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ANNUAL REPORT 2018-19



Winner
**Global Generics
& Biosimilars
Awards 2019**



**Company of the Year,
Asia-Pacific**

**Global Generics &
Biosimilars Awards** 
Informa Pharma Intelligence

ANNUAL REPORT
2018-19



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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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About the Company



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

The company currently employs more than 4,500 employees including doctors, pharmacists, engineers, chemists, accountants, business graduates and other white collar professionals.

Corporate Information



Operational Headquarters

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

Corporate Headquarters

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

Factory

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

Kaliakoir Unit

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

Stock Exchange Listing

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

Public Relations

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

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

Legal Advisor

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

Auditors

M. J. Abedin & Co.
Chartered Accountants
National Plaza (3rd Floor)
109, Bir Uttam C. R. Datta Road
Dhaka- 1205, Bangladesh

Banker

Janata Bank Ltd.
AB Bank Ltd.

For GDRs

Nominated Advisor

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

Broker

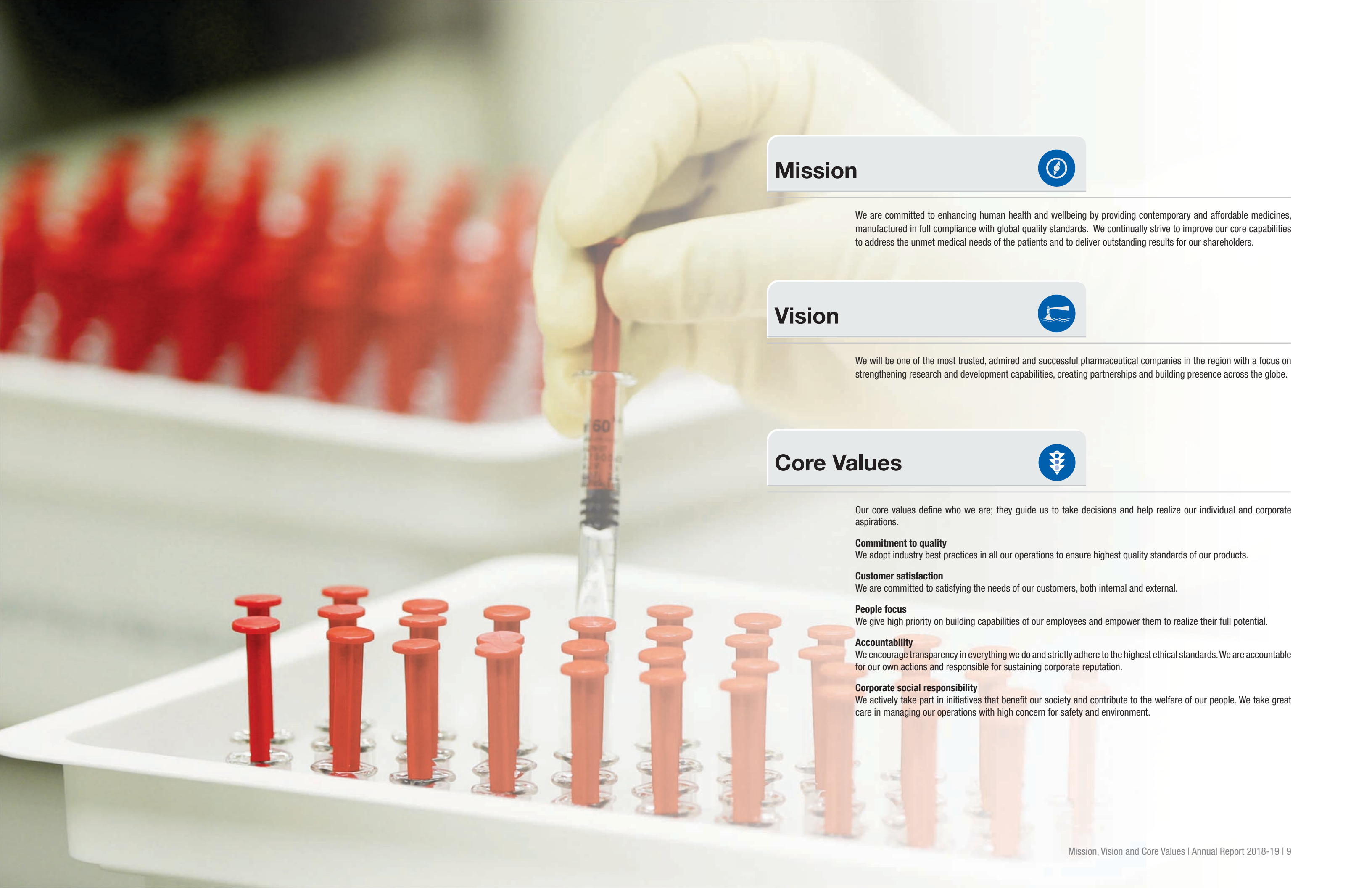
SP Angel Corporate Finance LLP
Prince Frederick House
35-39 Maddox Street, London
W1S 2PP, United Kingdom

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



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.



1976

Company incorporated



1980

Started manufacturing products of Bayer AG, Germany and Upjohn Inc., USA, under license agreements



1983

Launched own formulation brands



1985

Listed on Dhaka Stock Exchange



1993

Commencement of export of formulation products to Russia



2003

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



2005

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



2006

Launched CFC free HFA inhalers for the first time in Bangladesh

2008

GMP accreditation from TGA, Australia and Gulf Central Committee for Drug Registration, for GCC states as the first Bangladeshi company



2013

Commenced export of ophthalmic products to Europe



2014

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



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



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



2018-19

- Won the "Scrip Award" in the category of "Community Partnership of the Year"
- GMP approval from Malta Medicines Authority

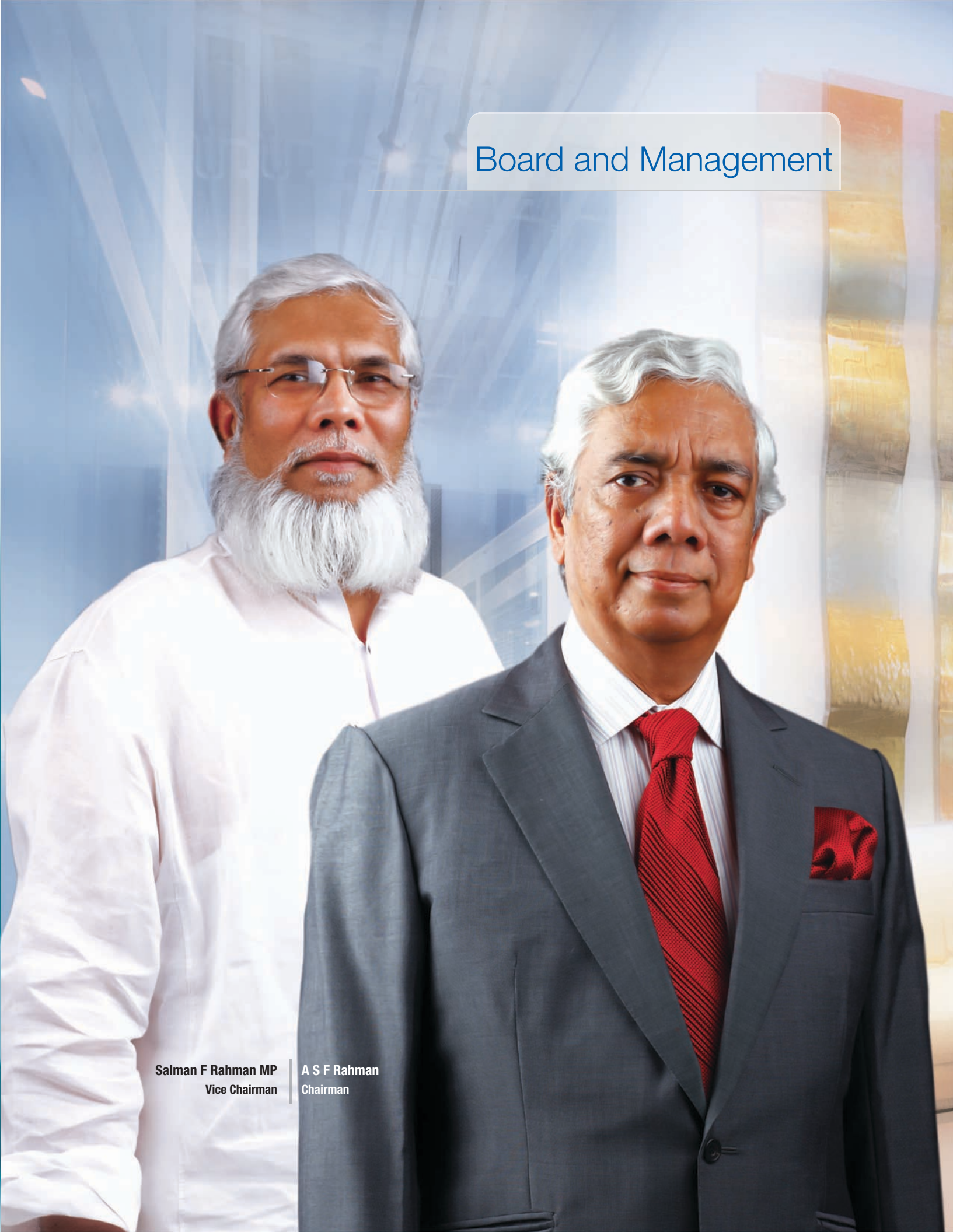


We take it minute by minute, drop by drop, molecule by molecule. The miracle of a pyramid is in the perfection of every stone. The miracle of life is in the health of every cell. At Beximco Pharma, we are tireless at achieving such perfection in every molecule of our medicines. That's our little contribution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

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



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 Siddiquir Rahman	Director
Iqbal Ahmed	Director
Dr. Abdur Rahman Khan	Independent Director
Shah Monjurul Hoque	Independent Director
Mohammad Asad Ullah, FCS	Company Secretary

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 conglomerate, comprising of four publicly listed and seventeen privately held companies. He anchored the key initiatives that have helped to build Beximco's corporate identity at home and abroad, and led the Group into becoming a leading industrial conglomerate in the country.

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.

Audit Committee



Dr. Abdur Rahman Khan	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



Nazmul Hassan MP
Managing Director

Mr. Nazmul Hassan MP is the Managing Director of Beximco Pharmaceuticals Ltd. and the Chairman of Nuvista Pharma 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 39 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 47 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 47 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.



