

# Renata Limited

Annual Report 2013





# Renata Limited

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Corporate Headquarters: Plot # 1, Milk Vita Road, Section-7, Mirpur, Dhaka-1216, Bangladesh

## TRANSMITTAL LETTER

The Shareholders  
Bangladesh Securities and Exchange Commission  
Registrar of Joint Stock Companies & Firms  
Dhaka Stock Exchange Ltd.

Sub: Annual Report for the year ended December 31, 2013

Dear Sir/Madam (s)

We are pleased to enclose a copy of our Annual Report and Audited Accounts including a Statement of Financial Position, a Statement of Comprehensive Income, and notes and annexes as needed for the year that ended December 31, 2013. We hope you enjoy reviewing the Report and seeing how Renata has grown as a company over the past year.

Yours sincerely,

Md. Jubayer Alam  
Company Secretary  
April 29, 2014

# ANNUAL GENERAL MEETING 2012



# RENATA LIMITED

Corporate Headquarters: Plot # 1, Milk Vita Road  
Section-7, Mirpur, Dhaka-1216

April 29, 2014

## NOTICE

NOTICE is hereby given that the 41st Annual General Meeting of Renata Limited will be held at Dhaka Ladies Club, 36, Eskaton Garden Road, Dhaka-1000 on Saturday, June 21, 2014 at 10.30 a.m. to transact the following business :

## AGENDA

- Agenda-1:** To receive, consider, and adopt the Audited Accounts of the Company for the year ended December 31, 2013 together with Reports of the Auditors and the Directors.
- Agenda-2:** To declare dividend for the year which ended on December 31, 2013 (See note ii).
- Agenda-3:** To elect Directors, in accordance with the relevant provisions of the Articles of Association of the Company.
- Agenda-4:** To appoint Auditors for the year 2014 and to fix their remuneration.
- Agenda-5:** To approve appointment of the Independent Director.

By Order of the Board



(Md. Jubayer Alam)  
Company Secretary

## NOTES:

- i) The 'Record Date' (in lieu of Book Closure) is Monday, May 12, 2014. The Shareowners whose name will appear in the Share Register of the Company and in the Depository Register on that Date will be eligible to attend the meeting and qualify for the Dividend to be declared at the AGM.
- ii) The Directors have recommended cash dividend @ 75% i.e. Taka 7.50 per share of Taka10 each and stock dividend @ 25% (bonus shares) in the ratio one bonus share for every four shares held (4:1B).
- iii) A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form, duly completed, must be deposited at the Registered Office of the Company at Plot # 1, Milk Vita Road, Section-7, Mirpur, Dhaka-1216 not later than 48 hours before the time fixed for the Meeting.
- iv) Members are requested to notify change of address, if any, to the Company. For BO A/C holders, the same to be rectified through their respective Depository Participants.
- v) Admission into the Meeting Room will be allowed on production of the "Attendance Slip" attached with the Proxy Form.

<b>1</b>	Company Profile
<b>2</b>	Our Values
<b>3</b>	Mission and Vision
<b>6</b>	Chairman's Statement
<b>10</b>	Board of Directors
<b>15</b>	Corporate Governance
<b>17</b>	Directors' Report
<b>31</b>	Financial Highlights
<b>32</b>	Financial Trend
<b>33</b>	Statement of Value Addition
<b>35</b>	Corporate Social Responsibility
<b>38</b>	Product Portfolio

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## **Financial Statements of Renata Limited**

<b>52</b>	Auditors' Report
<b>53</b>	Statement of Financial Position
<b>54</b>	Statement of Comprehensive Income
<b>55</b>	Statement of Changes in Equity
<b>56</b>	Cash Flow Statement
<b>57</b>	Notes to the Financial Statements

---

## **Report and Financial Statements of Renata Agro Industries Limited**

<b>88</b>	Directors' Report
<b>89</b>	Auditors' Report
<b>90</b>	Statement of Financial Position
<b>91</b>	Statement of Comprehensive Income
<b>92</b>	Cash Flow Statement
<b>93</b>	Statement of Changes in Equity
<b>94</b>	Notes to the Financial Statements

## **Report and Financial Statements of Purnava Limited**

<b>106</b>	Directors' Report
<b>107</b>	Auditors' Report
<b>108</b>	Statement of Financial Position
<b>109</b>	Statement of Comprehensive Income
<b>110</b>	Statement of Changes in Equity
<b>111</b>	Cash Flow Statement
<b>112</b>	Notes to the Financial Statements

---

## **Report and Financial Statements of Renata Oncology Limited**

<b>120</b>	Directors' Report
<b>121</b>	Auditors' Report
<b>122</b>	Statement of Financial Position
<b>123</b>	Notes to the Financial Statements

---

## **Consolidated Financial Statements of Renata Limited and its Subsidiaries**

<b>128</b>	Auditors' Report
<b>129</b>	Statement of Financial Position
<b>130</b>	Statement of Comprehensive Income
<b>131</b>	Statement of Changes in Equity
<b>132</b>	Cash Flow Statement
<b>133</b>	Notes to the Financial Statements

---

<b>149</b>	Corporate Directory
<b>150</b>	Proxy Form

**Year of Incorporation**

1972 as Pfizer Laboratories (Bangladesh) Limited,  
subsidiary of Pfizer Corporation, USA

**Change of Name**

1993 Renamed as Renata Limited after divestment of  
shareholdings by Pfizer Corporation, USA

**Field of Business**

Manufacturing, Marketing & Distribution of Human Pharmaceuticals,  
Animal Health Medicines, Nutritionals, and Vaccines

**Contract Manufacturing**

General products for UNICEF and SMC

**MHRA Certificate**

Medicines and Healthcare products Regulatory Agency, UK  
has issued a Certificate of GMP Compliance of a Manufacturer  
to Renata Limited for our Potent Products Facility at section 7, Mirpur, Dhaka

**Marketing & Distribution Rights**

- Novartis Vaccines (Germany/Italy): Human vaccines
- Evans Vanodine International (UK): Animal farm disinfectants
- Zinpro (USA) & Biomin (Austria): Animal nutritional products
- Bomac (New Zealand): Animal health products
- Novus (USA): Animal health products
- Indian Herbs Overseas
- Blue Seas Life Sciences

**Investment in Subsidiaries**

- 99.99% Shareholding in Renata Agro Industries Limited
- 99.99% Shareholding in Purnava Limited
- 99.99% Shareholding in Renata Oncology Limited

# COMPANY PROFILE

# OUR VALUES

## **Customer Focus**

Customer satisfaction is the main reason behind all our activities.

## **Integrity**

We conform to the highest ethical standards.

## **Social Responsibility**

We make active efforts to improve the welfare of our community.

## **Building Leaders**

Renata cannot grow without leadership in all spheres of our activities. Therefore creating leaders is a key priority.

## **The Corporate Family**

We recognise that people are the cornerstone of Renata's success. We are one big family where each of us expects to be treated fairly and with dignity.

# Our Mission

To provide maximum value to our customers, and communities where we live and work.

## Approach to Quality

The endurance of a company's reputation depends upon the quality of work it does rather than the quantity. Hence, the appreciation of quality must be instinctive, and our commitment to quality must be total.

## Our Vision

To establish Renata permanently among the best of innovative branded generic companies.

### **Corporate Headquarters**

Plot # 1, Milk Vita Road, Section-7  
Mirpur, Dhaka-1216, Bangladesh

### **Manufacturing Sites**

Plot # 1, Milk Vita Road, Section-7  
Mirpur, Dhaka-1216, Bangladesh

Noyapara, Bhawal Mirzapur  
Rajendrapur, Gazipur, Bangladesh

### **Bankers**

Standard Chartered Bank  
The Hongkong and Shanghai Banking Corporation Limited (HSBC)  
Citibank, N.A.  
Commercial Bank of Ceylon  
Bank Asia Limited  
Eastern Bank Limited  
The City Bank Limited  
Agrani Bank Limited  
Sonali Bank Limited

### **Auditor**

Hoda Vasi Chowdhury & Co., Chartered Accountants

### **Legal Adviser**

Dr. M. Zahir and Associates



"The market is also exhibiting signs of brand-deepening, which is an encouraging development for companies such as Renata that focus on brand-building.... in the absence of new blockbuster molecules, brand- deepening has replaced new products as the new growth-driver."

Syed Humayun Kabir  
Chairman



The Managing Directors from 1972 until present day.  
From left to right: Kaiser Kabir (2002-present), Syed Humayun Kabir (1972-1994), Dr. Sarwar Ali (1995-2001).

# Chairman's Statement

Welcome to the 41st Annual General Meeting of Renata Limited.

Net Sales and Net Profit grew very modestly in 2013 at 14.2% and 11.8% respectively.

In line with trends from the last three years, the pharmaceutical market in Bangladesh continued to show signs of declining growth in 2013. In the previous annual report we pointed out that the dwindling growth of antibiotics as a key reason for this phenomenon. It is also noteworthy that in contrast to the experience of other countries, Total Pharmaceutical Expenditure (TPE) as a share of GDP has remained fairly flat.

The World Medicines Situation 2011 (WHO), a cross-country study, reported that since 1995, Total Pharmaceutical Expenditure (TPE) as a share of GDP has increased globally across all income groups. The largest growth occurred in the low-income countries, where total spending on pharmaceuticals as a share of GDP increased from 1.12% to 1.62%.

However, despite significant increase in volumes, the TPE-GDP ratio in Bangladesh has not shown an upward trend. This observation likely reflects the fact that overall medicine price increases have trailed the overall rate of inflation.

While medicine prices in Bangladesh remain among the lowest in the world, it has not been very easy to raise product prices due to competitive pressures and moral suasion by governments. Faced with an unattractive global product-pipeline and difficulties in raising prices, it should come as no surprise that growth has become more and more difficult to achieve over the last few years.

Despite such challenging circumstances, plenty of growth opportunities remain for market stalwarts such as Renata for two principal reasons:

Firstly, while the overall market growth rate may be on the decline, there is clear evidence that the top five companies have been steadily increasing their market share over the years. While the top 20 companies own more than 85% market share, Figure No. 1 clearly demonstrates that the top five companies have been increasing their dominance in the market. While companies ranked 16-20 are also making their presence felt, the rate of growth of market share is much greater for the top five companies.

Figure 1: Evolution of Market Shares by Size Categories.

Secondly, the market is also exhibiting signs of brand-deepening, which is an encouraging development for companies such as Renata that focus on brand-building. Table No. 2 clearly shows that the market share of top brands have been increasing in Bangladesh. In fact, in the absence of new blockbuster molecules, brand-deepening has replaced new products as the new growth-driver.

Our exports declined by 21.3% solely due to the fact there was no large-scale international procurement of oral rehydration salt (ORS) by UNICEF, Copenhagen in 2013, as there was in 2012. However, on a positive note, towards the end of the year, we

Table No. 1

## Expenditure on Pharmaceuticals Relative to Nominal GDP in Bangladesh

2008-09	0.89%
2009-10	0.98%
2010-11	1.05%
2011-12	1.02%
2012-13P	0.98%

Figure 1: Evolution of Market Shares by Size Categories.

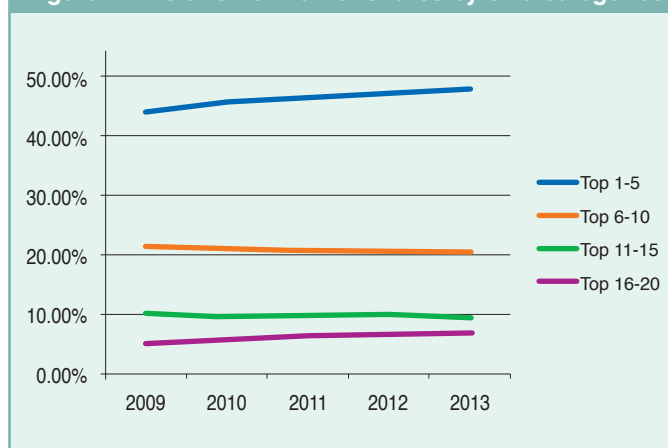


Table No. 2

## Brand Deepening in Bangladesh Pharmaceutical Market

### Market Shares

	Top 10	Top 50	Top 100	Top 200
2009	7.45%	20.17%	29.23%	39.95%
2010	8.18%	20.89%	30.13%	41.15%
2011	8.70%	21.58%	30.96%	42.71%
2012	8.40%	21.83%	31.68%	43.72%
2013	8.82%	22.29%	32.03%	44.40%

participated and won a significant international tender for Desogestrel+Ethinyl Estradiol in Malaysia. As such, our brand Desolon will be available in 141 clinics and hospitals in Malaysia from 2014. With this tender, Renata has created a footprint in the large international institutional market for oral contraceptives.

In terms of dossier filings, there are 86 new filings and 50 filings for re-registration. These filings including several Asian Common Technical Document (ACTD) dossiers.

The poultry-driven animal health industry continues on a roller-coaster trajectory. While in 2012, Avian Influenza (AI) devastated the poultry industry and adversely affected the animal health industry, the absence of an AI epidemic in 2013 raised the poultry population and created a boom in the animal health industry.

Unfortunately, the large increase in the poultry population precipitated a fall in the price of poultry products and the closure of many farms. As such, 2014 is likely to be a very challenging year for our animal health business.

In line with previous years, we invested aggressively to increase production and distribution capacities in 2013. Since 2009, Renata has made capital investments totalling Taka 796 crores of which Taka 650 crores went directly into capacity enhancement for manufacturing and distribution.

Of course, such large investments also raise capital costs which is why we must continue to explore efficient methods of financing. In 2013, we were authorised by Bangladesh Bank to take out a \$10 million loan payable over five years. The foreign exchange risk was hedged by projected export earnings. This loan shall yield substantial interest savings for Renata.

Below is a brief look at our constituent businesses:

**Animal Health:** The widespread use of vaccines significantly lowered the outbreaks of Avian Influenza (AI) and the improved liveability of poultry stocks created a boom in the animal health industry. Without including vaccines, the Industry grew by 20.79%, while including vaccines raised the growth rate further to 27.20%. Renata, which does not yet have a line of vaccines, registered a healthy growth rate of 25.5%.

Through our agreement with Indian Herbs, we introduced three new exciting products to the market. In addition, through a new agreement with Dongbu Farm Hannong of South Korea, we launched an additional three new products.

**Pharmaceutical:** For the reasons outlined earlier, achieving high growth in the market is becoming increasingly difficult. Moreover, the political turmoil during Q4 had a devastating impact on growth (See Table No. 2).

Table No. 3

**Quarterly Growth in the Bangladesh Pharmaceutical Industry in 2013**

	Growth %
Q1	2.1%
Q2	14.0%
Q3	9.9%
Q4	6.5%
Growth in 2013	8.1%

Our sales grew by 13.7% against overall market growth of 8.1%. We also improved our sales rank in the Industry from 5<sup>th</sup> to 4<sup>th</sup>. We note with satisfaction our efforts in brand-building. The top 10 branded products presently constitute 51% of total sales compared to 47% in 2012. Our top brand Maxpro is now the third-highest selling product in Bangladesh.

**Contract-Manufacturing:** Renata is now the largest manufacturer of oral contraceptive pills in Bangladesh thanks to our contract-manufacturing arrangement with SMC. In addition to pills, there are significant volumes of ORS and micro-nutrient powders contracted with SMC, BRAC, and UNICEF. Overall, the business grew by 6.9% in 2013 and slightly higher volumes are expected in 2014.

**Outlook for 2014:** Given a variety of efficiency measures taken to strengthen sales, marketing, distribution, and manufacturing, we expect 2014 to be a reasonably good year.



Syed Humayun Kabir  
Chairman  
April 29, 2014

# চেয়ারম্যানের প্রতিবেদন

রেনাটা লিমিটেডের ৪১তম বার্ষিক সাধারণ সভায় আপনাদের স্বাগতম।

২০১৩ সালে আমাদের নিট বিক্রয় ও মূল্য প্রবৃদ্ধি হয়েছে মাঝারী ধরনের, যা যথাক্রমে ১৪.২% এবং ১১.৮%।

গত তিন বছরে বাংলাদেশের ফার্মাসিউটিক্যাল মার্কেটের নিম্নমুখী প্রবৃদ্ধির ধারাবাহিকতা ২০১৩ সালেও পরিলক্ষিত হয়েছে। গত বার্ষিক প্রতিবেদনে আমরা দেখিয়েছি যে, এন্টিবায়োটিকস-এর প্রবৃদ্ধি ক্রমশঃ কমে যাওয়াই এর মূল কারণ। প্রসঙ্গতঃ উল্লেখ্য, অন্যান্য উন্নত দেশে জিডিপি'র অনুপাত হিসেবে ফার্মাসিউটিক্যাল এক্সপেন্ডিচার বৃদ্ধি পেলেও আমাদের দেশে তা প্রায় একই রকম আছে।

The World Medicine Situation 2011 (WHO) একটি ক্রস কান্ট্রি প্রতিবেদনে দেখিয়েছে যে, ১৯৯৫ সালের পর থেকে বিশ্বব্যাপি সকল ইনকাম গ্রুপের টোটাল ফার্মাসিউটিক্যাল এক্সপেন্ডিচার (টিপিই) জিডিপি'র অংশ অনুপাতে বেশী বৃদ্ধি পেয়েছে। সর্বোচ্চ প্রবৃদ্ধি হয়েছে কম আয়ের দেশগুলোতে, যেখানে জিডিপি-এর অংশ হিসেবে ফার্মাসিউটিক্যালের মোট ব্যয় বৃদ্ধি হয়েছে ১.১২% থেকে ১.৬২%।

পরিমাণে উল্লেখযোগ্য বৃদ্ধি সত্ত্বেও, বাংলাদেশে টিপিই-জিডিপি অনুপাত উর্দ্ধমুখী দেখাচ্ছে না। এই পর্যবেক্ষণ থেকে মোটামুটি ধারণা করা যায় যে, সার্বিকভাবে অধিক হারে মুদ্রাস্ফীতির কারণে ওষুধের মূল্য বৃদ্ধি সত্ত্বেও তা, এই অনুপাতকে বাড়াতে পারেনি।

একদিকে বিশ্বের যে সমস্ত দেশে কম মূল্যে ওষুধ পাওয়া যায় বাংলাদেশ তাদের মধ্যে একটি, অন্যদিকে প্রতিযোগীদের চাপ এবং সরকারের নীতিগত কারণে প্রোডাক্ট-এর মূল্য বৃদ্ধিও খুব একটা সহজ ব্যাপার নয়। এ ছাড়া বিশ্বে আকর্ষণীয় প্রোডাক্ট পাইপ-লাইনের দুর্বলতার কারণে বিগত কয়েক বছরে প্রবৃদ্ধি অর্জন করা কঠিন থেকে কঠিনতর হয়েছে।

এরকম প্রতিদ্বন্দ্বিতাপূর্ণ পরিস্থিতি সত্ত্বেও শীর্ষ কোম্পানীগুলো যেমন-রেনাটার পর্যাপ্ত প্রবৃদ্ধির সুযোগ এখনও আছে মূলতঃ দু'টি কারণে-

প্রথমতঃ যদিও সার্বিক মার্কেট প্রবৃদ্ধির হার নিম্নমুখী, তারপরও সুস্পষ্টভাবে প্রমাণিত যে, শীর্ষ ৫ কোম্পানী প্রতি বছর নিয়মিত ভাবে তাদের মার্কেট শেয়ার বাড়িয়েছে। শীর্ষ ২০ কোম্পানী ৮৫% মার্কেট শেয়ার দখল করে থাকলেও চিত্র:১-এ এটা সুস্পষ্ট যে, শীর্ষ ৫ কোম্পানীই মার্কেটে তাদের আধিপত্য বাড়িয়ে চলেছে। যদিও ১৬-২০ র‍্যাংকিং কোম্পানীর উপস্থিতি উল্লেখ করার মত, কিন্তু মার্কেট শেয়ারের প্রবৃদ্ধির হার শীর্ষ ৫ কোম্পানীর ক্ষেত্রে অনেক বেশী।

দ্বিতীয়তঃ বাজারে ব্র্যান্ড নির্ভরতার লক্ষণ প্রদর্শিত হচ্ছে, যা কিনা ব্র্যান্ড বিল্ডিং এ মনোনিবেশ করছে এরকম কোম্পানী যেমন-রেনাটার জন্য উৎসাহজনক। টেবিল-২ এ স্পষ্টভাবে দেখানো হয়েছে যে, বাংলাদেশে শীর্ষ ব্র্যান্ডগুলোর মার্কেট শেয়ার বেড়েছে। প্রকৃতপক্ষে ব্র্যান্ড নির্ভরতা এখন নতুন প্রোডাক্ট এর পরিবর্তে প্রবৃদ্ধির চালক হিসেবে স্থান দখল করেছে।

২০১৩ সালে আমাদের রপ্তানী প্রবৃদ্ধি কমেছে ২১.৩%, কারণ আন্তর্জাতিক ভাবে ২০১২ সালের মত ইউনিসেফ (UNICEF) কোপেন হ্যাগেন-এ ওরাল রিহাইড্রেশন সল্ট (ORS)-এর বড় ধরনের কোন চাহিদা ছিল না। তবে আশার কথা হল, এই বছরের শেষের দিকে আমরা মালেশিয়াতে

টেবিল নং-১

মুদ্রাস্ফীতি ব্যতিরেকে বাংলাদেশের জিডিপি'র সাপেক্ষে ফার্মাসিউটিক্যাল ব্যয়	
২০০৮-০৯	০.৮৯%
২০০৯-১০	০.৯৮%
২০১০-১১	১.০৫%
২০১১-১২	১.০২%
২০১২-১৩পি	০.৯৮%

চিত্র:১ কোম্পানীর আকার অনুসারে মার্কেট শেয়ারের পরিবর্তন



টেবিল নং-২

বাংলাদেশের ফার্মাসিউটিক্যাল মার্কেটের ব্র্যান্ড নির্ভরতা				
মার্কেট শেয়ার				
	টপ ১০	টপ ৫০	টপ ১০০	টপ ২০০
২০০৯	৭.৪৫%	২০.১৭%	২৯.২৩%	৩৯.৯৫%
২০১০	৮.১৮%	২০.৮৯%	৩০.১৩%	৪১.১৫%
২০১১	৮.৭০%	২১.৫৮%	৩০.৯৬%	৪২.৭১%
২০১২	৮.৪০%	২১.৮৩%	৩১.৬৮%	৪৩.৭২%
২০১৩	৮.৮২%	২২.২৯%	৩২.০৩%	৪৪.৪০%

একটি আন্তর্জাতিক টেন্ডারে অংশ গ্রহণ করে ডেসোজেস্ট্রেল + ইথিনাইল ইস্ট্রাডিওল সরবরাহের সুযোগ পেয়েছি। এতে করে ২০১৪ সাল থেকে মালয়েশিয়ার ১৪১টি ক্লিনিক ও হাসপাতালে আমাদের ডেসোলন ব্র্যান্ড পাওয়া যাবে। এই টেন্ডারের মাধ্যমে রেনাটা আন্তর্জাতিকভাবে প্রাতিষ্ঠানিক ওরাল জন্মনিরোধক পিল মার্কেটে পদার্পণ করল।

এ বছর ৮৬টি নতুন এবং ৫০টি পুনরায় নিবন্ধনের জন্য ডোসিয়ার জমা দেয়া হয়েছে। জমাদানকারী ডোসিয়ারগুলোর মধ্যে বেশ কিছু ছিল এশিয়ান কমন টেকনিক্যাল ডকুমেন্ট (ACTD)।

পোল্ডি প্রধান পশুস্বাস্থ্য শিল্প চড়াই-উৎরাই এর মধ্য দিয়ে যাচ্ছে। ২০১২ সালে এভিয়েন ইনফুয়েঞ্জা পোল্ডি শিল্প এবং প্রতিকূলতায় আচ্ছাদিত পশুস্বাস্থ্য শিল্পকে ধ্বংসের দিকে নিয়ে গেছে। এভিয়েন ইনফুয়েঞ্জার অনুপস্থিতিতে ২০১৩ সালে পোল্ডি পপুলেশন বেড়েছে এবং পশুস্বাস্থ্য শিল্পের বাজারে উর্দ্ধমুখী ভাব দেখা গেছে।

কিন্তু পোল্ডি পপুলেশনের এই বৃদ্ধির কারণে এর মূল্য পতন হয় ও অনেক ফার্ম বন্ধ হওয়ার পথে। এই জন্য ২০১৪ সাল আমাদের পশুস্বাস্থ্য ব্যবসার জন্য একটি চ্যালেঞ্জিং বছর হবে।

পূর্ববর্তী বছরের মত ২০১৩ সালে উৎপাদন ও বিতরণ ক্ষমতা বাড়তে আমরা সক্রিয়ভাবে বিনিয়োগ করেছি। ২০০৯ সাল থেকে রেনাটা পুঁজি বিনিয়োগ করেছে সর্বমোট ৭৯৬ কোটি টাকা, যার মধ্যে মোট ৬৫০ কোটি টাকা সরাসরি উৎপাদন ও বিতরণ ক্ষমতা বৃদ্ধিতে বিনিয়োগ করা হয়েছে।

অবশ্যই এ ধরনের বড় বিনিয়োগ মূলধনী খরচ বৃদ্ধি করছে বিধায় আমরা দক্ষ অর্থায়নে নতুন নতুন পদ্ধতি খোঁজার বিষয়টি অব্যাহত রেখেছি। ২০১৩ সালে আমরা পাঁচ বছরে পরিশোধযোগ্য ১০ মিলিয়ন ডলার ঋণ নেয়ার বিষয়ে বাংলাদেশ ব্যাংকের অনুমোদন পেয়েছি। এ ঋণের ক্ষেত্রে বৈদেশিক মুদ্রার বিনিময় হারের ঝুঁকি বৈদেশিক রপ্তানির দ্বারা মেটানোর ব্যবস্থা রাখা হয়েছে। এই ঋণ উল্লেখযোগ্য পরিমাণে রেনাটার সুদ বাবদ খরচ শাশ্রয় করবে।

এখন আমি আমাদের ব্যবসার কথা সংক্ষেপে আলোকপাত করবঃ

**পশুস্বাস্থ্য (Animal Health):** ভ্যাকসিনের ব্যাপক ব্যবহার এভিয়েন ইনফুয়েঞ্জার প্রাদুর্ভাব উল্লেখযোগ্য ভাবে কমায় এবং পোল্ডি স্টকের উন্নত জীবন যাত্রা পশুস্বাস্থ্য শিল্পের বাজারে চাপা অবস্থার সৃষ্টি করে। ভ্যাকসিন ছাড়া এই শিল্পের প্রবৃদ্ধি হয়েছে ২০.৭৯%, যেখানে ভ্যাকসিনসহ প্রবৃদ্ধির হার বেড়ে হয়েছে ২৭.২০%। ভ্যাকসিন লাইন না থাকা সত্ত্বেও রেনাটার প্রবৃদ্ধি ছিল ২৫.৫%, যা বেশ সন্তোষজনক।

**Indian Herbs-** এর সাথে চুক্তির মাধ্যমে আমরা তিনটি নতুন প্রোডাক্টস বাজারে দিয়েছি। এ ছাড়া Dongbu Farm Hannong, South Korea- এর সাথে নতুন চুক্তির মাধ্যমে আরো তিনটি নতুন প্রোডাক্টস বাজারে দিয়েছি।

**ফার্মাসিউটিক্যালঃ** পূর্বে উল্লেখিত কারণে বাজারের উচ্চ প্রবৃদ্ধি অর্জন ক্রমান্বয়ে জটিল হয়ে পড়েছে। তা'ছাড়া ৪র্থ কোয়ার্টারে

টেবিল নং-৩

২০১৩ সালে বাংলাদেশের ওষুধ শিল্পে কোয়ার্টারলী গ্রোথ

	গ্রোথ %
প্রথম কোয়ার্টার	২.১%
দ্বিতীয় কোয়ার্টার	১৪.০%
তৃতীয় কোয়ার্টার	৯.৯%
চতুর্থ কোয়ার্টার	৬.৫%
গ্রোথ ২০১৩	৮.১%

রাজনৈতিক অস্থিরতা প্রবৃদ্ধিতে ধ্বংসাত্মক প্রভাব ফেলে (টেবিল-২)।

আমাদের বিক্রয় প্রবৃদ্ধি ছিল ১৩.৭%, যেখানে সার্বিক বাজার প্রবৃদ্ধি ছিল ৮.১%। আমরা এই শিল্পে আমাদের অবস্থান ৫ম থেকে ৪র্থ স্থানে উন্নীত করেছি। ব্র্যান্ড বিল্ডিং এ আমাদের সন্তোষজনক প্রচেষ্টা ছিল। বর্তমানে শীর্ষ ১০ ব্র্যান্ডেড প্রোডাক্টস-এর বিক্রয় মোট বিক্রয়ের ৫১%, যা কিনা ২০১২ সালে ছিল ৪৭%। বিক্রয় বিবেচনায় আমাদের Maxpro বাংলাদেশের ৩য় বৃহত্তম ব্র্যান্ড।

**চুক্তিভিত্তিক উৎপাদনঃ** SMC-এর চুক্তিভিত্তিক উৎপাদনের কারণে রেনাটা বর্তমানে বাংলাদেশের সর্ব বৃহৎ জন্মনিরোধক পিল উৎপাদনকারী কোম্পানী। পিল ছাড়াও উল্লেখযোগ্য পরিমাণ ORS এবং Micro-nutrient পাউডার উৎপাদনের জন্য SMC, BRAC এবং UNICEF- এর সাথে আমাদের চুক্তি আছে। সর্বোপরী এই ব্যবসার প্রবৃদ্ধি ২০১৩ সালে ছিল ৬.৯% এবং আশা করছি ২০১৪ সালে কিছুটা হলেও বাড়বে।

**প্রেক্ষাপট ২০১৪ঃ** বিক্রয়, বিপণন, বিতরণ এবং উৎপাদন শক্তিশালী করার জন্য বিভিন্ন প্রকার কার্যকরী পদক্ষেপ নেয়া হয়েছে, আশা করছি ২০১৪ সাল বেশ ভালো হবে।



সৈয়দ হুমায়ুন কবির  
চেয়ারম্যান  
এপ্রিল ২৯, ২০১৪

# THE BOARD OF DIRECTORS



## **Syed Humayun Kabir, Chairman**

### **Current Responsibilities**

Chairman, Renata Limited  
Director, Board of Governors, BRAC

### **Past Responsibilities**

Treasurer, Centre for Policy Dialogue  
Founder Chairman, Transparency International Bangladesh  
President, Metropolitan Chamber of Commerce & Industry, Dhaka  
President, Bangladesh Employers' Association, Dhaka  
President, American Bangladesh Economic Forum  
President, Foreign Investors Chamber of Commerce and Industry  
Senior Fellow, Bangladesh Institute of Development Studies

### **Education**

B.Sc Honours in Chemistry, Dhaka University

## **Kaiser Kabir, CEO & Managing Director**

### **Current Responsibilities**

CEO & Managing Director, Renata Limited  
Chairman, Renata Agro Industries Limited  
Chairman, Purnava Limited  
Chairman, Renata Oncology Limited  
Vice Chairperson, Sajida Foundation  
Board of Directors, GAIN  
-Member, Finance & Audit Committee  
-Member, Nominations Committee

### **Past Responsibilities**

Managing Director, BRAC-Renata Agro Industries Limited  
Executive Director, Sajida Foundation  
National Macroeconomist, Financial Sector Reform Project  
Consultant, The World Bank, RMB  
Research Officer, Institute of Economics & Statistics, University of Oxford

### **Education**

MPhil in Economics, University of Oxford, UK  
Postgraduate Diploma in Economics with Distinction,  
University of East Anglia, UK  
Bachelor of Arts in Economics and International Relations,  
Claremont McKenna College, USA





**Dr. Sarwar Ali, Director**

**Current Responsibilities**

Director, Renata Limited  
 Trustee, Liberation War Museum  
 Vice President, Chhayanaut  
 Chairman, Board of Management, BIRDEM Hospital

**Past Responsibilities**

Managing Director, Renata Limited  
 Medical Director, Pfizer Laboratories (Bangladesh) Limited  
 President, Bangladesh Employers' Federation  
 Secretary General, Bangladesh Medical Association  
 Member, Dhaka University Senate

**Education**

MBBS, Dhaka Medical College

**Manzoor Hasan, Independent Director**

**Current Responsibilities**

Director, Renata Limited  
 Executive Director, South Asian Institute of Advanced Legal and  
 Human Rights Studies, BRAC University

**Past Responsibilities**

Director, Institute of Governance Studies, BRAC University  
 Regional Director, Asia-Pacific, Transparency International, Germany  
 Executive Director, Transparency International Bangladesh  
 Barrister, Dr. Kamal Hossain and Associates, Bangladesh  
 Barrister, 6 King's Bench Walk, Temple, London, England

**Education**

The Honourable Society of Lincoln's Inn, England  
 London School of Economics, England

**Honours**

Her Majesty Queen Elizabeth II awarded Manzoor Hasan  
 with the Officer of the Order of the British Empire (OBE) on 14th June,  
 2003 for the service given to Transparency International Bangladesh





**Zahida Fizza Kabir, Director**

**Current Responsibilities**

Director, Renata Limited  
Executive Director, Sajida Foundation

**Past Responsibilities**

Director of Programs, Sajida Foundation  
Senior Program Officer, Sajida Foundation

**Education**

Masters Degree in International and Intercultural Management  
Bachelor's Degree in Social Work, Currently enrolled in a post graduate diploma on "Organizational leadership" at Said Business School, University of Oxford.

