b>	<b>26,857,170</b>
Non Operatng Income	20	1,027,204	-
Finance Expenses	21	(18,618,446)	(14,414,988)
Impairment of Assets		(827,410)	-
Profit before contribution to WPPF		<b>10,937,088</b>	<b>12,442,182</b>
Contribution to WPPF	22	(546,854)	(622,109)
Profit Before Tax		<b>10,390,234</b>	<b>11,820,073</b>
<b>Income Tax Expenses</b>		<b>(2,867,062)</b>	<b>(3,919,698)</b>
Current Tax		(3,054,884)	(3,466,075)
Deferred Tax		187,822	(453,623)
Profit after Tax		<b>7,523,172</b>	<b>7,900,375</b>
Other Comprehensive Income		-	-
Number of Shares		<b>2,400,000</b>	<b>2,400,000</b>
Earnings per share (EPS) basic (Adjusted EPS of 2013)	23	<b>3.13</b>	<b>3.29</b>

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**Statement of Cash Flows**  
**For the year ended 31 December, 2014.**

Particulars	Amount in Taka	
	2014	2013
<b>Cash Flows From Operating Activities :</b>		
Cash receipts from customers & others	336,685,893	312,702,958
Payments for costs, expenses & others	(275,473,705)	(292,465,117)
Cash Generated from operating activities	<b>61,212,188</b>	<b>20,237,841</b>
Finance Expenses	(18,618,446)	(14,414,988)
Income tax paid	(5,402,839)	(3,698,392)
Net cash Generated from operating activities	<b>37,190,903</b>	<b>2,124,461</b>
<b>Cash Flows From Investing Activities :</b>		
Purchase of Fixed Assets	(2,339,414)	(770,249)
Plant and Machinery under Installation	(2,772,648)	-
Net cash (used in) / generated from investing activities	<b>(5,112,062)</b>	<b>(770,249)</b>
<b>Cash Flows From Financing Activities :</b>		
Other Finance	(26,175,681)	20,114,775
Dividend paid	(2,751,946)	(6,230,806)
Net cash used in financing activities	<b>(28,927,627)</b>	<b>13,883,969</b>
Net change in Cash and Cash Equivalents	3,151,214	15,238,181
<b>Cash and cash equivalents as at 1 January</b>	<b>23,425,258</b>	<b>8,187,077</b>
<b>Cash and cash equivalents as at 31 December</b>	<b>26,576,472</b>	<b>23,425,258</b>
<b>Net Operating Cash Flow Per Share (Note -25 )</b>	<b>15.50</b>	<b>1.06</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash and Cash Equivalents	15,676,469	13,425,258
Short Term Investment	10,900,003	10,000,000
<b>Total Cash and Cash Equivalents</b>	<b>26,576,472</b>	<b>23,425,258</b>

The accompanying notes form an integral part of this financial statements.

Approved and authorised for issue by the Board of Directors on 10 May, 2015 and signed for and on behalf of the Board :

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**Chartered Accountants**

Dhaka, 10 May, 2015.

**AMBEE PHARMACEUTICALS LIMITED****Statement of Changes in Equity**  
**For the year ended 31 December, 2014.**

Particulars	Amount in Taka			
	Share Capital	Tax Holiday Reserve	Retained Earnings	Total Amount
<b>Balance as at 1 January 2013</b>	<b>20,000,000</b>	<b>5,134,154</b>	<b>27,144,925</b>	<b>52,279,079</b>
Transactions with the equity holders:				
Issue Bonus Share	-	-	-	-
Dividend for 2012	-	-	(6,600,000)	(6,600,000)
Profit for the year	-	-	7,900,375	7,900,375
Other comprehensive income	-	-	-	-
<b>Balance as at 1 January 2014</b>	<b>20,000,000</b>	<b>5,134,154</b>	<b>28,445,300</b>	<b>53,579,454</b>
Transactions with the equity holders:				
Issue Bonus Share	4,000,000		(4,000,000)	-
Dividend for 2013			(3,000,000)	(3,000,000)
Net Profit after Tax 2014			7,523,172	7,523,172
<b>Balance as at 31 December 2014</b>	<b>24,000,000</b>	<b>5,134,154</b>	<b>28,968,472</b>	<b>58,102,626</b>