Dr. Abdur Rahman Khan
Independent Director

Dr. Abdur Rahman Khan is a very senior and prominent physician in Bangladesh. He was the Chief Consultant Physician and Professor of Medicine, BIRDEM (Bangladesh Institute of Research and Rehabilitation in Diabetes, Endocrine and Metabolic Disorders) and Chairman, Board of Management of BIRDEM. Mr. Khan is a fellow of the Royal College of Physicians of London and College of Physicians and Surgeons of Bangladesh. He is a Member of National Council of Diabetic Association of Bangladesh, Member of the International Diabetes Federation and an honorary member of the Association of Military Surgeons, USA. He joined Bangladesh Army as a Commissioned Officer in Army Medical Corps and retired as a Major General. He was an Advisor to the Caretaker Government of Bangladesh and previously Vice President of the Red Crescent and Red Cross society of 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
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 Dhaka University. 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.

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 24 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, a subsidiary of Beximco Pharma, since its acquisition.

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 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.

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



Rizvi Ul Kabir
Director, Marketing



Afsar Uddin Ahmed
Director, Commercial



Lutfur Rahman
Director, Manufacturing



Shamim Momtaz
Director, Manufacturing



Mohd. Tahir Siddique
Director, Quality



A R M Zahidur Rahman
Director, Production



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



Jamal Ahmed Choudhury
Executive Director, Accounts & Finance



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



Prabir Ghose
Executive Director, Quality Assurance



Dr. Selina Akter
Executive Director
Department of Medical Affairs



M A Arshad Bhuiyan
Deputy General Manager, HR



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. In this year our oral solid dosage facility was approved by the Malta Medicines Authority (European Union). These facilities incorporate modern technological advancements with automated material handling systems and multilevel designs. Machineries and equipments are predominantly of European origin and are capable of manufacturing high tech complex products like bilayer, effervescent, oral thin films, etc. meeting the standard of highly regulated market.

The company is now implementing a massive expansion project to build facilities for manufacturing solid, semi solid, liquid, cream and ointments to diversify product portfolio and expand production capacity. A purpose built five storied building with total floor space about 600,000 sq ft has been constructed to accommodate the production facilities. The project will have the capacity to produce 5 billion tablet, capsules, sachets etc., 130 million bottles and 70 million tubes for semi-solid products.

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.



Expansion Project



Oral Solid Dosage Facility



Inhaler Facility





Ophthalmics Facility



Insulin Facility





API Facility

Our Global Accreditations



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

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

Approved by the U.S. FDA
also Certified by



First Bangladeshi pharma
company to export medicine to U.S.A



Certified: **US FDA** ☒ **TGA Australia** ☒ **Malta (EU)** ☒ **Health Canada** ☒ **WHO** ☒



What We Offer

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



Global Presence



Commencing export operations with the sales of APIs to Hong Kong in 1992 and finished formulation in 1993, BPL has emerged as a leading exporter of pharmaceuticals in the country. It remains the only company in the country to export medicines to USA, which is the world’s largest and most stringent pharma market. Since receiving US FDA approval in 2015, the Company has so far received approval for 7 products in the US market. This year Beximco Pharma acquired a portfolio of eight Abbreviated New Drug Applicatons (ANDAs) from Sandoz inc., a division of Novartis. In the year Company saw registration of 50 products in 23 countries. Currently Beximco exports 270 generic drugs to more than 50 countries across all the continents. The company now has a strategic focus to build and strengthen presence in the regulated markets for value added generics and has a rich pipeline of products for the same. The company has a sound track record of partnerships and alliances with leading global MNCs namely GSK, Sandoz, Novartis, Pharmacia and Upjohn, Bayer Inc. etc.



Research and Development



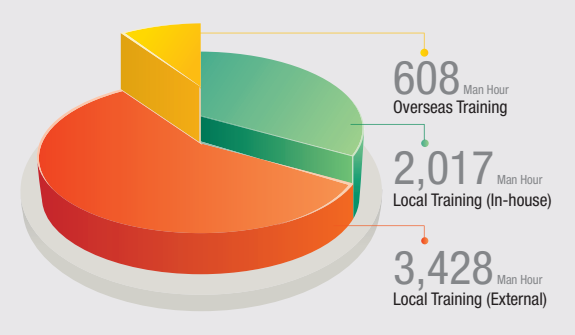
Our research and development activities are closely focused on market needs and driven by technological progress. As an emerging global generic drug company, our key strength lies in our ability to excel in developing technologically complex and differentiated products. Our state-of-the-art R&D lab facilitates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



Our People



We always recognize that people are the cornerstone of our success. Our dedicated and highly capable employees, with their collective resolve to excel, have always led us to achieve new milestones. Beximco Pharma currently employs more than 4,500 people. Its strong pool of talents includes professionals like pharmacists, chemists, doctors, microbiologists, engineers and business executives. We seek to provide a safe and secured workplace that inspires people to be the best they can be. We believe our ability to transform ourselves is largely driven through empowering our people and thus we strive to provide each and every of our employees with an environment that instills pride, fosters growth and encourages innovation.



Training and Development

We constantly seek to attract and retain the best talent in the industry and take initiatives to ensure that our people are enabled and inspired to grow individually and professionally along with the Company. Beximco Pharma regularly carries out wide range of training and professional development programs across different functions of the organizations. In the last financial year, we conducted more than 6,000 man-hours of training for our employees in addition to routine training on in-plant GMP Compliance and Selling skills for our field colleagues.

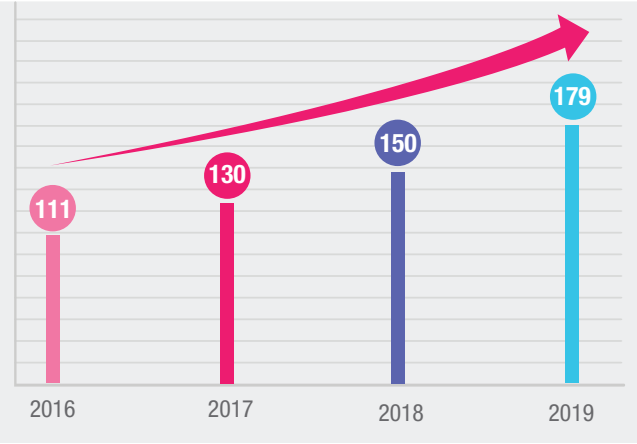


Gender Diversity



We pursue equal opportunity policy for all of our employees working throughout the organization. The Company's employment and recruitment policy does not contain any discriminative provision with respect gender, religion or caste, rather where male and female are found to be equally qualified, female candidate gets the preference. Employment of female workers in the industry is low due to country's socio-economic and cultural factors. Beximco Pharma has already started a packaging line in the production plant run exclusively by female workers. We have a number of female employees who are working in managerial positions and leadership roles, three of them promoted in the year under review. The number of female in our 16 member Management Committee has risen to three from previous two. Female employment in the Company is gradually rising.

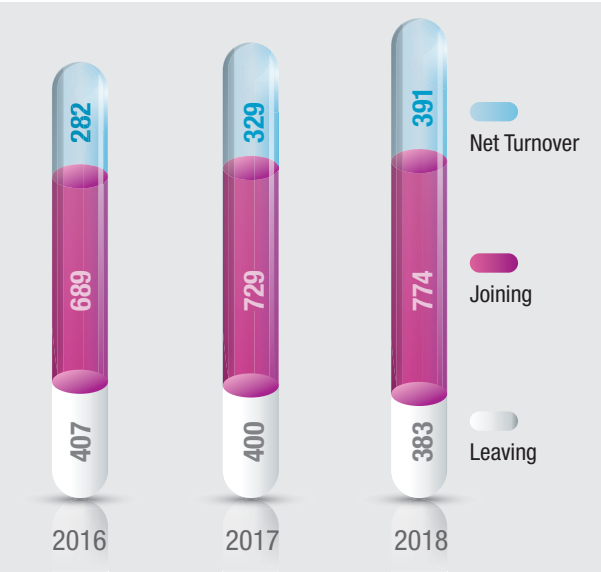
Female Employee



Employee Retention

The Company has an effective employee retention program which includes employee compensation, recognition and reward system, work-life balance, communication and feedback, effective teamwork etc. The Company also has the best practices in developing workplace culture for its employees.

Employee Turnover



Employee Welfare

In addition to providing compensation packages competitive to the industry, Beximco Pharma takes on a good number of voluntary initiatives for overall employee welfare. The Company arranges annual picnic, employee family day program, cultural program etc., to strengthen inter-personal bonding. Various inter and intra-company sports events are also organized for physical and mental fitness. Employees at our manufacturing plants and head offices are provided meals almost at no cost. The Company provides education stipends to the meritorious children of our workers; routine health checkup, free of cost doctor's consultation for self and family members and need based special financial support for medical purposes are also available for them.

Annual Iftar 2019



Family Day 2019



Annual Cultural Program



Inter-Dept. Volleyball Tournament



Annual Picnic, Factory



Inter- Department Cricket Tournament



New Knowledge Center being constructed at BPL site, Tongi



Environment, Health and Safety



We are well aware of our responsibilities to protect our environment and to promote a sustainable eco-friendly operations. We consciously select technology that is friendly to the environment and comply with the environmental codes. Our production process is designed with plant having modern state of art technology. We have created adequate facilities and employed appropriate process to keep the environmental effects of the manufacturing activities to a practicable minimum level.

We are also committed to provide a safe and healthy working environment to ensure health and safety of our employees, contractors, visitors and neighbors who may be affected by our operations.

We identify and control all foreseeable hazards to life, property or environment. We ensure that gaseous emission and liquid or solid wastes from our operations are minimized, controlled and disposed of by the best practicable means. As a commitment to protect the health and environment, Beximco Pharma has already implemented proper Occupational Health and Industrial Hygiene and Effluent Management System in its manufacturing site.

Management of Solid Wastes

The solid wastes generated from pharmaceutical operation may have degrading effect on the environment and ecological system. Our solid wastes are managed adequately to comply with the environmental regulations. The entire waste management is handled with the Best Available Technologies (BAT) that include incineration plant, dust control units and scrubber to ensure zero discharge of solid waste that may harm the surrounding ecological system. Beximco has installed one of the largest incinerators having capacity 250kg/hr. depending on calorific value of the products. Materials are burned in the primary chamber at 800° C. Gaseous emissions evolved from the chemicals are burned in the secondary chamber at 1200° to 1400° C. Retention time in the second chamber is 2 seconds. Different parameters of the gas finally generated from the incinerator are well within acceptable limit. As per international guideline, the height of the chimney is more than 30 meter.