**A. Hasanat Khan, Director**

**Current Responsibilities**

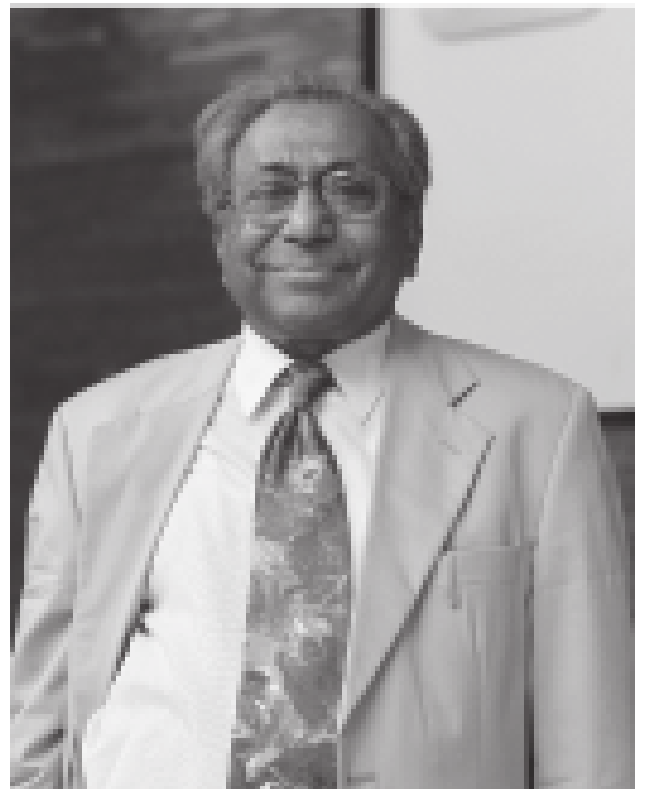
Director, Renata Limited  
Director, System Engineering Ltd.  
CEO, Consortium for Industrial & Engineering Services  
Senior Consultant, Eshna Consulting Team Ltd

**Past Responsibilities**

MD, BOC Bangladesh Ltd  
President, Foreign Investors Chamber of Commerce & Industries  
Committee Member, MCCI  
Committee Member, Employers Federation  
Chief, Productivity Services Wing, ILO  
President, Rotary Club of Dhaka  
Engineering Consultant, IFC-SEDF

**Education**

M.Sc. Tech (UK)  
C. Eng. M. I. Mech. E. (UK)  
Life Member ASME (USA)





### **Md. Fayekuzzaman, Director**

#### **Current Responsibilities**

Director, Renata Limited

Managing Director, Investment Corporation of Bangladesh (ICB)

Chairman, ICB Capital Management Ltd.

Member, Board of Directors of Standard Bank Limited, Industrial and Infrastructure Development Finance Company Ltd. (IIDFC), Bangladesh Development Bank Ltd. (BDBL), British American Tobacco Bangladesh Ltd. (BATB), Linde Bangladesh Ltd., GlaxoSmithKline Bangladesh Ltd., ACI Limited, National Tea Company Ltd., Central Depository Bangladesh Ltd. (CDBL), Bangladesh Institute of Capital Market (BICM), The Institute of Bankers, Bangladesh; Bangladesh Krishi Gobeshona Endowment Trust (BKGET), Credit Rating Agencies of Bangladesh Ltd. (CRAB), Credit Rating Information and Services Ltd. (CRISL), Apex Tannery Ltd., Apex Footwear Ltd., The ACME Laboratories Ltd. and SBL Capital Management Ltd.

#### **Past Responsibilities**

Deputy Managing Director, Agrani Bank Ltd.

General Manager, Investment Corporation of Bangladesh

#### **Education**

B.Com. Hons., M. Com. in Management. Post Graduation studies in Investment Planning, Appraisal and Management of Development Finance Institution in Bradford University, Bradford, United Kingdom. Attended Cambridge Leadership Program organized by the University of Cambridge, United Kingdom and Leadership Essential Program arranged by the Columbia University, USA.



### **Kazi Aminul Huque, Independent Director**

#### **Current Responsibilities**

Director, Renata Limited

Member, Governing Body, BRAC

#### **Past Responsibilities**

Senior Partner, Rahman Rahman Huque, KPMG Member Firm

Founder Member, Transparency International Bangladesh

Committee Member, Metropolitan Chamber of Commerce

President, Rotary Club of Ramna, Rotary International

#### **Education**

B.Com, DU

Fellow, Institute of Chartered Accountant in England and Wales

Fellow, Institute of Chartered Accountant of Bangladesh

**Md. Jubayer Alam, Company Secretary**

**Current Responsibilities**

Company Secretary, Renata Limited

**Past Responsibilities**

Human Resources Manager, Renata Limited

Training Manager, Renata Limited

Regional Sales Manager, Novartis (BD) Limited

**Education**

LLB from Atish Dipankar University of Science and Technology

MBA (Major in HRM) from Stamford University

MBA (Major in Marketing) from Stamford University

Masters in Psychology from University of Dhaka



**THE AUDIT COMMITTEE**

Mr. Kazi Aminul Huque - Independent Director • Chairman Audit Committee (Upto December 31, 2013)

Mr. Kaiser Kabir - CEO & Managing Director • Member

Dr. Sarwar Ali - Director • Member

Mr. Manzoor Hasan - Independent Director • Member (Chairman from January 1, 2014)

## MANAGEMENT TEAM

### Chief Executive Officer & Managing Director

General Manager  
Sales

Head of Marketing  
Pharmaceutical

National Sales Manager  
Animal Health

General Manager, Manufacturing

Head of Quality Assurance

Head of International Regulatory Affairs

Head of Human Resources Division

Head of Projects

Head of International Business

Head of Finance

Head of Information Technology

# CORPORATE GOVERNANCE



# 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, 2013.

## BUSINESS ACTIVITIES

Turnover during 2013 was Taka 8,757.4 million registering a growth of 14.2% over last year's turnover of Taka 7,671.6 million. Profit after tax was Taka 1,393.9 million – a growth of 11.8%. Earnings per Share (EPS) stood at Taka 39.38 against Taka 35.34 as of 2012.

## NEW PHARMACEUTICAL PRODUCTS

Renata introduced 31 new formulations during 2013

Sl.	Brand Name	Generic	Division	Developed by
1	Tab. Furoclav 250mg	Cefuroxime 250mg+Clavulanic Acid 125mg	Pharmaceutical	Renata
2	Tab. Furoclav 500mg	Cefuroxime 500mg+Clavulanic Acid 125mg	Pharmaceutical	Renata
3	Syp. Emeren 50ml	Ondansetron	Pharmaceutical	Renata
4	Recof Pd 15ml	Ambroxol Hcl	Pharmaceutical	Renata
5	Cap. Ferix Tr	Carbonyl Iron 50mg+Zinc 61.8mg+Folic Acid 500mg	Pharmaceutical	Renata
6	Tab. Enteca 0.5mg	Entecavir	Pharmaceutical	Renata
7	Syp. Algin 100ml	Tiemonium	Pharmaceutical	Renata
8	Tab. Xenapro 250mg	Naproxen Sodium	Pharmaceutical	Renata
9	Tab. Xenapro 500mg	Naproxen Sodium	Pharmaceutical	Renata
10	Syp. Fenadin 30ml	Fexofenadin Hcl	Pharmaceutical	Renata
11	Tab. Erecta 50mg	Sildenafil	Pharmaceutical	Renata
12	Tab. Erecta 100mg	Sildenafil	Pharmaceutical	Renata
13	Inj. Covan 1gm Iv Inf.	Vancomycin	Pharmaceutical	Renata
14	Inj. Covan 500mg Iv Inf.	Vancomycin	Pharmaceutical	Renata
15	Tab. Bisoren 2.5mg	Bisoprolol	Pharmaceutical	Renata
16	Tab. Bisoren 5mg	Bisoprolol	Pharmaceutical	Renata
17	Cap. Fenobate 200mg	Fenofibrate	Pharmaceutical	Renata
18	Tab. Uritone 20	Frusemide 20mg+Spironolactone 50mg	Pharmaceutical	Renata
19	Tab. Uritone 40	Frusemide 20mg+Spironolactone 50mg	Pharmaceutical	Renata
20	Tab. Rolip 10mg	Rosuvastatin	Pharmaceutical	Renata
21	Ectorid Inj. 10ml	Immidocarb 93.5mg/ml	Animal Health	Renata
22	Pyralgin Vet, 20's	Paracetamol BP 2000mg/tab	Animal Health	Renata
23	NDoxi Powder, 100gm	Doxicycline 15%+Neomycin 15%	Animal Health	Renata
24	Gas free Powder, 100gm	Yucca	Animal Health	Indian Herbs
25	Vigor, 500gm	Herbal male breeder vitality enhancer	Animal Health	Indian Herbs
26	Vigor, 25kg	Herbal male breeder vitality enhancer	Animal Health	Indian Herbs
27	Levabon Rumen E, 20kg	Hydrolyzed Yeast	Animal Health	Biomin
28	Rumen E, 100gm	Hydrolyzed Yeast	Animal Health	Biomin
29	Aquastar Growout, 100gm	Fish synbiotic	Animal Health	Biomin
30	Oxyren, 1kg	Sodium carbonate peroxyhydrate 13%	Animal Health	Renata
31	Nephcare, 100ml	Herbal kidney tonic	Animal Health	Indian Herbs

## CAPITAL EXPENDITURE

The following capital expenditure made by the Company during the year amounted to Taka 2,381.17 million.

	Taka in Million
Freehold Land	119.01
Building	683.00
Plant and Machinery	1,427.60
Automobile	16.49
Office Equipment, Furniture & Fixtures and others	135.07
<b>Total</b>	<b>2,381.17</b>

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

## DIVIDEND

Renata continues to have a very aggressive investment strategy. During 2013 investments made for new General Manufacturing Facility-Rajendrapur, General Manufacturing Facility-Mirpur, New Ware House & Packing-Rajendrapur, API Project-Rajendrapur, Herbal Project-Bhaluka, Barisal Depot, Keranigonj Depot, and Feni Depot total investment amounting to Taka 2,381.17 million. The amount was financed through internal cash generation and bank loans. Investments of this magnitude are expected to continue for the foreseeable future. For this reason the Directors deem it necessary to retain adequate funds for financing capital expenditures.

The Board of Directors is pleased to recommend a cash dividend of Taka 7.50 per ordinary share of Taka 10 each. This dividend will entail a payment of Taka 264,767,573. The Board of Directors also recommend a Stock Dividend (Bonus Shares) in the ratio of one Bonus Share for every four shares held (4:1B) for which an amount of Taka 88,255,857 will have to be transferred to Share Capital Account.

## CONTRIBUTION TO NATIONAL EXCHEQUER

During the year under review Renata paid Taka 1,968 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. S.H.Kabir, Dr. Sarwar Ali, and Mr. Md. Fayekuzzaman who, being eligible, offer themselves for re-election.

## FINANCIAL RESULTS

The Directors take pleasure in reporting the following financial results of the Company for the year 2013:

	2013 TAKA	2012 TAKA
Profit before tax	1,885,359,052	1,712,375,851
Less: Provision for tax	495,194,525	474,449,485
Net Profit after tax	1,390,164,527	1,237,926,366
Add/(Less) Other comprehensive income	3,764,204	9,348,964
Total Comprehensive income	1,393,928,731	1,247,275,330
Add: Unappropriated profit brought forward	4,183,439,792	3,250,750,286
Add: Depreciation of revaluation surplus	635,885	635,885
Less: Tax holiday reserve (Net)	(42,887,265)	(75,165,779)
	<b>5,535,117,143</b>	<b>4,423,495,722</b>
APPROPRIATION RECOMMENDED		
<b>Dividend proposed:</b>		
a) Cash dividend @ Taka 7.50 per share	264,767,573	169,451,250
b) Stock dividend (Bonus Share) in the ratio of on bonus share for every four (4:1B) Shares held	88,255,857	70,604,680
	353,023,430	240,055,930
Balance of unappropriated profit carried forward	5,182,093,713	4,183,439,792
	<b>5,535,117,143</b>	<b>4,423,495,722</b>

## AUDITORS

The Company's Auditor Messrs Hoda Vasi Chowdhury & Co., Chartered Accountants will retire at the 41st Annual General Meeting and being eligible may offer themselves for reappointment as Auditor for the year 2014 with re-fixation of their remuneration.

## 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,

- a) The financial statements prepared by the management for the year 2013 give a true and fair view of the state of company, the results of its operations, cash flows, and changes in equity.
- b) 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 7.50 per share of Taka 10 each and Stock dividend (bonus share) in the ratio of one share for every four shares are held (4:1B).
- 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 4 times
  3. Mr. Sajida Humayun Kabir  
(Upto 22.06.13) Director 2 times
  4. Mrs. Zahida Fizza Kabir  
(From 27.08.13) Director 2 times
  5. Dr. Sarwar Ali  
Director 4 times
  6. Mr. Md. Fayekuzzaman  
Director 4 times
  7. Mr. A. Hasanat Khan  
Director 4 times
  8. Mr. Manzoor Hasan  
Independent Director 3 times
  9. Mr. Kazi Aminul Huque  
Independent Director 3 times

k) The pattern of shareholding

(i) Parent/ subsidiary / associated companies:

The Shareholding information as of December 31, 2013 and other related information are set out in note- 7 and 14.

(ii) **Directors**

Name	No. of Shares
Mr. Syed Humayun Kabir	15,404
Mr. Syed S. Kaiser Kabir	35,495
Mrs. Sajida Humayun Kabir	-
Mrs. Zahida Fizza Kabir	5,125
Dr. Sarwar Ali	1,952
Mr. Md. Fayekuzzaman	-
Mr. A. Hasanat Khan	-
Mr. Manzoor Hasan	-
Mr. Kazi Aminul Huque	-

(iii) **Company Secretary**

Mr. Jubayer Alam

(iv) **Chief Financial Officer (CFO)**

Mr. Khokan Chandra Das 702

(v) **Head of Internal Audit**

Mr. ATM Muniruzzaman 100

(vi) **Executives:**

Mr. Khalil Musaddeq	-
Dr. Sayma Ali	975
Mr. Monowarul Islam	-
Mr. Sirajul Hoque	125
Mr. S.M. Anisur Rahman	-

(vii) **Shareholders holding 10% or more voting interest:**

Sajida Foundation	18,004,045
Business Research International Corp. Inc.	7,919,421

## 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 29, 2014



## Renata Limited

PABX : 8001450-54  
Fax : (880)-2-8001446  
E-mail : renata@renata-ltd.com  
Website : www.renata-ltd.com

Corporate Headquarters: Plot No. 1, Milk Vita Road, Section-7, Mirpur, Dhaka-1216, GPO Box No. 303, Bangladesh

### The CEO and CFO's certification to the Board

We have reviewed the financial statements of Renata Limited for the year ended 2013 and 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 together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.

There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct

Syed S. Kaiser Kabir  
CEO & Managing Director  
April 29, 2014

Khokan Chandra Das  
Chief Financial Officer

## ANNEXURE-II



কে.এম.হাসান এন্ড কোং  
**K. M. HASAN & CO.**  
**Chartered Accountants**

Hometown Apartment (8th, 9th & 13th Floor)  
87, New Eskaton Road, Dhaka-1000  
Phone : 9351457, 9351564, 8358817  
Fax : 880-2-9345792  
E-mail : kmh\_co@yahoo.com  
Website : www.kmhasan.com

### **Certificate on compliance of conditions of The Corporate Governance Guidelines to the shareholders of Renata Limited**

We have reviewed the compliance of conditions of the Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission ("BSEC") by Renata Limited as stipulated in clause 7(i) of the BSEC notification no SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August, 2012.

The compliance of conditions of the Corporate Governance Guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the Company's Management. Our review for the purpose of issuing this certificate was limited to the verification of procedures and implementations thereof adopted by the Company for ensuring the compliance of conditions of Corporate Governance Guidelines and proper reporting of compliance status on the attached statement on the basis of evidences obtained and representation received thereon from the management of the Company.

To the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance Guidelines as stipulated in the above mentioned notification dated 7 August, 2012 of Bangladesh Securities and Exchange Commission.

**Md. Amirul Islam FCA, FCS**  
Senior Partner

Place: Dhaka  
Date: May 04, 2014.



## ANNEXURE-III

**Status of compliance with the conditions imposed  
by the BSEC's Notification on SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012  
issued under section 2CC of the Securities and Exchange Ordinance 1969 on Corporate Governance  
(Report under Condition No. 7.00)**

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.1	Board Size: The number of the Board members of the company shall not be less than 5 (five) and more than 20 (twenty).	√		
1.2 (i)	Independent Directors: At least one fifth (1/5) of the total number of Directors in the company's Board shall be Independent Directors.	√		
1.2 (ii) a)	Independent Director does not hold any share or holds less than 1% shares of the total paid-up capital.	√		
1.2 (ii) b)	Independent Director or his family members are not connected with the company's any sponsor or Director or Shareholder who holds 1% or more shares.	√		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	√		
1.2 (ii) d)	Independent Director is not a member, Director or officer of any Stock Exchange.	√		
1.2 (ii) e)	Independent Director is not a shareholder, Director or officer of any member of Stock Exchange or an intermediary of the capital market.	√		
1.2 (ii) f)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	√		
1.2 (ii) g)	Independent Director shall not be an Independent Director in more than 3 (three) listed companies.	√		
1.2 (ii) h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI).	√		
1.2 (ii) i)	Independent Director has not been convicted for a criminal offence involving moral turpitude.	√		
1.2 (iii)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the AGM.	√		
1.2 (iv)	The Post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days.	√		
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.2 (vi)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
1.3 (ii)	Independent Director should be a Business Leader/ Corporate Leader/ Bureaucrat/ University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The Independent Director must have at least 12 (twelve) years of corporate management/ professional experiences.	√		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			No such case
1.4	Chairman and CEO shall be filled by different individuals. Chairman shall be elected from among the Directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO.	√		
1.5	The Directors' Report to Shareholders on:	√		
1.5 (i)	Industry outlook and possible future developments in the industry.	√		
1.5 (ii)	Segment-wise or product-wise performance.	√		
1.5 (iii)	Risks and concerns.	√		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.			No such event occurred
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	√		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			No such case
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			No such event occurred
1.5 (x)	Remuneration to Directors including Independent Directors .	√		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.5 (xii)	Proper books of account of the issuer company have been maintained.	√		
1.5 (xiii)	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.	√		
1.5 (xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5 (xix)	No Declaration of Dividend.			No such case arised
1.5 (xx)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	√		
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-	√		
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details).	√		
1.5 (xxi) c)	Executives.	√		
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1.5 (xxii)	In case of the appointment/re-appointment of a Director the company shall disclose the following information to the shareholders:-a) a brief resume of the Director;b) nature of his/her expertise in specific functional areas;c) names of companies in which the person also holds the Directorship and the membership of committees of the Board.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	√		
2.2	Attendance of CFO and the Company Secretary in the Board meeting.	√		
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	√		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be Directors of the company and shall include at least 1 (one) Independent Director.	√		
3.1 (iii)	All members of the Audit Committee should be “financially literate” and at least 1(one) member shall have accounting or related financial management experience: The term Financially literate means the ability to read and understand the financial statements i.e. Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if (s)he possesses professional qualification or Accounting/finance graduate with at least 12 (twelve) years of corporate management/ professional experiences.	√		
3.1 (iv)	Casual vacancy in Audit Committee shall be Filled by the Board.			No vacancy occurred
3.1 (v)	The company secretary shall act as the secretary of the Committee.	√		
3.1 (vi)	The quorum of the Audit Committee (AC) meeting shall not constitute without at least 1 (one) Independent Director.	√		
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an Independent Director.	√		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting.	√		
3.3 (i)	Role of the Audit Committee: Oversee the financial reporting process.	√		
3.3 (ii)	Monitor choice of accounting policies and principles.	√		
3.3 (iii)	Monitor Internal Control Risk management process.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3.3 (iv)	Oversee hiring and performance of external auditors.	√		
3.3 (v)	Review along with the management, the annual financial statements before submission to the Board for approval.	√		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.	√		
3.3 (vii)	Review the adequacy of internal audit function.	√		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	√		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/ prospectus.			There was no IPO/RPO/ Right issue in 2013
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
3.4.1 (ii) a)	Report on conflicts of interests to the Board of Directors.			No such event occurred
3.4.1 (ii) b)	Will report any suspected or presumed fraud or irregularity or material defect in the internal control system to the Board.			No such event occurred
3.4.1 (ii) c)	Will report any suspected infringement of laws, including securities related laws, rules and regulations to the Board.			No such event occurred
3.4.1 (ii) d)	Will report any other matter which shall be disclosed to the Board of Directors immediately.			No such event occurred
3.4.2	Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.			No such event occurred
3.5	Reporting to the Shareholders and General Investors: report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
4 (i)	Non-engagement of external/statutory auditors in appraisal or valuation services or fairness opinions.	√		
4 (ii)	Non-engagement of external/statutory auditors in financial information systems design and implementation.	√		
4 (iii)	Non-engagement of external/statutory auditors in Book-keeping or other services related to the accounting records or financial statements.	√		
4 (iv)	Non-engagement of external/statutory auditors in Broker-dealer services.	√		
4 (v)	Non-engagement of external/statutory auditors in Actuarial services.	√		
4 (vi)	Non-engagement of external/statutory auditors in Internal audit services.	√		
4 (vii)	Non-engagement of external/statutory auditors in any other service that the Audit Committee determines.	√		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		
4 (ix)	Non-engagement of Auditor in audit/certification services on compliance of corporate governance as required under clause (i) of condition no. 7.	√		
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	√		
5 (ii)	At least 1 (one) Independent Director on the Board of Directors of the holding company shall be a Director on the Board of Directors of the subsidiary company.	√		
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	√		
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
6 (i) a)	The CEO and CFO will certify to the Board that they have reviewed the financial statements and believe that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
6 (i) b)	The CEO and CFO will certify to the Board that they have reviewed the financial statements and believe that these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
6 (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 violation of the company's code of conduct.			No such case
7 (i)	The company shall obtain a certificate from a Professional Accountant/ Secretary (Chartered Accountant/ Cost & Management Accountant/ Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		
7 (ii)	The Directors of the company shall state, in accordance with the Annexure attached, in the Directors' report whether the company has complied with these conditions.	√		

## ANNEXURE-IV

### AUDIT COMMITTEE REPORT FOR THE YEAR 2013

The Audit Committee consists of the following members:

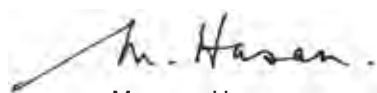
Mr. Kazi Aminul Huque	Independent Director	Chairman Audit Committee (Upto December 31, 2013)
Mr. Kaiser Kabir	CEO & Managing Director	Member
Dr. Sarwar Ali	Director	Member
Mr. Manzoor Hasan	Independent Director	Member (Chairman from January 1, 2014)

The scope of Audit Committee was defined as:

- To review and recommend that the Board approve the financial statements for statutory purposes;
- To regularly report to the Board of Directors on internal audit findings, considering the importance of financial accountability and transparency;
- To supervise the safeguarding of systems to ensure good governance and independence of statutory audits; and
- To review and consider the Internal Auditor's Report statutory auditor's observations on internal control.

#### **Activities carried out during the year**

The committee reviewed the Internal Audit Reports, Financial Statements, and the External Audit Report. The Committee did not find any material deviation, discrepancy, or any adverse findings/observations in the reporting.



Manzoor Hasan  
Chairman  
Audit Committee

# ANNEXURE-V

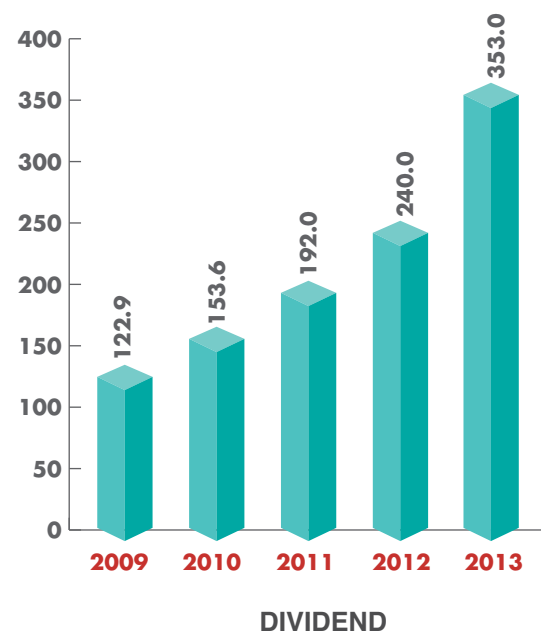
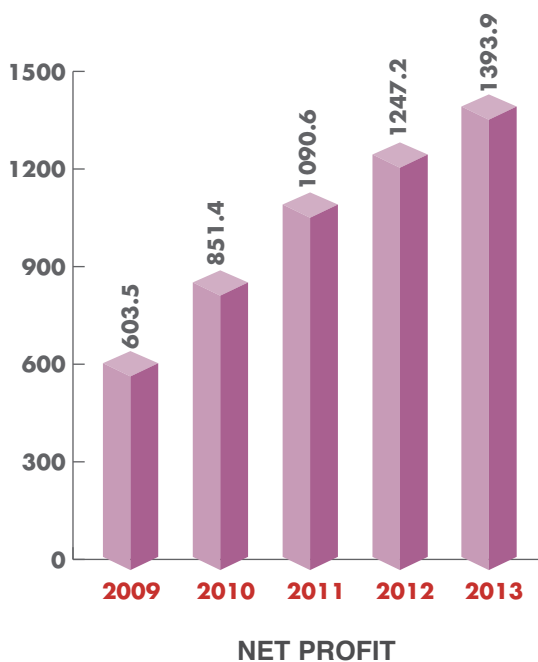
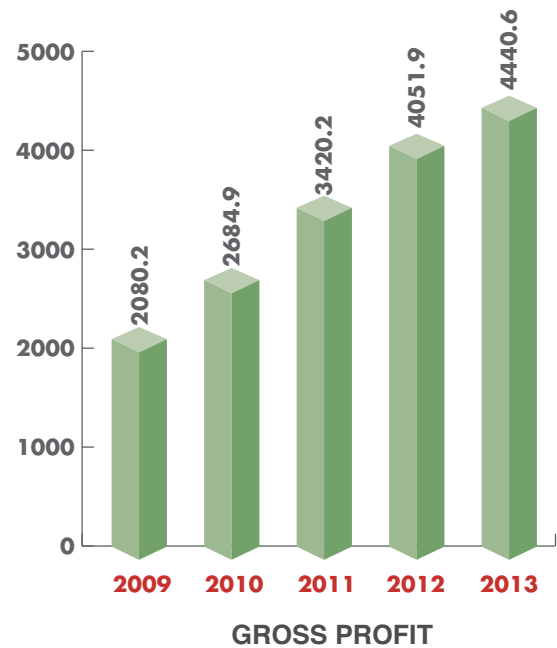
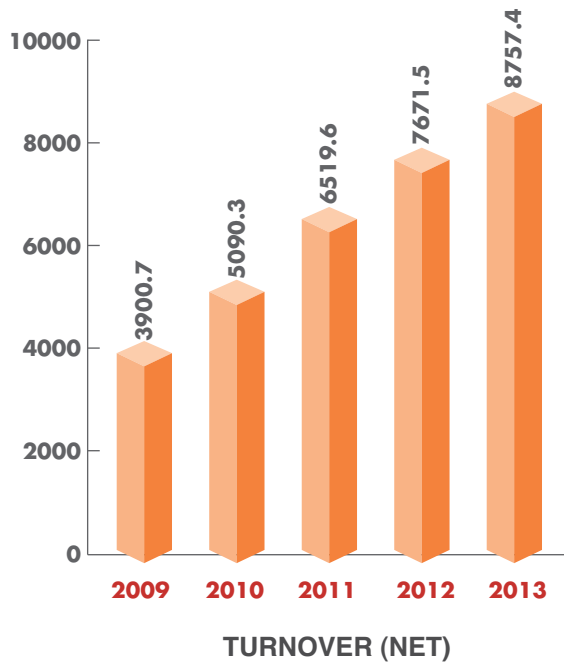
## RENATA LIMITED FINANCIAL HIGHLIGHTS

Figures in Taka (Thousands)

Particulars	2013	2012	2011	2010	2009
<b>SUMMARY BALANCE SHEET</b>					
<b>Shareholder's Equity</b>					
Share Capital	353,023	282,419	225,935	180,748	144,598
Proposed stock dividend	88,256	70,605	56,484	45,187	36,150
Proposed cash dividend	264,767	169,451	135,561	108,449	86,759
Revaluation surplus	157,477	157,956	158,434	154,118	154,597
Tax holiday reserve	249,497	206,609	131,444	124,166	83,347
Unappropriated Profit	5,182,094	4,183,440	3,250,750	2,358,802	1,701,829
Shareholder's Fund	6,295,114	5,070,480	3,958,608	2,971,470	2,207,280
Long term & deferred liabilities	1,153,678	1,805,741	347,143	291,256	234,362
<b>Total</b>	<b>7,448,792</b>	<b>6,876,221</b>	<b>4,305,751</b>	<b>3,262,726</b>	<b>2,441,642</b>
<b>Application of Funds</b>					
Property, plant and equipment - WDV	8,374,267	6,330,831	5,153,072	2,928,571	2,133,261
Investment & Non-current assets	199,433	112,026	74,404	122,035	75,001
Current Assets	4,208,713	3,310,221	2,464,125	2,063,325	1,643,107
Current Liabilities	(5,333,621)	(2,876,857)	(3,385,850)	(1,851,205)	(1,409,727)
<b>Total</b>	<b>7,448,792</b>	<b>6,876,221</b>	<b>4,305,751</b>	<b>3,262,726</b>	<b>2,441,642</b>
<b>FINANCIAL RESULTS</b>					
Turnover (Gross)	10,034,450	8,780,774	7,432,233	5,816,777	4,476,976
Turnover (Net)	8,757,406	7,671,572	6,519,639	5,090,318	3,900,732
Gross Profit	4,440,631	4,051,959	3,420,283	2,684,956	2,080,235
EBITDA	3,146,433	2,379,956	1,886,177	1,404,686	1,016,462
Profit before taxation	1,885,359	1,721,978	1,438,837	1,129,603	823,030
Profit after taxation	1,390,164	1,247,528	1,087,719	852,587	603,524
Total comprehensive income	1,393,928	1,247,275	1,090,634	851,428	603,524
Dividend	353,023	240,056	192,045	153,636	122,909
<b>FINANCIAL PERFORMANCE</b>					
Number of shares	35,302,343	28,241,875	22,593,500	18,074,800	14,459,840
Earning per share (Taka)	39.38	35.34	30.81	24.15	17.10
Dividend per share (Taka)	10.00	8.50	8.50	8.50	8.50
Dividend payout %	25.39	24.05	17.66	18.04	20.37
Effective Dividend Rate %	1.39	1.15	0.71	0.66	0.71
Price Earning ratio - PER	18.33	20.93	25.03	27.48	28.87
Market price per share on 31 December	722.00	739.50	1,205.00	1,294.27	1,205.15
Price/Equity Ratio (Times)	72.20	73.95	120.50	129.43	120.52
Return on Shareholder's Fund %	22.08	24.60	27.48	28.69	27.34
Current Ratio - (Times)	0.79	1.15	0.73	1.11	1.17
Net operating cash flow per share (Taka)	25.96	38.50	39.84	34.79	33.24
Net asset value per share (Taka)	178.32	179.54	175.21	131.52	97.70
<b>Number of employees</b>	<b>4,334</b>	<b>3,902</b>	<b>3,393</b>	<b>3,115</b>	<b>2,667</b>