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

Approved and authorised for issue by the Board of Directors on 10 May, 2015 and signed for and on behalf of the Board :

**(Naureen Aziz M. Bhai)**  
**Managing Director**

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**AMBEE PHARMACEUTICALS LIMITED****ACCOUNTING POLICY AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS.****AS AT AND FOR THE YEAR ENDED 31 DECEMBER, 2014.****1 The Background and Activities of the Company****1.1 Status of the Company**

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.

**1.2 Principal Activities**

The principal activities of the company were manufacturing of pharmaceuticals drugs and medicines and sales thereof.

**2 Bases of Financial Statements-Its Preparation and Presentation****2.1 Measurement Bases**

The financial statements have been prepared on the Historical Cost convention. The financial statements therefore, do not take into consideration the effect of inflation.

**2.2 Reporting Framework and Compliance thereof**

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws and regulations as applicable and in accordance with the applicable Bangladesh Financial Reporting Standards (BFRSs) including Bangladesh Accounting Standards (BASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

**2.3 Presentation of Financial Statements**

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

**The financial statements comprises of:**

- (a) Statement of Financial Position as at December 31, 2014 ;
- (b) Statement of Comprehensive Income for the year ended December 31, 2014;
- (c) Statement of Changes in Equity as at December 31, 2014;
- (d) Statement of Cash Flows for the year ended December 31, 2014 ; and
- (e) Notes to the financial statements comprising summary of significant accounting policies and explanatory information.

**2.4 Reporting Period**

The financial statements cover one calendar year from January 01, 2014 to December 31, 2014.

**2.5 Authorisation for Issue**

The financial statements have been authorised for issue by the Board of Directors on 10 May, 2015.

**2.6 Functional and Presentation Currency**

Items included in these financial statements are measured using the currency of the primary economic environment in which the company operates (‘the functional currency’). These financial statements are presented in Bangladesh Taka (Taka/Tk./BDT) which is also the functional currency of the company. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

**2.7 Comparative Information**

Comparative information has been disclosed in respect of the year 2013 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year’s financial statements.

Figures for the year 2013 have been re-arranged wherever considered necessary to ensure better comparability with the current year

**2.8 Use of Estimates and Judgments**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates is recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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 are described in the following notes:

Note: 3.8	Income tax expense
Note: 3.2.3	Depreciation
Note: 3.6	Inventory valuation
Note: 13	Liabilities for Expenses
	Deferred Tax Liabilities

**3 Significant Accounting Policies**

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

**3.1 Revenue Recognition**

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

**3.1.1 Turnover**

Turnover for the year comprises both local and foreign sales.

**3.2 Property, Plant and Equipment****3.2.1 Recognition and Measurement**

This has been stated at cost less accumulated depreciation in compliance with the requirements of BAS 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 Subsequent Expenditure**

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and 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. All other costs are recognized to the profit and loss account as expenses if incurred. All up gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

**3.2.3 Depreciation on Fixed Assets (Note-4.00)**

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 BAS 16: Property, Plant and Equipment. Depreciation is provided at the following rates on reducing balance basis:

<b><u>Particulars</u></b>	<b><u>Rate</u></b>
Factory Building	2.50%
Plant & Machinery	7.00%
Deep Tube Well	15.00%
Diesel Generating Set	15.00%
Loose Tools	15.00%

<b><u>Particulars</u></b>	<b><u>Rate</u></b>
Laboratory Equipment	10.00%

Electrical Installation	10.00%
Laboratory Glassware	15.00%
Production Equipment	10.00%
Transport and Vehicles	20.00%
Motor Cycle	20.00%
Furniture and Fixtures	10.00%
Office Equipment	15.00%
Office By-cycles	20.00%
Books	15.00%

### 3.2.4 Disposal of Fixed Assets

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.