Management of Liquid Wastes and Gaseous Emissions

The liquid wastes are produced from the operation of factory. A considerable amount of waste water is generated in factory premises, which are mainly from washing of machineries and utensils, floors empty bottles etc., The other source of liquid waste consists of dissolved and suspended API, excipients, laboratory re-agents; water from cooling tower.

Beximco Pharma has proper control on the waste generated from the plant. We have the largest waste water treatment plant at our factory. No toxic wastes water are discharged into the open land or surface water bodies without treatment. About 50% of this water is recycled and used for gardening, car washing and water scrubber of incinerator. Settled sludge is incinerated. The Chemical Oxygen Demand (COD) and Biological Oxygen Demand (BOD) of the released water are well within the national limit. The quality of treated water complies with the requirements of DoE.

All equipment are provided with efficient filters in the exhaust to confine dust particles and controlled by Building Automation System (BAS). Also certain areas contain High Efficiency Particulate Aid Filter (HEPA) and proper scrubber for further protection of the environment. The collected dust particles from filters are then incinerated. Gaseous products such as SO₂, NO₂, NO etc. in the surrounding areas are monitored and kept within normal level.

Management of Noise, Odor and Vibration

Noise and certain vibrations commonly produced by the electromechanical equipment may affect workers and the environment at the vicinity.

The noise requires no mitigation step as the factory is located in a non-residential/commercial area falling under 'Ga' area (mixed) as per standard. The machineries are low noise type and hence has very insignificant effect. The working personnel inside the plant are provided with Personal Protective Equipment (PPE). Vibration problems are mitigated as the reactors are located at a proper distance from the boundary level. There is no major odor problem as the factory premises

are regularly disinfected and scrubbers are installed in the main header of gas emission line.

Occupational Health and Safety Measurements and Industrial Hygiene

Beximco Pharma is determined to the protection and promotion of employee health and safety. We identify 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 (URS) of all equipment. All machine and moving parts are covered and interlocked through sensors to protect employees from physical injury. Eating, smoking or drinking is not permitted in the manufacturing areas and analytical labs where chemical exposures are possible. Appropriate work uniforms and lab coats are provided where required.

We have identified noisy area and provided proper ear protection to the workers working in that area. Proper eye protection is provided to the employees working with chemicals. We also identify, assess and control the factors that may lead to musculoskeletal or other ergonomically related disorders. Automation in most of the areas reduce work stress. Employees are trained on different EHS issues including firefighting, personnel protective equipment, First Aid, material safety data sheet (MSDS).

No hot area is present in the factory premise. All working areas including warehouse are temperature controlled. All areas are provided with emergency exit with proper signage. Where ever applicable, flame proof appliances, fire door etc. are used. Partitions are made with PU panel capable to retain fire for a significant time period.

All employees undergo pre-employment and annual health check-up organized by the company. Company has contracted physicians specialised in Medicine, Gynecology, Child health etc. These physicians carries out their practices at Tongi area, close to the factory locations. Employees can consult with them free of cost twice in a week.

The Company has a sick bay. Employees can take advice from the qualified physicians engaged by the company. Company has also contracted with nearest clinic for handling of emergencies. The Company owns ambulances to send

patients to the hospitals and clinics in emergency cases. We provided first aid box to each department of our facility with necessary items.

Company conducts mock evacuation drill twice in a year in order to prepare the employees to act properly during any emergency raise. Total area is covered by fire hydrant pump. Standalone fire extinguishers are provided in all areas as per government regulation.

Company has its EHS committee comprising of high level management employees. They meet once in every two months to evaluate overall EHS situation and resolve identified issues. BPL conducts EHS audit once in a year. The Company also has a policy on "Environment Health and Safety" which is mandatory for all.

Child Labour

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.

Success Stories

Beximco Pharma is committed to inspire, enable, and invest in opportunities that help preserve environment. It's a matter of great pride that, we were among the first few in the world who proactively converted all the CFC based inhalers to ozone benign HFA formulations.

Beximco Pharma received "Occupational Safety and Health (OSH) Good Practice Award 2018" at the National Occupational Safety and Health day celebration on April 28, 2019. We have ISO 14001 (Environment Management System) certification and OHSAS 18001 (Occupational Health and Safety Management) certification for our high standard of compliance.

We seek to comply with the relevant environmental laws and regulations applicable in the country. We work with regulatory agencies in the implementation of an effective environmental policy totally in compliance with government regulations. As such all our manufacturing facilities have got the relevant certifications from the Department of Environment.

We provide support to various government and non-governmental organizations that work for environment. Beximco Pharma was one of the sponsors of "National Tree Plantation Campaign and Fair 2019".



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



What We Do for the Society



Corporate social responsibility (CSR) at Beximco Pharma stems from the ideology of providing sustainable value to the society. We strongly believe we can only be successful if we create value not just for the company but also for the society we live in. We invest in 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 2018-19 were:

Community Care Program



Beximco Pharma and DSM Nutritional Products, Switzerland have joined forces through a partnership with the Center for Human Nutrition and the Sight & Life Global Nutrition Research Institute at the Johns Hopkins University Bloomberg School of Public Health and the Jivita Maternal and Child Research Institute of the Johns Hopkins University-Bangladesh, Gaibandha with the goal to support community nutrition and health research intended to test, discover, inform and guide policies that can lift the health burden of micronutrient deficiencies among women, infants and children in impoverished regions of rural Bangladesh and South Asia. Driven by shared values in public health and a commitment to contribute resources that can promote equity, both companies work hand-in-hand with each other and with the Johns Hopkins team to manufacture, bottle, test and deliver tens of millions of micronutrient supplements for the Jivita Research Institute.

Beximco Pharma was awarded the Scrip Award for “Community Partnership of the Year” at the 14th Annual Scrip Awards ceremony held in London on 28 November 2018 for its decade long work with DSM and Johns Hopkins University to improve nutrition in rural Bangladesh. Other nominees in this category were AstraZeneca, IQVIA India, and Oxford PharmaGenesis.

Promoting Education

Education for Underprivileged Children and Students



Beximco Pharma has been sponsoring 3 Computer Literacy Centers (CLCs) in partnership with Computer Literacy Program (CLP), USA and its implementation partner in Bangladesh-Dnet. The main objective is to promote computer learning and information technology among the underprivileged students of Bangladesh. Beximco currently sponsors 3 CLCs in two different districts.

Computer Literacy Program (CLP) is the pioneer, an award winning non-formal model, and under this initiative, students in rural schools receive hands-on computer literacy training free of charge. Since 2004, Dnet has established 263 CLC centers in 55 districts and trained over 700 teachers (16% female) to transform students in digital literate. Through this program more than 100,000 students (49% female) successfully completed basic course on computer literacy.

Beximco's partnership with Dnet and CLP will help create computer learning opportunities for underprivileged students in rural areas and villages.

Eradicating Hunger, Poverty and Malnutrition

Support to Spreeha Bangladesh Foundation



Beximco Pharma extended support to Spreeha Bangladesh Foundation through donation of medicines. Mr. Rabbur Reza, Chief Operating Officer, Beximco Pharma handed over the medicines, as a part of its CSR initiatives, to Mr. Tazin Shadid, Founder and CEO of Spreeha Bangladesh. Spreeha Bangladesh Foundation is a Bangladesh based social enterprise working closely with underprivileged communities since 2008 and provides services under the categories of healthcare, education, skills training and outreach programs.

Support to Shuchona Foundation



Beximco Pharma continued to provide support to Shuchona Foundation which is a not-for-profit advocacy, research and capacity-building organization specializing in Neuro-Developmental Disorders (NDDs) and mental health.

Supporting Preventive Healthcare

Nationwide Vitamin D Screening



Beximco Pharma has conducted 3 Vitamin D Screening programs in Bogra, Khulna and Rangpur. More than 1000 doctors from different parts of the country participated in these programs.

AO Trauma Workshop



Beximco Pharma was the scientific partner of AO Trauma workshop held during September 14-16 and October 26-28.

Encouraging Environment Sustainability

National Tree Plantation Campaign and Fair



Beximco Pharma was one of the sponsors of "National Tree Plantation Campaign and Fair 2019" held on June 20, 2019 at Bangabandhu International Conference Centre (BICC).

Inspiring Leadership and skill development

National Youth Assembly 2019



Beximco Pharma was a sponsor of the National Youth Assembly 2019, the largest youth assembly in the country, held during March 9-12, 2019 in Cox's Bazar. The mega event was attended by over 35,000 volunteers and youth icons from all parts of the country while corporate leaders, policy makers, MPs, entrepreneurs, and renowned personalities from the country spoke on youth leadership during the summit.

6th Laboratorians National Science Festival 2019



Beximco Pharma was one of the key sponsors of "6th Laboratorians National Science Festival 2019" which offers a big platform for students to come up with innovative ideas. The festival was organized by Science Club of the laboratorians (S.C.L) of Government Laboratory High School, Dhaka during March 14-16, 2019.

Promoting Art and Culture

Art Exhibition of Female Artists



Beximco Pharma was a sponsor of 'Colours', an art exhibition of 8 emerging female artists of the country. Pre-eminent artist Monirul Islam and Professor Abul Barq Alvi were present at the opening of the exhibition on March 08, 2019.

8th Kibria International Print Fair 2019



Beximco Pharma extended support to promote and celebrate Bangladeshi arts and culture. BPL was the proud sponsor of 8th Kibria International Print Fair 2019, held during February 15-17, 2019 at Zainul Gallery, Faculty of Fine Arts, DU. Eminent and young printmakers from various institutes and organisations exhibited their works at the event.