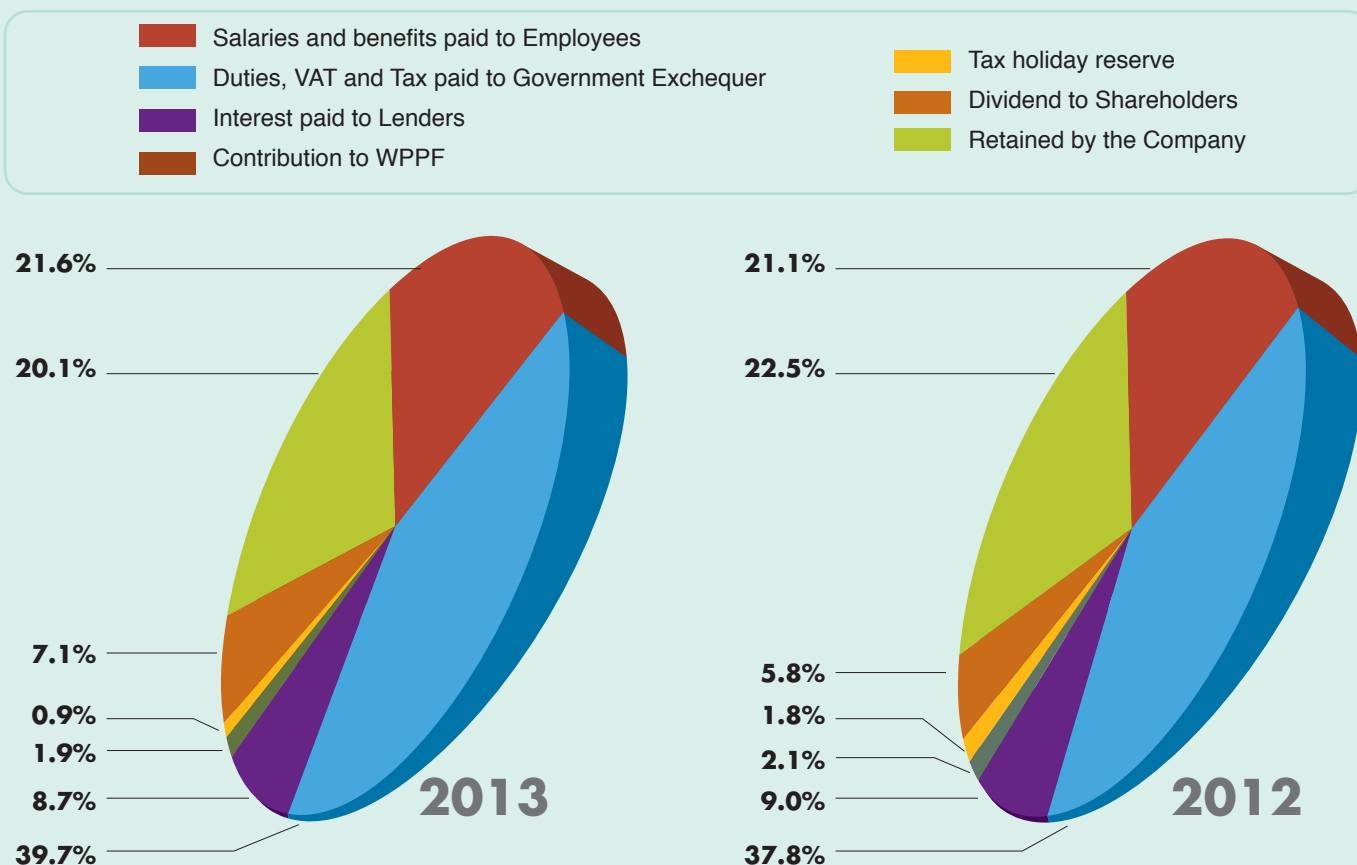
# FINANCIAL TREND

TAKA (MILLIONS)



# STATEMENT OF VALUE ADDITION

	2013 Taka	%	2012 Taka	%
Turnover and other income	10,034,450,476		8,788,770,209	
Less: Materials cost & Expenses	5,080,969,411		4,646,730,752	
<b>Value Added</b>	<b>4,953,481,065</b>		<b>4,142,039,457</b>	
<b>Application:</b>				
Salaries and benefits paid to Employees	1,067,954,907	21.6	873,039,472	21.1
Duties, VAT and Tax paid to Government Exchequer	1,968,031,994	39.7	1,565,223,965	37.8
Interest paid to Lenders	429,297,480	8.7	370,881,897	9.0
Contribution to WPPF	94,267,953	1.9	85,618,793	2.1
Tax holiday reserve (net)	42,887,265	0.9	75,165,779	1.8
Dividend to Shareholders	353,023,430	7.1	240,055,938	5.8
Retained by the Company	998,018,036	20.1	932,053,613	22.5
<b>Total</b>	<b>4,953,481,065</b>	<b>100.0</b>	<b>4,142,039,457</b>	<b>100.0%</b>





# Corporate Social Responsibility



At Renata, corporate social responsibility means caring for our employees, assisting disadvantaged members of our society, and building a sustainable community and environment. Details on our various initiatives can be found below.

## HEALTHCARE FOR EMPLOYEES AND THEIR FAMILIES

The Renata health program covers all permanent employees, their spouses, and children. This comprehensive program includes surgery, hospitalization, as well as routine doctor visits.

Expenditure during 2013

Type of Care	Taka
General	7,200,730
Gynaecology	5,033,456
Cardiovascular	2,435,460
Diabetes	2,355,033
Accident	3,738,720
Diagnostic	8,702,897
Gastroentology	937,725
Others	718,037
<b>Total</b>	<b>31,122,058</b>

## SUPPORT TO CHARITABLE ORGANIZATIONS

JAAGO Foundation is a non-profit that works to provide education to children from socially and economically disadvantaged backgrounds. Various support functions work to ensure the sustainable growth of their core schooling program as well contribute to improved livelihoods within affected communities.

Expenditure during 2013

**Taka 200,000**

One Degree Initiative is a non-profit that provides mentorship to young people in order to engage them as active citizens and inspire entrepreneurship.

Expenditure during 2013

**Taka 200,000**

Nijera Kori is a non-profit dedicated to addressing issues of human rights and sustainable livelihoods. They are active in 18 districts and work to advocate for and empower landless poor and marginalized communities.

Expenditure during 2013

**Taka 200,500**

Birangona Project focuses on the often forgotten women war heroes of Bangladesh and helps to empower these heroes and provide them with sustainable livelihoods and support.

Expenditure during 2013

**Taka 375,000**

The Poverty Fighter Foundation is a dedicated non-profit organization working to reduce poverty in Bangladesh. Renata supported their program aiming to empower children through education.

Expenditure during 2013

**Taka 50,000**

Organization	Taka
Jaago Foundation	200,000
One Degree Initiative Foundation	200,000
Poverty Fighter Foundation	50,000
Nijera Kori	200,500
Birangona Project	375,000
<b>Total</b>	<b>1,025,500</b>

## TREATMENT FOR DOCTORS WITH LIFE-THREATENING ILLNESS

As in the past, Renata Limited continues to fund treatment for doctors diagnosed with cancer and other life-threatening illnesses.

Expenditure during 2013

Name	Title/Organization	Taka
Dr. Md. Mizanur Rahman	Associate Professor, Ziaur Rahman Medical College, Bogra	6,500,000
Dr. Shahriar Shams Laskar	Medical Officer, BSMMU	200,000
Dr. Shampa Biswas	Medical Officer, Magura	20,000
<b>Total</b>		<b>6,720,000</b>

## SCHOLARSHIP FOR MERITORIOUS STUDENTS

HOPES (Helping Organization for Promising and Energetic Students) runs a merit-based scholarship program for outstanding students. Through HOPES, Renata Limited sponsors students who would otherwise not be able to pursue a degree in Medicine.

Expenditure during 2013  
**Taka 100,000**

## WOMEN'S EMPOWERMENT

On March 26, 2012, Wasfia Nazreen reached the summit of Mount Everest – the youngest person from Bangladesh and the first one-woman team from our country to ever do so. Renata continued to support her in her quest to be the first Bangladeshi to climb the Seven Summits.

Expenditure during 2013  
**Taka 1,500,000 for Denali**

## NATIONAL EMERGENCY

On April 24, 2013, an eight-story building in Savar collapsed, killing over 1,100 garment factory workers inside. Renata provided support to the victims and families of the Savar tragedy.

Expenditure during 2013  
**Taka 163,546**

## FINANCIAL ASSISTANCE TO EX-EMPLOYEES AND THEIR CHILDREN

Renata Limited also provided financial assistance to ex-employees and their children.

Expenditure during 2013  
**Taka 675,000**

### TOTAL CSR EXPENDITURE

**Taka 41,306,104**  
2.96% of net profit

# Product Portfolio





## PHARMACEUTICAL PRODUCTS:

### ANTIMICROBIALS:

Trade Name	Generic Name	Formulation	Strength	Pack Size
Alsporin	Cephalexin	Tablet	250mg	10x10's
Alsporin	Cephalexin	Tablet	500mg	10x10's
Amoxi IM/IV	Amoxicillin trihydrate	Injectable	500mg	Vial 500mg
Bactipront	Co-Trimoxazole	Tablet	480mg	10x10s
Bactipront	Co-Trimoxazole	Tablet	960mg	10x10s
Bactipront	Co-Trimoxazole	Oral Suspension	240mg/5ml	Bottle 60ml
Bactamox	Amoxicillin trihydrate	Tablet	250mg	10x10's
Bactamox	Amoxicillin trihydrate	Tablet	500mg	5x10's
Bactamox	Amoxicillin trihydrate	Ped. Drops	15ml	Bottle 15ml
Bactamox	Amoxicillin trihydrate	DPS	125mg/5ml	Bottle 100ml
Bactamox IM/IV	Amoxicillin trihydrate	Injectable	500mg	1's
Ceftizone IM	Ceftriaxone	Injectable	250mg	Vial 250mg
Ceftizone IM	Ceftriaxone	Injectable	500mg	Vial 500mg
Ceftizone IM	Ceftriaxone	Injectable	1gm	Vial 1gm
Ceftizone IV	Ceftriaxone	Injectable	250mg	Vial 250mg
Ceftizone IV	Ceftriaxone	Injectable	500mg	Vial 500mg
Ceftizone IV	Ceftriaxone	Injectable	1gm	Vial 1gm
Ceftizone IV	Ceftriaxone	Injectable	2gm	Vial 2gm
Ceftipime	Cefepime HCL	Injectable	500mg	Vial 500mg
Ceftipime	Cefepime HCL	Injectable	1gm	Vial 1gm
Ceftipime	Cefepime HCL	Injectable	2gm	Vial 2gm
Cefotax IM/IV	Cefotaxime sodium	Injectable	250mg	Vial 250mg
Cefotax IM/IV	Cefotaxime sodium	Injectable	500mg	Vial 500mg
Cefotax IM/IV	Cefotaxime sodium	Injectable	1gm	Vial 1gm
Cefazid IM/IV	Ceftazidime	Injectable	250mg	Vial 250mg
Cefazid IM/IV	Ceftazidime	Injectable	500mg	Vial 500mg
Cefazid IM/IV	Ceftazidime	Injectable	1gm	Vial 1gm
Cloxicap	Cloxacillin	Capsule	500mg	10x10's
Cloxisyrup	Cloxacillin	Suspension	125mg/5ml	Bottle 100ml
Cloxiject IM/IV	Cloxacillin	Injectable	250mg	Vial 250mg
Cloxiject IM/IV	Cloxacillin	Injectable	500mg	Vial 500mg
Doxicap	Doxycycline hydrochloride	Capsule	50mg	5x10's
Doxicap	Doxycycline hydrochloride	Capsule	100mg	10x10's
Diamine Penicillin	Benzathine pen. G	Injectable	12,00,000 units	Vial 12 lac units
Erythrox	Erythromycin stearate	Tablet	250, 500mg	5x10's
Erythrox	Erythromycin ethyl-succinate	DPS	125mg/5ml	Bottle 100ml
Furocef IM/IV	Cefuroxime sodium	Injectable	250, 750mg	Vial 250, 750mg
Furocef IM/IV	Cefuroxime sodium	Injectable	1gm	Vial 1gm
Furocef IV/IM	Cefuroxime sodium	Injectable	1.5gm	Vial 1.5gm
Furocef	Cefuroxime axetil	Tablet	125mg	2x5's
Furocef	Cefuroxime axetil	Tablet	250mg	2x8's
Furocef	Cefuroxime axetil	Tablet	500mg	2x6's
Furocef	Cefuroxime axetil	DPS	125mg/5ml	Bottle 70ml

\*DPS= Dry Powder for Suspension

Trade Name	Generic Name	Formulation	Strength	Pack Size
Flontin	Ciprofloxacin hydrochloride	Tablet	250mg	2x10's
Flontin	Ciprofloxacin hydrochloride	Tablet	500mg	3x10's
Flontin	Ciprofloxacin hydrochloride	Tablet	750mg	2x10's
Flontin	Ciprofloxacin hydrochloride	DPS	250mg/5ml	Bottle 60ml
Flontin IV	Ciprofloxacin lactate	IV infusion	2mg/ml	Vial 100ml
Flustar	Flucloxacillin Sodium	Capsule	250mg	12x4's
Flustar	Flucloxacillin Sodium	Capsule	500mg	7x4's
Gatlin	Gatifloxacin HCL	Tablet	400mg	5x6's
Iropen IV	Imipenem/Cilastatin	Injectable	500mg	Vial 500mg
Levoking	Levofloxacin hemihydrate	Tablet	500mg	5x6's
Levoking	Levofloxacin hemihydrate	Tablet	750mg	3x6's
Levoking	Levofloxacin hemihydrate	Oral Solution	125mg/5ml	Bottle 100ml
Meropen IV	Meropenem	Injectable	500mg	Vial 500mg
Meropen IV	Meropenem	Injectable	1gm	Vial 1gm
Orcef	Cefixime	Tablet	200mg	2x6's
Orcef	Cefixime	Tablet	400mg	1x6's
Orcef	Cefixime	DPS	100mg/5ml	70ml/50ml/40ml/30ml
Orcef	Cefixime	Capsule	200mg	2x8's
Palcef	Cefdinir	Capsule	300mg	2x5's
Palcef	Cefdinir	DPS	125mg/5ml	Bottle 60ml
Palcef DS	Cefdinir	DPS	250mg/5ml	Bottle 30ml
Polycef	Cephadrine	Capsule	250mg	5x4's
Polycef	Cephadrine	Capsule	500mg	7x4's
Polycef	Cephadrine	DPS	125mg/5ml	Bottle 100ml
Polycef DS	Cephadrine	DPS	250mg/5ml	Bottle 100ml
Polycef	Cephadrine	Injectable	250mg	Vial 250mg
Polycef	Cephadrine	Injectable	500mg	Vial 500mg
Polycef	Cephadrine	Injectable	1g	Vial 1g
Polycef PD	Cephadrine	Ped. drops	125mg/1.25ml	Bottle 15ml
Pronapen	Procaine penicillin + Penicillin G	Injectable	4,00,000 units 8,00,000 units	Vial 4 lac & Vial 8 lac units
Qcin	Clindamycin	Capsule	150mg	5x6's
Qcin	Clindamycin	Injectable	300mg/2ml	1x5's
Qcin	Clindamycin	Capsule	300mg	5x6's
Qcin	Clindamycin	Injectable	600mg/4ml	1x5's
Renamycin	Oxytetracycline	Capsule	250mg	60's
Renamycin	Oxytetracycline	Injectable	50mg/ml	Vial 10ml
Relexid	Pivmecillinam	Tablet	200mg	3x10's
Trucef	Cefpodoxime proxetil	DPS	40mg/5ml	Bottle 50ml
Trucef DS	Cefpodoxime proxetil	DPS	80mg/5ml	Bottle 50ml
Trucef PD	Cefpodoxime proxetil	Ped. drops	20mg/ml	Bottle 15ml
Tazopen	Piperacillin/Tazobactam	IV infusion	4.5gm	1x1's
Toplon	Gemifloxacin	Tablet	320mg	6x1's
Zithrin	Azithromycin	Capsule	250mg	2x 6's
Zithrin	Azithromycin	Tablet	250mg, 500mg	2x6's
Zithrin	Azithromycin	DPS	200mg/5ml	15ml/20ml/35ml/50ml
Zithrin	Azithromycin	IV infusion	500mg	Vial 500mg

\*DPS= Dry Powder for Suspension

Trade Name	Generic Name	Formulation	Strength	Pack Size
<b>ANTI-HYPERTENSIVE</b>				
Cardipin	Amlodipine	Tablet	5mg	5x10's
Cardipin Plus	Amlodipine+Atenolol	Tablet	5mg+50mg	5x10's
Minipril	Enalapril	Tablet	5mg/10mg	10x10's
Evascon	Diltiazem	Tablet	30mg/60mg	10x10's
Alphapress	Prazosin Hydrochloride	Tablet	1mg & 2mg	10x10's
Ostan	Losartan Potassium	Tablet	25mg & 50mg	3x10's
Ostan Plus	Losartan Potassium+ Hydrochlorothiazide	Tablet	50/100mg+12.5/25mg	3x10's
Plagrin	Clopidogrel	Tablet	75mg	2x10's
Plagrin Plus	Clopidogrel+ Aspirin	Tablet	75mg+75mg	2x10's
Metaloc	Metoprolol tartrate	Tablet	50mg	10x10's
Metaloc	Metoprolol tartrate	Tablet	100mg	5x10's
Pendoril-2	Perindopril	Tablet	2mg	1x10's
Pendoril-4	Perindopril	Tablet	4mg	1x10's
Pendoril Plus-2	Perindopril + Indapamide	Tablet	2mg + 0.625mg	1x10's
Pendoril Plus-4	Perindopril + Indapamide	Tablet	4mg + 1.25mg	1x10's
Valzide-80	Valsartan + Hydrochlorothiazide	Tablet	80mg + 12.5mg	4x5's
Valzide-160	Valsartan + Hydrochlorothiazide	Tablet	160mg + 12.5mg	4x5's
Trovastin-10	Amlodipine + Atorvastatin	Tablet	5mg + 10mg	3x10's
<b>LIPID LOWERING AGENT</b>				
Zostin	Simvastatin	Tablet	10mg	3x10's
Taven	Atorvastatin	Tablet	10mg/20mg/40mg	3x10's
<b>ANTI-DIABETIC</b>				
Bigmet-500	Metformin HCL	Tablet	500mg	10x10's
Bigmet-850	Metformin HCL	Tablet	850mg	10x10's
Glicron CR	Gliclazide CR pellets	Capsule	30mg	3x10's
Glicron	Gliclazide	Tablet	80mg	3x10's
Mepid	Glimepiride	Tablet	1mg	3x10's
Mepid	Glimepiride	Tablet	2mg	3x10's
Mepid	Glimepiride	Tablet	4mg	3x10's
Pioglin	Pioglitazone	Tablet	15mg	3x10's
Pioglin	Pioglitazone	Tablet	30mg	1x10's
<b>HAIR REGROWTH</b>				
Regain 5%	Minoxidil	Solution	5%	60ml
Regain 2%	Minoxidil	Solution	2%	60ml
<b>EYE-EAR AND TOPICAL PREPARATIONS</b>				
Renamycin Eye/ Ear ointment	Oxytetracycline HCL + Polymyxin-B-Sulfate	Ointment	5mg/gm	3.5gm
Renamycin otic Solution	Oxytetracycline HCL + Benzocaine	Solution	5mg/ml	Vial/Bottle 5ml
Renamycin topical Oint.	Oxytetracycline HCL + Polymyxin-B-Sulfate	Topical ointment	30mg/gm	Tube 5gm
Deltasone-N Eye/ Ear drops	Prednisolone + Neomycin	Drops	0.5%	Bottle 5ml

Trade Name	Generic Name	Formulation	Strength	Pack Size
<b>NSAIDS</b>				
Flexicam	Piroxicam	Capsule	10mg	10x10's
Flexicam IM	Piroxicam	Injection	20mg/ml	Amp. 2ml
Celox-R	Celecoxib	Capsule	100mg	5x10's
Celox-R	Celecoxib	Capsule	200mg	5x10's
Ceclofen	Aceclofenac	Tablet	100mg	5x10's
Dysmen	Mefenamic Acid	Tablet	250mg	10x10's
Dysmen	Mefenamic Acid	Tablet	500mg	5x10's
Paradote	Paracetamol + DL- Methionine	Tablet	500mg +100mg	10x10's
Rolac	Ketorolac	Tablet	10mg	4x10's
Rolac	Ketorolac	Injectable	10mg/1ml	1x 6's
Rolac	Ketorolac	Injectable	30mg/1ml	6x1's
Rolac	Ketorolac	Injectable	60mg/2ml	2x1's
Cartilage Plus	Gulcosamine sulfate+ Chondroitin sulfate	Tablet	250mg+200mg	5x6's
Xenapro 250	Naproxen	Tablet	250mg	5x10's
Xenapro 500	Naproxen	Tablet	500mg	5x6's
Rapidol	Tramadol Hydrochloride	Injectable	100mg/2ml	1x5's
Maxolax	Baclofen	Tablet	10mg	3x10's
Maxolax	Baclofen	Tablet	5mg	3x10's
Dysmen	Mefenamic Acid	Tablet	500mg	5x10's
Dysmen	Mefenamic Acid	Tablet	250mg	10x10's

#### ANTIULCER AGENTS

Norma-H	Ranitidine	Tablet	150mg	10x10's
Prazole	Omeprazole	Capsule	20mg	6x10's
Maxpro	Esomeprazole	Tablet	20mg	10x10's
Maxpro	Esomeprazole	Tablet	40mg	3x10's
Maxpro	Esomeprazole	Capsule	20mg	7x6's
Maxpro	Esomeprazole	Capsule	40mg	5x6's
Maxpro	Esomeprazole	Injectable	40mg	1x1's
Protonil	Pantoprazole	Tablet	20mg	5x10's
Protonil	Pantoprazole	Tablet	40mg	3x10's

#### ANTI-PARASITIC & ANTI-PROTOZOAL AGENTS

Xanita	Nitazoxanide	Tablet	500mg	3x6's
Xanita	Nitazoxanide	DPS	100mg/5ml	Bottle 30ml
Xanita	Nitazoxanide	DPS	100mg/5ml	Bottle 60ml
Delentin	Pyrantel Pamoate	Tablet	125mg	10x10's
Delentin	Pyrantel Pamoate	Suspension	50mg/ml	Bottle 10ml
Alentin	Albendazole	Tablet	200mg	2x40's
Alentin DS	Albendazole	Tablet	400mg	1x 25's
Protogyn	Tinidazole	Tablet	500mg	10x10's
Protogyn	Tinidazole	Tablet	1gm	5x4's

#### ANTI-FUNGAL AGENT

Lucan-R	Fluconazole	Capsule	50mg	5x8's
Lucan-R	Fluconazole	Capsule	150mg	2x6's
Lucan-R	Fluconazole	Capsule	200mg	2x6's
Lucan-R	Fluconazole	DPS	50mg/5ml	Bottle 35ml
Conasyd	Tioconazole	Cream	1% dermal	Tube 10gm

#### ANTI-TUBERCULOSIS AGENT

Streptomycin	Streptomycin Sulfate	Injectable	1gm	Vial 1gm
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\*DPS= Dry Powder for Suspension

Trade Name	Generic Name	Formulation	Strength	Pack Size
<b>ANTI-SPASMODIC</b>				
Ranicon	Oxyphenyclimine HCL	Tablet	5mg	50x10's
Algin	Tiemonium	Tablet	50mg	5x10's
Algin	Tiemonium	Injectable	5mg/2ml	1x 5's
<b>STEROID</b>				
Deltasone	Prednisolone	Tablet	5mg	50x10's
Deltasone	Prednisolone	Tablet	10mg	10x10's
Deltasone	Prednisolone	Tablet	20mg	5x10's
Deltasone	Prednisolone	Syrup	100ml	1's
Deltasone	Prednisolone	Syrup	50ml	1's
Deltasone	Prednisolone	Oral Solution	5mg/5mL	100ml
Deltasone	Prednisolone	Oral Solution	5mg/5mL	50ml
Dexatab	Dexamethasone	Tablet	0.5mg	25x10's
Dexa IM/IV	Dexamethasone	Injectable	5mg/ml	1ml, 10's
<b>COSMETIC HEALTH CARE PRODUCT: (ANTI-ACNE AGENT)</b>				
Trinon Cream	Isotretinoin	Cream	0.025%, 0.05% w/w	Tube 10gm
Caress Cream	Benzoyl peroxide	Cream	2.5%, 5% w/w	Tube 15gm
<b>VITAMINS &amp; MINERALS</b>				
Beconex	Vitamin B-Complex	Capsule	-	Bottle 30's
Beconex	Vitamin B-Complex	Syrup	-	Bottle 100ml
Beconex	Vitamin B-Complex	Syrup	-	Bottle 200ml
Beconex	Vitamin B-Complex	Injectable	-	Vial 10ml
Beconex ZI	Iron+Vitamin B-Complex & Zinc	Syrup	-	Bottle 100ml
Beconex ZI	Iron+Vitamin B-Complex & Zinc	Syrup	-	Bottle 50ml
Becosules	Vitamin B-Complex + Vit-C	Capsule	-	16x6's
Becosules Gold	Vitamin B-Complex + Vit-C	Capsule	-	15x6's
Chewrol	Iron + Folic Acid	Chewable tablet	100mg + 350mcg	5x6's
Calcin	Calcium	Tablet	500mg	5x10's
Calcin-D	Calcium+Vit-D	Tablet	500mg+200IU	6x10's, Bottle 15's, Bottle 30's
Calcin-M	Calcium+Vit-D+Mineral	Tablet	-	4x10's, Bottle 30's
E-gel	Vitamin E	Soft gelatin Capsule	200mg	10x10's
E-gel DS	Vitamin E	Soft gelatin Capsule	400mg	5x10's
Kiddi	Multivitamin+Codliver oil	Syrup	-	Bottle 100ml
Kiddi	Multivitamin+Codliver oil	Syrup	-	Bottle 200ml
Pushtikona	Micronutrient Powder	Powder in Sachet	-	1 x 30's
Mazic 20	Zinc sulfate monohydrate	Tablet	20mg	3 x 10's
Mazic Jr	Zinc sulfate monohydrate	Syrup	4.05mg/5ml	Bottle 100ml
Mazic	Zinc sulfate monohydrate	Syrup	10mg/5ml	Bottle 100ml
Mazic DS	Zinc sulfate monohydrate	Syrup	20mg/5ml	Bottle 100ml
Neurobest	Vit B1+B6+B12	Tablet	100mg+200mg +200mcg	6x10's
Neurobest	Vit B1+B6+B12	Injectable	100mg+100mg +1mg	2x5's
Lucent	Calcitriol	Soft gelatin Capsule	0.25mcg	3x10's
Calciferol	Cholecalciferol	IM injection	200000 IU/ml	1's
<b>ANTI-OXIDANT</b>				
Proxid	Antioxidant (Vit A,C,E)	Tablet	-	Bottle 20's
<b>ANTI-ALLERGIC</b>				
Fenadin	Fexofenadine HCL	Tablet	60mg	3 x10's
Fenadin	Fexofenadine HCL	Tablet	120mg	5 x10's

Trade Name	Generic Name	Formulation	Strength	Pack Size
Fenadin	Fexofenadine HCL	Tablet	180mg	2 x10's
Fenadin	Fexofenadine HCL	Suspension	30mg/5ml	50ml
Allermin	Chlorpheniramine Maleate	Syrup	2mg/5ml	Bottle 100ml
Tiramin	Cetirizine	Tablet	10mg	10 x10's

#### CNS-PRODUCT

Gaba	Gabapentin	Tablet	300mg	3 x10's
Gaba-p	Pregabalin	Capsule	50mg	3x10's
Gaba-P	Pregabalin	Capsule	75mg	3 x10's
Renxit	Flupentixol+Melitracen	Tablet	0.5mg+10mg	10 x10's
Norry	Bromazepam	Tablet	3mg	5 x10's
Cabretol	Carbamazepine	Tablet	200mg	5 x10's
Cabretol	Carbamazepine	CR Tablet	200mg	5 x10's
Cabretol	Carbamazepine	Syrup	100mg/5ml	Bottle 100ml
Sperid	Risperidone	Tablet	1mg	5 x10's
Sperid	Risperidone	Tablet	2mg	5 x10's
Denixil	Clonazepam	Tablet	0.5mg, 2mg	5 x10's, 3x10's

#### HORMONE & ANTI-CANCER

Normens	Norethisterone acetate	Tablet	5mg	6 x 10's
Bredicon	Desogestrel	Tablet	750mcg	1 x 28's
Criptine	Bromocriptine Mesilate	Tablet	2.5mg	1 x 30's
Emcon 1	Levonorgestrel	Tablet	1.5mg	1 x 1's
Letrol	Letrozole	Tablet	2.5mg	1 x 5's
Ovulet 50	Clomiphene citrate	Tablet	50mg	1 x 10's
Ovulet 100	Clomiphene citrate	Tablet	100mg	1 x 5's
Medrogest	Medroxyprogesterone acetate	Tablet	5mg, 10mg	3 x10's
Thyrox 50	Levothyroxine sodium	Tablet	50mcg	3x30's
Menorest	Tibolone	Tablet	2.5mg	1x28's
Desolon	Desogestrel+Ethinylestradiol	Tablet	0.15mg+0.03mg	1x21's
Giane 35	Cyproterone acetate + Ethinylestradiol	Tablet	2.0mg+ 0.035mg	1x21's
Nandron	Nandrolone Phenylpropionate	Injectable	25mg/ml	1x5's
Nandron	Nandrolone Decanoate	Injectable	50mg/ml	1x1's
Gestrenol	Allylestrenol	Tablet	5mg	3x10's
Regumen	Lynestrenol+Ethinylestradiol	Tablet	2.5mg+0.05mg	1x21's
Estracon	Conjugated estrogens	Tablet	0.625mg	Bottle 28's
Metorax	Methotrexate	Tablet	2.5mg	3x10's
Microgest	Natural Oral Micronized Progesterone	Capsule	100mg	3x10's
Microgest	Natural Oral Micronized Progesterone	Capsule	200mg	3x10's
Novelon	Unique Progestogen Drospirenone and Ethinylestradiol	Tablet	3mg & 0.03mg	1x21's
Danzol	Danazol	Capsule	100mg & 200mg	3 x10's, 2x10's
Proscan	Flutamide	Tablet	250mg	3x10's
Cabolin	Cabergoline	Tablet	0.5mg	2x2's