### 3.2.5 Capital Work-In-Progress

Amount paid for acquiring of fixed assets and the cost of assets not put to use at the year-end are disclosed under capital work-in-progress.

## 3.3 Financial Instruments

Non-derivative financial instruments comprise investment in shares, accounts and other receivables, cash and cash equivalents, borrowings and other payables.

### 3.3.1 Financial Assets

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

#### 3.3.1(a) Trade Receivable (Note- 6.00)

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.

#### 3.3.1(b) Cash and Cash Equivalents (Note- 8.00)

Cash and cash equivalents include cash in hand 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.

#### 3.3.1(c) Advances and Deposits (Note- 7.00)

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads.

Deposits are measured at payment value.

### **3.4 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.

### **3.5 Impairment**

#### **(a) Financial Assets**

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

#### **(b) Non-Financial Assets**

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

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

### **3.6 Inventories**

Inventories are carried at the lower of cost and net realizable value as prescribed by BAS 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.

### **3.7 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.

### **3.8 Income Tax Expense**

Income tax expenses comprise current and deferred taxes. Income tax expenses are recognized in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

#### **(a) Current Tax**

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rate used for the reporting periods is as follows:

Year	Tax rate
2013	27.50%
2014	27.50%

The company qualifies as a “Publicly Traded Company”; hence the applicable Tax Rate is 27.50%.

**(b) Deferred Tax**

The company has recognized deferred tax using balance sheet method in compliance with the provisions of 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 purpose and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and earnings per shares (EPS).

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

**3.9 Borrowing Cost**

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

**3.10 Employee 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.

**3.11 Contribution to Workers’ Profit Participation/ Welfare Funds**

This represents 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labor Law, 2006 and is payable to workers as defined in the said law.

**3.12 Proposed Dividend**

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts along with dividend per share in accordance with the requirements of the Para 125 of Bangladesh Accounting Standard (BAS) 1: Presentation of Financial Statements. Also, the proposed dividend has not been considered as "Liability" in accordance with the requirements of the Para 12 & 13 of Bangladesh Accounting Standard (BAS) 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.

Dividend Proposal 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.

### **3.13 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 Share Outstanding during the year**

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares 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 production 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.

### **3.14 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. Any gain or loss due to exchange differences are recognized as revenue income/expense in compliance with the provisions of BAS 21: The Effects of Changes in Foreign Exchange Rates.

### **3.15 Statement of Cash Flows**

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

### **3.16 Event after Reporting Period**

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

### **3.17 Other regulatory compliance**

As required, Ambee Pharmaceuticals Limited also complies with the following major regulatory provisions in addition to the Companies Act 1994, the Securities and Exchange rules 1987 and other applicable laws and regulations:

The Income Tax Ordinance 1984

The Income Tax Rules 1984

The Securities and Exchange Commission Ordinance 1969

The Securities and Exchange Commission Act 1993

The Value Added Tax Act 1991

The Value Added Tax Rules 1991

The Labour Law 2006

### **3.18 Going concern**

The company has adequate resources to be in operation for a foreseeable future and the directors continue to adopt going concern basis in preparing the accounts. The current resources of the company provide sufficient fund to meet the present requirements of its existing business.

