

# Directors' Report

## TO THE MEMBERS

The Directors of Renata Limited are pleased to present their Annual Report along with the Audited Financial Statements of the Company for the year which ended on December 31, 2014.

## BUSINESS ACTIVITIES

Turnover during 2014 was Taka 11,107.3 million registering a growth of 26.8% over last year's turnover of Taka 8,757.4 million. Profit after tax was Taka 1,720.2 million – a growth of 23.4%. Earnings per Share (EPS) stood at Taka 38.77 against Taka 31.50 as of 2013.

## NEW PRODUCTS

Renata introduced 27 new formulations during 2014

Sl.	Brand Name	Generic	Division	Developed by
01	Cebuten 400mg Capsule	Ceftibuten Dihydrate	Pharmaceutical	Renata
02	Feburen 40mg Tablet	Febuxostat	Pharmaceutical	Renata
03	Feburen 80mg Tablet	Febuxostat	Pharmaceutical	Renata
04	Fentanyl Injection 100µgm/2ml IV	Fentanyl Citrate	Pharmaceutical	Renata
05	Indula 200mcg Tablet	Misoprostol	Pharmaceutical	Renata
06	Ivana 150 mg Tablet	Ibandronic acid	Pharmaceutical	Renata
07	Maxpro HP	Esomeprazole 20mg Cap + Amoxicillin 500mg Tab + Clarithromycin 500mg Tab	Pharmaceutical	Renata
08	Midzo 15mg/3ml IV/IM injection	Midazolam	Pharmaceutical	Renata
09	Midzo 7.5mg Tablet	Midazolam	Pharmaceutical	Renata
10	Mif 200mg Tablet	Mifepristone	Pharmaceutical	Renata
11	Sitamet Tablet	Sitagliptin 50mg+Metformin 500mg	Pharmaceutical	Renata
12	VCAP Soft Gelatin Capsule	Neomycin Sulphate-35,000 IU + Polymyxin B Sulphate- 35,000 IU + Nystatin- 100,000 IU + Metronidazole-200mg	Pharmaceutical	Renata
13	Renacin Injection	Clorpheniramine maleate 10mg/ml	Animal Health	Renata
14	Anorexon DS Bolus	Cobalt sulfate 100mg, Ferrous sulfate 200mg, Thiamin 50mg, Cyanocobalamine 40mcg, Choline bitertrate 18.20mg/Bolus	Animal Health	Renata
15	Renamet Bolus	Metronidazole 2gm/Bolus	Animal Health	Renata
16	Dellergen Bolus	Promethazine 150mg/Bolus	Animal Health	Renata
17	Fevenil Injection	Tolfenamic acid 40mg/ml	Animal Health	Dongbu Farm annong, Korea
18	Renazuril Suspension	Toltrazuril 25mg/ml	Animal Health	Dongbu Farm Hannong, Korea
19	IZOVAC Clone	Live attenuated NDV clone 106EID <sup>50</sup>	Animal Health	IZO SRL a Socio Unico, Italy
20	IZOVAC Gumboro 2	Live intermediate IBDV winterfield 2512 103EID <sup>50</sup>	Animal Health	IZO SRL a Socio Unico, Italy
21	IZOVAC Gumboro 3	Live intermediate Plus IBDV winterfield 2512 102.7EID <sup>50</sup>	Animal Health	IZO SRL a Socio Unico, Italy
22	IZOVAC B1 Hitchner	Live attenuated NDV B1 Hitchner 106.5EID <sup>50</sup>	Animal Health	IZO SRL a Socio Unico, Italy
23	IZOVAC H120 LaSota	Live attenuated NDV lasota 106EID <sup>50</sup> Live attenuated IBV Massachusetts H120 106EID <sup>50</sup>	Animal Health	IZO SRL a Socio Unico, Italy
24	IZOVAC LaSota	Live attenuated NDV lasota 106EID <sup>50</sup>	Animal Health	IZO SRL a Socio Unico, Italy
25	IZOVAC ND	Inactivated NDV lasota 50 PD <sup>50</sup>	Animal Health	IZO SRL a Socio Unico, Italy
26	IZOVAC ND-EDS	Inactivated NDV lasota 50 PD <sup>50</sup> Inactivated EDS 76 50 108 EID <sup>50</sup>	Animal Health	IZO SRL a Socio Unico, Italy
27	IZOVAC Coryza 3	Haemophilus Paragallinarum A, B & C 5x10 <sup>9</sup>	Animal Health	IZO SRL a Socio Unico, Italy

## CAPITAL EXPENDITURE

The following capital expenditure made by the Company during the year amounted to Tk. 996.3 million.

	<b>Taka in Millions</b>
Freehold Land	63.5
Building	16.6
Plant and Machinery	809.5
Automobile	27.2
Office Equipment, Furniture & Fixtures and others	79.5
<b>Total</b>	<b>996.3</b>

The investments were funded from internally generated cash and bank loans.

## DIVIDEND

While there is reasonable profit available for distribution, the investment pipeline is also rich. Hence the Directors deem it necessary to retain adequate funds to finance the capital expenditures for capacity building to sustain the growth of the company.

The Board of Directors is pleased to recommend a cash dividend of Taka 8.00 per ordinary share of Taka 10 each. This dividend will entail a payment of Taka 353,023,432. The Board of Directors also recommend a Stock Dividend (Bonus Shares) in the ratio of 5:1 Bonus Share for every 5 shares held (5:1B) for which an amount of Taka 88,255,858 will have to be transferred to Share Capital Account.

## CONTRIBUTION TO NATIONAL EXCHEQUER

During the year under review Renata paid Taka 2,146 million to the National Exchequer in the form of Corporate Income Tax, Import Duties, and Value Added Tax (VAT).