Corporate Events



Beximco Pharma Launches Human Insulin (Gensulin®) and GensuPen



On May 03, 2019 Beximco Pharmaceuticals Ltd. achieved another milestone by launching clinically proven high quality European Insulin "Gensulin" and Automated Ergonomic Insulin Injecting device "GensuPen2"

Forecast Meeting 2019-20 in Kolkata, India



Annual Sales & Marketing Conference 2018-19 at Cox's Bazar



Annual Finance Conference at Cox's Bazar



Beximco Pharma Stall at CPhI Worldwide 2019, Frankfurt, Germany



Plant Visits

Delegates from Turkey



Senior Military Delegations from Zimbabwe National Defense University



Visit by Ambassador of Uzbekistan



Visitors from Bangladesh Armed Forces Division



Visitors from Bangladesh Air Force



Visits by Students from Brac University



Beximco Pharma Proudly Introduces

Clinically Proven High Quality European Insulin

GENSULIN[®]

Insulin Human

Powerful. Precise. Clinically Proven

For Diabetes treatment

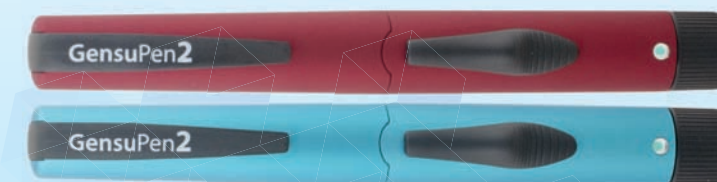


The Automated Ergonomic Injection device for Type1 and Type 2 diabetes Patients

GensuPen²

AUTOMATIC INJECTOR
FOR GENSULIN[®] INSULIN

Delivering insulin with Confidence & Comfort



**BEXIMCO
PHARMA**
here's to life

2018-19 Highlights



- Launched a total of 20 new products, including
 - Recombinant human insulin (Gensulin), together with the insulin pen (Gensupen), in collaboration with Polish biotech company, Bioton S.A.
 - Four products from subsidiary, Nuvista Pharma, in the domestic market



- Completed 77 registrations for 50 products in 23 countries
- Acquired eight ANDAs from Sandoz Inc. for the US market
- Received US Food and Drug Administration (FDA) approval for two cardiovascular drugs (Nadolol and Sotalol AF) and an anti-allergy drug (Cyproheptadine)
- Launched Metformin Hydrochloride (500mg and 750mg), an anti-diabetic, extended release drug in the US market
- Successfully completed EU GMP audits by German and Malta Regulatory authorities
- Commenced export to the UAE



- Received WHO Prequalification for Lamivudine 300 mg tablet, an antiviral product



- Received approval from the National Board of Revenue, Bangladesh as Authorised Economic Operator (AEO), a privilege given to selected companies for fast custom clearance in import and export



- Won the Scrip Award for "Community Partnership of the Year", which recognises pharma and biotech companies for the way in which they contribute to the wider community

Post Period Highlights



- Launched Maxhaler mDPI for the first time in Bangladesh, which is the generic version of GSK's Seretide Accuhaler



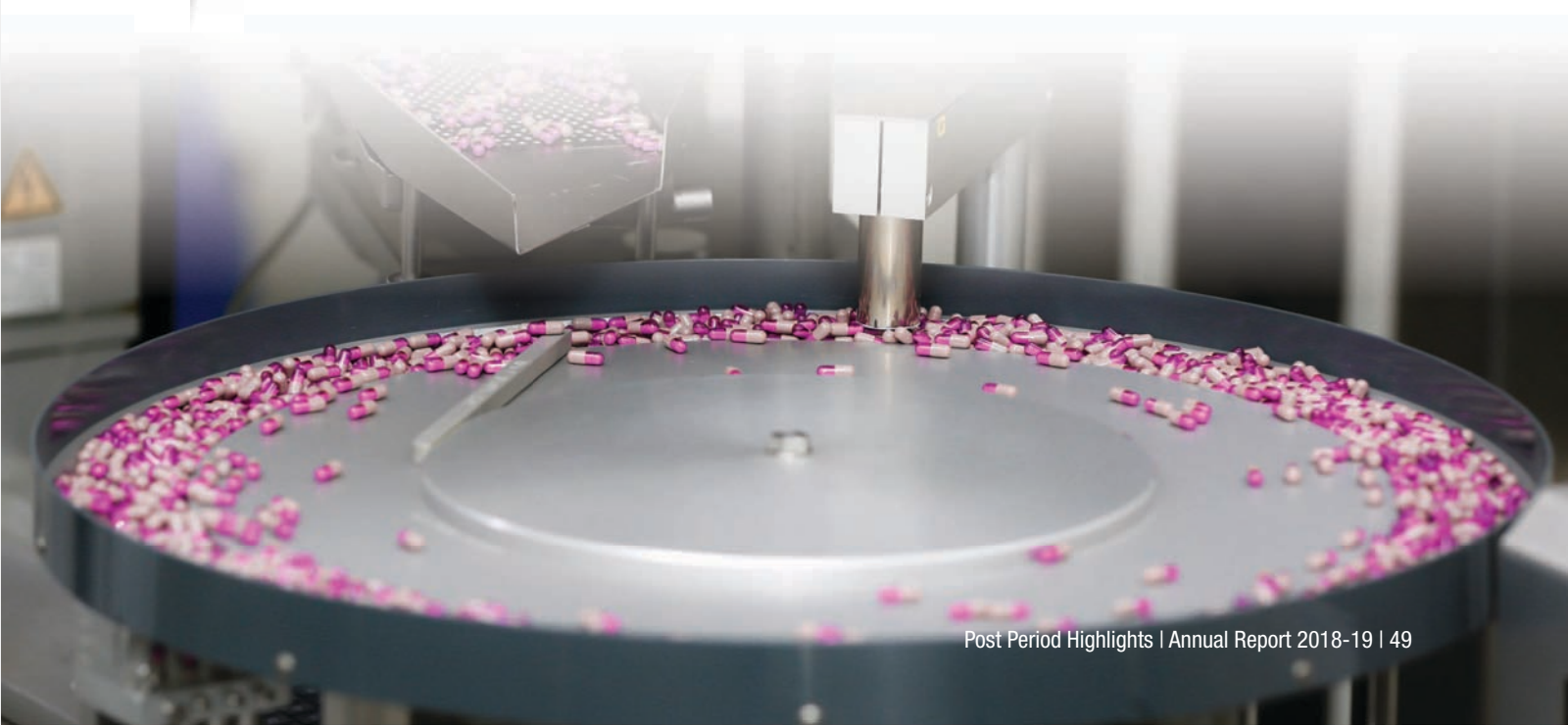
- Launched fifth product, Nadolol, a cardiovascular drug, in the US market



- Won Bangladesh's "National productivity and quality excellence award 2018", a recognition of outstanding contribution in increasing productivity and excellence in product quality



- Received "Global Generics & Biosimilars Awards 2019" in the category of Company of the Year, Asia Pacific, which recognises the efforts made by global generics and biosimilars sectors, to make affordable medicines available to more patients across the globe



Accolades and Awards



Scrip Awards for “Community Partnership of the Year”



Beximco Pharma has won the Scrip Award for “Community Partnership of the Year” at the 14th Annual Scrip Awards ceremony held in London on 28 November 2018. The Community Partnership of the Year award is designed to acknowledge the numerous ways in which pharma and biotech companies give back to the wider community. Beximco Pharma was awarded for its decade long work with DSM and Johns Hopkins University to improve nutrition in rural Bangladesh. Other nominees in this category were AstraZeneca, IQVIA India, and Oxford Pharma Genesis.

Global Generics & Biosimilars Awards 2019

Company of the Year, Asia Pacific

Global Generics & Biosimilars Awards

Informa Pharma Intelligence



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.

National Productivity and Quality Excellence Award-2018

Beximco Pharmaceuticals Limited was awarded National Productivity and Quality Excellence Award-2018 by the Ministry of Industries in recognition of outstanding contribution in increasing productivity and excellence in product quality.

Beximco Pharma secured first position under the category of Large Industry (Chemical). Industries Minister Nurul Majid Mahmud Humayun handed over the award in a ceremony held in Dhaka.



Bangladesh Business Innovation Award 2019

Bangladesh Business Innovation Award 2019, an initiative of Bangladesh Brand Forum to promote and acknowledge innovation in the country, has recognized 19 best innovations out of 250 entries in a grand award gala on the 12th of October, 2019. Beximco Pharma was awarded in the category of Best Innovation in Healthcare for its pioneering role in introducing multidose dry powder inhaler, Maxhaler, in Bangladesh.



National Occupational Health & Safety award 2018



Beximco Pharma won the “Health and Safety Award 2018” at the National Occupational Health & Safety Day celebration held on April 28, 2019. Mr. Shamim Momtaz, Director, Manufacturing (T-2) received the award on behalf of the company.

A large background image of the Earth from space, with a bright sun or starburst effect in the upper right corner.

A white and purple Maxhaler inhaler device with the text 'MAXHALER', '50/250', and 'bexitrol F'.

A circular seal with the text '1st TIME MANUFACTURED IN BANGLADESH'.

Just another new vista from Beximco Pharma.

Good morning, Oxygen!

As one of the very select manufacturers of the world Beximco Pharma introduces **Maxhaler mDPI** employing sophisticated dry powder inhalation technology.

bexitrol[®]  **MAXHALER[®]**

Chairman's Statement



A S F Rahman
Chairman

Dear Shareholders,

Beximco Pharma concluded another year of excellent performance. We continued our growth momentum, meeting sales and profit targets and achieving remarkable success in consistent pursuit of our strategic objectives. We expanded our domestic market at a pace ahead of the industry, accelerated growth in our export business, consolidated overseas markets, enriched and diversified our product portfolio, enhanced our manufacturing capabilities and made significant progress with our R&D initiatives.

As testament to this success, we received a number of awards from national and international organizations for our achievement in diversified fields including innovation, productivity and community services. We became Company of the Year, Asia Pacific, winning Global Generics and Biosimilar Award 2019. All these acknowledgements demonstrate our commitment to achieving excellence in the complete continuum of our business operations.

In April 2018, we completed a milestone event through the acquisition of Nuvista Pharma to supplement our organic growth in the domestic market. During the year, we successfully completed the integration of Nuvista to fully realize synergies, restructured its business and operating models to make them aligned to Beximco Pharma's winning strategies, introduced standardized operating policies and procedure and implemented several strategic initiatives to further expand and grow this important new subsidiary. We have already seen the benefit of our efforts and I remain confident of Nuvista's success as it continues to add further value to our business.

This year the Board has constituted a Nomination and Remuneration Committee. Advocate Shah Monjurul Hoque, an Independent Director, has been appointed as Chairman of the Committee. The Committee will have a significant role in assisting the Board in the nomination and selection of directors and adopting a policy driven approach to determine remuneration of the Board and top level executives.

I continue to be immensely impressed with the dedication, commitment and skills of our people. It is their efforts that drive the business forward, delivering an excellent performance and strong growth across our business. I thankfully acknowledge their contribution to the company. We are also grateful to our shareholders for extending, at all times, their invaluable support to the company, enabling the business to be in the robust position it is in today. The success we have achieved is only possible because of the collective efforts of all concerned.

I hope 2019-20 will continue to be another good year for Beximco Pharma. I remain confident that we are taking the right actions to continue to grow the business and deliver value for our shareholders. Thank you for your continued trust in us.