## 4.00 PROPERTY, PLANT &amp; EQUIPMENT :

Particulars	C O S T				Rate %	D E P R E C I A T I O N				Net Book Value as on 31.12.2014
	As on 01.01.2014	Addition during year	Adjustment during year	As on 31.12.2014		As on 01.01.2014	Adjustment during year	For the year	As on 31.12.2014	
<b>Existing Units -1</b>										
Leasehold Land	1,215,803	-	-	1,215,803	-	-	-	-	-	1,215,803
Factory Building	24,304,253	1,149,721	-	25,453,974	2.5	12,268,595	-	300,891	12,569,486	12,884,488
Plant and Machinery	57,735,186		-	57,735,186	7	39,614,949	-	1,268,417	40,883,365	16,851,821
Deep Tube Well	1,125,000	243,000	-	1,368,000	15	762,937	-	54,310	817,246	550,754
Diesel Generating Set	402,000	-	-	402,000	15	252,297	-	22,455	274,753	127,247
Loose Tools	98,001	-	-	98,001	15	88,692	-	1,396	90,088	7,913
Laboratory Equipment	3,000,156		-	3,000,156	10	1,633,235	-	136,692	1,769,927	1,230,229
Electrical Installation	102,068	315,500	-	417,568	10	28,506	-	7,356	35,862	381,706
Laboratory Glass Ware	41,626	-	-	41,626	15	41,286	-	51	41,337	289
Production Equipment	1,220,541	-	-	1,220,541	10	479,005	-	74,154	553,159	667,382
Transport and Vehicles	6,602,162	468,615	-	7,070,777	20	6,218,203	-	76,792	6,294,995	775,782
Motorcycle	6,750,500	-	-	6,750,500	20	5,334,818	-	283,136	5,617,954	1,132,546
Furniture and Fixtures	3,407,086	44,305	-	3,451,391	10	1,910,441	-	149,664	2,060,105	1,391,285
Office Equipment	10,344,848	118,273	-	10,463,121	15	6,743,560	-	540,193	7,283,753	3,179,368
Office By-cycles	15,962	-	-	15,962	20	14,973	-	198	15,171	791
Books	98,060	-	-	98,060	15	78,269	-	2,969	81,238	16,822
<b>Sub Total</b>	<b>116,463,252</b>	<b>2,339,414</b>	<b>-</b>	<b>118,802,667</b>		<b>75,469,765</b>	<b>-</b>	<b>2,918,675</b>	<b>78,388,440</b>	<b>40,414,227</b>
<b>Injectable (Ampoule) Unit -2</b>										
Factory Building	3,627,409	-	-	3,627,409	2.5	893,253	-	68,354	961,607	2,665,802
Plant and Machinery	10,109,773	-	887,820	9,221,953	7	5,499,654	60,410	318,480	5,757,723	3,464,230
Production Equipment	80,500	-	-	80,500	10	51,962	-	2,854	54,816	25,684
Transport and Vehicles	2,235,000	-	-	2,235,000	20	2,068,957	-	33,209	2,102,165	132,835
Furniture and Fixture	930,903	-	-	930,903	10	654,319	-	27,658	681,977	248,926
<b>Sub Total</b>	<b>16,983,585</b>	<b>-</b>	<b>887,820</b>	<b>16,095,765</b>		<b>9,168,144</b>	<b>60,410</b>	<b>450,554</b>	<b>9,558,288</b>	<b>6,537,477</b>
<b>December 31, 2014 Tk.</b>	<b>133,446,837</b>	<b>2,339,414</b>	<b>887,820</b>	<b>134,898,432</b>		<b>84,637,909</b>	<b>60,410</b>	<b>3,369,229</b>	<b>87,946,728</b>	<b>46,951,704</b>
<b>December 31, 2013 Tk.</b>	<b>132,676,588</b>	<b>770,249</b>		<b>133,446,837</b>		<b>80,975,774</b>		<b>3,662,135</b>	<b>84,637,908</b>	<b>48,808,929</b>

**Note : Depreciation Charged to :**

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

Tk.

31-12-2014	31-12-2013
2,316,277	2,491,856
1,052,952	1,170,279
<b>3,369,229</b>	<b>3,662,135</b>

## 5.00 Inventories

This is made up as follows :

Particulars	Amount in Taka	
	2014	2013
Raw materials	67,456,488	45,812,353
Packing materials	38,051,682	22,812,655
Promotional materials	1,580,300	1,538,809
Work-in-process	3,966,467	3,819,210
Finished goods	72,355,870	59,147,839
Materials-in-transit	92,310	198,668
	<b>183,503,117</b>	<b>133,329,534</b>