## DIRECTORS

The Directors retiring by rotation under Articles 109, 115, and 116 of the Articles of Association of the Company are Mr. A. Hasanat Khan, Mr. Manzoor Hasan and Mrs Zahida Fizza Kabir who, being eligible, offer themselves for re-election.

## AUDITORS

The Company's Auditor Messrs Hoda Vasi Chowdhury & Co., Chartered Accountants will retire at the 42nd Annual General Meeting and being eligible may offer themselves for reappointment as Auditor for the year 2015 with re-fixation of their remuneration.

## FINANCIAL RESULTS

The Directors take pleasure in reporting the following financial results of the Company for the year 2014

	<b>2014 TAKA</b>	<b>2013 TAKA</b>
Profit before tax	2,330,922,942	1,885,359,052
Less: Provision for tax	620,060,417	495,194,525
Net Profit after tax	1,710,862,525	1,390,164,527
Add/(Less) Other comprehensive income	9,346,119	3,764,204
Total Comprehensive income	1,720,208,644	1,393,928,731
Add; Unappropriated profit brought forward	5,182,093,709	4,183,439,792
Add; Depreciation of revaluation surplus	635,885	635,885
Less: Tax holiday reserve	(46,840,445)	(42,887,266)
	<b>6,856,097,793</b>	<b>5,535,117,139</b>
<b>APPROPRIATION RECOMMENDED</b>		
<b>Dividend proposed:</b>		
a) Cash dividend @ Taka 8.00 per share	353,023,432	264,767,573
b) Stock dividend (Bonus Share) in the ratio of one bonus share for every five(5:1B) shares held	88,255,858	88,255,857
	441,279,290	353,023,430
Balance of unappropriated profit carried Forward	6,414,818,503	5,182,093,709
	<b>6,856,097,793</b>	<b>5,535,117,139</b>

## CONSOLIDATION OF ACCOUNTS

The company is consistently following the Code of International Accounting Standard as adopted by the Institute of Chartered Accountants of Bangladesh. According to Bangladesh Accounting Standard-27, (BAS-27) the company has presented all the relevant consolidated financial statements with those of its subsidiaries.

## ADDITIONAL STATEMENT

The Directors are pleased to make the following additional statements in respect of the Report prepared under section 184 of the Companies Act 1994.

In our opinion,

- The financial statements prepared by the management for the year 2014 give a true and fair view of the state of company, the results of its operations, cash flows, and changes in equity.
- Proper books of account have been maintained by the company as required by applicable laws, rules, and standards.

c) Appropriate accounting policies have been consistently applied in preparing financial statements and accounting estimates are based on reasonable and prudent judgments.

d) In preparing of the financial statement, the International Accounting Standard, as applicable in Bangladesh has been followed and there has been no departure from the policies.

e) The system of internal control and internal check are in effect and monitored properly.

f) The company has sound and strong operational strengths and ability to continue as a going concern. As such, there is no doubt of its continuity.

g) There is no significant deviation from last year in operating results.

h) The key operating and financial data for the preceding five years have been shown in the Financial Highlights.

i) The Directors have recommended a dividend of Taka 8.00 per share of Taka 10 each and Stock dividend (bonus share) in the ratio of one share for every five shares are held (5:1B).

j) During the year four board meetings were held. Attendance by each Director is given below:

1. Mr. Syed Humayun Kabir Chairman of the Board	4 times
2. Mr. Syed S. Kaiser Kabir Managing Director	3 times
3. Mrs. Zahida Fizza Kabir Director	4 times
4. Dr. Sarwar Ali Director	3 times
5. Mr. Md. Fayekuzzaman Director	4 times
6. Mr. A. Hasanat Khan Director	3 times
7. Mr. Manzoor Hasan Independent Director	4 times
8. Mrs. Tanya Tazeen Karim Independent Director	3 times

k) The pattern of shareholding  
(i) Parent/ subsidiary / associated companies:

The Shareholding information as of December 31, 2014 and other related information are set out in note- 7 and 15.

(ii) <b>Directors</b>	
<b>Name</b>	<b>No. of Shares</b>
Mr. Syed Humayun Kabir	19,254
Mr. Syed S. Kaiser Kabir	44,368
Mrs. Zahida Fizza Kabir	6,406
Dr. Sarwar Ali	2,440

Mr. Md. Fayekuzzaman	-
Mr. A. Hasanat Khan	-
Mr. Manzoor Hasan	-
Mrs. Tanya Tazeen Karim	-

(iii) **Company Secretary**  
Mr. Jubayer Alam 200

(iv) **Chief Financial Officer (CFO)**  
Mr. Khokan Chandra Das 1,577

(v) **Head of Internal Audit**  
Mr. ATM Muniruzzaman 125

(vi) **Executives:**  
Mr. Khalil Musaddeq -  
Dr. Sayma Ali 1,425  
Mr. Monowarul Islam -  
Mr. Sirajul Hoque 1,106  
Mr. S.M. Anisur Rahman -

(vii) **Shareholders holding 10% or more voting interest:**  
Sajida Foundation 22,505,055  
Business Research International Corp. Inc. 9,612,876

## STATUS OF COMPLIANCE:

Status of compliance as stated in BSEC order dated August 7, 2012 is shown in Annexure-III.

## PERSONNEL

The Directors record their appreciation for the contribution made by the employees for their efforts.

## ACKNOWLEDGEMENT:

The Board wishes to thank the shareholders, Officials of the Drug Administration and other Government officials, doctors, chemists, medical institutions, bankers, the Bangladesh Securities and Exchange Commission, the Dhaka Stock Exchange Limited and all our well-wishers for their continued support.

On behalf of the Board of Directors,



Syed Humayun Kabir  
Chairman

April 30, 2015