Thanking you

A S F Rahman
Chairman

চেয়ারম্যানের প্রতিবেদন

সম্মানিত শেয়ারহোল্ডারবৃন্দ,

বেক্সিমকো ফার্মাসিউটিক্যালস তার ক্রমাগত উন্নয়নের ধারা অব্যাহত রেখে আরও একটি বছর সাফল্যের সাথে সমাপ্ত করেছে। বিক্রয় ও মুনাফার প্রবৃদ্ধির মাধ্যমে আর্থিক লক্ষ্যমাত্রা অর্জনের পাশাপাশি আমাদের কৌশলগত ব্যবসায়িক পরিকল্পনা বাস্তবায়নের ক্ষেত্রেও আমরা কাজিত অগ্রগতি সাধন করেছি। অভ্যন্তরীণ বাজারে আমাদের অবস্থান আরও সুদৃঢ় হয়েছে। এ বছর আমরা যে বিক্রয় প্রবৃদ্ধি অর্জন করেছি ফার্মাসিউটিক্যালস শিল্পখাতের সার্বিক প্রবৃদ্ধির হার থেকে তা এগিয়ে। আন্তর্জাতিক বাজারে আমাদের অবস্থান আরও সুসংহত হয়েছে এবং রপ্তানী উল্লেখযোগ্য হারে বৃদ্ধি পেয়েছে। আমরা আমাদের পণ্য সন্টারকে আরও সমৃদ্ধ করেছি, উৎপাদন সক্ষমতা বৃদ্ধি করেছি এবং গবেষণা ও উন্নয়ন কার্যক্রমকে আরও জোরদার করতে সক্ষম হয়েছি।

পণ্যের নতুনত্ব, উৎপাদনশীলতা বৃদ্ধি, সমাজসেবা ইত্যাদি বিভিন্ন ক্ষেত্রে আমাদের সাফল্যের স্বীকৃতি হিসাবে আমরা এ বছর বেশ কয়েকটি জাতীয় ও আন্তর্জাতিক পুরস্কার লাভ করেছি। এ ছাড়া “Global Generics and Biosimilar Award-2019” এর Asia Pacific অঞ্চল ক্যাটাগরিতে আমরা Company of the Year হিসাবে স্বীকৃতি অর্জন করেছি। এ পুরস্কারসমূহ মূলত আমাদের ব্যবসায়িক কার্যক্রমের সকল ক্ষেত্রে ধারাবাহিক উন্নয়ন ও ক্রমাগত উৎকর্ষেরই স্বীকৃতি বহন করে।

অভ্যন্তরীণ বাজারে আমাদের দখলদারিত্ব বৃদ্ধির মাধ্যমে দ্রুততর বিক্রয় প্রবৃদ্ধি অর্জনের লক্ষ্যে আমরা ২০১৮ সালের এপ্রিলে নুভিস্তা ফার্মাকে অধিগ্রহণ করি। এ বছর আমরা সাফল্যের সাথে বিভিন্ন কার্যক্রমের একিভূতকরণ সম্পন্ন করেছি। আমরা নুভিস্তা ফার্মার বাণিজ্যিক ও ব্যবসায়িক মডেলকে সামঞ্জস্যকরণের মাধ্যমে বেক্সিমকো ফার্মার পরীক্ষিত ও সফল কৌশলের সাথে সমন্বিত করেছি, বিভিন্ন কার্য পরিচালনা নীতিমালা প্রণয়ন করেছি এবং ব্যবসায়ের সার্বিক উন্নয়ন ও প্রবৃদ্ধির জন্য কৌশলগত নীতিমালা বাস্তবায়ন শুরু করেছি। ইতোমধ্যে আমরা এর সুফল পেতে শুরু করেছি। আমার দৃঢ় বিশ্বাস নুভিস্তা ফার্মা ক্রমাগত উন্নয়ন প্রবৃদ্ধির মাধ্যমে আমাদের ব্যবসায়ে অধিকতর মূল্য সংযোজনে গুরুত্বপূর্ণ ভূমিকা রাখবে।

আলোচ্য বছরে কোম্পানীর পরিচালনা পর্ষদ Nomination and Remuneration কমিটি নামে একটি নতুন কমিটি গঠন করেছেন। কোম্পানীর ইন্ডিপেন্ডেন্ট ডাইরেক্টর জনাব শাহ মঞ্জুরুল হককে কমিটির চেয়ারম্যান হিসাবে নিয়োগ প্রদান করা হয়েছে। এই কমিটি পরিচালক এবং উচ্চ পদস্থ কর্মকর্তাদের নিয়োগ নীতিমালা এবং পারিশ্রমিক নির্ধারণে পরিচালনা পর্ষদকে সহায়তা প্রদান করবে।

কোম্পানীর সার্বিক অগ্রগতিতে আমাদের নিবেদিতপ্রাণ কর্মীবাহিনীর অবদান অনস্বীকার্য। তাদের আনুগত্য, কর্তব্য, নিষ্ঠা ও দক্ষতার কারণেই কোম্পানীর কাজিত সাফল্য ও অগ্রগতি উত্তরোত্তর বৃদ্ধি পাচ্ছে। আমি আন্তরিকভাবে তাদেরকে ধন্যবাদ জানাচ্ছি। আমাদের সম্মানিত শেয়ারহোল্ডারবৃন্দ কোম্পানীর সকল উদ্যোগে তাদের সার্বিক সমর্থন ও সহযোগিতা অব্যাহত রেখেছেন। তাদের সার্বিক সহযোগিতার কারণেই কোম্পানী আজকের অবস্থানে পৌছাতে সক্ষম হয়েছে। এ জন্য আমি সকলের প্রতি আমার কৃতজ্ঞতা জ্ঞাপন করছি।

আমি আশাবাদী ২০১৯-২০ বছরটিও আমাদের জন্য ভাল হবে। আমি নিশ্চিত যে, আমরা সঠিক পথেই রয়েছি এবং আমাদের গৃহীত পদক্ষেপসমূহ কোম্পানীর ব্যবসায়িক সাফল্য সুনিশ্চিত করবে এবং শেয়ারহোল্ডারদের সম্পদ বৃদ্ধিতে ভূমিকা রাখবে।

আমাদের উপর আস্থা রাখার জন্য সবাইকে অসংখ্য ধন্যবাদ।

এ এস এফ রহমান
চেয়ারম্যান



Nazmul Hassan MP
Managing Director

Industry Overview

Bangladesh is now home to one of the fastest growing economies in the world with consistent growth in GDP and per capita income and remarkable achievements in other socio-economic indicators. According to IQVIA audited data, the Bangladesh pharma market has maintained its double digit growth, 10.64% in 2018-19, with total sales reaching Tk. 223 (US \$ 2.62) billion. Improved access to healthcare facilities, health awareness of people, increasing coverage of rural areas, and higher purchasing power have largely contributed to this growth. With continued economic progress and exceptional achievements in healthcare, Bangladesh is projected to maintain this positive momentum in the coming years.

The global generics industry is also growing rapidly and this will continue to expand as countries around the world are promoting the use of generics. As per the IQVIA report, global

spending on medicines reached \$1.2 trillion in 2018 and is set to exceed \$1.5 trillion by 2023. In the next five years, more than \$100 billion worth of originator drugs will be coming off patent and the biosimilar market will be nearly three times larger than what it is today, with several key blockbuster biologics losing their patent protection. This creates immense opportunities for generic manufacturers, which Beximco Pharma can benefit from if we can properly utilize our competitive advantages. The country's pharma sector has huge export potential and the government has taken various initiatives to support the industry in realizing this potential. Pharma export from the country increased by 25.60% to \$130 million in 2018-19, which was \$103.46 million in the previous year.

Although our pharma industry has made commendable progress over the years, still we are almost entirely dependent on the import of pharmaceutical raw materials or APIs. Generic drug manufacturers around the world, including India, are heavily dependent on APIs and intermediates from China. Since 2018, hundreds of bulk drug factories in China have been shut down due to new environmental regulations. This led to shortage of API supply globally and a surge in API prices across different categories pushing up the cost of pharma production. The Bangladesh pharma industry has also been hit by this disruption in API supply.

As a part of the government's initiative to further develop the pharmaceutical sector through backward integration, an attractive incentive package has been declared for the domestic manufacture of APIs. A 10% cash incentive is already being offered to formulation exporters. The development of relevant infrastructure in the country's much awaited API Industrial Park is in progress and companies who have been allotted plots, are preparing to set up manufacturing facilities. Domestic API production would make the pharma sector more competitive and help it sustain beyond TRIPS regime.

Operating and Financial Performance

Continued Double Digit Revenue Growth

Our consolidated revenue in the domestic market increased by an overall 25.1% to reach at Tk. 20,314 million in 2018-19 compared to Tk. 16,240 million for the year 2017-18. BPL's

revenue on a standalone basis, grew by 17.3% as compared to 10.2% in the prior period. Our constant strategic focus on key therapeutic segments, particularly improving product mix across the rapidly growing areas, contributed to this growth. The first time full year consolidation of our subsidiary, Nuvista Pharma, further supplemented the accelerated growth in the domestic market.

We secured a robust 69% growth in export largely driven by our sales in the US market. Revenue from export stands at Tk. 2,502 million as against Tk. 1,477 million of preceding year. Export now accounts for 11% of our revenue. It is a matter of pride that Beximco Pharma remains the sole Bangladeshi company exporting pharmaceutical products to world's most stringent and regulated market, the United States. This is yet another testament to our manufacturing excellence and adherence to strict quality policies.

Strengthened Product Portfolio

We introduced 20 products, including four from our subsidiary Nuvista Pharma, in the domestic market to expand and strengthen our existing product portfolio. The year saw a strong performance from our leading brands across key therapeutic areas with cardiovascular, respiratory and anti-diabetic posting impressive growth.

Our newly launched products cover 11 therapeutic segments, which includes hormones, oral contraceptives, ophthalmic, and cardiovascular to name a few. Importantly, we launched recombinant human insulin (Gensulin), together with the insulin pen (Gensupen), in collaboration with Polish biotech company, Bioton S.A, which is a leading global player in human insulin.

Reinforcing International Market Positions

The Company completed 77 registrations of 50 Products in 23 countries to further broaden and consolidate our export markets. In February 2019, we acquired 8 ANDAs from Sandoz, USA, taking our US portfolio to 15 including 7 in-house ANDAs. There is no doubt our growing presence as a reliable manufacturer of quality generics has increased our potential for further growth in the regulated markets including the USA. We commenced export of Metformin Hydrochloride (500mg and 750mg), an anti-diabetic, extended release product to the US market; received US Food and Drug Administration (FDA) approval for two cardiovascular drugs (Nadolol and Sotalol AF) and an anti-allergy drug (Cyproheptadine). In July 2019, we shipped Nadolol, our fifth product to the US market.