## 6.00 Trade Receivables

- a) Accounts Receivables of Tk. 81,641,418 (2013 - 73,261,782) 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 directors (including Managing director), managing agents, managers and other officers of the company and any of them severally or jointly with any other person.
- c) Debtors outstanding for a period

Above six months	43,121,394	47,244,280
Below six months	38,520,024	26,017,502
	<b>81,641,418</b>	<b>73,261,782</b>

## 7.00 Advances, Deposits & Pre-payments:

a) Advances	72,216,603	58,592,377
b) Deposit and Prepayments	3,405,279	2,543,903
	<b>75,621,881</b>	<b>61,136,280</b>

### a) Advances

Advances to staff	5,480,616	1,525,105
Advance Rent	1,304,846	616,000
Income tax	33,656,522	28,253,683
Against purchases and expenses	19,006,081	18,480,706
Associated Undertaking	12,768,538	9,716,883
<b>Sub total</b>	<b>72,216,603</b>	<b>58,592,377</b>

### b) Deposit and Prepayments

VAT deposit	307,486	153,463
L/C Margin	1,023,165	1,034,000
Guarantee Margin	20,175	20,175
Other Deposits	1,371,265	1,311,265
Pre-payments	683,188	25,000
<b>Sub total</b>	<b>3,405,279</b>	<b>2,543,903</b>

## 8.00 Cash & Cash Equivalents

In hand	10,338,656	574,441
At banks:	<b>5,337,813</b>	<b>12,850,817</b>
In current account	5,256,298	12,769,302
In in-operative account	81,515	81,515
	<b>15,676,469</b>	<b>13,425,258</b>

## 09.00 Share Capital

This is made up as follows :

Particulars	Amount in Taka	
	2014	2013
<b>Authorised Capital</b>		
2,500,000 Ordinary Shares of Tk. 10 each	<b>25,000,000</b>	<b>25,000,000</b>
<b>Issued, Subscribed and paid-up Capital</b>		
<b>By Cash</b>		
1,821,008 Ordinary Shares of Tk. 10 each fully paid up in cash.	18,210,080	18,210,080
<b>Other than Cash</b>		
178,992 Ordinary Shares of Tk. 10 each paid-up in full for consideration other-wise than cash.	1,789,920	1,789,920
<b>By issue of Bonus Share</b>		
400,000 Bonus Shares of Tk.10 each Issued for the year 2013	4,000,000	-
	<b>24,000,000</b>	<b>20,000,000</b>

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

Particulars	2014		2013	
	No of Shares	%	No of Shares	%
Sponsors, Directors & Associates	1,591,330	66.31	1,326,108	66.31
ICB & Institutions	78,000	3.25	65,000	3.25
Foreign Investors	214,790	8.95	178,992	8.95
General Public	515,880	21.50	429,900	21.50
	<b>2,400,000</b>	<b>100</b>	<b>2,000,000</b>	<b>100</b>

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, 2014.

Range of Holdings	Number of Shareholders	No. of Shares	Holdings %
Less than 500 shares	3113	234,227	9.76%
501 to 5,000 shares	176	219,929	9.16%
5,001 to 10,000 shares	2	11,905	0.50%
10,001 to 20,000 shares	2	21,830	0.91%
20,001 to 30,000 shares	2	49,750	2.07%
30,001 to 40,000 shares	-	-	-
40,001 to 50,000 shares	3	144,120	6.01%
50,001 to 100,000 shares	1	56,300	2.35%
100,001 to 1,000,000 shares	1	214,790	8.95%
Over 1,000,000 shares	1	1,447,149	60.30%
	<b>3,301</b>	<b>2,400,000</b>	<b>100%</b>

c) **Market Price :**

The shares are listed in the Dhaka and Chittagong Stock Exchanges, on 31.12.2014 each share was quoted at Tk. 250.00 (on 2013 - Tk. 259.00) in the Dhaka Stock Exchange Ltd. and Tk. 253.00 (on 2013 - Tk. 257.00) 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.