#### OXYTOCIC

Oxyton	Oxytocin	Injectable	5 I.U.	2x5's
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#### ANTI-FIBRINOLYTICS

Xamic	Tranexamic acid	Capsule	500mg	2x10's
Xamic	Tranexamic acid	Injectable	500mg/5ml	1x5's

Trade Name	Generic Name	Formulation	Strength	Pack Size
<b>ANTI-ASTHMA</b>				
Trulax	Levosalbutamol	Syrup	1mg/5ml	Bottle 100ml
Totifen	Ketotifen	Tablet	1mg	10x10's
Totifen	Ketotifen	Syrup	1mg/5ml	Bottle 100ml
Odmon	Montelukast	Tablet	5mg	1x10's
Odmon	Montelukast	Tablet	10mg	1x10's

#### EXPECTORANT

Topex	Guaiphenesin Pseudoephedrine	Syrup	131.25mg/5ml	Bottle 100ml
Recof	Ambroxol Hydrochloride	Syrup	15mg/5ml	100ml

#### VACCINE (IMPORTED)

Agrippal	Influenza vaccine	Injectable	0.5ml	0.5ml in Prefilled Syringe
Rabipur	Anti-rabies vaccine	Injectable	1ml	1ml vial
Vaxem-Hib	Hib vaccine	Injectable	0.5ml	0.5ml in Prefilled Syringe

#### GASTROPROKINETIC AGENTS

Domiren	Domperidone	Tablet	10mg	10x10's
Domiren	Domperidone	Paediatric Drops	5mg/ml	Bottle 15ml
Domiren	Domperidone	Suspension	5mg/5ml	Bottle 60ml

#### ORAL REHYDRATION SALINE

Saline-R	ORS Salt	Powder	10.25gm/500 ml	Sachet, 20's
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#### ANTIPYRETIC/ ANALGESIC

Pyralglin	Paracetamol	Tablet	500mg	50x10's
Pyralglin	Paracetamol	Suspension	120mg/5ml	60ml
Pyra Plus	Paracetamol+Caffeine	Tablet	500mg+65mg	15x10's

#### AMINO ACID SUPPLEMENT

Protemin	5% Composite Amino acid Solution with D-sorbitol	IV Infusion	500ml	Bottle 500ml
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#### ANTIEMETIC

Emeren	Ondansetron	Tablet	4mg	3x10's
Emeren	Ondansetron	Tablet	8mg	3x10's
Emeren	Ondansetron	Injectable	8mg/4ml	1x5's

#### ANESTHETIC

Neos-R	Neostigmine	Injectable	5ml, 1ml	1x5's
Kain	Ketamine	Injectable	50mg/ml	1's
Sivacaine Heavy	Bupivacaine+Dextrose	Injectable	5mg+80mg	1x5's
Epidron	Ephedrine	Injectable	5mg	1x5's

#### OTHERS

Normanal	Diosmin + Hesperidin	Tablet	450mg + 50mg	3x10's
Tegarid	Tegaserod	Tablet	6mg	3x10's
Titolax	Lactitol monohydrate	Powder	10gm	Sachet, 1x10's
Honycol	Liquid Sugar & Glycerol	Linctus	(0.75 ml+1.93 ml)/5ml	Bottle 100ml, 200ml
Mez IV	Metronidazole	IV Infusion	0.5% W/V	Bottle 100ml
Tolter	Tolterodine Tartrate	Tablet	1mg & 2mg	3x10's
Phenocept	Mycophenolate Mofetil	Tablet	500mg	3x10's
Feristar	Iron Sucrose	Injectable	100mg Iron/5ml	1's
Erecta	Sildenafil	Tablet	50mg	1x4's
Erecta	Sildenafil	Tablet	100mg	1x4's

## ANIMAL HEALTH PRODUCTS

### ANTIBIOTIC

Trade Name	Generic Name	Formulation	Pack
Renamycin AF Tablet	Oxytetracycline USP	Tablet	5 x 4's
Renamycin Injectable Solution	Oxytetracycline USP	Injection	10ml
Renamycin-100 with PVP	Oxytetracycline USP	Injection	10ml, 100ml
Renamycin/LA	Oxytetracycline USP	Long Acting Injection	10ml
Pronapen 40 lac	Procaine penicillin BP	Injection	Vial 40 lac
	Benzyl penicillin sodium		
Streptopen	Procaine penicillin BP	Injection	Vial 0.5g, 2.5g
	Benzyl penicillin sodium		
	Streptomycin USP		
Gentaren	Gentamicin Sulphate	Injection	10ml & 100ml
Renamox	Amoxycillin 500mg	Tablet	20's
Amcox	Amoxycillin 1.25gm + Cloxacillin 1.25gm	Injection	Vial 2.5gm

### CEPHALOSPORIN

Renacef	Ceftriaxone 1gm/2gm	Injection	Vial 1gm & 2gm
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### SULPHONAMIDES

Diadin	Sulphadimidine sodium BP	Injection	30ml, 100ml
Diadin	Sulphadimidine BP	Bolus	10 x 2's
Sulpha Plus	Sulphadiazine USP	Bolus	10 x 2's
	Sulphadimidine BP		
	Sulphapyridine USP		
	Streptomycin Sulphate USP		
Sulpha -3	Sulphadiazine USP	Bolus	10 x 2's
	Sulphadimidine BP		
	Sulphapyridine USP		
Renatrim	Sulphadiazine + Trimethoprim	Bolus	10 x 2's

### ANTHELMINTIC

Helmex	Albendazole USP	Tablet	5 x 4's
Nitronex 34%	Nitroxynil BP	Injection	10ml
Tremacid	Oxyclozanide BP	Tablet	5 x 4's
Deminth	Morantel Base	Tablet	5 x 4's
Renadex	Triclabendazole & Levamisole	Tablet	10 x 2's

### ANTI-HISTAMINIC

Dellergen	Promethazine Hydrochloride USP	Injection	10ml
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### NSAID

Renafen	Ketoprofen	Injection	5ml, 10ml
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### APPETIZER & RUMENOTORIC

Anorexan	Cobalt Sulphate BP	Tablet	15 x 4's
	Dried Ferrous Sulfate USP		
	Thiamine Mononitrate USP		
	Vitamin B <sub>12</sub> USP		
	Choline Bitartrate BP		

Trade Name	Generic Name	Formulation	Pack
Rumenton	Antimony Potassium Tartrate USP	Bolus	10 x 2's
Stomavet	Ferrous Sulphate USP	Powder	20g x 20
	Ammonium bi-carbonate BP		
	Nuxvomica Powder BP		
	Sodium bi-carbonate BP		
	Gentian Powder BP		
	Ginger Powder BP		
METABOLIC			
Cal-D Mag (with phosphorus)	Calcium Gluconate USP	Injection	200ml
	Dextrose USP		
	Magnesium Hypophosphate BP		
	Chlorocresol (as preservative) BP		
Vitaphos	Toldimphos	Injection	30ml
	Cyanocobalamine (Vit B <sub>12</sub> ) BP		
Catophos	Butaphosphan	Injection	100ml, 30ml
	Cyanocobalamine (Vit B <sub>12</sub> ) BP		
GLUCOCORTICOID			
Predexanol - S	Prednisolone Anhydrous USP	Injection	10ml
	Dexamethasone Trimethyl		
	Acetate USP		
VITAMIN-MINERAL INJECTION			
Hemovit	Vitamin B-complex & Iron	Injection	10ml
Renasol AD <sub>3</sub> E	Vitamin A, D <sub>3</sub> & E	Injection	10ml, 30 ml
POULTRY PRODUCTS			
Enrocin	Enrofloxacin	Oral solution	100ml, 1L
Micronid	Erythromycin Thiocyanate	Powder	10g, 100g
	Sulphadiazine USP		
	Trimethoprim USP		
Sultrik	Sulfachloropyridazine USP	Powder	100g
Mycostop	Tylosin BP	Powder	100g, 1kg
Doxivet	Doxycycline USP	Powder	100g
Renatrim	Sulphadiazine BP	Suspension	100ml
	Trimethoprim BP		
Renamox 15%	Amoxycillin	Powder	100g, 500g, 1kg
Renamox 30%	Amoxycillin	Powder	100g, 500g, 1kg
Renaquine 10%	Flumequine INN	Powder	100g
Renaquine 20%	Flumequine INN	Liquid	100ml
Renagard 45%	Tiamulin Hydrogen Fumarate	Powder	100g
Renaflox	Ciprofloxacin	Powder	100g
ANTHELMINTIC			
Avinex	Levamisole HCL USP	Powder	10g, 100g

Trade Name	Generic Name	Formulation	Pack
<b>ANTI-COCCIDIAL</b>			
Coxicure	Sulphaclozine Sodium Monohydrate INN	Powder	100g
<b>ELECTROLYTE</b>			
Renalyte	Vitamin A Sodium bi-carbonate BP Potassium Chloride BP Sodium Chloride BP Dextrose BP	Powder	1kg
<b>NUTRITION PRODUCTS</b>			
Rena WS	Multi-vitamin	Powder	10g, 50g, 100g, 1kg
Rena B+C	Vitamin B complex & Vit. C	Powder	100g, 500g, 1kg
Rena C	Ascorbic Acid	Powder	100g, 1kg
Rena K	Menadione Sodium bisulphite	Powder	10g
Renasol AD <sub>3</sub> E	Vitamin A, D <sub>3</sub> & E	Oral Solution	100ml, 1L
Renavit DB	Vitamin & Mineral premix	Powder	100g, 500g, 1kg
Rena-Sel E	Vitamin E, Selenium	Oral Solution	100ml, 1L
<b>NUTRITIONAL PREMIX</b>			
Rena Breeder	Vitamin-Mineral premix	Powder	2.5kg
Rena Broiler	Vitamin-Mineral premix	Powder	2.5kg
Rena Grower	Vitamin-Mineral premix	Powder	2.5kg
Rena Layer	Vitamin-Mineral premix	Powder	2.5kg
Rena Fish	Vitamin-Mineral premix	Powder	1kg
<b>IMPORTED</b>			
Availa 4	Zinc, Manganese, Copper, Cobalt Chelated with Amino Acids	Powder	10gm, 100gm & 500gm
Availa Z/M	Zinc-Manganese Amino Acids complex	Powder	500gm
Biotronic SE	Acidifier & Salmonella Killer	Powder	25kg
Biotronic SE Forte Liquid	Acidifier & Salmonella Killer	Oral Solution	100ml, 1L
Mycofix Plus 3.0	Toxin Deactivator	Powder	1kg & 25kg
Mycofix Select 3.0	Toxin Deactivator	Powder	1kg & 25kg
Mycofix ECO 3.0	Toxin Binder+Liver Protector	Powder	1kg & 25kg
Mycofix Secure	Toxin Binder	Powder	25kg
Biomin Phytase 5000	Phytase Enzyme	Powder	25kg
Rena Phytase 400	Phytase Enzyme	Powder	1kg
Lisovit	Muramidase, Peroxidase, FOS, Vitamin E & Vitamin C	Powder	10gm, 100gm & 1kg
Vigest	Amino Acid+Vitamin+Mineral	Oral Solution	500ml, 2L
Poultry TMO	Chelated Trace Mineral protected by HMTBa	Powder	25kg
Mintrex PSe	Organic Trace Mineral	Powder	25kg
Cibenza DP 100	Special Protease Enzyme	Powder	25kg
Poultry Star Sol	Pro & Prebiotic	Powder	10gm
Poultry Star me	Pro & Prebiotic	Powder	25kg

Trade Name	Generic Name	Formulation	Pack
Digesterom PEP MGE	Phytogenic Growth Promoter	Powder	25kg
Digesterom PEP 125	Phytogenic Growth Promoter	Powder	25kg
Ozinc	Organic Zinc 8.5%	Solution	100ml
RenA Tox	Liquid Toxinbinder	Solution	100ml, 1L
Rena Calp	Calcium Phosphoras	Solution	1L, 5L
Renaliv	Herbal Liver Tonic	Solution	1L
Rescure	Herbal Expectorant	Solution	100ml, 1L
FAM 30	Iodophore Disinfectant	Liquid	100ml, 1L, 5L, 25L, 200L
GPC8	Aldehyde Disinfectant	Liquid	100ml, 1L, 5L, 25L, 200L
Shift	Trisodium based Detergent	Solution	1L, 25L
<b>AQUA PRODUCTS</b>			
Aquastar Pond	Water Probiotic	Powder	500gm, 1kg
Bioimin Aquaboost	Amino Acid complex	Powder	1000gm, 25kg
Hepa Protect Aqua	Flavanoids	Powder	100gm, 25kg
<b>HORMONE PRODUCTS</b>			
Ovurelin	Gonadorelin (as acetate)	Injection	20ml
Ovuprost	Cloprostenol (as sodium)	Injection	20ml

# Renata Limited

## Auditors' Report and Financial Statements

as at and for the year ended December 31, 2013



# Independent Auditors' Report to the Shareholders of Renata Limited

We have audited the accompanying financial statements of Renata Limited (the "Company"), which comprise the statement of financial position as at 31 December 2013, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other relevant explanatory notes thereon.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the

entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

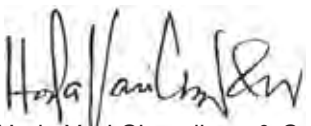
## Opinion

In our opinion, the financial statements prepared in accordance with the Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the financial position of Renata Limited as at 31 December 2013 and the results of its financial performance and its statement of cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of comprehensive income along with the annexed notes 1 to 42 dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred and payments made were for the purposes of the Company's business.

Dated, Dhaka  
29 April 2014

  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

**RENATA LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2013**

Figures in Taka

**ASSETS**

**Non-current assets**

	Notes	2013	2012
Property, plant and equipment	5	6,348,183,516	4,268,926,361
Capital work-in-progress	6	2,026,083,847	2,061,905,242
Investment in subsidiaries	7	143,069,376	63,070,376
Investment in shares	8	56,363,666	18,363,123
Other investment	9	-	30,592,153
<b>Total non-current assets</b>		<b>8,573,700,405</b>	<b>6,442,857,255</b>

**Current assets**

Inventories	10	2,657,779,255	1,986,744,883
Trade and other receivables	11	1,142,685,421	843,231,267
Advance, deposits and prepayments	12	167,985,236	148,951,592
Cash and cash equivalents	13	240,262,887	331,292,974
<b>Total current assets</b>		<b>4,208,712,799</b>	<b>3,310,220,716</b>

**Total assets**

**12,782,413,204** **9,753,077,971**

**EQUITY AND LIABILITIES**

**Equity attributable to equity holders of the company**

Share capital	14	353,023,430	282,418,750
Revaluation surplus	15	157,477,414	157,955,917
Tax holiday reserve	16	249,496,624	206,609,359
Retained earnings	17	5,535,117,143	4,423,495,722
<b>Total equity attributable to equity holders of the company</b>		<b>6,295,114,611</b>	<b>5,070,479,748</b>

**Non-current liabilities**

Deferred liability-staff gratuity	18	202,530,242	175,366,283
Deferred tax liability	19	473,840,609	272,041,423
Long term loan - net of current portion	20	477,306,667	225,000,000
Non-convertible bond - net of current portion	21	-	1,000,000,000
<b>Total non-current liabilities</b>		<b>1,153,677,518</b>	<b>1,672,407,706</b>

**Current liabilities**

Short term bank loan	22	3,041,324,251	1,812,605,178
Long term loan - current portion	20	229,743,333	133,333,333
Non-convertible bond - current portion	21	1,000,000,000	-
Trade payables	23	64,986,063	46,041,266
Accruals	24	263,876,962	272,566,529
Provision and other liabilities	25	353,179,625	335,627,045
Unclaimed dividend	26	9,915,749	7,907,075
Provision for taxation	27	370,595,092	402,110,091
<b>Total current liabilities</b>		<b>5,333,621,075</b>	<b>3,010,190,517</b>

**Total liabilities**

**6,487,298,593** **4,682,598,223**

**Total equity and liabilities**

**12,782,413,204** **9,753,077,971**

The annexed notes 1 to 42 form an integral part of these financial statements.



CEO & Managing Director

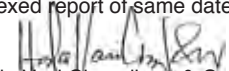


Director



Chief Financial Officer

As per our annexed report of same date.



Hoda Vasi Chowdhury & Co.  
Chartered Accountants

Dhaka, 29 April 2014

**RENATA LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

Figures in Taka

Tax holiday units						2013	2012	
Penicillin Facility								
Notes	Non-tax holiday units	Cepha Facility (50% tax exemption )	January (100% tax exemption)	February-December (50% tax exemption )	Total of Penicillin Facility	Total	Total	
Turnover	28	7,632,078,333	922,957,050	15,459,176	186,911,189	202,370,365	8,757,405,748	7,671,572,303
Cost of sales	29	(3,603,084,694)	(554,951,551)	(12,126,137)	(146,612,646)	(158,738,783)	(4,316,775,028)	(3,619,613,644)
<b>Gross Profit</b>		<b>4,028,993,639</b>	<b>368,005,499</b>	<b>3,333,039</b>	<b>40,298,543</b>	<b>43,631,582</b>	<b>4,440,630,720</b>	<b>4,051,958,659</b>
<b>Operating Expenses:</b>								
Administrative, selling and distribution expenses	30	(1,802,842,910)	(203,239,088)	(1,929,645)	(23,330,624)	(25,260,269)	(2,031,342,267)	(1,880,631,103)
<b>Operating profit</b>		<b>2,226,150,729</b>	<b>164,766,411</b>	<b>1,403,394</b>	<b>16,967,919</b>	<b>18,371,313</b>	<b>2,409,288,453</b>	<b>2,171,327,556</b>
Other income/(loss)	31	(762,817)	-	-	-	-	(762,817)	17,597,249
Gain/(loss) on disposal of Property, plant and equipment	5.5	398,849	-	-	-	-	398,849	(218,312)
Finance Cost	32	(374,558,159)	(44,895,390)	(751,983)	(9,091,948)	(9,843,931)	(429,297,480)	(381,110,055)
<b>Profit before Contribution to WPPF</b>		<b>1,851,228,602</b>	<b>119,871,021</b>	<b>651,411</b>	<b>7,875,971</b>	<b>8,527,382</b>	<b>1,979,627,005</b>	<b>1,807,596,438</b>
Contribution to WPPF		(88,153,743)	(5,708,144)	(31,020)	(375,046)	(406,066)	(94,267,953)	(85,618,793)
<b>Profit before tax</b>		<b>1,763,074,859</b>	<b>114,162,877</b>	<b>620,391</b>	<b>7,500,925</b>	<b>8,121,316</b>	<b>1,885,359,052</b>	<b>1,721,977,645</b>
<b>Tax expenses:</b>								
Current tax	27	(278,171,926)	(14,127,656)	-	(938,375)	(938,375)	(293,237,957)	(400,255,434)
Deferred tax	19	(201,956,568)	-	-	-	-	(201,956,568)	(74,194,051)
		(480,128,494)	(14,127,656)	-	(938,375)	(938,375)	(495,194,525)	(474,449,485)
<b>Net profit after tax for the year</b>		<b>1,282,946,366</b>	<b>100,035,221</b>	<b>620,391</b>	<b>6,562,550</b>	<b>7,182,941</b>	<b>1,390,164,527</b>	<b>1,247,528,160</b>
<b>Other Comprehensive Income:</b>								
Unrealized gain/(loss) on marketable securities							3,764,204	(252,830)
<b>Total Comprehensive Income for the Year</b>							<b>1,393,928,731</b>	<b>1,247,275,330</b>
<b>Basic earning per share</b>	33							
							<b>39.38</b>	<b>35.34</b>

The annexed notes 1 to 42 form an integral part of these financial statements.



CEO & Managing Director

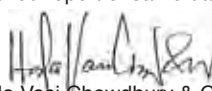


Director



Chief Financial Officer  
As per our annexed report of same date.

Dhaka, 29 April 2014

  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

**RENATA LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

Figures in Taka

	Share capital	Revaluation surplus	Tax holiday reserve	Retained earnings	Total
<b>Balance at 01 January 2012</b>	<b>225,935,000</b>	<b>158,434,421</b>	<b>131,443,579</b>	<b>3,442,795,036</b>	<b>3,958,608,036</b>
Stock dividend issued	56,483,750	-	-	(56,483,750)	-
Cash dividend paid	-	-	-	(135,561,000)	(135,561,000)
Deferred tax on revaluation surplus	-	157,382	-	-	157,382
Depreciation adjustment on revalued assets	-	(635,885)	-	635,885	-
Total comprehensive income for the year	-	-	-	1,247,275,330	1,247,275,330
Tax holiday reserve	-	-	75,165,779	(75,165,779)	-
<b>Balance at 31 December 2012</b>	<b>282,418,750</b>	<b>157,955,917</b>	<b>206,609,359</b>	<b>4,423,495,722</b>	<b>5,070,479,748</b>
<b>Balance at 01 January 2013</b>	<b>282,418,750</b>	<b>157,955,917</b>	<b>206,609,359</b>	<b>4,423,495,722</b>	<b>5,070,479,748</b>
Stock dividend issued	70,604,680	-	-	(70,604,680)	-
Cash dividend paid	-	-	-	(169,451,250)	(169,451,250)
Deferred tax on revaluation surplus	-	157,382	-	-	157,382
Depreciation adjustment on revalued assets	-	(635,885)	-	635,885	-
Total comprehensive income for the year	-	-	-	1,393,928,731	1,393,928,731
Tax holiday reserve	-	-	42,887,265	(42,887,265)	-
<b>Balance at 31 December 2013</b>	<b>353,023,430</b>	<b>157,477,414</b>	<b>249,496,624</b>	<b>5,535,117,143</b>	<b>6,295,114,611</b>

**RENATA LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	Figures in Taka	
	2013	2012
<b>A. Cash flows from operating activities:</b>		
Collection from customers and other income	9,993,664,238	8,696,834,669
Payment of VAT	(1,277,044,728)	(1,109,202,451)
Payment to suppliers and employees	(7,045,972,826)	(5,876,069,492)
<i>Cash generated from operating activities</i>	1,670,646,684	1,711,562,726
Financing cost	(429,297,480)	(370,881,897)
Payment of tax	(324,752,957)	(253,421,332)
<i>Net cash from operating activities</i>	916,596,247	1,087,259,497
<b>B. Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(2,381,170,660)	(1,524,143,603)
Investment in shares	(38,000,542)	(7,029,261)
Sale proceeds of property, plant and equipment	1,551,705	200,000
<i>Net cash used in investing activities</i>	(2,417,619,497)	(1,530,972,864)
<b>C. Cash flows from financing activities:</b>		
Bank loan (repaid)/ received (net)	1,577,435,740	(232,054,247)
Non convertible bond issue	-	1,000,000,000
Dividend paid	(167,442,577)	(134,205,384)
<i>Net cash generated from financing activities</i>	1,409,993,163	633,740,369
<b>D. Net cash flows for the year (A+B+C)</b>	(91,030,087)	190,027,002
<b>E. Cash and cash equivalents at 1 January</b>	331,292,974	141,265,972
<b>F. Cash and cash equivalents at 31 December (D+E)</b>	<b>240,262,887</b>	<b>331,292,974</b>

*These financial statements should be read in conjunction with the annexed notes*

# RENATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

#### 1. Reporting Entity

##### 1.1 Company profile

Renata Limited (the "Company") is a Public Limited Company incorporated in Bangladesh in 1972 as Pfizer Laboratories (Bangladesh) Limited under the Companies Act 1913. The Company was listed with Dhaka Stock Exchange Limited on 12 May 1979. Subsequently, the Company was renamed as Renata Limited in 1993. The registered office of the company is situated at Plot # 1, Milk Vita Road, Section-7, Mirpur, Dhaka -1216.

##### 1.2 Principal Activities

The principal activities of the Company are carrying on business of manufacturing, marketing and distribution of pharmaceutical and animal health products.

#### 2. Significant Accounting Policies

##### 2.1 Property, plant and equipment

Item of property, plant & equipment is recognized where it is probable that future economic benefits will flow to the entity and their cost can be measured reliably.

##### 2.1.1 Measurement and recognition

An item of property, plant & equipment qualifying for recognition is initially measured at its cost. Cost comprises:

- Purchase price, including all non recoverable duties and taxes but net of discounts.
- Costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

##### 2.1.1 Subsequent Costs

- Repairs and maintenance expenditure is recognized as expenditure as incurred.
- Replacement parts are capitalized, provided that the original cost of the items they replace is derecognized.

Full year depreciation is charged for the assets acquired within 1<sup>st</sup> quarter of the year. For the assets acquired in 2<sup>nd</sup> quarter, 3<sup>rd</sup> quarter and 4<sup>th</sup> quarter of the year, depreciation is charged for 9 months, 6 months and 3 months respectively. In case of disposal of asset no depreciation is charged in the year of disposal. The list of property, plant & equipment and related depreciation rates are given below:

Asset Type	Depreciation rate (%)	
	2013	2012
Building	1.54-5	1.54-5
Plant and machinery	5-20	5-20
Automobiles	25	25
Office equipment	10-12.5	10-12.5
Furniture & fixture	10	10

##### 2.1.2 Disposal of Property, Plant and Equipment

An item of property, plant and equipment is removed from the statement of financial position when it is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal of an item of property, plant and equipment is included in the statement of income of the period in which the assets are disposed of.

##### 2.1.3 Impairment

The carrying amounts of its assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience.

#### **2.1.4 Revaluation of assets**

The assets were initially recognized at cost. Subsequently some assets were revalued by a professional valuer which resulted in increase of carrying amount as well as creation of revaluation reserve. The revaluation reserve released to retain earnings by the difference between the depreciation charged on the revalued amount and that based on cost transferred from the revaluation reserve to retained earnings.

#### **2.2 Capital work-in-progress**

Property, plant and equipment under construction/acquisition have been accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

#### **2.3 Investment in subsidiaries**

Investment in subsidiaries is accounted for in accordance with BAS-27 "Consolidated and separate financial statements.

#### **2.4 Investment in shares**

Quoted shares are classified as available for sale financial assets and recognized initially at cost. After initial recognition, investments are measured at fair value and any changes in the fair value are recognized in the statement of comprehensive income under the component of other comprehensive income for the period in which it arises.

#### **2.5 Trade Receivables**

Trade receivables are recognized and stated at original invoiced amounts and carried at anticipated realizable values. Bad debts are written off when it is established that they are irrecoverable. Specific allowance is made for known doubtful debts. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the financial position date.

#### **2.6 Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, balance and deposits with financial institutions that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **2.7 Trade Payables**

Trade payables are stated at cost which approximates the fair value of the consideration to be paid in the future for goods and services received.

#### **2.8 Interest-bearing borrowings**

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs. Borrowing costs directly attributable to the acquisition and construction of plant and equipment are capitalized as part of the cost of those assets, until such time as the assets are ready for their intended use in accordance with BAS 23. All other borrowing costs are charged to the statement of comprehensive income as an expense in the period in which they are incurred.

#### **2.9 Inventories**

Stocks are valued at lower of cost and net realizable value except for goods in transit which are valued at cost.

Cost of active materials, raw materials and packing materials are valued by using FIFO formula.

Cost of work-in-progress and finished stocks are arrived at by using FIFO cost formula including allocation of manufacturing overheads related to bringing the inventories to their present condition. The Company uses standard cost method for measurement of cost of finished goods.

#### **2.10 Provisions and contingent liabilities**

Provisions are recognized in the financial statements in line with the Bangladesh Accounting Standard (BAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when

- the company has a legal or constructive obligation as a result of past event.
- it is probable that an outflow of economic benefit will be required to settle the obligation.
- a reliable estimate can be made of the amount of the obligation.

##### ***Contingent liability***

A possible obligation depending on whether some uncertain future event occurs, or a present obligation but payment is not probable or the amount cannot be measured reliably.

#### **2.1 Workers' Profit Participation Fund (WPPF)**

The Company has created a Workers' Profit Participation Fund and 5% of profit before charging such expenses is transferred to this fund.

#### **2.2 Income tax expenses**

Income tax expenses comprise current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to revaluation to property, plant and equipment which is recognized directly in equity.

### **2.12.1 Current Tax**

Current tax expense has been made on the basis of the Finance Act 2013 and the Income Tax Ordinance 1984.

### **2.12.2 Deferred Tax**

Deferred tax is recognized using the balance sheet method. Deferred tax arises due to temporary difference deductible or taxable for the events or transactions recognized in the statement of comprehensive income. A temporary difference is the difference between the carrying amounts of assets and liabilities and its tax base amount in the statement of financial position. Deferred tax asset or liability is the amount of income tax recoverable or payable in future period(s) recognized in the current period. The deferred tax asset/ income or liability/ expense do not create a legal liability/ recoverability to and from the income tax authority. Deferred tax also arises due to revaluation of property, plant and equipment. The resulting impact of deferred tax assets/ liabilities on revaluation surplus is included in the statement of changes in equity.

## **2.3 Employees benefit obligation**

### **2.13.1 Defined contribution plan**

The Company operates a recognized provident fund scheme where employees contribute 8.33% up to 5 years and over 5 years 10% of their basic salary with equal contribution by the Company. The provident fund is being considered as defined contribution plan being managed by a Board of Trustees.

### **2.13.2 Defined benefit plan (Gratuity scheme)**

The Company also operates an unfunded gratuity scheme. Employees are entitled to get gratuity benefit after completion of minimum seven years of service with the Company. The gratuity is calculated on the last basic pay and is payable at the rate of one month's basic pay for every completed year of service up to ten years of service while one and half months basic pay for more than ten years of service. Actuarial valuation of the scheme is made by a professional valuer/ actuary once in every 2 years. Last valuation was done on 22 April 2014 showing a surplus of liability of Taka 26,568,000.

### **2.13.3 Other employees benefit obligation**

The Company operates a group insurance scheme for its permanent employees.

## **2.4 Revenue**

Revenue is recognized upon invoicing the customers for goods sold and delivered net of returns and allowances and trade discounts.

Revenue from sale of goods is recognized when the significant risks and rewards of ownership has been transferred to the buyer, the Company has no managerial involvement of ownership of the goods, the amount of revenue and the cost of the transaction can be measured reliably and it is probable that the economic benefit associated with the transactions will flow to the company.

## **2.5 Foreign currency transactions**

Foreign currency transactions are accounted at exchange rate prevailing on the date of transaction. Monetary assets and liability denominated in foreign currencies at reporting date are translated at rates ruling at the statement of financial position date. All exchange differences are charged/ credited to the statement of comprehensive income.

## **2.6 Earnings per share (EPS)**

The Company represents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated as the profit or loss attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no potential dilutive ordinary share during the relevant periods.

## **2.7 Segment reporting**

As there is a single business and geographic segment within which the company operates as such no segment reporting is felt necessary.

## **2.8 Financial Risk Management**

Renata Limited's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. Renata Limited's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on Renata Limited's financial performance.

Renata Limited's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. Renata Limited regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices.

#### **2.8.1 Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Senior Management of Renata Limited carefully manages its exposure to credit risk. Credit exposures arise principally in receivables from customers into Renata Limited's asset portfolio. The credit risk management and control are controlled through the credit policies of Renata Limited which are updated regularly. The company is also exposed to other credit risks arising from balances with banks which are controlled through board approved counterparty limits.

#### **2.8.2 Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

The Company's approach toward managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

#### **2.8.3 Market risk**

Renata Limited takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate and currency, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads and foreign exchange rates.

##### **a. Currency risk**

The company is exposed to currency risk on certain revenues and purchase such as revenue from foreign customers and import of raw material, machineries and equipment. The majorities of the company's foreign currency transactions are denominated in USD and relate to procurement of raw material, machineries and equipment from abroad.