While we are reinforcing our US position, we are also finalizing the acquisition of two marketing approvals in the United Kingdom, a fast-track precursor to enter into this regulated market. We received WHO prequalification for Lamivudine 300 mg tablet, an antiviral product and completed European Union Good Manufacturing Practice (GMP) Audits by German and Malta Regulatory Authorities during the year.

Profit Growth in Line with Revenue

The Company saw an increase in both pre- and after-tax profit consistent with robust growth in sales revenue. Profit before tax increased by 17.4% over the last year to reach at Tk. 3,946 million; profit after tax also grew by 20% to reach Tk. 3,040 million.

You will find five years' comparative financial performance in the attachment to the Directors' Report.

National and International Recognitions

Being in the knowledge based industry we know innovation is the key to drive differentiation and stay ahead in the competition. We won the Bangladesh Business Innovation Award 2019 in the category of Best Innovation in Health Care. This is a recognition of our consistent effort to enrich our portfolio with differentiated products.

We also won Bangladesh's National Productivity and Quality Excellence Award 2018 in recognition of outstanding contribution to high productivity and excellence in product quality.

We strive to make a positive impact on the lives of people through our Corporate Social Responsibility initiatives and that includes our program with globally renowned institutes. It was a huge honor to win the 'Community Partnership of the Year' at the Scrip Awards, presented in London in November 2018. The Community Partnership Award recognizes pharma and biotech companies for the way in which they contribute to the wider community. Beximco Pharma and DSM Nutritional Products were awarded for their partnership with the Johns Hopkins University in supporting community nutrition and health research in rural Bangladesh and South Asia.

In November 2019, we won the Global Generics & Biosimilars Awards 2019 in the category of Company of the Year, Asia Pacific, which recognises the efforts made by global generics and biosimilars sectors, to make affordable medicines available to more patients across the globe.

Beximco Pharma also received approval from the National Board of Revenue, Bangladesh as an Authorised Economic Operator (AEO), a privilege given to selected companies for fast custom clearance in import and export.

Credit Rating

Credit Rating Information and Services Limited (CRISL), the country’s leading Credit Rating company, has assigned AA+ (higher safety and high credit quality) rating in the long term and ST-1 (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.

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 mis-statements 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 Ahead

We have completed a successful and exciting year as we continued to execute our well defined strategic priorities. Our domestic market is the key driver of our growth. Diversification of our product portfolio and expansion of our domestic market share will continue to remain our key strategic priority. Alongside growing in the domestic market, we are equally

focused on achieving accelerated growth in the longer term through consolidation of our export business.

A robust product pipeline is crucial for sustained growth in this highly competitive generics landscape, and, keeping that in mind, we make consistent investments in R&D with special focus on developing specialized, hi-tech delivery systems. We are stepping into new areas such as complex generics, biosimilars and oncology.

We have given special focus on strengthening our API capabilities; two of our small-scale units are now operational and producing a few high value, patented APIs. We have taken initiative to set up a large scale API production facility in the API Park to produce a number of APIs to lower dependence on import of these materials.

Built over four decades, BPL’s reputation is founded on its core values, commitment to excellence and efforts to provide improved access to medicines. Quality and compliance are key pillars of our consistent growth story. We are committed to manufacture products, which conform to the highest standards of quality. We are also taking several initiatives to optimize our internal processes to capture all available synergies and improve operational efficiencies.

Looking ahead, we are committed to building a promising future by creating value for the patients we serve and for our shareholders.

Nazmul Hassan

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, 2019 along with the report of the auditors thereon.

General Economic Overview

Bangladesh’s economy in 2018-19 performed exceedingly well with a record high 8.1% increase (Source: Asian Development Bank) in GDP. The share of the industrial sector in the GDP rose to 33.7% with 13% growth over the prior period. The nominal per capita income increased by 9% to \$1,909. The inflation rate remained under control at a moderate 6% level. Double digit growth in export earnings, higher remittances, robust private consumptions and massive government spending for infrastructure contributed to economic progress. Government and other international agencies forecast a stable future outlook with economy estimated to be growing by 8% in the fiscal year 2019-20.

The Pharmaceuticals sector within the country continues to benefit from the supportive policies of the government and country’s stable economic progress. Demand for pharmaceutical products in Bangladesh is primarily driven by increased individual private spending for health. Bangladesh over the years has made a steady economic progress and it has now set the goal of being a middle income country by 2021. Improvement in the standard of living, education and increased health awareness reinforced by added purchasing power is expected to trigger the demand for pharmaceuticals and other healthcare products and services in the coming years.

As reported last year, the government declared various fiscal and non-fiscal incentive to encourage the domestic manufacture of Active Pharmaceuticals Ingredients. An attractive 10% Cash incentive on the FOB value is also available for the export of finished pharmaceuticals products subject to fulfillment of certain conditions.

A new VAT Act became effective from July 1, 2019. The Act was originally passed by the parliament a few years back but its implementation was deferred. With regard to the Pharmaceutical industry, the Act does not contain any fundamental changes to the previous one except some

automation of the documentations and reporting.

Gross Margin and Profitability

The Company delivered strong results during 2018-19. Our Consolidated Profit from Operation increased by a significant 25.8% to Tk. 5,066 million. Net Profit before tax increased by 17.4% and after tax by 20.0% to Tk. 3,946 and 3,040 respectively. The table below provides Y-o-Y sales and profit performance:

			Million Taka
	2018-2019	2017-2018	Growth
Sales Revenue	22,816	17,716	28.8%
Gross Profit	10,620	8,286	28.1%
Operating Profit	5,066	4,026	25.8%
Pre-Tax Profit	3,946	3,361	17.4%
Net Profit after Tax	3,040	2,533	20.0%

Consolidated Gross profit margin in 2018-19 slightly declined to 46.6% from 46.8%. The rises in the prices of materials in the international markets, moderate domestic inflation and depreciation of Taka against its principal foreign currency US dollar has raised the cost of goods sold. These have however, been partly neutralized by leverage of higher sales, improved product mix and planned cost management initiatives. All these together helped sustain the overall gross margin at this level.

The higher use of working capital credit facilities to support the business growth resulted in an increase in finance costs. Additionally, during the year the Company took a short term Time Loan of Tk. 2,600 million for use towards the payment of imported project materials for various projects under implementation. We repaid Tk. 1,800 million of the borrowings during the post-balance sheet period.

The Company has modified its gratuity policy, a long term deferred employee benefit plan, to make it compliant to the changes made through the Labor Act. This required an additional provisioning of Tk. 125 million during the current period to make up the shortfalls in the accumulated gratuity provisions. Despite this, the Company maintained its operating expenses at its current 24% level.

Comment on Continuity of Other Income

The government has declared 10% cash incentives on the FOB value of finished pharmaceuticals subject to fulfillment of certain conditions. Additionally, we have royalty income from the sale of few selected products in the overseas markets. These are accounted for on an accrual basis and reported as “Other Income”. Both the income are linked to export. While we expect these income to continue in the future periods, the amounts are however, variable on products, markets and other factors.

Profit and its Appropriation

Amount in Taka’000		
Particulars	BPL (Stand-alone)	
	2018-19	2017-18
Net Profit After Tax	3,023,500	2,558,971
Adjustment for depreciation of Revalued Assets	9,175	10,383
Profit Brought Forward	14,124,183	12,061,774
Profit Available for Appropriation	17,156,858	14,631,128
Proposed Dividend:		
Cash Dividend	(608,334)	(506,945)
Profit Carried Forward	16,548,524	14,124,183

Dividend

The Board of Directors recommends a 15.00% Cash Dividend i.e. Tk. 1.50 per share for the year ended 30 June, 2019 for onward approval at the Annual General Meeting.

During the year, no interim dividend including stock dividend has been declared or paid by the Company.

Risks and Concerns

Organizations are not free from risks that might arise both from internal and external fronts. Like any other business or industry, Beximco Pharma operating in a dynamic and competitive market is exposed to risks that may affect its business. The senior management of the Company oversees risk management processes on a continual basis. Management of risks involves identification and assessment of risks; setting standard on Company’s risk appetite; and designing, implementing and monitoring policies to appropriately address various financial and non-financial risks. The identified risks, which could potentially affect the achievement of strategic, operational, financial and/or compliance objectives, are

reported to the Board. Based on the nature and extent of the risk, the senior management of the Company takes appropriate mitigating measures to avoid, eliminate or reduce risks at functional, business and corporate level on a regular basis to safeguard the Company’s assets and to protect shareholders’ interests.

Changing Economic Conditions

Economic advancement and consequent increase in the purchasing power of the people has direct implication on the demand for pharmaceutical products. Any decline in economic growth could, as for any other industry, impact the future demand for pharmaceutical products. Bangladesh however, maintained a steady economic progress over the years with substantial uplift in all socio-economic indexes and it is anticipated that the trend will continue in the immediate future.

Market Risk

The Company operates in a competitive domestic market. The domestic market is exposed with over 400 local manufacturers operating in the industry. However, only a small number of these have the potential to compete directly with BPL in its domestic market. BPL continuously expands and diversify its product portfolio and builds competencies to compete with the operators on price and quality both locally and internationally. Retention and expansion of the existing market share of different therapeutics categories and addition of new products in line with the changing demand of the market are the key to achieve the desired revenue and profit targets. Beximco Pharma has talented marketing and sales team and strong R&D with a proven record of success.

Input Prices and Supply Chain Risk

As with other pharmaceutical companies of the country, BPL is largely dependent on imported APIs. Any substantial increase in prices in the international market may affect future profitability of the company. To mitigate the risk, Beximco Pharma imports 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 this therefore, reduces the individual supplier’s influence on procurement prices. Most of the suppliers have their local agent and the Company maintains close relationship with them. Moreover, BPL manufactures few of the APIs and has plan to expand the API manufacturing facilities to further strengthen its backward linkage.

The Company’s customer base is also well diversified. No

single customer or market has significant influence on demand for Company’s products.

Product Liability Risk

Pharmaceutical products are usually exposed to high quality control risk. Each product is required to be marketed through a stringent compliance procedure. Manufacturing of products require the flexibility to accommodate the changing local and global regulatory needs. Any deviation from the standard may result in serious market reputational damages and might also create a regulatory barrier. Over the years BPL has been recognized locally and globally for quality standards and manufacturing excellence. Our manufacturing facilities are certified by leading global regulatory agencies. As such Beximco Pharma is exposed to less quality control risk. Additionally, the Company has taken adequate insurance cover to minimize the product liability risk.