#### 11.00 Short Term Credit Facility

This is made up as follows :

Particulars	Amount in Taka	
	2014	2013
<b>Loan from Bank :</b>		
Secured Overdraft	9,827,052	1,578,792
Overdraft Facilities	121,492,342	80,000,000
Letter of Trust Receipt	93,249,374	59,610,339
	224,568,768	141,189,131

#### 12.00 Liabilities for Goods & Others

This represents amounts due to various suppliers of raw, packing and stores materials, the ageing of which liability is as follows

Above six months	-	-
Below six months	10,201,250	10,102,225
	<b>10,201,250</b>	<b>10,102,225</b>

#### 13.00 Liabilities for Expenses

This represents provision for various expenses (e.g. remuneration and allowances, salaries and wages, utilities bills etc) which have fallen due as on 31st December 2014, ageing of which liability is as follows

Above six months	-	-
Below six months	17,495,985	18,200,484
	<b>17,495,985</b>	<b>18,200,484</b>

#### 14.00 Provision for Income Tax

Opening Balance	26,567,567	23,101,492
Provision for the year	3,054,884	3,466,075
	<b>29,622,451</b>	<b>26,567,567</b>

Income tax assessment upto 31.12.2008 is completed. Assessment for the years 2009, 2010, 2011, & 2012 are finalized and in appeal. Income tax assessment for the year 2013 is filed for assessment.

#### 15.00 Unclaimed Dividend

The following figures represent the dividends for which the warrants are either lying with the shareholders and have not been presented as yet by them to the bank for encashment or have been returned to the company undelivered due to change of address of those shareholders and their new address have not yet been communicated to the company. Under instruction from SEC, press advertisements were made to collect the past dividend warrants but many shareholders are yet to turn up to collect their respective warrants.

	1,909,944	1,661,890
	<b>1,909,944</b>	<b>1,661,890</b>
<b>16.00 Revenue</b>		
Local Sales	342,496,190	341,112,218
Export Sales to Myanmar 2014 (US\$ 19950) 2013 (US\$ 23,700)	1,542,135	1,860,213
	<b>344,038,325</b>	<b>342,972,431</b>
<b>Sales Quantity :</b>		
Tablet	112,760,395	Pcs. 242,299,787
Capsules	15,966,371	Pcs. 57,853,057
Bottle	570,941	Unit 22,594,523
Ointment	38,253	Pcs. 612,244
Injection	1,956,256	Ampoule 20,678,714

**17.00 Cost of Sales**

Work-in-process (Opening)	3,819,210	9,675,699
Raw materials consumed - (.01)	81,216,221	69,351,879
Packing materials consumed - (.02)	63,251,512	54,851,928
Promotional materials consumed - (.03)	3,405,790	3,317,006
Factory overhead - (.04)	27,989,142	26,782,274
Depreciation	2,316,277	2,491,856
Work-in-process (Closing)	(3,966,467)	(3,819,210)
<b>Cost of production</b>	<b>178,031,685</b>	<b>162,651,431</b>
Stock of finished goods (Opening)	59,147,839	62,637,790
Stock of finished goods (Closing)	(72,355,870)	(59,147,839)
Cost of free samples	(3,015,969)	(2,817,156)
	<b>161,807,685</b>	<b>163,324,226</b>

**(.01) Raw Materials Consumed**

	<b>Active Ingredients (kg)</b>	<b>Recipients (kg)</b>	<b>E.H.G. Capsules (pcs)</b>		
Opening Stock	8,365	124,545	9,041,127	45,812,353	24,189,437
Purchase	36,332	101,200	67,125,995	102,860,356	90,974,795
Closing Stock	(5,452)	(77,016)	(4,164,865)	(67,456,488)	(45,812,353)
	<b>39,245</b>	<b>148,729</b>	<b>72,002,257</b>	<b>81,216,221</b>	<b>69,351,879</b>

Raw materials consumed is 80.91 % imported.

**(.02) Packing Materials Consumed**

Opening Stock	22,812,655	19,414,504
Purchase	78,490,539	58,249,777
Closing Stock	(38,051,682)	(22,812,655)
	<b>63,251,512</b>	<b>54,851,626</b>

Packing materials consumed is 28.12 % 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.