##### **b. Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Renata Limited takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise.

### **3. Basis of Preparation of Financial Statements**

#### **3.1 Basis of measurement**

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of certain fixed assets which are stated at revalued amount. Accordingly, historical cost is employed to determine the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and statement of comprehensive income.

#### **3.2 Reporting Framework and Compliance thereof**

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

#### **3.3 Functional and presentation currency**

These financial statements are prepared in Bangladesh Taka (Taka/Taka), which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer.

#### **3.4 Reporting period**

The financial period of the company covers one year from 1 January to 31 December consistently.

### **3.5 Comparative Information and Rearrangement thereof**

Comparative figures have been re-arranged where considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

### **3.6 Use of estimates and judgments**

The preparation of financial statements in conformity with Bangladesh Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by BAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, inventory valuation, accrued expenses and other payables

### **3.7 Going concern**

The company has adequate resources to continue in operation for foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provide sufficient fund to meet the present requirements of its existing businesses and operations.

### **3.8 Statement of Cash Flows**

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

### **3.9 Related Party Disclosures**

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by BAS 24: Related Party Disclosures has been disclosed in a separate note to the accounts.

### **3.10 Events after the Reporting Period**

In compliance with the requirements of BAS 10: Events After the Reporting Period, post statement of financial position events that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements and events after the statement of financial position date that are not adjusting events are disclosed in the notes when material.

### **3.11 Date of authorization for issue of the financial statements**

On 29.04.2014, the Board of Directors reviewed the financial statements and authorized them for issue.

### **3.12 Directors' responsibility statement**

The Board of Directors takes the responsibility for the preparation and fair presentation of these financial statements.

## **4 Preparation and Presentation of Financial Statements of the Company and its Subsidiaries**

The Board of Directors of respective companies are responsible for the preparation and presentation of financial statements of Renata Limited and its subsidiaries. Renata Limited has three subsidiary Companies incorporated in Bangladesh.

## 5. Property, plant and equipment

Figures in Taka

Particulars	COST/REVALUATIONS				Rate	DEPRECIATION				Written down value at 31 Dec 2013
	At 1 Jan 2013	Additions during the year	Disposal/ adjustment during the year	At 31 Dec 2013		At 1 Jan 2013	Charge during the year	Disposal/ adjustment during the year	At 31 Dec 2013	
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka	Taka
Freehold land:										
At cost	801,552,861	119,011,336	-	920,564,197		-	-	-	-	920,564,197
On revaluation	179,132,078	-	-	179,132,078		-	-	-	-	179,132,078
	980,684,939	119,011,336	-	1,099,696,275		-	-	-	-	1,099,696,275
Building:										
At cost	1,385,842,068	666,183,967	-	2,052,026,035	1.54-5	110,427,879	59,256,404	-	169,684,283	1,882,341,752
On revaluation	41,291,251	-	-	41,291,251	1.54-5	10,515,133	635,885	-	11,151,018	30,140,233
	1,427,133,319	666,183,967	-	2,093,317,286		120,943,012	59,892,289	-	180,835,301	1,912,481,985
Plant and machinery	2,585,299,026	1,550,043,079	-	4,135,342,105	5 - 20	748,642,024	230,602,292	-	979,244,316	3,156,097,789
Automobiles	142,643,055	16,492,000	5,632,500	153,502,555	25	105,624,339	23,411,067	4,479,644	124,555,762	28,946,793
Office equipment	146,428,933	46,730,939	-	193,159,872	10 - 12.5	71,253,236	16,730,746	-	87,983,982	105,175,890
Furniture and fixtures	48,415,149	18,530,734	-	66,945,883	10	15,215,449	5,945,650	-	21,161,099	45,784,784
<b>Total 2013</b>	<b>5,330,604,421</b>	<b>2,416,992,055</b>	<b>5,632,500</b>	<b>7,741,963,976</b>		<b>1,061,678,060</b>	<b>336,582,044</b>	<b>4,479,644</b>	<b>1,393,780,460</b>	<b>6,348,183,516</b>
<b>Total 2012</b>	<b>4,610,963,149</b>	<b>832,461,002</b>	<b>112,819,730</b>	<b>5,330,604,421</b>		<b>828,113,782</b>	<b>287,350,246</b>	<b>53,785,968</b>	<b>1,061,678,060</b>	<b>4,268,926,361</b>

### 5.1 Initially recognised value of fully depreciated assets included in property, plant and equipment are as follows:

Building

Plant and machinery

Automobiles and trucks

Office equipment

Computer equipment

Furniture and fixtures

Cost in Taka

4,448,824

162,169,204

56,337,900

11,223,881

6,503,585

2,857,227

**243,540,621**

### 5.2 The freehold land of the company measuring 182.666 acres are located at:

Mirpur, Dhaka	12.000	acres
Pekua, Cox's Bazar	45.190	acres
Barisal Sadar	0.290	acres
Gondogram, Bogra	0.270	acres
Lakshimpur, Rajshahi City Corporation.	0.149	acres
Dogri Rajendrapur, Gazipur	16.763	acres
Kashor Gore, Bhaluka, Mymensing	25.022	acres
Sagordighi, Tangail	13.805	acres
Siddikhali, Tangail	1.050	acres
Ghatail, Tangail	13.234	acres
Dhamsur, Bhaluka, Mymensingh	16.930	acres
Turag, Dhaka	0.660	acres
Sreepur, Gazipur	13.830	acres
Keranigonj, Dhaka	0.590	acres
Faridpur	0.410	acres
Feni	0.365	acres
Chatropur, Mymensingh	0.558	acres
Phulbaria, Mymensingh	8.503	acres
Mymensingh Depot	0.035	acres
Sylhet Depot	0.483	acres
Bogra Depot	0.453	acres
Lohaboy, Bhaluka	4.463	acres
Narangi, Bhaluka	6.605	acres
Comilla Depot	0.580	acres
Salna, Purabari	0.307	acres
Sathkhamair, Sreepur	0.120	acres
<b>Total</b>	<b>182.666</b>	<b>acres</b>

### 5.3 Depreciation for the year has been charged to:

Cost of goods sold - Non-tax holiday units (Note 29.1)

Cost of goods sold - Tax holiday units (Note 29.1)

Administrative, selling and distribution expenses (Note-30)

Taka
201,780,782
94,808,813
296,589,595
39,992,449
<b>336,582,044</b>

- 5.4 The freehold land and buildings were revalued by a firm of professional valuers in the year 1995 and the increase in net carrying amount as a result of revaluation were shown as additions/valuations in that year.

### 5.5 Gain/(loss) on disposal of property, plant and equipment

Amount in Taka

Original cost	Accumulated depreciation	Net book value	Sale proceeds	Gain/(loss)	
				2013	2012
5,632,500	4,479,644	1,152,856	1,551,705	398,849	(218,312)

## 6. Capital work in-progress

	2013 Taka	2012 Taka
Opening Balance	2,061,905,242	1,370,222,641
Add: Addition during the year	2,381,170,660	1,524,143,603
	4,443,075,902	2,894,366,244
Less: Capitalized as property, plant and equipment (Note-6.1)	2,416,992,055	832,461,002
	<b>2,026,083,847</b>	<b>2,061,905,242</b>

This represents mainly construction of buildings for the Rajedrapur General Manufacturing Plant, Sylhet Depot, ERP project, installation of plant and machinery, their components and other fixed assets procured from foreign and local vendors.

## 7. Investment in subsidiaries

Consolidated and Separate Financial Statements as per BAS 27 is to enhance the relevance, reliability and comparability of the information that a parent entity provides in its separate financial statements and in its consolidated financial statements for a group of entities under its control. The information that an entity must disclose to enable users of the financial statements to evaluate the nature of the relationship between the entity and its subsidiaries.

		2013 Value Taka	2012 Value Taka
Renata Agro Industries Limited (Note-7.1)	419,949	60,570,476	60,570,476
Purnava Limited (Note-7.2)	24,999	2,499,900	2,499,900
Renata Oncology Limited (Note-7.3)	7,999,900	79,999,000	-
	<b>8,444,848</b>	<b>143,069,376</b>	<b>63,070,376</b>

### 7.1 Investment in subsidiary Company-Renata Agro Industries Limited

Renata Limited has acquired 99.99% equity interest in Renata Agro Industries Limited (419,949 ordinary shares of Taka 60,570,476) on 7 April 2001. An amount of Taka 60,570,476 as purchase cost of shares issued against acquisition of this subsidiary has been shown as investment in subsidiary at cost as per BAS 27. Renata Limited and Renata Agro Industries Limited have been operating under common control.

### 7.2 Investment in subsidiary Company-Purnava Limited

Renata Limited has acquired 99.99% equity interest in Purnava Limited (24,999 ordinary shares of Taka 100 each) on 16 September November 2004. An amount of Taka 2,499,900 being face value of shares issued against acquisition of this subsidiary has been shown as investment in subsidiary at cost as per BAS 27. Renata Limited and Purnava Limited have been operating under common control.

### 7.3 Investment in subsidiary Company-Renata Oncology Limited

Renata Limited has acquired 99.99% equity interest in Renata Oncology Limited (7,999,900 ordinary shares of Taka 10 each) on 12 August 2012. An amount of Taka 79,999,000 being face value of shares issued against acquisition of this subsidiary has been shown as investment in subsidiary at cost as per BAS 27. Renata Limited and Renata Oncology Limited have been operating under common control.

## 8. Investment in shares

	Market value	Book value	
	2013 Taka	2013 Taka	2012 Taka
Central Depository Bangladesh Limited (unquoted)	1,569,450	1,569,450	1,569,450
BRAC Bank Limited	14,833	13,905	15,288
Social Islami Bank Limited	678	595	595
EXIM Bank Limited	1,883	1,494	1,376
International Leasing & Finance Services Limited	13,272	39,497	33,844
United Commercial Bank Limited	2,159	3,422	3,422
Peoples Leasing Company Limited	23,664	117,133	117,135
Square Pharma Limited	17,401,778	14,220,009	7,464,033
BATBC	5,210,075	1,964,918	1,964,919
Islami Bank Bangladesh Limited	177,083	163,725	163,727
Bangladesh General Insurance Company Limited	-	-	1,174,608
City General Insurance Limited	2,546,500	2,947,834	1,246,968
Global Insurance Limited	-	-	951,642
Meghna Insurance Limited	273,305	266,140	1,102,492
Mercantile Bank Limited	-	-	517,512
S Alam CR steels Limited	-	-	502,000
Titans Gas Transmission and Distribution Co. Limited	7,380,000	7,979,039	1,534,112
Lafarge Surma Cement Limited	6,030,000	6,235,342	-
First BSRM Mutual Fund	813,000	988,940	-
Dhaka Electric Supply Co. Limited	584,000	598,384	-
Khulna Power Company Limited	7,409,190	8,051,177	-
Beacon Pharmaceuticals Limited	924,000	919,011	-
ICB Islami Bank	2,440,000	2,720,137	-
Sonar Bangla Insurance Limited	988,000	1,023,449	-
United Airways Bangladesh Limited	1,230,000	1,249,980	-
Premier Leasing and Finance Limited	300,000	336,139	-
Jamuna Oil Company Limited	4,795,000	4,953,947	-
	<b>60,127,870</b>	<b>56,363,666</b>	<b>18,363,123</b>

## 9. Other investment

	2013 Taka	2012 Taka
Renata Oncology Limited	-	30,592,153
	<b>-</b>	<b>30,592,153</b>

## 10. Inventories

	2013 Taka	2012 Taka
Finished goods		
- Pharmaceutical	641,279,133	513,601,968
- Premix	162,386,436	107,763,074
- Contract manufacturing	15,615,418	3,425,376
- Potent Product Facility	33,862,027	28,339,959
- Cepha Facility	133,518,415	104,750,769
- Penicillin Facility	34,445,377	23,498,110
	1,021,106,806	781,379,256
Work-in-process	282,351,925	135,125,733
Raw materials	112,815,887	141,130,787
Bulk materials	212,062,328	199,682,148
Packing materials	120,541,114	111,466,981
Raw and packaging materials-Premix	65,480,137	98,763,736
Raw and packaging materials-Contract manufacturing	23,650,209	20,520,870
Raw and packaging materials-Potent Product Facility	151,884,431	84,906,386
Raw and packaging materials-Cepha Facility	56,553,424	38,276,686
Raw and packaging materials-Penicillin Facility	13,393,510	11,035,888
Consumable stores and spares	29,539,887	3,781,736
Stock in transit	568,399,597	360,674,676
	<b>2,657,779,255</b>	<b>1,986,744,883</b>

\*Inventories are kept as a security against short term bank loans.

## 11. Trade and other receivables

	2013 Taka	2012 Taka
Trade receivables- unsecured (Note-11.1)	501,965,522	461,942,102
Sundry receivables - unsecured considered good	414,569,208	229,589,653
Value Added Tax (VAT) recoverable	226,150,691	151,699,512
	<b>1,142,685,421</b>	<b>843,231,267</b>

### 11.1 Trade receivables disclosure as per Schedule-XI, Part-I, of The Companies Act, 1994

Receivables due under six months	414,737,964	403,812,232
Receivables due over six months	87,227,558	58,129,870
	<b>501,965,522</b>	<b>461,942,102</b>

\*Trade receivables include Taka 8,078,350 due from Renata Agro Industries Limited. Details are given in note -41 " Related Party Disclosure" .

## 12. Advances, deposits and prepayments

### Advances:

Loan to staff against motorcycle
Loan to staff against scooter
Advance against salary
Advance for inventory
Loan to employees
Advance against expenses - Travel

### Deposits:

Tender deposits
Security deposit to Linde and G4S
Titas Gas Transmission and distribution Co. Limited
Dhaka North City Corporation
Dhaka Electric Supply Co. Limited
Deposit to HSBC Bank
Bank guarantee margin
Meghna Model Service Center
Miscellaneous deposits
Other deposits

### Prepayments:

Field force imprest cash
Rent
Management fee - Race
Insurance
Miscellaneous

2013  
Taka

2012  
Taka

83,753,297	84,191,993
6,560,485	6,065,990
382,213	487,612
1,229,125	326,806
4,670,687	3,205,608
4,503,566	6,284,667
101,099,373	100,562,676

6,392,620	4,703,699
1,486,650	962,650
345,561	345,561
2,007,858	2,007,858
2,362,000	-
284,319	269,311
200,000	200,000
110,000	110,000
260,500	260,500
7,000	6,257,500
13,456,508	15,117,080

11,105,000	10,408,000
13,609,455	14,042,466
19,232,876	-
9,482,024	1,006,668
-	7,814,703
53,429,355	33,271,836
<b>167,985,236</b>	<b>148,951,592</b>

## 13. Cash and cash equivalent

Cash in hand

1,285,000 1,265,000

### Cash at bank:

Standard Chartered Bank Limited
The Hongkong Shanghai Banking Corporation Limited
Agrani Bank Limited
Sonali Bank Limited
One Bank Limited
Bank Asia Limited
Islami Bank Bangladesh Limited
Eastern Bank Limited
United Commercial Bank Limited.
Southeast Bank Limited
The City Bank Limited
Prime Bank Limited

66,420,263	97,898,946
75,140,061	80,468,914
42,138,352	71,875,746
17,446,114	4,835,589
6,877,611	-
8,864,019	72,450,684
2,370,664	1,180,151
18,572,561	-
337,305	1,137,130
6,502	-
722	180,813
803,712	-
238,977,887	330,027,974
<b>240,262,887</b>	<b>331,292,974</b>

## 14. Share capital

	2013 Taka	2012 Taka
<b>Authorized share capital</b>		
100,000,000 Ordinary shares of Taka10 each.	1,000,000,000	1,000,000,000
<b>Issued, subscribed and paid up capital</b>		
1,294,260 Ordinary shares of Taka10 each issued for cash.	12,942,600	12,942,600
1,724,490 Ordinary shares of Taka10 each issued for consideration other than cash.	17,244,900	17,244,900
32,283,593 Ordinary shares of Taka10 each issued as bonus shares.	322,835,930	252,231,250
	<b>353,023,430</b>	<b>282,418,750</b>

These shares are listed with Dhaka Stock Exchange Limited and quoted at Taka 722 per share on 31 December 2013.

At 31 December 2013 the share holding positions of the company were as follows:

	Number of shares	Face value Taka	% of total holding
Sajida Foundation	18,004,045	180,040,450	50.9996
Business Research International Corp. Inc., Panama	7,919,421	79,194,210	22.4331
ICB Unit Fund	1,175,233	11,752,330	3.3291
Investment Corporation of Bangladesh	1,126,311	11,263,110	3.1905
First ICB Mutual Fund	640,608	6,406,080	1.8146
Bangladesh Fund	574,000	5,740,000	1.6260
Shadharan Bima Corporation	1,544,468	15,444,680	4.3750
First Bangladesh Fixed Income Fund	392,996	3,929,960	1.1132
Other local shareholders	3,925,261	39,252,610	11.1190
	<b>35,302,343</b>	<b>353,023,430</b>	<b>100.00</b>

### Classification of shareholders by holdings:

Holdings	2013				
	No. of holders as per folio	No. of holders as per BOID	Number of total holders	No. of total share holdings	% of total holdings
Less than 500 shares	224	2,623	2,847	314,272	0.8902%
501 to 5000 shares	65	436	501	746,916	2.1158%
5,001 to 10,000 shares	23	49	72	521,297	1.4767%
10,001 to 20,000 shares	9	34	43	640,987	1.8157%
20,001 to 30,000 shares	6	10	16	395,282	1.1197%
30,001 to 40,000 shares	1	5	6	200,449	0.5678%
40,001 to 50,000 shares	-	3	3	143,714	0.4071%
50,001 to 100,000 shares	1	7	8	558,688	1.5826%
100,001 to 1,000,000 shares	-	8	8	2,780,743	7.8769%
Over 1,000,000 shares	2	3	5	28,999,995	82.1475%
	<b>331</b>	<b>3,178</b>	<b>3,509</b>	<b>35,302,343</b>	<b>100.00%</b>

## 15. Revaluation surplus

The freehold land and buildings were revalued by a firm of professional valuers in the year 1995 and the resulting increase in value of Taka 220,423,329 has been shown as revaluation surplus. The breakup of revaluation is as follows:

	<b>2013 Taka</b>	<b>2012 Taka</b>
Land	179,132,078	179,132,078
Buildings	30,776,118	31,412,003
	<u>209,908,196</u>	<u>210,544,081</u>
Less: Depreciation charged during the year on revaluation of buildings	635,885	635,885
	<u>209,272,311</u>	<u>209,908,196</u>
Less: Adjustment of deferred tax on revaluation surplus	51,794,897	51,952,279
	<u><b>157,477,414</b></u>	<u><b>157,955,917</b></u>

## 16. Tax holiday reserve

Opening balance		
Add: Provision made during the year	206,609,359	131,443,579
Closing balance	<u>42,887,265</u>	<u>75,165,780</u>
	<u><b>249,496,624</b></u>	<u><b>206,609,359</b></u>

Tax holiday reserve has been created using appropriate rate (40%) of income as prescribed in the Income Tax Ordinance 1984. The Company has been granted tax holiday by the National Board of Revenue for a period of five years for Cepha and Penicillin unit for the period from 1 February 2010 to 31 January 2015 and 1 February 2011 to 31 January 2016 respectively.

## 17. Retained earnings

Opening balance	4,423,495,722	3,442,795,036
Total comprehensive income for the year	1,393,928,731	1,247,275,330
Tax holiday reserve	(42,887,265)	(75,165,779)
Stock dividend issued	(70,604,680)	(56,483,750)
Cash dividend paid	(169,451,250)	(135,561,000)
Depreciation adjustment on revalued assets	635,885	635,885
Closing balance	<u><b>5,535,117,143</b></u>	<u><b>4,423,495,722</b></u>

## 18. Deferred liability-staff gratuity

The company operates an unfunded gratuity scheme for its employees. Provision for gratuity is charged to profits annually to cover obligations under the scheme on the basis of an estimate made by the management of the company to maintain full provision at the balance sheet date as per BAS 37. The breakup of accumulated provision for gratuity is as follows:

Opening balance	175,366,283	149,138,826
Add: Provision made during the year	<u>41,195,875</u>	<u>40,058,988</u>
	216,562,158	189,197,814
Less: Paid during the year	<u>14,031,916</u>	<u>13,831,531</u>
Closing balance	<u><b>202,530,242</b></u>	<u><b>175,366,283</b></u>

## 19. Deferred tax liabilities

	2013 Taka	2012 Taka
Opening balance	272,041,423	198,004,754
Addition during the year	201,956,568	74,194,051
	473,997,991	272,198,805
Reduction of deferred tax on revaluation surplus	(157,382)	(157,382)
Closing balance	<b>473,840,609</b>	<b>272,041,423</b>

Deferred tax liability has been recognized in accordance with the provision of IAS 12 based on temporary differences arising due to difference in the carrying amount of the assets or liabilities and its tax base

	Carrying amount on balance sheet date Taka	Tax base Taka	Taxable/ (deductible) temporary difference Taka
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### For the year ended 31 December 2013

Property, plant and equipment - (Excluding land)	4,373,593,930	2,398,258,895	1,975,335,035
Revaluation surplus	209,272,311	-	209,272,311
	4,582,866,241	2,398,258,895	2,184,607,346
Gratuity provision	(202,530,242)	-	(202,530,242)
Provision for obsolete and inventories	(28,940,871)	-	(28,940,871)
Provision for doubtful debts	(38,628,723)	-	(38,628,723)
Temporary difference			1,914,507,510
Applicable tax rate			24.75%
Deferred tax liability as on 31 December 2013			<b>473,840,609</b>

### For the year ended 31 December 2012

Property, plant and equipment - (Excluding land)	2,371,631,417	1,254,546,644	1,117,084,773
Revaluation surplus	209,908,196	-	209,908,196
	2,581,539,613	1,254,546,644	1,326,992,969
Gratuity provision	(175,366,283)	-	(175,366,283)
Provision for obsolete and inventories	(28,895,301)	-	(28,895,301)
Provision for doubtful debts	(23,574,121)	-	(23,574,121)
Temporary difference			1,099,157,264
Applicable tax rate			24.75%
Deferred tax liability as on 31 December 2012			<b>272,041,423</b>

## 20. Long term loan - net of current portion

	2013 Taka	2012 Taka
Standard Chartered Bank Limited (Note-20.1)	225,000,000	358,333,333
The Hongkong and Shanghai Banking Corporation Limited (Note-20.2)	482,050,000	-
	<b>707,050,000</b>	<b>358,333,333</b>
<b>Less: Current portion</b>		
Standard Chartered Bank Limited	133,333,333	133,333,333
The Hongkong Shanghai Banking Corporation Limited.	96,410,000	-
	<b>229,743,333</b>	<b>133,333,333</b>
<b>Balance:</b>		
Standard Chartered Bank Limited	91,666,667	225,000,000
The Hongkong Shanghai Banking Corporation Limited.	385,640,000	-
	<b>477,306,667</b>	<b>225,000,000</b>

### 20.1 Standard Chartered Bank Limited

**Details of facility:**

Facility limit: Taka 400,000,000

Validity: Up to 28 May 2015 for 100 million and 16 July 2015 for 300 million.

Terms of Repayment: Twelve equal quarterly installments commencing from August 2012 & October 2012.

Nature of Security: i) Registered mortgage over 253.01 industrial land in Rajendrapur where Hormone Plant-2 is situated.

(ii) First Charge over all the present and future inventories, trade receivables, receivables claims, contracts, bills, plant, machinery and equipment of the Renata Limited.

### 20.2 The Hongkong and Shanghai Banking Corporation Limited

**Details of facility:**

Facility limit: Taka 777,500,000 (USD 10,000,000)

Validity: Up to 18 November 2018

Terms of Repayment: Twenty equal quarterly installments commencing from February 2014.

Nature of Security: i) Registered mortgage over 376.77 decimals industrial land in Rajendrapur where Cepha, Penicillin, and Bottle sheed are situated.

(ii) First Charge over all the present and future inventories, trade receivables, receivables claims, contracts, bills, plant, machinery and equipment of the Renata Limited.

## 21. Non-convertible bond - net of current portion

At 31 December 2013 the institutional investors list are given below:

Trust Bank First Mutual Fund	-	100,000,000
Popular Life First Mutual Fund	70,000,000	70,000,000
PHP First Mutual Fund	30,000,000	30,000,000
AB Bank First Mutual Fund	150,000,000	150,000,000
First Bangladesh Fixed Income Fund	470,000,000	370,000,000
The Premier Bank Limited	250,000,000	250,000,000
Central Depository Bangladesh Limited	30,000,000	30,000,000
	<b>1,000,000,000</b>	<b>1,000,000,000</b>

	2013 Taka	2012 Taka
<b>Less: Current portion</b>		
Trust Bank First Mutual Fund	-	-
Popular Life First Mutual Fund	70,000,000	-
PHP First Mutual Fund	30,000,000	-
AB Bank First Mutual Fund	150,000,000	-
First Bangladesh Fixed Income Fund	470,000,000	-
The Premier Bank Limited	250,000,000	-
Central Depository Bangladesh Limited	30,000,000	-
	<b>1,000,000,000</b>	<b>-</b>
<b>Balance:</b>		
Trust Bank First Mutual Fund	-	100,000,000
Popular Life First Mutual Fund	-	70,000,000
PHP First Mutual Fund	-	30,000,000
AB Bank First Mutual Fund	-	150,000,000
First Bangladesh Fixed Income Fund	-	370,000,000
The Premier Bank Limited	-	250,000,000
Central Depository Bangladesh Limited	-	30,000,000
	<b>-</b>	<b>1,000,000,000</b>

Renata Limited raised capital amounting to Taka1,000,000,000 through issuance of non-convertible subordinated bonds to institutional investors at fixed rate interest 12% p.a. Interest is being paid to investors on a half yearly basis. The non convertible bond will be matured after 2 years from the date of 17 December 2012.

## 22. Short term bank loan

Eastern Bank Limited (Note-22.1)	198,368,822	92,477,109
The Hongkong and Shanghai Banking Corporation Limited (Note-22.2)	1,080,064,569	1,124,326,213
The City Bank Limited (Note-22.3)	224,928,066	248,532,627
Standard Chartered Bank Limited (Note-22.4)	681,314,496	139,741,808
Citibank N. A. (Note-22.5)	75,135,397	39,976,735
Bank Asia Limited (Note-22.6)	479,056,935	166,364,252
Commercial Bank of Ceylon Limited (Note-22.7)	302,455,966	-
Agrani Bank Limited	-	1,186,434
	<b>3,041,324,251</b>	<b>1,812,605,178</b>

The terms and conditions of the facility available for (Overdraft, Acceptance, LATR, Revolving, import and Demand loan) are as follows:

### 22.1 Eastern Bank Limited

#### Overdraft

Purpose: To finance overhead cost and duty payment

Facility limit: Taka 100 million

Repayment: Within 365 days from the date of disbursement.

**Letter of credit/ Acceptance (Sight/ Usance)**

Purpose: To import plant and machinery.

Facility limit: Combined Taka 650 million

Repayment: Within 180 days from the date of disbursement.

**Import finance**

Purpose: To import raw materials.

Facility limit: Combined Taka 650 million

Repayment: Within 180 days from the date of disbursement.

**Security**

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.
- iii) Registered hypothecation by way of pari passu with RJSC on entire inventory book debts and other floating assets and plant and machinery of the Company in favor of Eastern Bank.

## 22.2 The Hongkong and Shanghai Banking Corporation Limited

**Import loan (IMP01 and IMP02)**

Purpose: To import raw materials, plant & machinery and spare on sight and deferred basis.

Facility limit: Combined Taka 1,550 million

Repayment: Within 180/360 days from the date of disbursement.

**Import cash limit (IMC01 and IMC02)**

Purpose: To release deferred documents against borrowers acceptance

Facility limit: Combined Taka 1,550 million

Repayment: Within 180/360 days from the date of disbursement.

**Short term loan (LNL01)**

Purpose: To finance VAT, Duty, and regulatory payment.

Facility limit: Taka 1,550 million

Repayment: Within 120 days from the date of disbursement.

**Overdraft (O/D01)**

Purpose: To meet overhead expense and to facilitate purchase of materials from local sources.

Facility limit: Taka 100 million

Repayment: Within 180 days from the date of disbursement.

**Security**

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.

## 22.3 The City Bank Limited

**Letter of credit/ Acceptance (Sight/ Usance)**

Purpose: To import API, excipient, packing materials and finished materials.

Facility limit: Combined Taka 320 million

Repayment: Within 180 days from the date of disbursement.

Validity: 30 April 2014

**Import finance**

Purpose: To retire sight L/C documents opened for procurement API, excipient, packing materials and finished materials.

Facility limit: Combined Taka 320 million

Repayment: Within 180 days from the date of disbursement.

**Short term loan**

Purpose: For payment of duty and other charges related to import and VAT.

Facility limit: Taka 100 million

Repayment: Within 180 days from the date of disbursement.

**Overdraft**

Purpose: To meet the day to day operating, promotional, and marketing expenses.

Facility limit: Taka 80 million

**Security**

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited with RJSC on pari passu security sharing basis with the existing lenders.

## 22.4 Standard Chartered Bank Limited

**Letter of credit**

Purpose: To open L/Cs for import of raw materials, packing materials, capital machinery, spares and other items required for regular course of business.

Facility limit: Combined Taka 1,600 million

Repayment: Within 180/ 365 days from the date of disbursement.

**Loan against Trust Receipt (LATR)**

Purpose: Retirement of documents of only sight L/Cs

Facility limit: Combined Taka 1,600 million

Repayment: Within 180/ 365 days from the date of disbursement.

**Overdraft**

Purpose: For working capital purposes.

Facility limit: Taka 100 million

Repayment: Within 180 days from the date of disbursement.

**Acceptance**

Purpose: To provide acceptance against L/Cs issued by the bank.

Facility limit: Combined Taka 1,600 million

Repayment: Within 180/ 365 days from the date of disbursement.

**Security**

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.

## 22.5 Citibank N. A.

### **Letter of credit/ Acceptance (Sight/ Usance)**

Purpose: To open L/Cs for import of raw materials, packing materials, capital machinery, spares and other items required for regular course of business.

Facility limit: Combined Taka 768 million

Repayment: Within 180/ 360 days from the date of disbursement.

### **Import finance**

Purpose: To refinance import L/Cs

Facility limit: Combined Taka 768 million

Repayment: Within 119 days from the date of disbursement.

### **Short term loan**

Purpose: To finance local purchase of active and raw materials, packing materials, capital machinery, spares and other items required for regular course of business.

Facility limit: Combined Taka 768 million

Repayment: Within 119 days from the date of disbursement.

### **Overdraft**

Purpose: To finance regular selling, general and administrative expenses.

Facility limit: Taka 32 million

### **Cheque purchase/ Cash management line**

Purpose: To facilitate the cash management funds of day 0 or day 1.

Facility limit: Combined Taka 768 million

Repayment: Within 7 days from the date of disbursement.

### **Security**

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.

## 22.6 Bank Asia Limited

### **Revolving Letter of credit**

Purpose: To import raw materials, machineries and spare parts for the Company.

Facility limit: Taka 250 million

Validity: Up to 14 May 2014

### **Revolving LATR**

Purpose: Retirement of documents of only sight L/Cs

Facility limit: Taka 250 million

Repayment: Within 120 days from the date of disbursement.

Validity: Up to 14 May 2014

### **Overdraft**

Purpose: To payment of duty VAT, taxes and operating expenses.

Facility limit: Taka 250 million

Validity: Up to 14 May 2014

**Revolving demand loan**

Purpose: For procurement of pharmaceuticals and packing materials from local sources.

Facility limit: Taka 250 million

Repayment: Within 180 days from the date of disbursement.