Technology Risk

The pharmaceutical industry is a technology and research driven industry. The company’s management values data security, automation of operations and technological advancement in the industry. The Company therefore continues to invest in state-of-the-art technologies, R&D and laboratory infrastructure to build its manufacturing and innovation capabilities. It maintains close ties with leading global companies and organizations to remain updated on the changes taking place in the industry.

Regulatory Risk

Uncertainties emanating from significant changes in the pharmaceutical policy, regulations, tax regime or other business laws having bearing on pharmaceutical sector may also threaten the growth potential of this business. However, policies of the Government of Bangladesh are supportive to the industry and pose no immediate risk. Rather the government has declared a number of financial and non-financial facilities for the industry to help its growth.

Formation of Nomination and Remuneration Committee

As per provision of the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission, the Board of Directors constituted a Nomination and Remuneration Committee. Mr. Shah Monjurul Hoque, an Independent Director has been made Chairman of the Committee. The Committee is composed of as follows:

Shah Monjurul Hoque	: Chairman
Iqbal Ahmed	: Member
Osman Kaiser Chowdhury	: Member
Mohammad Asad Ullah	: Secretary

The Board has also approved the terms of reference which includes assisting the Board in the formulation of the nomination criteria setting qualifications, experiences and other attributes for directors, formal policy on determining remuneration for the directors and other top level executives.

Retirement and Re-election of Directors

Mr. Osman Kaiser Chowdhury and Mr. Abu Bakar Siddiquir 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. Osman Kaiser Chowdhury and Mr. Abu Bakar Siddiquir Rahman are long term directors in the Board. Detail biodata of the Directors are provided in the Directors’ Profile section of this Annual Report.

Re-appointment of Managing Director

As per provision of the Company’s Act 1994 Managing Directors are appointed for a period of five years. The tenure of Mr. Nazmul Hassan MP, Managing Director of the Company expired on 7th May 2019. The Board after due evaluation of his performance, has re-appointed him as Managing Director of the Company for another period of 5 years with effect from 7th May 2019 subject to confirmation of the Shareholders in the 43rd Annual General Meeting. The credentials of Mr. Hassan is given 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 42nd Annual General Meeting of the Company has carried out the audit for the year ended 30 June 2019.

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 2019-20. 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 2019-20.

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.

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 2018-2019 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 meetings
A S F Rahman	Chairman	11
Salman F Rahman MP	Vice Chairman	7
Nazmul Hassan MP	Managing Director	12
Osman Kaiser Chowdhury	Member	12
Iqbal Ahmed	Member	12
A B Siddiquir Rahman	Member	12
Dr. Abdur Rahman Khan	Independent Director	11
Shah Monjurul Hoque	Independent Director	11

The Pattern of Shareholding

The Shareholding of Directors, CEO, CFO, Company Secretary, Key Executives and their spouses and children are provided as 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 as Annexure - 4

On behalf of the Board

X. S. F. Rahman

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, 2019

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission’s Notification No. BSEC/CMRRCD/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, 2019 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, 2019 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

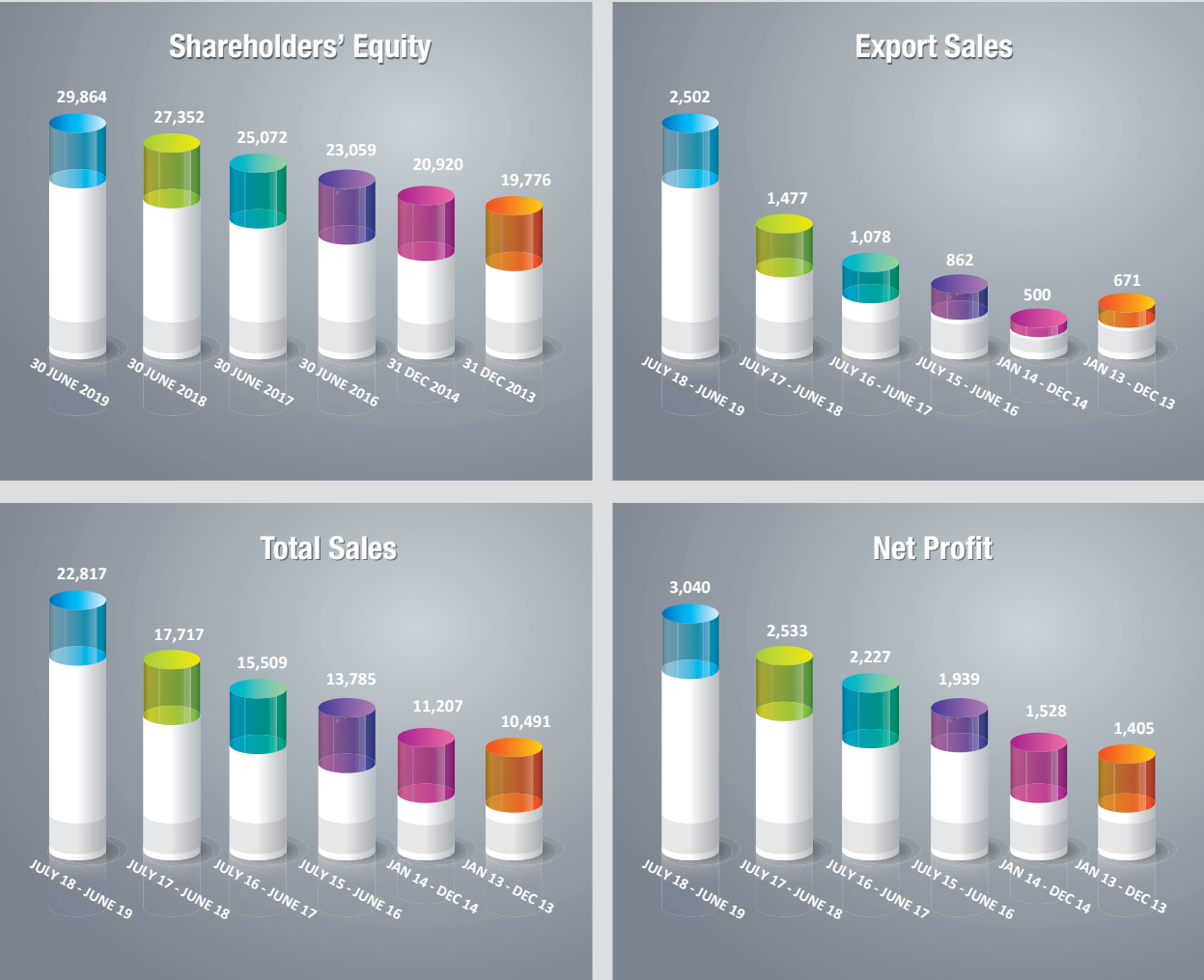
	30 June 2019	30 June 2018	30 June 2017	30 June 2016	31 Dec 2014	31 Dec 2013
Taka in Thousand						
Authorized Capital	15,000,000	9,100,000	9,100,000	9,100,000	9,100,000	9,100,000
Paid up Capital	4,055,564	4,055,564	4,055,564	3,862,442	3,678,516	3,503,349
Shareholders' Equity	29,864,324	27,351,837	25,072,426	23,059,412	20,920,185	19,775,552
Fixed Assets (Gross)	43,454,027	39,081,675	31,692,789	28,756,326	25,818,728	23,051,128
Net Asset Value (NAV) Per Share Tk.	73	67	62	60	57	56
Market Price Per Share	83.50	93.90	113.00	83.50	58.70	47.20
Price Earnings Ratio (Time)	11.16	15.02	20.58	17.47	14.82	12.36
Number of Shareholders						
Foreign Investors	56,177	57,982	62,741	67,679	89,913	92,831
ICB including ICB	77	90	92	83	68	68
Investors Account	881	879	874	878	882	880
Sponsors, General Public & Other Institutions						
	55,219	57,013	61,775	66,718	88,963	91,883
Number of employees						
	4,523	4,256	3,833	3,515	3,063	2,897
Taka in Thousand						
Total Sales	22,816,630	17,716,717	15,508,777	13,785,325	11,206,886	10,490,699
Export Sales	2,502,633	1,476,978	1,078,472	861,653	500,469	671,289
Gross Profit	10,620,343	8,285,979	7,184,882	6,408,857	5,104,191	4,838,800
Profit Before Tax	3,946,065	3,361,334	2,891,482	2,564,267	2,109,556	2,093,594
Net Profit	3,040,403	2,532,654	2,226,695	1,938,894	1,528,298	1,404,763
EPS/Restated EPS- Tk.	7.48	6.25	5.49	4.78	3.96	3.82
Net Operating Cash Flow Per Share	7.30	4.49	6.49	8.21	6.02	6.08
New Product Launched-numbers	20	16	15	21	28	23
Stock Dividend	-	-	-	5%*	5%	5%
Cash Dividend	15.00%	12.50%	12.50%	15%*	10.00%	10.00%

*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 non-nominate 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 Tk. 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 Tk. 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 liated 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	√		
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	√		
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	N/A		There has been no such vacancy.
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	N/A		There has been no such instances
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 2018-19.
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/Rights Issue	-	-	No such IPO/RPO/Right Issue occurred during FY 2018-19.
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	√		No such instance found during the period.
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	√		



Suraiya Parveen & Associates

(Chartered Secretaries, Financial & Management Consultants)

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

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

We have examined the compliance status to the Corporate Governance Code by Beximco Pharmaceuticals Ltd. for the year ended on 30 June 2019. 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:

- 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;
- 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;
- 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
- The Governance of the company is highly satisfactory.

Dhaka, Dated
November 21, 2019



Suraiya Parveen & Associates
Chartered Secretaries

Suraiya Parveen, FCS
Chartered Secretary in Practice

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Report of the Audit Committee



I am pleased to present the report of the Audit Committee of Beximco Pharmaceuticals Limited in pursuance with the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC), 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 and reviewing the financial statements of subsidiary company. 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 23 October 2019 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, 2019. 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.

Meetings and Attendance

The Audit Committee held four meetings to carry out its business under the ToR during the year. The membership of the Audit Committee together with their attendance at the meeting is given below:

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

External Auditor

The Committee assessed the independence, objectivity and expertise of the independent auditors engaged to carry out the audit for the year 2018-19. Based on the evaluation, the Committee proposed the Board to re-engage existing auditors M/S M J Abedin & Company, Chartered Accountants, for the year 2019-20 which shall be subject to the approval of the shareholders in the Annual General Meeting.

Other Reviews and Activities

During 2018-19 the committee also assessed and examined risk management process, monitored internal audit and compliance process and reviewed the reports 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.