**(.03) Promotional Materials Consumed**

This is made up as follows :

Particulars	Amount in Taka	
	2014	2013
Opening Stock	1,538,809	3,458,548
Purchase	3,447,281	1,397,267
Closing Stock	(1,580,300)	(1,538,809)
	<b>3,405,790</b>	<b>3,317,006</b>

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	20,493,576	19,325,091
Overtime allowances	166,808	128,925
Electricity, Gas and Water	3,646,372	3,449,449
Car expenses	-	700
Conveyance	41,360	77,959
Entertainment	239,931	127,538
Printing and Stationery	217,185	214,215
Repairs and maintenance	996,165	987,233
Telephone	98,576	120,821
Indirect materials-Packing	868,946	619,112
Fees and Commissions	280,493	251,100
Newspaper and periodicals	1,900	1,986
Uniform	89,387	156,000
General Expenses	167,620	189,099
Washing and laundry expenses	32,855	87,143
Power & Fuel	647,968	845,903
	<b>27,989,142</b>	<b>26,582,274</b>

**18.00 ADMINISTRATIVE EXPENSES**

Salary and allowances	7,690,667	7,592,312
Directors' Remuneration	6,000,000	4,200,000
Car expenses	526,498	595,846
Bank Charges	139,484	69,511
Conveyance	190,849	136,511
Entertainment	397,262	421,241
Travelling Expenses	418,418	431,995
Postage expenses	33,770	39,463
Printing and Stationery	130,097	273,654
Electricity, Gas and Water	913,753	996,217
Repairs and maintenance	333,904	595,296
Telephone	690,974	662,430
Fees and commissions	132,140	82,202
Membership subscription	95,882	81,882

Particulars	Amount in Taka	
	2014	2013

Audit fees (Statutory)	150,000	150,000
Insurance premium	267,946	265,930
Legal and professional charges	485,000	429,000
AGM expenses	187,650	389,200
Advertisement & Publicity	177,218	106,446
Depreciation	1,052,952	1,170,279
	<b>20,014,464</b>	<b>18,689,414</b>

**19.00 SELLING, DISTRIBUTION AND MARKETING EXPENSES**

Salary and allowances	83,356,326	81,518,486
Incentive Bonus	2,065,800	1,916,008
Rent, rates and taxes	3,618,687	3,350,910
Car expenses	133,400	146,093
Bank charges	888,877	1,086,602
Conveyance	357,593	319,173
Entertainment	308,547	327,607
Postage expenses	64,058	31,268
Printing and Stationery	632,190	673,963
Repairs and maintenance	506,999	503,656
Telephone	943,122	1,157,352
Security expenses	12,400	15,340
Electricity, Gas and Water	409,169	357,970
Fees and commissions	32,440	32,080
TA/DA of MR and others	13,046,732	16,199,951
Legal and professional charges	-	5,300
Market Development Expenses	-	4,500
Medical expenses	3,571	200
General expenses	76,900	8,108
Meeting/Conference/Training expenses	1,785,182	1,703,348
Delivery Van expenses	632,336	889,599
Delivery expenses	19,071,060	19,471,039
Free Sample	4,832,746	4,303,068
Export expenses	82,300	80,000
	<b>132,860,435</b>	<b>134,101,621</b>

**20.00 NON-OPERATING INCOME**

Interest income on FDR	1,027,204	-
	<b>1,027,204</b>	-

**21.00 FINANCIAL EXPENSES**

Interest on Overdraft	18,127,437	14,201,531
Interest on WPPF	491,009	213,457
	<b>18,618,446</b>	<b>14,414,988</b>

**22.00 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.

### 23.00 EARNING PER SHARE (EPS)

This is made up as follows :

Particulars	Amount in Taka	
	2014	2013
Earning attributable to the Ordinary Shareholders (Net profit after tax)	7,523,172	7,900,375
Weighted average number of Ordinary shares outstanding during the year	2,400,000	2,400,000
Earnings Per Share (EPS)/EPS for 2013 has been restated	<b>3.13</b>	<b>3.29</b>