Validity: Up to 14 May 2014

**Security**

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.

**22.7 Commercial Bank of Ceylon Limited**

Facility limit: Taka 600 million

Repayment: Within 90 days from the date of disbursement.

Validity: Up to 25 July 2014

**Security**

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.

**23. Trade payables**

	<b>2013 Taka</b>	<b>2012 Taka</b>
Local purchase	28,071,914	34,807,201
Toll manufacturing charges - Ziska	9,177,151	4,834,065
Accounts payable for consumable - plant	27,736,998	6,400,000
	<b><u>64,986,063</u></b>	<b><u>46,041,266</u></b>

**24. Accruals**

*This is arrived at as follows:*

Leave encashment	95,100,484	86,619,801
Sales incentive	87,269,910	87,146,034
Performance bonus	27,008,356	20,354,656
Prescription bonus	9,203,144	412,555
Recreation allowance	1,124,445	21,689,697
Annual bonus	5,436,420	1,428,165
Leave fare assistance	562,021	997,591
Leave incentive	952,997	39,553,850
Interest expenses	34,622,265	12,969,313
Legal expenses	2,056,920	894,868
Professional expenses	540,000	500,000
	<b><u>263,876,962</u></b>	<b><u>272,566,529</u></b>

## 25. Provisions and other liabilities

	2013 Taka	2012 Taka
<b>Provisions:</b>		
Doubtful debts	38,628,723	23,574,121
Obsolete inventories	28,940,871	28,895,301
Meeting expenses	23,645,788	21,446,419
Final settlement of employees	4,381,706	2,045,372
Diminution in value of investment	-	259,303
	<u>95,597,088</u>	<u>76,220,516</u>
<b>Other liabilities:</b>		
Workers' profit participation fund	183,195,391	150,837,613
Workers' welfare fund	23,107,713	41,782,933
VAT Payable	28,825,821	31,536,994
Withholding VAT	78,303	233,277
Export commission payable	13,562,446	9,591,772
Current account with depot	669,793	169,220
Royalty payable	6,178,321	4,826,079
Grant from GAIN	1,919,643	8,913,093
Novartis (BD) Limited	-	1,659,204
HLL Lifecare Limited	45,106	-
Purnava Limited	-	9,856,344
	<u>257,582,537</u>	<u>259,406,529</u>
	<b><u>353,179,625</u></b>	<b><u>335,627,045</u></b>

## 26. Unclaimed dividend

Unclaimed dividend upto 4 years	6,476,684	5,311,893
Unclaimed dividend above 4 years	<u>3,439,065</u>	<u>2,595,182</u>
	<b><u>9,915,749</u></b>	<b><u>7,907,075</u></b>

## 27. Provision for taxation

Opening balance	402,110,091	255,275,989
Add: Provision made during the year	<u>293,237,957</u>	<u>400,255,434</u>
	695,348,048	655,531,423
Less: Tax paid during the year	<u>324,752,956</u>	<u>253,421,332</u>
Closing balance	<b><u>370,595,092</u></b>	<b><u>402,110,091</u></b>

## 28. Turnover

	2013			2012
	Gross Turnover Taka	Less: VAT Taka	Turnover (net) Taka	Turnover (net) Taka
Non-tax holiday units:				
Pharmaceutical products	6,359,326,356	878,397,036	5,480,929,320	4,835,012,203
Animal health products	1,774,479,770	131,010,880	1,643,468,890	1,313,764,131
Contract manufacturing	541,690,692	34,010,569	507,680,123	475,026,479
	<u>8,675,496,818</u>	<u>1,043,418,485</u>	<u>7,632,078,333</u>	<u>6,623,802,813</u>
Tax holiday units :				
Cepha Facility	1,114,552,150	191,595,100	922,957,050	868,949,984
Penicillin Facility	244,401,508	42,031,143	202,370,365	178,819,506
	<u>1,358,953,658</u>	<u>233,626,243</u>	<u>1,125,327,415</u>	<u>1,047,769,490</u>
	<u><b>10,034,450,476</b></u>	<u><b>1,277,044,728</b></u>	<u><b>8,757,405,748</b></u>	<u><b>7,671,572,303</b></u>

**28.1** During the year sale of Pharmaceuticals products includes export sales of Taka 207,360,275 equivalent to US\$ 2,660,027.

**28.2** Item-wise production/ purchases and sale of 605 finished goods formulations consisting of pharmaceutical products, animal health products, premix feed supplement, potent products and other medical products in various forms viz capsules, tablets, vials, ampoules, dry and liquid syrup, ointments, sachets, etc. are stated below by major product group and their total value:

Figure in '000					
Major product group	Unit	Opening stocks	Production/ purchases	Less: Sales	Closing stocks
Sterile dry fill (injectable)	Vials	636	4,140	3,569	1,207
Sterile liquid fill (injectable)	Vials & Ampoules	1,818	9,800	9,703	1,915
Ointments and eye/ear drops	Tube	3	424	423	4
Capsules and tablets	Capsules & Tablets	274,308	1,147,147	1,122,459	298,996
Oral liquid and dry syrup	Bottles	1,678	15,641	15,146	2,173
Rabipur Vaccine	Vials	99	378	306	171
Potent products	Capsules & Tablets	60,736	2,137,646	2,132,180	66,202
Premix -Animal nutrition	Kg	504	5,028	5,494	38
-Animal nutrition	Sachets	380	3,367	2,881	866
Oral saline	Sachets	2,646	95,629	90,658	7,617
<b>Taka in '000</b>		<u><b>781,379</b></u>	<u><b>4,556,503</b></u>	<u><b>4,316,775</b></u>	<u><b>1,021,107</b></u>

## 29. Cost of goods sold

Amount in Taka

	2013			2012
	Non-tax holiday Units-1,2,3 and PPF	Tax holiday Units		Total
		Cepha Facility	Penicillin Facility	
Raw materials consumed - (Note 29.1)	2,720,804,134	357,978,530	58,358,344	3,137,141,008
Factory overhead - (Note 29.2)	956,521,631	246,639,857	106,901,768	1,310,063,256
Manufacturing costs	3,677,325,765	604,618,387	165,260,112	4,447,204,264
Add: Opening work-in-process	103,404,295	22,888,131	8,833,307	135,125,733
	3,780,730,060	627,506,518	174,093,419	4,582,329,997
Less: Closing work-in-process	234,157,234	43,787,322	4,407,369	282,351,925
Cost of goods manufactured	3,546,572,826	583,719,196	169,686,050	4,299,978,072
Add: Opening finished goods	653,130,377	104,750,769	23,498,110	781,379,256
Cost of finished goods	256,524,505	-	-	256,524,505
Cost of goods available for sale	4,456,227,708	688,469,966	193,184,160	5,337,881,834
Less: Closing finished goods	853,143,014	133,518,415	34,445,377	1,021,106,806
	<b>3,603,084,694</b>	<b>554,951,551</b>	<b>158,738,783</b>	<b>4,316,775,028</b>
				<b>3,619,613,644</b>

### 29.1 Raw materials consumed

*This is arrived at as follows:*

Opening stock	656,470,908	38,276,686	11,035,888	705,783,482	485,710,385
Add: Purchase during the year	2,750,767,331	376,255,268	60,715,966	3,187,738,565	2,683,907,747
Total materials available	3,407,238,239	414,531,954	71,751,854	3,893,522,047	3,169,618,132
Less: Closing stock	686,434,105	56,553,424	13,393,510	756,381,039	705,783,482
<b>Raw material consumed</b>	<b>2,720,804,134</b>	<b>357,978,530</b>	<b>58,358,344</b>	<b>3,137,141,008</b>	<b>2,463,834,650</b>

### 29.2 Factory overhead

	2013			2012
	Non-tax holiday Units	Tax holiday Units		Total
		Cepha Facility	Penicillin Facility	
Salaries, wages and other benefits	211,677,023	51,172,295	13,709,567	276,558,885
Company's contribution to provident fund	2,234,817	959,254	257,606	3,451,677
Net periodic cost for gratuity	16,678,202	3,526,757	947,109	21,152,068
Electricity and fuel	197,571,684	66,610,456	37,002,488	301,184,628
Consumable stores and supplies	98,475,265	12,743,648	6,085,505	117,304,418
Insurance	4,835,113	333,688	198,624	5,367,425
Land revenue and taxes	2,728,671	460,154	273,901	3,462,726
Rent	1,835,185	872,503	698,336	3,406,024
Automobile expenses	9,925,062	939,647	559,313	11,424,022
Postage and telephone	2,313,259	695,023	240,996	3,249,278
Stationeries & Supplies	12,870,218	3,734,219	1,722,750	18,327,187
Uniforms for workers	4,241,358	566,355	320,427	5,128,140
Travelling and moving expenses	11,989,760	5,785,319	2,943,439	20,718,518
Repair and maintenance	110,516,718	22,815,004	10,066,975	143,398,697
Lunch, snacks and tea expenses	60,897,114	8,051,818	3,292,748	72,241,680
Depreciation	201,780,782	66,654,613	28,154,200	296,589,595
Other overhead expenses	5,951,400	719,104	427,784	7,098,288
<b>Factory overhead</b>	<b>956,521,631</b>	<b>246,639,857</b>	<b>106,901,768</b>	<b>1,310,063,256</b>
				<b>1,011,399,595</b>

### 29.3 Purchases, issues and stocks of raw materials

Purchases, issues and stocks of raw materials are of over 2200 items involving production of 600 finished goods formulations. The measurement are expressed in different units viz kilogram, activity, liter, pieces etc. In view of different units in use, the following table has been presented in value only.

Major material group	Opening stocks Taka	Purchases Taka	Consumption Taka	Closing stocks Taka
Active materials	199,682,148	1,037,120,217	1,024,740,037	212,062,328
Raw materials	141,130,787	471,956,975	500,271,875	112,815,887
Packaging materials	111,466,981	468,334,855	459,260,722	120,541,114
Premixes - Raw and packaging materials	98,763,736	247,224,554	280,508,154	65,480,136
Contract manufacturing	20,520,870	144,238,966	141,109,627	23,650,209
Potent Product Facility	84,906,386	381,891,814	314,913,769	151,884,431
	656,470,908	2,750,767,381	2,720,804,184	686,434,105
Tax holiday units:				
Cepha Facility	38,276,686	376,255,218	357,978,480	56,553,424
Penicillin Facility	11,035,888	60,715,967	58,358,345	13,393,510
	49,312,574	436,971,185	416,336,825	69,946,934
	705,783,482	3,187,738,566	3,137,141,009	756,381,039
Consumable stores	2,809,825	5,168,200	4,642,193	3,335,832
Maintenance stores and spares	971,911	44,543,718	19,311,574	26,204,055
	3,781,736	49,711,918	23,953,767	29,539,887
	<b>709,565,218</b>	<b>3,237,450,484</b>	<b>3,161,094,776</b>	<b>785,920,926</b>

Materials available locally were procured from the local manufacturers. Materials were imported from the following countries either directly from the manufacturers or suppliers approved by the Drug Administration:

India	Japan	Italy	New Zealand
China	Thailand	Denmark	Indonesia
Hong Kong	South Korea	Spain	Argentina
Singapore	Germany	USA	Brazil
Malaysia	UK	Austria	Czech Republic

### 30. Administrative, selling and distribution expenses

	2013				2012
	Non-tax holiday Taka	Tax holiday Units		Total Taka	Total Taka
		Cepha Facility Taka	Penicillin Facility Taka		
Salaries, wages and allowances	640,804,850	79,551,218	9,680,883	730,036,951	723,007,642
Contribution to provident fund	14,731,205	1,761,394	218,920	16,711,519	15,291,344
Gratuity expenses	18,253,879	1,408,460	381,468	20,043,807	28,477,989
Electricity and power	20,820,311	2,487,358	309,150	23,616,819	24,216,677
Rent, rates and taxes	32,411,086	867,865	107,865	33,386,816	22,667,711
Insurance	5,253,992	628,214	78,080	5,960,286	6,828,788
Travelling expenses	155,492,028	18,577,045	2,308,912	176,377,985	181,135,904
Repairs and maintenance	19,487,868	2,330,187	289,615	22,107,670	18,158,585
Legal and professional expenses	4,485,944	536,380	66,666	5,088,990	4,598,758
Provision for bad debts	13,324,812	1,538,564	191,226	15,054,602	283,883
Audit fees	500,000	-	-	500,000	500,000
Directors' fees	360,000	-	-	360,000	300,000
Membership fees & subscription	3,282,487	392,484	48,781	3,723,752	2,516,195
Meeting and corporate expenses	22,711,561	2,715,596	337,517	25,764,674	46,320,398
Sales promotion	58,990,832	7,074,706	879,303	66,944,841	89,372,685
Field expenses	366,380,980	39,134,732	4,863,994	410,379,706	343,622,096
Depreciation	39,992,449	-	-	39,992,449	37,213,242
Stationery	27,810,987	3,325,329	413,299	31,549,615	23,594,590
Postage, telex, fax and telephone	17,808,251	2,129,312	264,653	20,202,216	20,589,500
Distribution freight	184,903,823	20,479,401	2,545,352	207,928,576	174,366,380
Lunch, snacks, tea and welfare expenses	75,364,635	9,011,269	1,119,997	85,495,901	54,195,408
Other overhead expenses*	79,670,930	9,289,574	1,154,588	90,115,092	63,373,328
	<b>1,802,842,910</b>	<b>203,239,088</b>	<b>25,260,269</b>	<b>2,031,342,267</b>	<b>1,880,631,103</b>

### 31. Other Income/(loss)

	2013 Taka	2012 Taka
Interest income	4,371,668	2,808,842
Dividend income	3,916,172	869,275
Exchange gain/ (loss)	(20,202,652)	8,071,341
Gain from sale of listed shares	5,599,421	1,811,270
Scrap sales	5,552,574	4,036,521
	<b>(762,817)</b>	<b>17,597,249</b>

### 32. Finance cost

Interest expenses	417,903,299	370,881,897
Bank charges	11,394,181	10,228,158
	<b>429,297,480</b>	<b>381,110,055</b>

### 33. Basic earnings per share (EPS)

The computation of EPS is given below:

	2013 Taka	2012 Taka
Earnings attributable to the ordinary shareholders (net profit after tax)	1,390,164,527	1,247,528,160
Weighted average number of ordinary shares outstanding during the year (Note-33.1)	35,302,343	35,302,343
Basic earning per share (EPS)	<b>39.38</b>	<b>35.34</b>

#### 33.1 Weighted average number of share outstanding during the year

Opening number of shares	28,241,875
Bonus shares issued in June 2013	7,060,468
	<b>35,302,343</b>

Last year's EPS has been adjusted as per the requirement of BAS-33 "earnings per share"

### 34. Payments to directors and officers

The aggregate amount paid (except directors' fees for attending board meetings in note 30) during the year to directors and officers of the Company are disclosed below as required by the Securities and Exchange Rules-1987.

	Directors Taka	Officers Taka
Remuneration	5,964,750	234,550,830
House rent	3,795,000	143,810,451
Bonus	2,475,000	66,803,053
Contribution to provident fund	596,470	16,115,044
Gratuity	662,750	31,412,638
Medical expenses	174,271	2,488,974
Conveyance allowance and transport	1,113,200	129,678,229
Other welfare expenses	3,465,000	39,448,714
	<b>18,246,441</b>	<b>664,307,933</b>

#### 34.1 During the year no payment has been made to any non-executive Directors for any special services rendered.

### 35. Contingent liabilities and assets

#### 35.1 There are contingent liabilities on account of unresolved disputed corporate income tax assessments involving tax claims by the tax authority amounting to Taka 57,868,443 for which appeals are pending with the Commissioner of taxes (Appeal) and High Court division of the Supreme Court. However, tax paid and provided for the relevant years are adequate to meet the demanded tax.

#### 35.2 There are contingent liabilities on account of unresolved VAT cases claimed by the authority amounting to Taka 28,825,822 for which appeals are pending with the High Court division of the Supreme Court and VAT appellate tribunal.

#### 35.3 Renata Limited purchased 16.93 land at Mouza Dhamsur, Union: Mollick Bari, Thana: Bhaluka, Dist.: Mymensing in 2011 by Taka 200,163,438. After acquisition, local people lodged a complain to Mymensing judge court regarding the land which was resolved in favor of Renta Limited. However, there are some other pending issues which is yet to be resolved.

## 36. Commitments

On the statement of financial position date, the Company is enjoying unfunded credit facilities from the following banks:

	2013 Taka	2012 Taka
Letters of credit (Note 36.1)	945,547,602	433,767,352
Outstanding guarantees issued by the banks	53,564,285	20,138,553
	<u>999,111,887</u>	<u>453,905,905</u>

### 36.1 Letters of credit

	Limit Taka		
The HongKong and Shanghai Banking Corporation Limited	1,350,000,000	278,296,845	368,361,032
Standard Chartered Bank Limited	1,200,000,000	22,298,096	269,603,566
Eastern Bank Limited	550,000,000	26,944,983	34,723,058
The City Bank Limited	320,000,000	2,141,622	19,573,214
City Bank N.A	799,200,000	21,080,877	245,922,378
Commercial Bank of Ceylon	400,000,000	157,964,911	-
Bank Asia Limited	250,000,000	41,074,665	7,364,354
	<u>4,869,200,000</u>	<u>549,801,999</u>	<u>945,547,602</u>

## 37. Dividend paid to non-resident shareholders

Dividend paid to non-resident shareholder, Business Research International Corp. Inc. during the year 2013 was Taka 29,476,320 equivalent to US\$ 377,949.99 for their 6,140,900 shares.

## 38. Claims against the company not acknowledged as debt

None as at 31 December 2013.

## 39. Disclosure as per requirement of Schedule XI, Part II of The Company Act 1994

### 39.1 Employee Position of the Renata Limited as per requirement of schedule XI, part II, Para

The company engaged 4,334 employees of which 3,113 are permanent employees and 1221 are casual and temporary workers as required. All employees received total remuneration of above Taka 36,000 per annum.

## 39.2 Capacity utilization - single shift basis

Production capacity and current utilization as required by the Companies Act 1994, Schedule-XI para-7. The company operates multi-products plants. As a result plant utilization is not comparable with capacity due to variation of product mix. However, actual production and utilization for major products groups are as follows:

Major product group/Unit	Capacity (In '000)	2013		2012	
		Actual production (In '000)	Utilization %	Actual production (In '000)	Utilization %
Sterile dry fill (injectable)/ Vials	6,500	4,140	63.69%	3,999	61.52%
Sterile liquid (inj)/ Vials/ampoule	10,500	9,800	93.33%	9,146	87.10%
Ointments/ Tubes	1,500	424	28.27%	838	55.87%
Capsules and tablets/ Cap/Tab	900,000	1,147,147	127.46%	1,038,143	138.42%
Oral liquid & dry syrup/ Bottles	14,400	15,641	108.62%	15,635	130.29%
Water for injection/ Ampoules	2,875	4,246	147.69%	2,797	111.88%
Premix feed supplement/ Kg	4,500	5,028	111.73%	4,571	114.28%
Premix feed suppl./ Sachets	3,000	3,367	112.23%	2,928	117.12%
ORAL saline/ Sachets	720,000	828,000	115.00%	72,560	207.31%
Potent Products/ Tablets	2,000,000	2,137,646	106.88%	1,979,302	197.93%

## 40. Payments/ receipts in foreign currency

40.1 During the year the following payments were made in foreign currency for imports calculated on CIF basis of:

	Foreign currency US\$	Local currency Taka
Active, raw and packaging materials	36,165,143	2,811,894,294
Machinery and spares	18,494,205	1,437,924,467
	<u>54,659,348</u>	<u>4,249,818,761</u>

40.2 The following expenses were incurred during the year in foreign exchange on account of:

Professional consultation fee	US\$	244,416
Export promotional expenses	US\$	382,033
Product registration	US\$	42,073

40.3 Foreign exchange was earned in respect of the following:

Export of goods on FOB	US\$	2,660,026
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## 41. Related Party Disclosure

During the year the company carried out a number of transactions with related parties in the normal course of business on an arm's length basis. Name of those related parties, nature of those transaction and their total value has been shown in the below table in accordance with the provisions of BAS-24- "Related Party Disclosure".

Name of the party	Relationship	Nature of transaction	Transaction-2013			
			Opening balance Taka	Addition Taka	Adjustment Taka	Closing balance Taka
Renata Agro Industries Ltd.	Subsidiary	Sale of goods	11,968,666	19,647,775	23,538,091	8,078,350
		Advance payment	62,619,346	-	59,622,475	2,996,871
		Short term loan	30,000,000	110,000,000	-	140,000,000
			<u>104,588,012</u>	<u>129,647,775</u>	<u>83,160,566</u>	<u>151,075,221</u>
Purnava Ltd.	Subsidiary	Purchase of goods	-	236,246,160	236,246,160	-
		Advance payment	(9,856,344)	95,193,440	-	85,337,096
		Total	<u>(9,856,344)</u>	<u>331,439,600</u>	<u>236,246,160</u>	<u>85,337,096</u>
Renata Oncology Limited	Subsidiary	Advance payment	-	73,984,168	-	73,984,168
			<u>-</u>	<u>73,984,168</u>	<u>-</u>	<u>73,984,168</u>

## 42. General

- 1) All the figures in the financial statements represent Bangladesh Taka currency (Taka) rounded off to the nearest integer.
- 2) The comparative information has been disclosed in respect of 2013 for all numerical information in the financial statements and also the narrative and descriptive information as found relevant for understanding of the current year's financial statements.
- 3) To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged or reclassified whenever considered necessary to conform to current year presentation.



RENATA 



# Renata

## Agro Industries Limited

### REPORT AND FINANCIAL STATEMENTS

#### Board of Directors

- Mr. Kaiser Kabir, Chairman
- Mr. Md. Shafiul Alam, Director
- Mr. Manzoor Hasan, Independent Director

# Directors' Report

By the end of 2013, Renata Agro achieved its intended target of having four completely independent breeder farms at separate geographic locations for bio-security purposes. This objective was achieved with the completion of our farm at the Morchi location in 2013. The hatchery is now separated from all the breeder farms. This is a significant achievement in improving bio-security and managing of our PS farms.

Avian Influenza (AI) vaccination was initiated in our PS farms from February 2013 once the GOB had finally decided to allow AI vaccinations. As a result of AI vaccination and improved bio-security measures, no major AI incidences occurred on our farms in 2013. Approximately 98% of the production target set for DOCs for 2013 was achieved.

However, due to overproduction of DOCs in the country in 2013, unit DOC prices registered record lows.

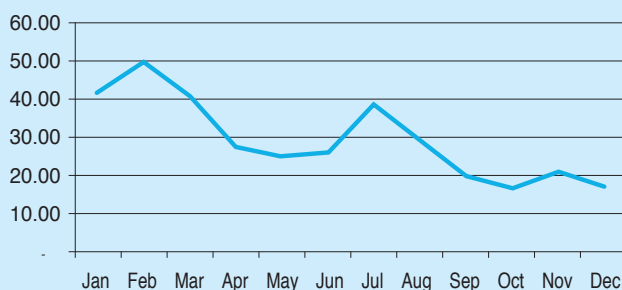
even with achievement of production targets, expected profit targets could not be achieved. On average, in 2013, DOC prices were about Taka 10 lower than the production cost per unit. Thus in spite of high production, the company suffered business losses which was offset by selling off various held shares of stock of listed companies.

On behalf of the Board of Directors,



Syed S. Kaiser Kabir  
Chairman  
March 6, 2014

**Average Monthly DOC Prices in 2013**



On the other hand, cost of production, marketing, and distribution registered significant increases due to increased cost of labour, feed, fuel, electricity, etc. Thus

# Auditors' Report to the Shareholders of Renata Agro Industries Limited

We have audited the accompanying financial statements of **RENATA AGRO INDUSTRIES LIMITED**, which comprise the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management of **RENATA AGRO INDUSTRIES LIMITED** is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

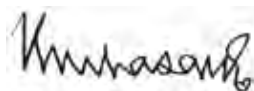
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the financial position as at 31 December 2013 and its financial performance and cash flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and
- (c) the company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account.



**K. M. HASAN & CO.**  
Chartered Accountants

Dated, Dhaka  
06 March 2014

# Renata Agro Industries Limited

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

### ASSETS

		Amount in Taka	
	Notes	2013	2012
<b>Non-current assets:</b>			
Property, plant and equipment	5	333,615,012	346,984,729
Building under construction		79,167,217	33,140,881
Investments	6	37,684,301	37,684,301
Total non-current assets		450,466,530	417,809,911
<b>Current assets:</b>			
Inventories	7	55,721,516	124,418,045
Trade and other receivables	8	12,377,617	17,561,193
Advances, deposits and prepayments	9	5,375,492	4,227,687
Cash and cash equivalents	10	4,138,273	4,437,068
Total current assets		77,612,898	150,643,993
<b>Total assets</b>		<b>528,079,428</b>	<b>568,453,904</b>

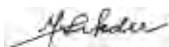
### EQUITY AND LIABILITIES

Capital and Reserve:			
Share capital	11	42,000,000	42,000,000
Tax holiday reserve		36,588,358	35,982,922
Retained earnings		222,268,675	216,819,752
Total Capital and Reserve		300,857,033	294,802,674
<b>Non current liability:</b>			
Term loan	12	-	56,670,201
Provision for gratuity		11,785,906	10,355,646
Total non- current liabilities		11,785,906	67,025,847
<b>Current liabilities:</b>			
Bank overdraft	13	16,214,096	59,189,205
Other finance	14	163,911,621	54,160,491
Trade and other payables	15	21,001,873	78,919,848
Accrued expenses	16	14,308,899	14,355,839
Total current liabilities		215,436,489	206,625,383
<b>Total equity and liabilities</b>		<b>528,079,428</b>	<b>568,453,904</b>

Annexed notes form an integral part of these financial statements



Director



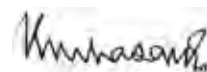
General Manager



Chairman

Signed in terms of our report of even date annexed.

Dated, Dhaka  
06 March 2014



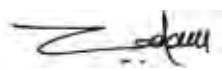
K.M. HASAN & CO.  
Chartered Accountants

# Renata Agro Industries Limited


## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013	Amount in Taka 2012
Turnover	17	312,118,283	179,689,675
Less: Cost of goods sold	18	288,202,141	205,295,768
<b>GROSS PROFIT/(LOSS)</b>		<b>23,916,142</b>	<b>(25,606,093)</b>
<b>Less: Operating Expenses:</b>	19		
Administrative expenses		8,966,808	8,307,350
Marketing expenses		5,890,545	5,663,157
Distribution expenses		14,310,818	6,821,043
		29,168,171	20,791,550
<b>OPERATING PROFIT/(LOSS)</b>		<b>(5,252,029)</b>	<b>(46,397,643)</b>
Less: Financial expenses	20	21,733,089	15,955,372
		<b>(26,985,118)</b>	<b>(62,353,015)</b>
Add: Other income	21	33,342,195	9,387,021
		6,357,077	(52,965,994)
Contribution to WPPF		(302,718)	-
<b>Net Profit/(loss) before tax</b>		<b>6,054,359</b>	<b>(52,965,994)</b>
<b>Transferred to tax holiday reserve</b>		<b>(605,436)</b>	<b>-</b>
<b>Net Profit/(loss) after tax transferred to retained earnings</b>		<b>5,448,923</b>	<b>(52,965,994)</b>
Basic earnings per share		12.97	(126.11)

(Annexed notes form an integral part of these financial statements)

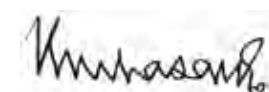
  
Director

  
General Manager

  
Chairman

Signed in terms of our report of even date annexed.

Dated, Dhaka  
06 March 2014

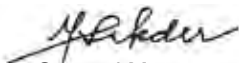
  
K.M. HASAN & CO.  
Chartered Accountants

# Renata Agro Industries Limited

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	Amount in Taka 2012
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Collection from customers and others	350,644,054	182,159,712
Payment to suppliers and employees	(258,139,943)	(175,784,313)
Cash paid for operating expenses & others	(28,160,207)	(11,077,656)
Cash generated from operation	64,343,904	(4,702,257)
Finance cost	(21,733,089)	(15,955,372)
Net cash from Operating activities	42,610,815	(20,657,629)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(7,237,964)	(18,456,978)
Building under construction	(46,026,336)	(30,041,286)
Investment	-	10,000,000
Net cash used in Investing activities	(53,264,300)	(38,498,264)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Other finance	110,000,000	39,513,721
Loan repaid	(56,670,201)	(5,133,654)
Bank overdraft	(42,975,109)	21,897,414
Net cash from Financing activities	10,354,690	56,277,481
Net cash inflows/(outflows) for the year (A+B+C)	(298,795)	(2,878,412)
Add: Opening cash and cash equivalents	4,437,068	7,315,480
<b>Closing cash and cash equivalents</b>	<b>4,138,273</b>	<b>4,437,068</b>
<b>CLOSING CASH AND CASH EQUIVALENTS:</b>		
Cash in hand	1,723,550	2,291,537
Cash at banks	2,414,723	2,145,531
	<b>4,138,273</b>	<b>4,437,068</b>

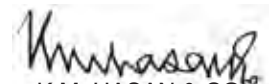
  
Director

  
General Manager

  
Chairman

Signed in terms of our report of even date annexed.

Dated, Dhaka  
06 March 2014

  
K.M. HASAN & CO.  
Chartered Accountants

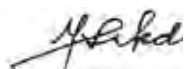
# Renata Agro Industries Limited

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013


PARTICULARS	Amount in Taka			
	Share Capital	Tax holiday Reserve	Retained Earnings	Total Equity
Balance at 01 January, 2012	42,000,000	35,982,922	269,785,746	347,768,668
Net loss for the year 2012	-	-	(52,965,994)	(52,965,994)
Balance at 01 January, 2013	42,000,000	35,982,922	216,819,752	294,802,674
Net profit for the year 2013	-	605,436	5,448,923	6,054,359
<b>BALANCE AT 31 DECEMBER, 2013</b>	<b>42,000,000</b>	<b>36,588,358</b>	<b>222,268,675</b>	<b>300,857,033</b>



Director



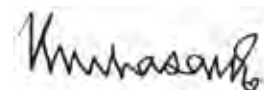
General Manager



Chairman

Signed in terms of our report of even date annexed.

Dated, Dhaka  
06 March 2014



K.M. HASAN & CO.  
Chartered Accountants

# Renata Agro Industries Limited

## NOTES TO THE FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

#### 1. STRUCTURE OF THE COMPANY:

**1.1 Renata Agro Industries Limited** is a private company limited by shares incorporated on 07 September 1997 in Bangladesh under the Companies Act, 1994. The shares of the company shall be under the control of the Directors of the company.

#### 1.2 Registered Office and Principal Place of Business:

The registered office of the Company is situated at Plot No. 01, Section - 07, Milk Vita Road, Mirpur, Dhaka-1216. The farm is located at Barakashar, Bhaluka, Mymensingh.

#### 2. NATURE OF BUSINESS ACTIVITIES:

The principal activities of the company are to carry on business for producing and sale of various agro based products, and poultry breeding & hatching and sale of poultry products. The company commenced its commercial operation from October 1998.

#### 3. PRINCIPAL ACCOUNTING POLICIES:

##### 3.1 Basis of Accounting:

The financial statements have been prepared under historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRS).

##### 3.2 Compliance with Local Laws:

The financial statements have been prepared in compliance with requirements of the Companies Act, 1994 and other relevant local laws and rules.

##### 3.3 Component of the Financial Statements:

According to the Bangladesh Accounting Standards "BAS-1", "Presentation of Financial Statements" to complete set of Financial Statements include the following components:

- (a) Statement of Financial Position as at 31 December 2013.
- (b) Statement of Comprehensive Income for the year ended 31 December 2013.
- (c) Statement of Changes in Equity for the year ended 31 December 2013.
- (d) Statement of Cash Flows for the year ended 31 December 2013.
- (e) Notes to the Financial Statements

##### 3.4 Risk and uncertainties for use of estimates in preparation of Financial Statements:

The preparation of financial statements in conformity with the Bangladesh Accounting Standards (BASs) require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and revenues and expenses during the reported period. Actual results could differ from those estimates. Estimates are used for accounting of certain items such as provision for doubtful accounts, depreciation, taxes, reserves and contingencies.