Dr. Abdur Rahman Khan
Chairman
Audit Committee

Report of the Nomination and Remuneration Committee



I am pleased to present the report of the Nomination and Remuneration Committee (NRC) of Beximco Pharmaceuticals Limited in pursuance with the Corporate Governance Guidelines.

NRC is a new Committee constituted on 24 December 2018 as a sub Committee of the Board with specific Terms of Reference (ToR). Since formation, the Committee held one meeting which was attended by all the members of the Committee.

The Committee in its meeting discussed in detail the ToR set out by the Board, the role of the Committee and its modus operandi. The Committee decided to review the code of conduct for the Chairman, Board members and the Managing Director of the Company. It was also agreed to review the existing policies of the Company including policy on remuneration for Directors and top level executives.



Shah Monjurul Hoque
Chairman
Nomination and Remuneration Committee



Beximco Pharma places the greatest emphasis on maintaining the highest standard of corporate governance. As a trustee of all stakeholders of the Company, the Board is fully aware of its responsibilities to the interest of all concerned. We believe good governance is inevitable for the long-term performance and sustainability of the company as well as to protect and enhance the interests of the shareholders and other stakeholders.

While the Directors' report provides details on Company's compliance to the statutory code of corporate governance, the paragraphs below further explain how corporate governance works at Beximco Pharma.

Composition and Diversity of the Board

Board of Directors of Beximco Pharma comprise of eight members with two independent directors. All the members of the Board are non-executive excepting the Managing Director who is an ex-officio Director. The Board of Directors is the highest level of authority in the organization structure of the Company. The primary role of the Board is to ensure effective governance over the performance and affairs of the company. The Board is collectively responsible to the Company's shareholders for the appropriate conduct and success of the business. The Board meets periodically to oversee the Company's affairs, gives approval and strategic direction to important business and policy matters.

Beximco Pharma's Board is well diversified in terms of industry experience, management expertise, age, education, professional background etc., to provide appropriate direction to the Company's management for sustainable development and growth of the Company.

Board Committees

The Board has set up two important Committees namely, Audit Committee and Remuneration and Nomination Committee (NRC), to assist the Board in certain matters specified in the respective terms of reference of the Committees.

Audit Committee consists of three non-executive directors, two of them are Independent Director. Dr. Abdur Rahman Khan an Independent Director of the Board is the Chairman of

the Committee. Audit Committee's primary role is to oversee financial reporting, risk management and internal control process of the business. The Audit Committee submits periodic reports to the Board.

The Board has constituted a three member Nomination and remuneration Committee (NRC) with Mr. Advocate Shah Monjurul Hoque, an Independent Director as its Chairman. The primary function NRC is to assist the Board in determination of qualification criteria for the directors, fixation of remuneration and compensation for the Directors and top executives of the Company.

Executive Committee

Next to the Board, is a five-member Executive Committee (EC) for closer monitoring of business performance and to provide operational guidance. A representative of the Board holds the position of Chairman of the Committee. The Executive Committee meets on a quarterly basis. Its scope of work includes among others, periodic review of business performance, approval of the budget and evaluation of capital expenditure proposals. The Executive Committee also approves the operating organization structure and significant policies and procedures. Executive Committee provide significant inputs to enable the Board to make well-informed decisions.

Management Committee

The Management Committee comprises operational heads and representatives from the Board and Executive Committee and is chaired by the Managing Director. The Committee meets on a monthly basis. It is responsible for implementing the decisions of the Board and the Executive Committee and supervision of the day to day affairs of the Company. The management Committee acts as a centre of co-ordination across the functions and resolves different operational issues.

Appointment, Retirement and Re-election of Directors

As per provisions of Bangladesh Company Act, members of the Board of Directors excepting the Independent and Managing Directors are elected by the shareholders in the Annual General Meeting. They are elected for a period of one

year and at least one third of the Directors retire by rotation in every Annual General Meeting (AGM). Retiring Directors are however, eligible for re-election and appointment by the shareholders in the AGM.

The Managing Director is appointed by the Board but such appointment is to be approved by Shareholders in the AGM. The tenure of managing director is five years which can be renewed unrestricted number of times. The Managing Director shall not be subject to retirement by rotation.

Independent Directors are also appointed by the Board and be approved by the shareholders in the AGM. The tenure of office of an independent director is three years, which may be extended for one tenure only. However, a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two terms.

Internal Control

Beximco Pharma employs a sound system of internal control including financial control which is designed to effectively

achieve its business objectives through the best utilization of resources. A good internal control system enhances the reliability and integrity of financial and operational activities and also confirms compliance with laws, regulations and ethical principles.

Over the years, Beximco Pharma has successfully implemented a robust internal control system which includes a well-designed management structure, clearly defined responsibilities, delegation of authorities, the establishment of accountability at each segment of the business. Appropriate monitoring and reporting systems are in place to establish accountability and monitor performance at every level. The Company uses ERP tools and different tailor-made software to collect, collate, analyse, interpret and report financial and other non-financial information, in some cases real-time basis.

The Company has a separate Internal Audit and Compliance department. They carry out financial and compliance audit across the organizations throughout the year. The department is adequately resourced with experienced personnel.



Investor Relations



Beximco Pharma has a separate Company Secretarial Department adequately manned with qualified professionals to carry out the regulatory company secretarial functions and to meet the shareholders' and investors' requirements and queries. There is also a dedicated team within accounting and finance function to deal with investor related compliance issues. Our Investor Relations team places high priority towards investor queries and complaints. During the year under review, the company has not received any reportable complaints from its shareholders/investors.

Communication with Shareholders

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.

Company unfailingly holds AGM as required by the Company 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.

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 GDR investors overseas at least twice a year 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 future potentials of the Company.

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 latest information about the Company and its operation. The website is well organized to meet information requirement of different stakeholders and updated on 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 in other communications.



The 42nd Annual General Meeting of the shareholders of Beximco Pharmaceuticals Limited was held on December 22, 2018 at Beximco Industrial Park, Saravo, Kashimpur, Gazipur. Mr. Osman Kaiser Chowdhury, Director of the Company presided over the meeting. Performance of the company as well as future strategies were briefly discussed in the meeting. All resolutions put before the shareholders were duly passed including the agenda of paying 12.5% cash dividend for the year ended June 30, 2018. At the end of the meeting Mr. Osman Kaiser Chowdhury expressed his appreciation towards shareholders for their interest in the Company and their continued support.



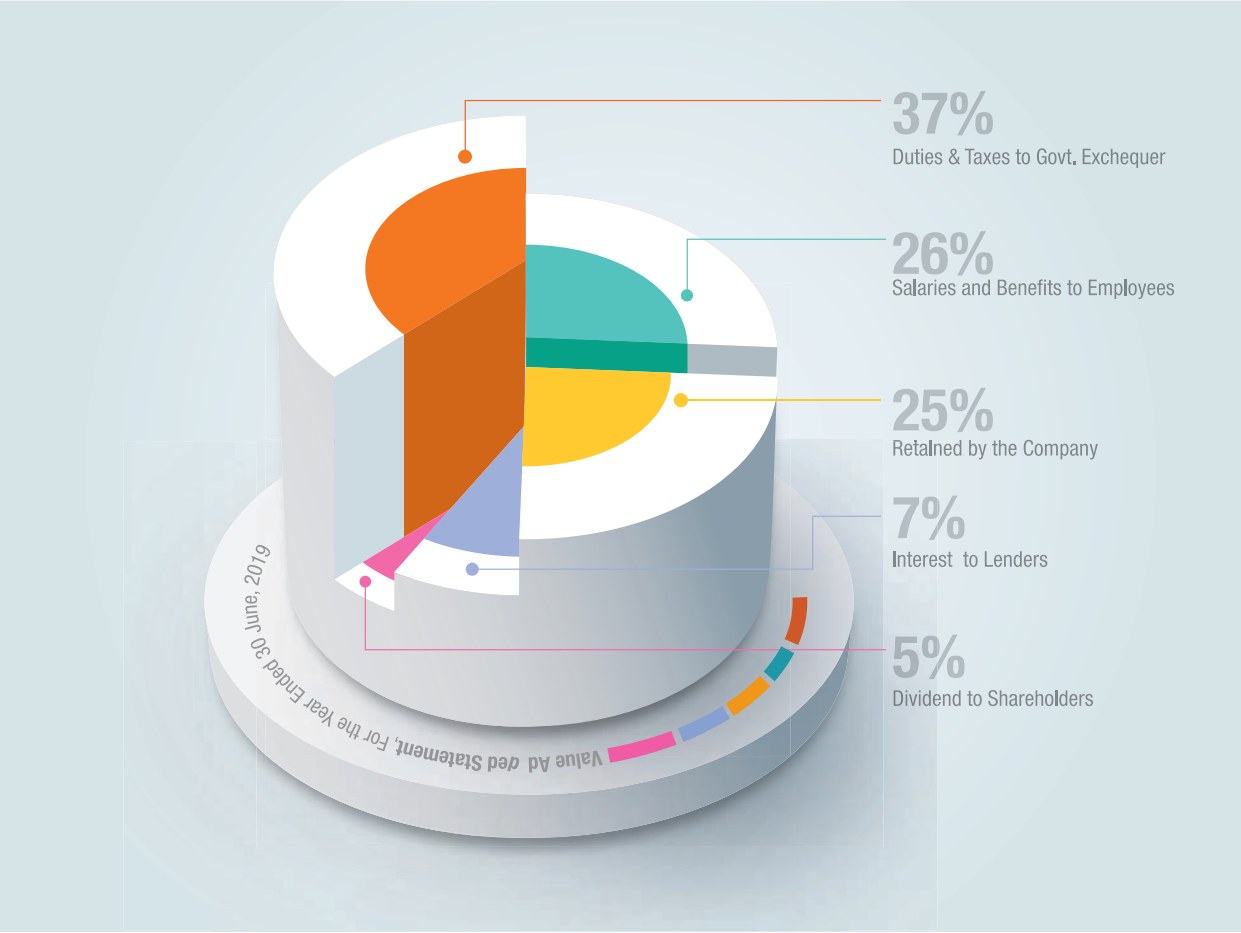
Value Added Statement



For the Year Ended 30 June, 2019

Taka in thousand

	Tk.	%
Value Added :		
Sales & Other Income	26,515,562	
Bought-in-Materials & Services	(12,661,602)	
	13,853,960	100
Applications :		
Retained by the Company	3,453,232	25
Salaries and Benefits to Employees	3,557,598	26
Interest to Lenders	1,029,763	7
Dividend to Shareholders	631,835	5
Duties & Taxes to Govt. Exchequer	5,181,532	37
	13,853,960	100



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