### 24.00 NET ASSETS VALUE (NAV)

Net Assets	58,102,626	53,579,454
Weighted average number of Ordinary shares- outstanding during the year	2,400,000	2,000,000
	<b>24.21</b>	<b>26.79</b>

### 25.00 NET OPERATING CASH FLOW PER SHARE

Cash flows from net operating activities as per Statement of Cash flows	37,190,903	2,124,461
Weighted average number of Ordinary shares outstanding during the year	2,400,000	2,000,000
	<b>15.50</b>	<b>1.06</b>

### 26.00 THIS REPRESENTS GAIN/(LOSS) ON SALES OF THE FOLLOWING FIXED ASSETS

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	-	<b>500,944</b>
Gain on sale of Asset has been shown as Other Income.		

### 27.00 APPROPRIATION DURING THE YEAR

In accordance with BAS 1 "Presentation of Financial Statements", the appropriations for the year other than proposed dividend for 2014 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 @ 28% 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 2014 is Tk. 6,720,000/=.

### 28.00 PAYMENT/PERQUISITES TO DIRECTORS AND OFFICERS

	Managing Director	Officers
Salary and allowances	-	16,508,000

Remuneration	5,280,000	-
Bonus	-	6,217,000
Entertainment allowance	720,000	-
	<b>6,000,000</b>	<b>22,725,000</b>

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.

### 29.00 NATURE OF SECURITY OF SHORT TERM CREDIT FACILITY

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

### 30.00 PLANT CAPACITY AND CAPACITY UTILISATION

Products	On single shift basis		Remarks
	Production capacity	Actual production	
Tablet group (Pcs)	126,000,000	145,878,013	Due to overtime work for increasing demand
Capsule group (Pcs)	120,960,000	1,865,167	As per market demand
Suspension group (Phials)	2,160,000	1,013,726	-do-
Injectable (Ampoules)	10,368,000	2,174,304	-do-

### 31.00 Credit Facility - Others

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 31.12.2014.

### 32.00 Contingent Liability

An amount of Tk. 4,230,055/= has not been charged in the statement of comprehensive income as interest expenses against 4th quarter of bank loan of NBP due to a writ petition has been filed with high-court as well as the bank has not charged in the respective loan statement.

Except the fact stated above there was no significant contingent liability as on December 31, 2014.

### 33.00 Capital Expenditure Commitment

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

There was no material capital expenditure authorised by the Board but not contracted for at December 31, 2014.

### 34.00 Payments made in Foreign currency

	<b>2014</b>	<b>2013</b>
Import of Raw material	65,740,371	65,060,133
Import of Packing material	17,872,062	22,876,782

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

### 35.00 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, Chairman, of the company, amount payable at the year end against above transactions was Tk. 8,437,196/= which is included in liabilities for other finance.

A sum of Tk. 35,05,230 payable to Olympic Industries Ltd. as on 31.12.2014 is included in trade & other payable.

A sum of Tk. 12,670,552 and 97,986 are due from Bengal Steel Works Ltd. and Ambee Films Ltd. accordingly.

### **36.00 Foreign Currency Earned**

A sum of Tk.1,542,135/= ( equivalent to US\$ 19,950) was earned/received by the Company in foreign Currency during the year under review against export of Medicine to Myanmar.

### **37.00 Comparative Figures**

Certain comparative figures have been reclassified from statements previously presented to conform to the presentation adopted during the year ended 31 December 2014.

### **38.00 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 10 May, 2015.

### **39.00 Post Closing Events**

Following events have occurred since the balance sheet date:

(a) Subsequent to the balance sheet date, the Board of Directors recommended 28% (twenty eight percent) cash dividend i.e Taka 2.8/- (two and eight) 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.

**(Naureen Aziz Mohammad Bhai)**  
**Managing Director**

**(Nurjehan Hudda)**  
**Director**

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

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