### **3.5 Transactions with related parties:**

The Company has carried on transactions with related parties in the normal course of business.

### **3.6 Reporting Period:**

Financial statements of the Company cover 1 (one) year from 01 January 2013 to 31 December 2013.

### **3.7 Recognition of Property, Plant & Equipment and Depreciation:**

Property, Plant & Equipment are stated at cost less accumulated depreciation in accordance with BAS 16 "Property, Plant and Equipment." Cost represents cost of acquisition.

No depreciation is charged on land and land development. Depreciation on all other fixed assets is charged on straight line method in amount sufficient to write off depreciable assets over their estimated useful life. Depreciation is charged for the full year on assets acquisitioned during the first half of the year while half year depreciation is charged on assets acquired during the second half of the year. The rates of depreciation are indicated in Note-5.

Depreciation has been charged on farm overhead and administrative, marketing and distribution expenses proportionately.

### **3.8 Inventories:**

Inventories comprise of parent stock, feed stock, medicine, feed ingredient, litter, generator fuel, and LP gas. All these are stated at cost and considered as realisable value. No due allowance for any obsolete or slow moving items have been accounted for.

### **3.9 Trade and other Receivables:**

These are carried at original invoice amount. This is considered good and collectible.

### **3.10 Current Account with Associates :**

These represent day-to-day transaction with Associates concerns. These are not long-term transaction. However, interest income is earned from such transactions.

### **3.11 Cash and Cash Equivalents:**

According to BAS-7 "Statement of Cash Flows", Cash comprises cash in hand and demand deposits and, cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. BAS-1 "Presentation of Financial Statements" provides that Cash and Cash equivalents are not restricted in use. Considering the provisions of BAS-I & BAS-7, cash in hand and bank balance have been considered as cash and cash equivalents.

Statement of Cash Flows is prepared principally in accordance with BAS-7 "Statement of Cash Flows" and the cash flow from operating activities has been presented under direct method.

### **3.12 Trade and other Payables:**

Liabilities are recognised for amounts to be paid in future for goods and services received, whether or not billed by the suppliers and service provider.

### **3.13 Foreign Currency Translation:**

Transactions denominated in foreign currencies are translated into Bangladesh Taka and recorded at the exchange rates ruling on the date of transaction in accordance with BAS-21 "The Effects of Changes in Foreign Currency Rates."

### **3.14 Turnover from Net Sales:**

Net sales comprise the invoice value of goods supplied by the company and consists of local sales of products.

### 3.15 Revenue Recognition:

The revenues are recognised under satisfying all the conditions for revenue recognition as provided in BAS-18 "Revenue Recognition".

- (i) Sales are recognized at the time of delivery of products from the farm whether or not billed.
- (ii) Other sales are recognized at the time of delivery from the farm.

### 3.16 Earnings Per Share (EPS):

The company has calculated Earnings Per Share (EPS) in accordance with BAS-33 "Earnings Per Share".

## 4. GENERAL:

4.1 Figures have been rounded off to the nearest Taka.

4.2 Previous year's figures have been re-arranged where necessary to conform to current year's financial presentation.

## 5. PROPERTY, PLANT AND EQUIPMENT

Amount in Taka

Particulars	COST				Rate (%)	DEPRECIATION				Written down value as on 31.12.13
	Balance as on 01.01.13	Addition during the year	Adjustment/ (Disposal) during the year	Balance as on 31.12.13		Balance as on 01.01.13	Charge during the year	Adjustment/ (Disposal) during the year	Balance as on 31.12.13	
Freehold Land and land development-At cost	102,258,009	4,771,122	-	107,029,131	-	-	-	-	-	107,029,131
<b>Building at Cost:</b>										
Building on freehold land	180,854,746	-	-	180,854,746	5.07-6.59	49,719,974	9,042,738	-	58,762,712	122,092,034
Semi pucca building on freehold land	1,741,817	-	-	1,741,817	12.5	1,741,817	-	-	1,741,817	-
	182,596,563	-	-	182,596,563		51,461,791	9,042,738	-	60,504,529	122,092,034
Plant & machinery	171,997,143	1,043,169	-	173,040,312	5	67,940,625	8,641,311	-	76,581,936	96,458,376
Office equipments	5,704,696	1,296,398	-	7,001,094	12.5	2,529,199	821,396	-	3,350,595	3,650,499
Automobiles and trucks	18,155,008	95,000	-	18,250,008	20	13,429,748	1,953,292	-	15,383,040	2,866,968
Furniture & fixture	2,962,765	32,275	-	2,995,040	5	1,328,092	148,944	-	1,477,036	1,518,004
<b>As on 31 December 2013</b>	<b>483,674,18</b>	<b>7,237,964</b>	<b>-</b>	<b>490,912,148</b>		<b>136,689,455</b>	<b>20,607,681</b>	<b>-</b>	<b>157,297,136</b>	<b>333,615,012</b>
<b>As on 31 December 2012</b>	<b>465,217,206</b>	<b>18,456,978</b>	<b>-</b>	<b>483,674,184</b>		<b>115,426,631</b>	<b>21,262,824</b>	<b>-</b>	<b>136,689,455</b>	<b>346,984,729</b>

### Allocation of depreciation:

	<u>2013</u>	<u>2012</u>
Farm overhead	16,059,761	16,264,453
Administrative expenses	174,526	705,551
Marketing expenses	255,095	255,094
Distribution expenses	894,416	894,418
Hatchery expenses	2,399,171	2,321,172
Feed expenses	509,232	507,408
Laboratory expenses	315,480	314,728
	<u>20,607,681</u>	<u>21,262,824</u>

**6. INVESTMENTS**

	<b>2013</b>	<b>2012</b>
Investment in share (Note-6.1)	18,803,145	18,803,145
Investment in govt. bond (Note-6.2)	5,781,156	5,781,156
Investment in govt. savings certificate (Note-6.3)	13,100,000	13,100,000
<b>Total</b>	<b>37,684,301</b>	<b>37,684,301</b>

**6.1 Investment in share**

The following amounts are invested in listed companies for maintaining equivalent amount of tax holiday reserve @ 10% being exempted on net profit of Renata Agro Industries Limited.

	<b>Number of Share</b>	<b>2013</b>	<b>2012</b>
ULCL	26,206	578,923	578,923
Bata shoe Ltd.	2,000	264,501	264,501
Atlas Bangladesh Ltd..	2,896	396,530	396,530
Squire pharma Ltd.	165,424	13,896,710	13,896,710
UCBL	15,031	2,600,218	2,600,218
ICB	421	1,066,263	1,066,263
<b>Total</b>		<b>18,803,145</b>	<b>18,803,145</b>
Market Value		<b>32,758,047</b>	<b>49,647,578</b>

**6.2 Investment in govt. bond**

5 years treasury bond, purchases date: 30.03.2010	<b>5,781,156</b>	<b>5,781,156</b>
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**6.3 Investment in govt. savings certificates ( 5 Years):**

**Purchase Date: 27.06.2011**

<u>Name of Certificate</u>	<u>Certificate No</u>	<u>Maturity Date</u>		
BSP 163/11	0757543	27/6/2016	100,000	100,000
BSP 163/11	0059444	27/6/2016	500,000	500,000
BSP 163/11	0059445	27/6/2016	500,000	500,000
BSP 163/11	0059446	27/6/2016	500,000	500,000
BSP 163/11	0059447	27/6/2016	500,000	500,000
BSP 163/11	0047938	27/6/2016	1,000,000	1,000,000
BSP 163/11	0047939	27/6/2016	1,000,000	1,000,000
BSP 163/11	0047940	27/6/2016	1,000,000	1,000,000
BSP 163/11	0047941	27/6/2016	1,000,000	1,000,000
BSP 163/11	0047942	27/6/2016	1,000,000	1,000,000
BSP 163/11	0047943	27/6/2016	1,000,000	1,000,000
BSP 163/11	0047944	27/6/2016	1,000,000	1,000,000
BSP 163/11	0047945	27/6/2016	1,000,000	1,000,000
BSP 163/11	0047946	27/6/2016	1,000,000	1,000,000
BSP 163/11	0047947	27/6/2016	1,000,000	1,000,000
BSP 163/11	0047948	27/6/2016	1,000,000	1,000,000
<b>Total</b>			<b>13,100,000</b>	<b>13,100,000</b>

		Amount in Taka	
7. INVENTORIES		2013	2012
<b>Stocks:</b>			
Parent stock-Broiler		43,032,597	59,388,117
Feed stock		770,538	658,076
Medicine		2,937,472	1,861,314
Feed Ingredient & others		7,598,430	61,372,085
Litter		150,000	334,162
Generator fuel & LP gas		816,419	697,671
Layer EGGS - O3		416,060	106,620
<b>Total</b>		<b>55,721,516</b>	<b>124,418,045</b>

8. TRADE AND OTHER RECEIVABLES			
Total outstanding to the agent / customer		10,434,785	7,222,376
Others (Layer Eggs)		1,942,832	10,239,278
Interest (EBL)		-	99,539
<b>Total</b>		<b>12,377,617</b>	<b>17,561,193</b>

9. ADVANCES, DEPOSITS AND PREPAYMENTS			
<b>Advances:</b>			
Loan to employees		1,041,709	760,564
Other advances (Note 9.1)		-	154,058
		1,041,709	914,622
<b>Deposits and Pre-payments:</b>			
Advance income tax		3,346,705	2,435,705
Insurance premium		944,270	877,360
Miscellaneous		42,808	-
		4,333,783	3,313,065
<b>Total</b>		<b>5,375,492</b>	<b>4,227,687</b>

9.1 Other Advances			
Farm land rental		-	154,058
<b>Total</b>		<b>-</b>	<b>154,058</b>

10. CASH AND CASH EQUIVALENTS			
<b>Cash in hand:</b>			
At Farm office		1,365,747	2,076,421
At Head office		357,803	215,116
		1,723,550	2,291,537
<b>Balance with Banks:</b>			
Pubali Bank Ltd		853,583	-
Janata Bank Ltd.		270,272	484,427
Islami Bank Bangladesh Ltd.		1,117,699	1,515,462
Dutch Bangla Bank Ltd.		173,169	145,642
		2,414,723	2,145,531
<b>Total</b>		<b>4,138,273</b>	<b>4,437,068</b>

		Amount in Taka	
11. SHARE CAPITAL		2013	2012
<u>Authorized Capital:</u>			
1,500,000 ordinary share of Tk. 100 each		150,000,000	150,000,000
<u>Issued and Paid-up Capital:</u>			
420,000 ordinary shares of Tk. 100 each		42,000,000	42,000,000
At 31 December 2013, shareholding position of the company was as follows:			
<u>Shareholders</u>	<u>No. of share</u>	<u>Face Value</u>	<u>% of Total Holdings</u>
Renata Limited	419,949	41,994,900	99.988%
Mr. Syed S. Kaiser Kabir	51	5,100	0.012%
<b>Total</b>	<b>420,000</b>	<b>42,000,000</b>	<b>100.00%</b>
12. TERM LOAN			
Eastern bank Ltd. A/C 00405 (25th July, 2011)		-	20,003,533
Eastern bank Ltd.A/C 00405 (07th August, 2011)		-	36,666,668
<b>Total</b>		<b>-</b>	<b>56,670,201</b>
13. BANK OVERDRAFT			
Eastern Bank Ltd.Cash Credit A/C (A/C NO: 00405)		16,214,096	29,189,205
Eastern bank Ltd. (Demand Loan)		-	30,000,000
<b>Total</b>		<b>16,214,096</b>	<b>59,189,205</b>
14. OTHER FINANCE			
Workers' profit participation fund (Note 14.1)		3,180,228	3,069,207
Workers' welfare fund (Note 14.2)		2,534,349	2,473,805
Agent security deposit (Note 14.3)		8,197,044	8,617,479
Loan from other sources		10,000,000	10,000,000
Short term loan (Renata Limited)		140,000,000	30,000,000
<b>Total</b>		<b>163,911,621</b>	<b>54,160,491</b>
14.1 Workers' profit participation fund (WPPF)			
Opening balance		3,069,207	3,512,680
Add/Less:Addition during the year		242,174	205,131
		3,311,381	3,307,549
Less: Payment during the year		131,153	238,342
		<b>3,180,228</b>	<b>3,069,207</b>
14.2 Workers' welfare fund (WWF)			
Opening balance		2,473,805	2,268,674
Add: Addition during the year		60,544	205,131
		2,534,349	2,473,805
Less: Payment during the year		-	-
		<b>2,534,349</b>	<b>2,473,805</b>

**14.3 Agent security deposit**

	<b>2013</b>	<b>2012</b>
Opening balance	8,617,479	8,865,416
Add: Deposit during the year	1,322,233	970,907
	9,939,712	9,836,323
Less: Refund to the agent	1,742,668	1,218,844
	<b>8,197,044</b>	<b>8,617,479</b>

**15. TRADE AND OTHER PAYABLES**

Renata Limited	8,078,350	11,968,666
Renata Limited - Other payables	2,996,871	62,619,346
Interest against short term loan ( Renata Limited)	-	479,375
Payable to Hatching Eggs	28,480	28,480
Payable to parties (Note 15.1)	9,898,172	3,823,981
<b>Total</b>	<b>21,001,873</b>	<b>78,919,848</b>

**15.1 Payable to parties**

Novartis (Bangladesh) Ltd.	709,360	243,800
Bengal overseas Ltd.	1,007,456	187,226
Advance- Laboratories	-	14,900
Poultry Consultant & Development Services	14,700	-
ACI Ltd.	340,000	306,000
Al-Madeena Enterprise	38,000	-
Alal Enterprise	341,490	-
Abdul wadud sharif	-	345,870
Ceder Bangladesh	680,000	-
Cedar bd.ltd	748,000	558,000
Akata Packaging	451,200	312,800
Diamed	13,500	-
Bio-Lab	-	368,050
Imperic international ltd.	-	120,000
Bangla Trac	-	9,500
FTDC Trade and Consultation	-	12,250
J.M.C Instrument & Chemicals Co.	-	9,430
Mondol Enterprise	40,720	173,355
Modina poultry feed ltd.	2,795,375	1,162,800
Super Star Distribution ltd	12,000	-
S.S.Enterprise	3,030,371	-
<b>Total</b>	<b>10,222,172</b>	<b>3,823,981</b>

**16. ACCRUED EXPENSES**

Leave encashment & bonus	8,248,544	9,612,312
Agent's commission	6,000,355	4,683,527
Audit & consultancy fees	60,000	60,000
<b>Total</b>	<b>14,308,899</b>	<b>14,355,839</b>

**17. TURNOVER - NET**

	<b>2013</b>	<b>2012</b>
Broiler	235,332,728	154,042,786
Eggs	2,147,847	2,280,150
Others	1,738,262	995,927
Reject birds	28,418,388	8,289,774
Hatching eggs	29,242,441	-
Commercial Broiler	300,353	-
Omega-3	18,990,764	15,781,038
	316,170,783	181,389,675
Less: Sales commission	4,052,500	1,700,000
<b>Total</b>	<b>312,118,283</b>	<b>179,689,675</b>

**18. COST OF GOODS SOLD**

Feeds and Feed mill expenses	98,318,669	46,416,647
Medicine & vaccine	10,646,205	3,668,199
Litter	597,243	90,827
Loss of dead birds	3,879,144	27,225,094
Loss on sale of birds	27,695,460	25,753,132
Commercial broiler expenses	326,521	57,164
Farm overhead expenses (Note-18.1)	68,416,890	63,782,320
Omega-3 Project (Note-18.2)	15,662,914	14,424,179
Hatchery expenses	11,215,628	7,422,161
Laboratory expenses	1,921,186	1,866,071
Amortization value of birds	49,522,281	14,589,974
<b>Total</b>	<b>288,202,141</b>	<b>205,295,768</b>

**18.1 Farm overhead**

Salaries & wages	23,224,542	21,784,488
Telephone bill expenses	197,130	123,401
Entertainment	11,953	23,202
Repairs & maintenance	4,593,658	7,301,523
Fuel charges	1,226,527	1,048,808
Medical expenses	14,567	92,480
Donation & subscription	266,628	72,320
Gardening	44,160	69,023
Uniform expenses	340,152	509,647
Power (Generator fuel)	7,739,205	6,034,185
Electricity consumption	5,296,188	3,565,120
Staff lunch & snacks	38,289	10,141
Canteen expenses	4,846,939	2,983,119
Conveyance	134,076	88,880
Carrying cost	1,035,913	406,885
Insurance premium	1,438,852	1,745,687
Poultry equipments	284,985	316,990
Laboratory testing expense	24,000	-
Stationery	739,044	616,777
Land revenue tax (Farm)	27,660	64,879
L.P. Gas	197,466	178,867
Union parishad tax	87,104	12,000
Travelling expenses	169,033	37,688
Rental for farm	180,000	189,000
Sports and games	5,200	10,170
License fees	111,205	97,360
Internet/e-mail service	-	13,400
Telephone set purchase	34,700	13,880
Training Expenses	-	7,200
Consultant's fees	400	4,370
Public Relation expenses	-	62,250
Depreciation	16,059,761	16,264,453
Miscellaneous	47,553	34,127
<b>Total</b>	<b>68,416,890</b>	<b>63,782,320</b>

**18.2 Omega-3 Project**

	<b>2013</b>	<b>2012</b>
Salaries & overhead expenses	1,024,168	811,189
Poultry equipment	92,150	11,610
Laboratory expenses	-	513
Feeds expenses	5,555,018	4,727,659
Medicine & vaccine	180	160
Eggs box	137,772	-
Carriages in	190,800	-
Canteen expense	22,295	30,533
Eggs carrying expense	190,540	170,302
Conveyance	10,305	2,755
Stationery	90,190	94,833
Telephone bill expenses	-	300
Travelling Expenses	-	100
Uniform expenses	7,518	956
Repairs & maintenance	24,875	779
Power (Generator fuel)	-	27,593
Layer eggs purchases (contract growing)	8,317,031	8,544,677
Miscellaneous expenses	72	220
<b>Total</b>	<b>15,662,914</b>	<b>14,424,179</b>

**19. OPERATING EXPENSES**

Administrative expenses (Note 19.1)	8,966,808	8,307,350
Marketing expenses (Note 19.2)	5,890,545	5,663,157
Distribution expenses (Note 19.3)	14,310,818	6,821,043
<b>Total</b>	<b>29,168,171</b>	<b>20,791,550</b>

**19.1 Administrative expenses**

Salaries and wages	6,034,186	5,855,753
Repair and maintenance	505,695	426,721
Fuel expenses	322,774	333,525
Stationery	92,406	50,040
Mobile set purchase	84,000	-
Audit fees	84,000	180,000
Telephone bill	110,191	95,752
Entertainment	590	1,075
Conveyance	163,395	92,053
Donation & subscription	63,000	47,300
Canteen expenses	137,628	92,596
Medical expenses	153,254	982
Licence renewal fees	7,406	28,500
Insurance premium	68,040	107,666
Consultancy Expenses	7,500	174,838
Traveling expenses	-	20,000
Internet/e-mail service	31,366	23,713
Postage / Courier services	20	55
Legal fees	80,079	25,000
Traning Expenses	-	6,000
Public Relation expenses	-	15,000
Crockerries expenses	-	4,515
Income tax	833,267	-
Depreciation	174,526	705,551
Miscellaneous	13,485	20,715
<b>Total</b>	<b>8,966,808</b>	<b>8,307,350</b>

		Amount in Taka	
		2013	2012
<b>19.2 Marketing expenses</b>			
Salaries & wages		3,541,830	3,578,883
Entertainment		58,275	35,490
Canteen expenses		15,254	5,131
Medical Expenses		11,983	62,720
Telephone bill expenses		253,122	230,804
Stationery		27,710	13,873
Seminar expenses		-	21,184
Carriage & conveyance		30,545	8,285
Public relation expenses		-	316,134
Internet services		2,700	-
Telephone set purchase		-	17,250
Traveling expenses		1,353,449	848,773
Repair & maintenance		190,834	136,762
Fuel expenses		89,125	108,454
Monthly meeting		11,810	12,290
Courier services		7,975	-
Business promotional expenses		-	5,130
Depreciation		255,095	255,094
Miscellaneous Expenses		40,838	6,900
Total		<b>5,890,545</b>	<b>5,663,157</b>
<b>19.3 Distribution expenses</b>			
Salary and allowance		1,511,501	1,308,370
Entertainment		17,260	-
Medical expenses		2,407	-
Canteen expenses		179,975	71,880
Carriage and conveyance		38,588	13,625
Chicks box purchase		5,041,650	1,506,500
Telephone bill		22,100	7,650
Staff lunch & snacks		-	195
Repair and maintenance		1,925,918	1,205,157
Fuel & lubricant		3,320,484	1,274,692
House rent for chicks		149,000	124,000
Stationery expenses		4,310	-
Traveling expenses		10,400	250
Chicks carrying expenses		1,101,829	379,206
Uniform for staff		4,700	15,000
Depreciation		894,416	894,418
Miscellaneous		86,280	20,100
Total		<b>14,310,818</b>	<b>6,821,043</b>
<b>20. FINANCIAL EXPENSES</b>			
Bank charges		138,272	81,645
Interest on Renata short-term loan		6,348,475	2,777,890
Interest on overdraft (EBL)		2,585,005	2,778,934
Interest on term loan 1 (EBL)		2,250,352	3,285,125
Interest on term loan 2 (EBL)		4,276,073	6,003,085
Interest on demand loan (EBL)		3,836,763	686,328
Interest on other sources		1,400,281	-
Interest on employees provident fund		897,868	342,365
Total		<b>21,733,089</b>	<b>15,955,372</b>
<b>21. OTHER INCOME</b>			
Interest Income from 5 years Bond investment		467,400	467,400
Sale of varites types of bonus share		7,400,000	-
Sale of bonus share (Square pharma)		25,032,947	8,300,000
Income from dividend		441,848	616,698
Total		<b>33,342,195</b>	<b>9,387,021</b>

**purnav**  
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# Purnava Limited

## REPORT AND FINANCIAL STATEMENTS

### Board of Directors

- Mr. Kaiser Kabir, Chairman
- Mr. Md. Shafiul Alam, Director
- Mr. Manzoor Hasan, Independent Director

# Directors' Report

As specialists in the non-medicated healthcare space, Purnava aspires to make its mark through products with novelty features. The progress of the Company depends upon the speed at which we can introduce and brand such products.

While we introduced two new products in 2013 viz., (1) Espirar and (2) Mosquito repellent body spray, it is becoming increasingly clear that we cannot rely entirely on the Company's internal resources to build up a rich product pipeline. We therefore must opt for outsourcing products and technologies globally.

In this regard, we have begun collaborating with companies in the USA and Europe to introduce products in the areas of clinical nutrition, hospital hygiene, female healthcare, and child nutrition. We hope to introduce at least three new exciting products in 2014.

In addition to this and depending upon how soon Renata's Kashor Herbal Facility receives regulatory approval, we hope to launch at least two more herbal products.

On behalf of the Board of Directors,



Syed S. Kaiser Kabir  
Chairman  
March 30, 2014

# Auditors' Report to the Shareholders of Purnava Limited

We have audited the accompanying financial statements of **PURNAVA LIMITED** which comprise the Statement of Financial Position as at 31 December 2013, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management of **PURNAVA LIMITED** is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

The sub-title "Report on the Financial Statements" is unnecessary in circumstances when the second sub-title "Report on Other Legal and Regulatory Requirements" is not applicable.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as

evaluating the overall presentation of the financial statements.

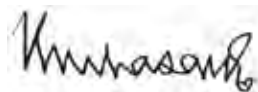
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the financial position as at 31 December 2013 and its financial performance and its cash flows for the year then ended and comply with the Companies Act-1994 and other applicable laws and regulations.

We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and
- (c) the Company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account.



K.M. HASAN & CO.  
Chartered Accountants

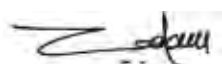
Dated, Dhaka  
30 March, 2014

# Purnava Limited

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

		Amount in Taka	
ASSETS	Notes	<u>2013</u>	<u>2012</u>
<b>Non-current assets</b>			
Property, plant and equipment - at cost	3	5,115,329	5,115,329
Less: Accumulated depreciation		3,988,178	2,968,665
Written down value		<u>1,127,151</u>	<u>2,146,664</u>
<b>Current assets</b>			
Inventories		9,295,132	5,205,892
Inventory in transit		40,659,498	3,411,806
Trade receivables		30,114,847	5,435,663
VAT deposit		140,970	130,900
Advance income tax	4	663,845	528,952
Other receivables		-	9,856,344
Cash & cash equivalents	5	8,993,045	2,861,484
Total current assets		<u>89,867,337</u>	<u>27,431,041</u>
<b>Total assets</b>		<u><b>90,994,488</b></u>	<u><b>29,577,705</b></u>
<b>EQUITY AND LIABILITIES</b>			
Share capital	6	2,500,000	2,500,000
Retained earnings	7	2,499,347	1,702,556
Total equity attributable to equity holders of the company		<u>4,999,347</u>	<u>4,202,556</u>
<b>Current liabilities</b>			
Accrued expenses		17,250	10,000
Other finance		85,337,096	-
Loan against trust receipt	8	-	24,287,935
Payable to Renata Agro		-	571,312
Provision for corporate tax	9	640,795	505,902
Total current liabilities		<u>85,995,141</u>	<u>25,375,149</u>
<b>Total equity and liabilities</b>		<u><b>90,994,488</b></u>	<u><b>29,577,705</b></u>

(The annexed notes form an integral part of these financial statements.)



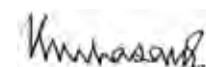
Director



Chairman

(Signed in terms of our report of even date annexed.)

Dated, Dhaka  
30 March 2014



K.M. HASAN & CO.  
Chartered Accountants

# Purnava Limited

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

		Amount in Taka	
		2013	2012
	Notes		
<b>Turnover</b>		316,977,766	225,156,039
Cost of sales	10	300,763,932	202,090,375
<b>Gross Profit</b>		<b>16,213,834</b>	<b>23,065,664</b>
<b>Operating Expenses</b>			
Salaries, wages and allowances		4,414,102	4,883,332
Advertisement		5,647,638	13,544,978
Travelling & conveyance		200,069	611,563
Rent		-	11,000
Bank charge		65,018	10,000
Fuel & lubricants		511,193	664,522
Field expenses		421,152	376,513
Utilities		691,977	743,534
Insurance		30,319	40,918
Repair & maintenance		162,102	61,103
Stationery & supplies		694,863	206,490
Entertainment		27,890	27,318
Audit fees		17,250	10,000
Medical expenses		652,142	47,714
Registration and renewals		221,020	318,743
Depreciation		1,019,513	1,019,513
		14,776,248	22,577,241
<b>Profit before tax</b>		<b>1,437,586</b>	<b>488,423</b>
Income tax expenses		640,795	351,767
<b>Net profit after tax for the year transferred to retained earnings</b>		<b>796,791</b>	<b>136,656</b>

(The annexed notes form an integral part of these financial statements.)



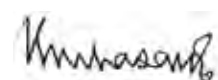
Director



Chairman

(Signed in terms of our report of even date annexed.)

Dated, Dhaka  
30 March 2014



K.M. HASAN & CO.  
Chartered Accountants

# Purnava Limited

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

PARTICULARS	Amount in Taka		
	Share capital	Retained earnings	Total
Balance as at 01 January 2013	2,500,000	1,702,556	4,202,556
Net Profit after tax for the year 2013	-	796,791	796,791
<b>BALANCE AS AT 31 DECEMBER 2013</b>	<b>2,500,000</b>	<b>2,499,347</b>	<b>4,999,347</b>
Balance as at 01 January 2012	2,500,000	1,565,900	4,065,900
Net Profit after tax for the year 2012	-	136,656	136,656
<b>BALANCE AS AT 31 DECEMBER 2012</b>	<b>2,500,000</b>	<b>1,702,556</b>	<b>4,202,556</b>



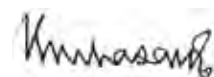
Director



Chairman

(Signed in terms of our report of even date annexed.)

Dated, Dhaka  
30 March 2014



K.M. HASAN & CO.  
Chartered Accountants

# Purnava Limited

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

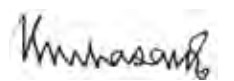
	Amount in Taka	
	2013	2012
<b>A. Cash flows from operating activities:</b>		
Collection from customers and others	302,154,926	223,107,125
Payment of VAT	(10,070)	(30,900)
Accrued expenses/Other Provision	7,250	(540,948)
Payment to suppliers and employees	(356,428,911)	(213,650,365)
Cash generated from operation	(54,276,805)	8,884,912
Payment of tax	(640,795)	(351,767)
Net cash from operating activities	(54,917,600)	8,533,144
<b>B. Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	-	(113,900)
Net cash used in investing activities	-	(113,900)
<b>C. Cash flows from financing activities:</b>		
Short term loan (repaid)/received (net)	61,049,161	(18,353,391)
Net cash used in financing activities	61,049,161	(18,353,391)
<b>D. Net cash outflows for the year (A+B+C)</b>	6,131,561	(9,934,146)
<b>E. Opening cash and cash equivalents</b>	2,861,484	12,795,630
<b>F. Closing cash and cash equivalents (D+E)</b>	<b>8,993,045</b>	<b>2,861,484</b>

  
Director

  
Chairman

(Signed in terms of our report of even date annexed.)

Dated, Dhaka  
30 March 2014

  
K.M. HASAN & CO.  
Chartered Accountants

# Purnava Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 1 REPORTING ENTITY

#### 1.1 Company profile

Purnava Limited is a private limited company incorporated in Bangladesh on 17 August 2004 under the Companies Act 1994.

#### 1.2 Registered office and principal place of business

The registered office of the Company is situated at Plot No.01, Milk Vita Road, Section-07, Mirpur, Dhaka-1216.

#### 1.3 Principal activities

The principal activities of the company are to carry on the business of manufacturing, marketing and distribution of all kinds of consumer goods, consumer durables, food items, sugar confectioneries, edible oils, beverages etc. raw materials, semi-finished items, producers, goods and various other products of local or foreign origin and to engage in the business as traders, importers, exporters, commission agents of all kinds of goods and services including pharmaceutical drugs and medicines.

### 2 BASIS OF PREPARATION

#### 2.1 Reporting period

The financial period of the company covers one year from 1 January to 31 December 2013 consistently.

#### 2.2 Statement of compliance & Basis of measurement

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and as per the requirements of the Companies Act 1994.

#### 2.3 Going concern

The company has adequate resources to continue in operation for the foreseeable future. For this reason the management continue to adopt going concern basis in preparing the Financial Statements. The current credit facilities and resources of the company provide sufficient funds to meet the present requirements of its existing businesses and operations.

#### 2.4 Regulatory compliance

The Company is required to comply with amongst others, the following laws and regulations:

The Companies Act 1994

The Income Tax Ordinance 1984

The Income Tax Rules 1984

The Value Added Tax (VAT) Act 1991

The Value Added Tax (VAT) Rules 1991

## 2.5 Component of the financial statements

According to the Bangladesh Accounting Standards "BAS"-1, "Presentation of Financial Statements" a complete set of Financial Statements include the following components:

- a) Statement of Financial Position as at 31 December 2013.
- b) Statement of Comprehensive Income for the year ended 31 December 2013.
- c) Statement of Changes in Equity for the year ended 31 December 2013.
- d) Statement of Cash Flows for the year ended 31 December 2013.
- e) Notes to the Financial Statements as at & for the year ended 31 December 2013.

## 2.6 Depreciation

Depreciation on property, plant and equipment is charged on a straight line method over the estimated useful life of each property, plant and equipment.

	2013	2012
Vehicle	5 years	5 years
Furniture & fixture	10 years	10 years
Office equipments	5 years	5 years

## 2.7 Trade receivable

Trade receivable at the Statement of Financial Position date are stated at amounts which are considered realizable.

## 2.8 Inventories

Inventories are valued at lower of cost and estimated net realizable value. The cost of inventories is valued at weighted average cost method and includes expenditure for acquiring the inventories and bringing them to their existing location and condition.

## 2.9 Cash & cash equivalents

Cash and cash equivalents comprised cash at bank which were held and available for use of the company without any restriction.

## 2.10 Statement of cash flows

Statement of cash flows has been prepared in accordance with the of "BAS"-7, "Statement of Cash Flows " under the direct method.

## 2.11 General

\* Previous year's figures and phrases have been rearranged where necessary to conform to the current year's presentation.

\* Figures have been rounded off to the nearest Taka.

### 3. PROPERTY, PLANT AND EQUIPMENT

Amounts in Taka

Particulars	COST			Rate %	DEPRECIATION			Written down value at 31 December 2013
	Balance as at 01 January 2013	Additions during the year	Balance as at 31 December 2013		Balance as at 01 January 2013	Charge during the year	Balance as at 31 December 2013	
Vehicles	4,732,091	-	4,732,091	20	2,820,133	946,418	3,766,551	965,540
Furniture and fixtures	35,528	-	35,528	10	10,837	3,553	14,390	21,138
Office equipments	347,710	-	347,710	20	137,695	69,542	207,237	140,473
<b>Total 2013</b>	<b>5,115,329</b>	<b>-</b>	<b>5,115,329</b>		<b>2,968,665</b>	<b>1,019,513</b>	<b>3,988,178</b>	<b>1,127,151</b>
<b>Total 2012</b>	<b>5,001,429</b>	<b>113,900</b>	<b>5,115,329</b>		<b>1,949,152</b>	<b>1,019,513</b>	<b>2,968,665</b>	<b>2,146,664</b>

### 4. ADVANCE INCOME TAX

Opening balance	528,952	964,689
Add: Paid during the year	640,795	351,767
	1,169,747	1,316,456
Less: Set aside for corporate tax	505,902	787,504
Closing balance	<b>663,845</b>	<b>528,952</b>

### 5 CASH & CASH EQUIVALENTS

Cash in hand	-	-
Cash at bank HSBC C/A # 001-217223-011	8,993,045	2,861,484
<b>Total</b>	<b>8,993,045</b>	<b>2,861,484</b>

## 6. SHARE CAPITAL

Amount in Taka

### Authorised Capital:

2,000,000 ordinary shares of Tk. 100 each

**2013**

**2012**

**200,000,000**

**200,000,000**

### Issued, Subscribed, Called up & Paid up Capital

25,000 ordinary shares of Tk. 100 each

**2,500,000**

**2,500,000**

At 31 December 2013, shareholding position of the Company was as follows

### Name of the shareholders

No. of  
shares

Face  
value

Renata Limited

24,999

100

2,499,900

2,499,900

Mr. Syed S. Kaiser Kabir

1

100

100

100

**Total**

**25,000**

**2,500,000**

**2,500,000**

## 7. RETAINED EARNINGS

Opening balance

1,702,556

1,565,900

Add: Net profit after tax during the year

796,791

136,656

Closing balance

**Total**

**2,499,347**

**1,702,556**

## 8. LOAN AGAINST TRUST RECEIPT

LATR # DPBCOR250128DAK

-

1,731,761

LATR # DPBOBD247745DAK

-

5,300,214

LATR # DPBOBD248651DAK

-

4,828,370

LATR # DPBOBD250083DAK

-

2,223,164

LATR # DPBOBD251264DAK

-

5,201,366

LATR # DPBOBD251759DAK

-

4,267,235

LATR # DPBOBD252162DAK

-

735,824

**Total**

-

**24,287,935**

## 9. PROVISION FOR CORPORATE TAX

Assessment year: 2010-2011

-

154,135

Assessment year: 2013-2014

-

351,767

Assessment year: 2014-2015

640,795

-

**Total**

**640,795**

**505,902**

## 10. COST OF SALES

Opening Inventories

5,205,892

5,901,619

Add: Purchase (Annexure- A)

236,246,172

193,350,101

Add: Direct Expenses

68,607,000

8,044,547

304,853,172

201,394,648

310,059,064

207,296,267

Closing Inventories

9,295,132

5,205,892

**300,763,932**

**202,090,375**

# Purnava Limited

## SCHEDULE OF PURCHASE (IMPORT) FOR THE YEAR ENDED 31 DECEMBER 2013

Annexure - A

Sl. No.	L/C No.	F/C Value	Import cost	Gov. Duties	VAT/ ATV	PSC & Others	L/C & Bank charge	Insurance	Clearing charge	Total cost	AIT
01	DCDAK 347848	US\$ 9,191	720,574	-	-	1,280	7,053	11,997	26,546	767,450	-
02	DCDAK 249891	US\$ 12,343	993,612	-	-	2,992	6,653	12,501	52,692	1,068,450	-
03	DCDAK 249662	US\$ 27,769	2,277,058	-	-	2,462	12,536	28,538	84,874	2,405,468	-
04	DCDAK 250581	US\$ 27,769	2,213,189	-	-	2,444	14,006	28,624	66,075	2,324,338	-
05	DCDAK 248744	US\$ 37,800	3,084,102	-	-	2,622	12,616	38,944	51,352	3,189,636	-
06	DCDAK 000780	US\$ 57,701	4,624,337	-	-	3,593	56,140	60,870	122,634	4,867,574	-
07	DCDAK 000780	US\$ 32,541	2,607,937	-	-	2,781	16,930	35,890	62,453	2,725,991	-
08	DCDAK 240780	US\$ 52,499	4,207,393	14,860	-	3,193	28,645	57,480	82,418	4,393,989	-
09	DCDAK 249665	US\$ 18,509	1,515,702	75,659	-	1,968	8,475	15,580	20,943	1,638,327	-
10	DCDAK 250583	US\$ 52,450	4,164,530	-	-	2,950	23,121	54,840	72,527	4,317,968	-
11	DCDAK 250601	US\$ 63,000	5,058,081	-	-	3,515	27,017	70,580	82,753	5,241,946	-
12	DCDAK 340154	US\$ 106,985	8,516,006	455,039	-	5,288	30,432	66,624	14,085	9,087,474	455,039
13	DCDAK 340840	US\$ 12,700	1,002,030	107,152	-	807	6,658	16,402	91,634	1,224,683	51,914
14	DCDAK 250600	US\$ 27,341	2,196,576	-	-	2,422	13,854	35,772	47,304	2,295,928	-
15	DCDAK 249658	US\$ 16,163	1,323,386	66,016	-	14,895	7,555	21,407	26,505	1,459,764	-
16	DCDAK 249662	US\$ 25,891	2,060,924	-	-	2,473	7,751	34,281	26,940	2,132,369	-
17	DCDAK 340766	US\$ 11,520	907,776	46,338	49,305	642	6,393	14,690	18,800	1,043,944	46,338
18	DCDAK 249652	US\$ 48,600	3,851,550	-	-	2,133	23,166	60,480	131,612	4,068,941	-
19	DCDAK 249662	US\$ 24,341	1,908,334	34,452	35,392	80,662	11,130	32,240	51,820	2,154,030	-
20	DCDAK 342038	US\$ 64,969	5,151,392	-	-	107,263	27,445	82,962	62,908	5,431,970	-
21	DCDAK 342033	US\$ 83,307	6,605,412	-	-	234,608	34,133	106,382	123,140	7,103,675	-
22	DCDAK 342041	US\$ 13,238	1,037,825	-	-	1,634	8,578	16,905	13,491	1,078,433	-
23	DCDAK 342045	US\$ 41,069	3,219,810	-	-	66,592	18,728	52,443	62,136	3,419,709	-
24	DCDAK 342040	US\$ 98,900	7,753,760	-	-	4,581	39,820	130,117	27,725	7,956,003	-
25	DCDAK 341723	US\$ 37,500	2,971,500	-	-	93,718	17,418	48,068	12,136	3,142,840	-
26	DCDAK 341720	US\$ 28,750	2,288,500	-	-	2,457	13,181	35,980	47,149	2,387,267	-
27	DCDAK 250584	US\$ 41,250	3,305,903	-	-	1,848	18,783	49,250	91,682	3,467,466	-
28	DCDAK 341725	US\$ 41,250	3,268,093	-	-	1,832	18,783	47,590	97,071	3,433,369	-
29	DCDAK 340768	US\$ 22,945	1,830,738	-	-	1,174	9,009	29,540	81,453	1,951,914	-
30	DCDAK 340778	US\$ 3,604	458,256	224,980	34,868	27,276	5,067	7,459	26,131	784,037	22,057
31	DCDAK 250454	US\$ 18,907	1,499,573	-	-	1,849	13,467	24,875	26,613	1,566,377	-
32	DCDAK 342316	US\$ 36,820	2,904,730	-	-	2,688	17,112	37,860	72,204	3,034,594	-
33	DCDAK 343615	US\$ 17,930	1,406,037	72,148	76,768	15,962	10,240	22,607	20,310	1,624,072	-
34	DCDAK 342817	US\$ 52,774	4,152,306	-	-	71,078	16,588	57,980	77,624	4,375,576	-
35	DCDAK 344149	US\$ 52,310	4,115,798	-	-	137,388	22,551	59,540	83,460	4,418,737	-
36	DCDAK 344661	US\$ 10,631	833,663	42,521	-	35,661	7,047	13,047	36,233	968,172	-
37	DCDAK 343613	US\$ 8,500	666,554	-	-	1,647	6,827	10,717	21,891	707,636	-
38	DCDAK 343616	US\$ 8,217	644,362	-	-	1,735	6,724	10,361	17,300	680,482	-
39	DCDAK 344151	US\$ 29,819	2,338,349	-	-	62,608	10,448	32,360	71,591	2,515,356	-
40	DCDAK 343948	US\$ 50,000	3,934,045	-	-	2,952	21,826	54,690	26,279	4,039,792	-
41	DCDAK 344155	US\$ 21,250	1,671,969	-	-	1,098	11,377	25,480	65,766	1,775,690	-
42	DCDAK 344152	US\$ 19,000	1,489,600	-	-	1,014	10,570	20,109	26,346	1,547,639	-
43	DCDAK 343633	US\$ 15,941	1,249,774	63,759	-	1,785	9,520	16,871	71,603	1,413,312	-
44	DCDAK 345016	US\$ 25,341	1,976,598	-	-	63,455	12,865	26,684	26,862	2,106,464	-
45	DCDAK 344609	US\$ 33,442	2,621,853	-	-	155,793	15,741	38,016	112,174	2,943,577	-
46	DCDAK 345584	US\$ 34,910	2,736,944	-	-	143,531	16,267	39,685	77,263	3,013,690	-
47	DCDAK 345586	US\$ 152,079	11,922,994	-	-	141,211	58,277	172,883	124,886	12,420,251	-
48	DCDAK 345588	US\$ 42,000	3,292,800	-	-	1,842	21,494	47,745	51,678	3,415,559	-
49	DCDAK 344605	US\$ 15,400	1,207,360	-	-	884	9,272	17,748	41,259	1,276,523	-
50	DCDAK 345726	US\$ 30,000	2,343,000	-	-	1,410	14,553	34,575	70,890	2,464,428	-
51	DCDAK 346613	US\$ 55,538	4,354,179	-	-	3,480	23,648	64,006	72,675	4,517,988	-
52	DCDAK 343302	US\$ 41,832	3,269,171	-	-	2,703	30,017	58,668	52,881	3,413,440	-
53	DCDAK 344283	US\$ 18,907	1,474,746	-	-	1,963	10,540	21,790	69,184	1,578,223	-

Sl. No.	L/C No.	F/C Value	Import cost	Gov. Duties	VAT/ ATV	PSC & Others	L/C & Bank charge	Insurance	Clearing charge	Total cost	AIT
54	DCDAK 345938	US\$ 11,000	862,400	-	-	1,316	7,698	12,677	29,709	913,800	-
55	DCDAK 346160	US\$ 52,774	4,129,566	-	-	22,076	28,523	69,067	50,426	4,299,658	-
56	DCDAK 346812	US\$ 97,510	7,635,033	-	-	4,739	37,851	127,126	133,056	7,937,805	-
57	DCDAK 346812	US\$ 54,569	4,278,210	-	-	47,554	21,689	71,143	83,196	4,501,792	-
58	DCDAK 347545	US\$ 55,538	4,354,179	-	-	43,065	23,682	69,459	142,675	4,633,060	-
59	DCDAK 345588	US\$ 42,000	3,292,800	167,949	-	29,619	21,494	47,745	42,275	3,601,882	-
60	DCDAK 347654	US\$ 29,750	2,326,450	-	-	1,401	14,416	22,342	91,270	2,455,879	-
61	DCDAK 348736	US\$ 22,800	1,786,380	-	-	2,065	11,934	29,898	21,928	1,852,205	-
62	DCDAK 248913	US\$ 9,191	753,662	-	-	1,330	6,817	9,474	44,719	816,002	-
63	DCDAK 346893	US\$ 10,398	1,323,621	388,686	86,218	1,810	9,641	21,366	51,279	1,882,621	65,447
64	DCDAK 347651	US\$ 98,900	7,753,760	-	-	4,545	39,206	129,682	53,542	7,980,735	-
65	DCDAK 347828	US\$ 8,900	697,760	-	-	650	6,948	11,580	25,884	742,822	-
66	DCDAK 347781	US\$ 15,450	1,211,280	-	-	886	9,295	20,580	15,441	1,257,482	-
67	DCDAK 348272	US\$ 14,150	1,109,360	-	-	839	12,954	15,690	25,099	1,163,942	-
68	DCDAK 348506	US\$ 33,442	2,621,853	133,728	-	60,962	15,781	43,738	122,124	2,998,186	-
69	DCDAK 349041	US\$ 50,341	3,946,734	-	-	3,090	22,955	94,137	72,464	4,139,380	-
70	DCDAK 349298	US\$ 64,969	5,093,570	-	-	3,938	27,134	95,249	73,138	5,293,029	-
71	DCDAK 349300	US\$ 55,538	4,354,179	-	-	4,017	23,739	81,423	152,815	4,616,173	-
72	DCDAK 349301	US\$ 11,000	862,400	-	-	1,316	7,709	14,406	16,559	902,390	-
73	DCDAK 349404	US\$ 37,500	2,940,000	-	-	2,574	17,211	49,203	21,198	3,030,186	-
74	DCDAK 345343	US\$ 12,090	930,930	-	-	90	3,950	2,150	3,229	940,349	-
75	DCDAK 345019	US\$ 98,900	7,719,145	-	-	4,545	39,324	111,927	29,322	7,904,263	-
<b>Total</b>		<b>US\$ 2,820,151</b>	<b>223,213,963</b>	<b>1,893,287</b>	<b>282,551</b>	<b>1,778,269</b>	<b>1,317,998</b>	<b>3,362,795</b>	<b>4,397,309</b>	<b>236,246,172</b>	<b>640,795</b>



**RENATA ONCOLOGY LIMITED**

# Renata Oncology Limited

## REPORT AND FINANCIAL STATEMENTS

### Board of Directors

- Mr. Kaiser Kabir, Chairman
- Mr. Khokan Chandra Das, Director
- Mr. Manzoor Hasan, Independent Director

# Directors' Report

Towards the end of 2013, Renata Oncology Limited commissioned a tablet facility. We also expect to receive the necessary regulatory approvals from the Directorate General Drug Administration (DGDA) of Bangladesh by the first half of 2014. Assuming no unforeseen hurdles, the Company should be able to commence business towards Quarter four of 2014.

On behalf of the Board of Directors,



Syed S. Kaiser Kabir  
Chairman  
March 25, 2014

# Auditors' Report To The Shareholders of Renata Oncology Limited

We have audited the accompanying financial statements of "Renata Oncology Limited" which comprise the Statement of Financial Position as at December 31, 2013 and a summary of significant accounting policies and other explanatory notes.

## Management Responsibilities for the Financial Statements

Management of Renata Oncology Limited is responsible for the preparation of financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material mis-statement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of

the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Renata Oncology Limited which comprise the Statement of Financial Position as at December 31, 2013, and all other related notes for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- (i) we have obtained all information and explanations which to the best of our knowledge and belief were necessary along with the bank statement for the purpose of our audit and made due verification thereof and found them satisfactory;
- (ii) in our opinion, proper books of account as required by law were kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been checked by us;
- (iii) the Statement of Financial Position and all other related notes are dealt with by this report are in agreement with the books of account and returns;

Dated, Dhaka  
March 25, 2014


  
S.P. CHOWDHURY & CO.  
Chartered Accountants

**RENATA ONCOLOGY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS ON DECEMBER 31, 2013**

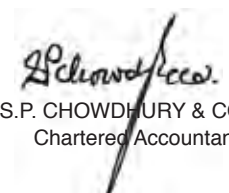
<b>EQUITY &amp; LIABILITIES</b>	<b>Notes</b>	<b>Amount in Taka</b>
Share Capital	4.0	80,000,000
Other Payables (Renata Limited)	6.0	73,984,168
Others		11,500
<b>Total</b>		<b>153,995,668</b>
<b>PROPERTY &amp; ASSETS</b>		
Fixed Assets at cost	5.0	79,912,400
Capital Work-in-Progress		73,719,168
Deferred Expenses	7.0	276,500
Cash and Bank Balances	8.0	87,600
<b>Total</b>		<b>364,100</b>
		<b>153,995,668</b>

*As per our report of date annexed*

  
Director

  
Chairman

Dhaka, March 25, 2014

  
(S.P. CHOWDHURY & CO.)  
Chartered Accountants

# RENATA ONCOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### AS ON DECEMBER 31, 2013

#### 1.00 Reporting Entity

##### 1.01 Company Profile

Renata Oncology Limited (the Company) is a private limited company incorporated on Twelfth August Two Thousand and Twelve under the Companies Act 1913. The authorized capital of the company is Taka1,000,000,000 divided into 100,000,000 ordinary shares of Taka10 each with a paid up capital of Taka 80,000,000 divided into 8,000,000 ordinary shares of Taka10 each. The registered office of the company is situated at Plot # 1, Milk Vita Road, Section-7 Mirpur Dhaka-1216.

##### 1.02 Nature of Business Activities

The principal activities of the company are to carry on business of manufacturing, marketing and distribution of drugs and medicines, allopathic and indigenous and particularly produce and prepare biological and non-biological drugs, injectables of all kinds of tablets of all sorts, serum, vaccines, syrup both medicated and non medicated.

#### 2.00 Significant Accounting Policies

**2.01** The financial statements have been prepared under the historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRS). Accrual basis of accounting followed incorporating transactions both cash and accruals.

##### 2.02 Property, Plant and Equipment

Items of Property, Plant & Equipment is recognized where it is probable that future economic benefits will flow to the entity and their cost can be measured reliably.

###### Measurement at recognition

An items of Property, Plant & Equipment qualifying for recognition is initially measured at its cost. Cost comprises:

\*Purchase price, including all non recoverable duties and taxes but net of discounts.

\* Costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management,

##### 2.03 Depreciation

Depreciation is commenced when the asset is in the location and condition necessary for it to be capable of operating in the manner intended. Depreciation have not been charged on Property plant and equipment of Renata Oncology limited as per the decision of the management of the company because the company not yet started its commercial operation.

##### 2.04 Cash and Cash Equivalents

Cash and cash equivalents include cash at bank balance only .

###### i) Cash in Hand

We could not verify cash in hand as on December 31, 2013 as our appointment was after the closing date. However, we have obtained a cash custody certificate from the Management confirming the balance held by them as on that date.

###### ii) Cash at Bank

We have checked the bank transactions with pass book, cheque counterfoils deposit slips etc. and the balance has been agreed with the books of accounts and a balance confirmation certificate has also been obtained from the concerned bank.

##### 2.05 Functional and presentation currency

These financial statement are prepared in Bangladesh Taka, which is the Company's functional currency.

##### 2.06 Reporting period

The financial period of the company covers from August 12, 2012 to December 31, 2013 for the first year after incorporation.

### 3.00 General

Figures in this report have been rounded off to the nearest Taka.

### 4.00 Share Capital

Amount in Taka

#### Authorized Capital

10,00,00,000 ordinary share of Taka 10 each

1,000,000,000

#### Issued and Paid-up Capital

80,00,000 ordinary share of Taka 10 each

80,000,000

As at December 31, 2013, shareholding position of the company was as follows:

Shareholders	No. of Share	Face Value/share	Designation	Total Value
Mr. Syed S. Kaiser Kabir	100	10	Shareholder	1,000
Renata Limited	7,999,900	10	Represented By Mr. S. H. Kabir, Chairman - Renata Limited	79,999,000
<b>Total</b>				<b>80,000,000</b>

Mr. Syed S. Kaiser Kabir paid his part through an A/c Payee cheque and Renata paid its part in kind through transferring machinery value of Taka 79,912,400.00 and rest of the amount Taka 86,600.00 paid through an A/c Payee cheque.

#### Details of assets transfer from Renata Ltd. against paid of share capital.

Name of Assets	L/C No.	Made Origine	Value of Assets
Sandwitch Panel with cold room facility	dak-246964	GMP Technical Solution Pvt. Ltd., India	12,687,911.89
Air Filter system	dak-247664	Camfil International AB, Sweden	1,334,794.79
Water Purification System	dak-245981	Keredo Technology Co. Ltd., Chaina	14,435,579.55
Bus-Bar Trunking System (Power Transmission BBT: 1 line	dak-2012039	Kingyang International Trade Co. Ltd., Hongkong	1,195,435.58
Sandwitch Panel Access	dak-246964	GMP Technical Solution Pvt. Ltd., India	1,279,532.64
Dynamic Pass Box & Air Shower	dak-247260	Taxila Impex Pte Ltd, Singapore	2,997,894.91
Air Handling Unit	dak-247260	Taxila Impex Pte Ltd, Singapore	22,562,009.96
Spare Parts	T/T	Anchor Mark Pvt. Ltd., India	55,653.97
Automatic Cap filling & Closing Machine	dak-246935	Anchor Mark Pvt. Ltd., India	7,694,051.44
Automatic Tablet Coating Machine	dak-246935	Anchor Mark Pvt. Ltd., India	7,635,027.64
Drive Unit for Multiple Mixer	dak-246935	Anchor Mark Pvt. Ltd., India	1,957,194.92
Fluid Bed Dryer	dak-246935	Anchor Mark Pvt. Ltd., India	3,250,585.97
Rapid Mixer Granulator	dak-246935	Anchor Mark Pvt. Ltd., India	2,826,726.74
<b>Total</b>			<b>79,912,400.00</b>

The above assets have been imported by Renata Limited and transferred to Renata Oncology Limited at cost through a Vendors agreement signed on March 15, 2013 between the management of Renata Limited and Renata Oncology Limited for allotment of initial share.

**5.00 Fixed Assets at cost**

The Fixed Assets are stated at cost as on December 31, 2013. Depreciation have not been charged for the year under audit as the company not started its commercial production.

	<b>Amount in Taka</b>
Opening balance	-
Add. Addition/Transfer during the year (Schedule -A)	79,912,400
	<b>79,912,400</b>
Less: Sale /adjustment during the year	-
	<b>79,912,400</b>
Less. Depreciation during the year (Schedule-A)	-
	<b>79,912,400</b>

**6.00 Other Payable ( Renata Limited)****Taka 73,984,167.91**

The above amount payable to Renata Limited for expenditure incurred for the company on the balance sheet date.

**7.00 Deferred Expenses**

License & Fees	241,000
Audit Fees	11,500
Rent and Utilities	24,000
	<b>276,500</b>

The above rent have been paid to Renata Limited per month of Taka 2,000/= starting from January 2013 as per the lease agreement signed on January 07, 2013 between the management of Renata Limited and Renata Oncology Limited.

**8.00 Cash and bank Balances (a+b)****87,600****a) Cash in hand**

-

**b) Cash at Bank****Current Account No.: 001-256619-011****Bank: HSBC, Dhaka, Bangladesh****87,600**

**RENATA ONCOLOGY LIMITED**  
**FIXED ASSET SCHEDULE**  
**AS ON DECEMBER 31, 2013**

**Schedule-A**

SL	Particulars	COST			Rate	DEPRECIATION			Written down value as on 31 Dec 2013
		Opening balance	Addition/ Transfer during the year	Total as on 31 Dec 2013		Opening Balance	Charged during the year	Total	
		Taka	Taka	Taka	%	Taka	Taka	Taka	Taka
01.	Plant & Machinery	-	79,912,400	79,912,400		-	-	-	79,912,400
	<b>Total Taka</b>	-	79,912,400	79,912,400		-	-	-	79,912,400

# Consolidated Financial Statements of **Renata Limited** and its Subsidiaries

as at and for the year ended December 31, 2013



# Independent Auditors' Report to the Shareholders of Renata Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Renata Limited, which comprise the consolidated statement of financial position as at 31 December 2013 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the Company's subsidiaries - Renata Agro Industries Limited, Purnava Limited and Renata Oncology Limited have been audited by other auditors.

## Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and

disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

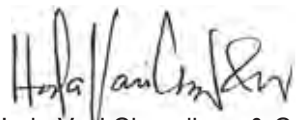
## Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Renata Limited as at 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Accounting Standards (BASs)/ Bangladesh Financial Reporting Standards (BFRSs).

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the group's consolidated statement of financial position and consolidated statement of comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred and payments made were for the purpose of the Company's business.

Dated, Dhaka  
29 April 2014

  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

**RENATA LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2013**

Amount in Taka

<b>ASSETS</b>	<b>Notes</b>	<b>2013</b>	<b>2012</b>
<b>Non-current assets</b>			
Property, plant and equipment	5	6,762,838,079	4,618,057,755
Capital work-in-progress	6	2,178,970,232	2,095,046,123
Investment in shares and others	7	75,166,811	37,166,268
Other Investment	8	18,881,156	49,473,309
<b>Total non-current assets</b>		<b>9,035,856,278</b>	<b>6,799,743,455</b>
<b>Current assets</b>			
Inventories	9	2,763,455,400	2,119,780,626
Trade and other receivables	10	875,057,900	761,068,799
Advance, deposits and prepayments	11	174,165,543	153,839,131
Cash and cash equivalents	12	253,481,805	338,591,526
<b>Total current assets</b>		<b>4,066,160,648</b>	<b>3,373,280,082</b>
<b>Total assets</b>		<b>13,102,016,926</b>	<b>10,173,023,537</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		353,023,430	282,418,750
Revaluation surplus		157,477,415	157,955,917
Tax holiday reserve		286,084,982	242,592,280
Retained earnings		5,741,278,054	4,623,411,688
Equity attributable to equity holders of Renata Limited		6,537,863,881	5,306,378,635
Non-controlling interest		37,733	35,966
<b>Total equity</b>		<b>6,537,901,614</b>	<b>5,306,414,601</b>
<b>Non-current liabilities</b>			
Long term loans - net of current portion	13	477,306,667	281,670,201
Non-convertible bond - net of current portion	14	-	1,000,000,000
Deferred liability-staff gratuity		214,316,148	175,366,283
Deferred tax liability	15	473,840,609	272,041,423
<b>Total non-current liabilities</b>		<b>1,165,463,424</b>	<b>1,729,077,907</b>
<b>Current liabilities</b>			
Short term loan and overdraft	16	3,057,538,347	1,896,082,318
Long term loans - current portion	13	229,743,333	133,333,333
Non-convertible bond - current portion	14	1,000,000,000	-
Trade and other payables	17	452,003,962	342,827,054
Provisions and other liabilities	18	278,214,611	354,765,257
Unclaimed dividend		9,915,748	7,907,075
Provision for taxation	19	371,235,887	402,615,993
<b>Total current liabilities</b>		<b>5,398,651,888</b>	<b>3,137,531,030</b>
<b>Total liabilities</b>		<b>6,564,115,312</b>	<b>4,866,608,937</b>
<b>Total equity and liabilities</b>		<b>13,102,016,926</b>	<b>10,173,023,537</b>

The annexed notes 1 to 32 form an integral part of these financial statements.



CEO & Managing Director



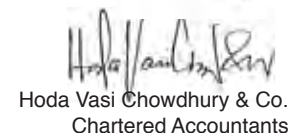
Director



Chief Financial Officer

As per our report of same date.

Dhaka, 29 April 2014



Hoda Vasi Chowdhury & Co.  
Chartered Accountants

**RENATA LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013	Amount in Taka 2012
Turnover	20	9,130,607,862	7,858,515,209
Cost of sales	21	(4,649,847,166)	(3,809,096,979)
<b>Gross profit</b>		<b>4,480,760,696</b>	<b>4,049,418,230</b>
Operating expenses:			
Administrative, selling and distribution expenses	22	(2,075,286,686)	(1,934,228,052)
<b>Operating profit</b>		<b>2,405,474,010</b>	<b>2,115,190,178</b>
Other income		32,579,378	26,984,270
Gain/(loss) on disposal of property, plant and equipment		398,849	(218,312)
Finance costs		(451,030,569)	(386,837,269)
Contribution to WPPF		(94,570,671)	(85,618,793)
<b>Profit before tax</b>		<b>1,892,850,997</b>	<b>1,669,500,074</b>
<b>Tax expenses</b>			
Current tax		(293,878,752)	(400,607,201)
Deferred tax		(201,956,568)	(74,194,051)
		(495,835,320)	(474,801,252)
<b>Net profit after tax for the year</b>		<b>1,397,015,677</b>	<b>1,194,698,822</b>
<b>Other comprehensive income</b>			
Gain/(loss) on quoted shares (unrealized)		3,764,204	(252,830)
<b>Total comprehensive income for the year</b>		<b>1,400,779,881</b>	<b>1,194,445,992</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of Renata Limited		1,400,779,114	1,194,452,418
Non controlling interest		767	(6,426)
<b>Total comprehensive income for the year</b>		<b>1,400,779,881</b>	<b>1,194,445,992</b>
<b>Basic earnings per share</b>	24	<b>39.57</b>	<b>33.84</b>

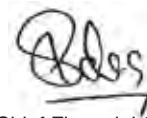
*The annexed notes 1 to 32 form an integral part of these financial statements.*



CEO & Managing Director



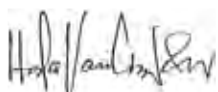
Director



Chief Financial Officer

*As per our report of same date.*

Dhaka, 29 April 2014

  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

**RENATA LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

Amount in Taka

Particulars	Share capital	Revaluation surplus	Tax holiday reserve	Retained earnings	Total	Non controlling interest	Total equity
<b>Balance at 01 January 2012</b>	<b>225,935,000</b>	<b>158,434,421</b>	<b>167,426,501</b>	<b>3,695,533,913</b>	<b>4,247,329,835</b>	<b>42,392</b>	<b>4,247,372,227</b>
Stock dividend issued	56,483,750	-	-	(56,483,750)	-	-	-
Cash dividend paid	-	-	-	(135,561,000)	(135,561,000)	-	(135,561,000)
Deferred tax on revaluation surplus	-	157,382	-	-	157,382	-	157,382
Depreciation adjustment of revalued assets	-	(635,885)	-	635,885	-	-	-
Total comprehensive income for the year	-	-	-	1,194,452,418	1,194,452,418	(6,426)	1,194,445,992
Transferred to tax holiday reserve	-	-	75,165,779	(75,165,779)	-	-	-
<b>Balance at 31 December 2012</b>	<b>282,418,750</b>	<b>157,955,918</b>	<b>242,592,280</b>	<b>4,623,411,687</b>	<b>5,306,378,635</b>	<b>35,966</b>	<b>5,306,414,601</b>
<b>Balance as at 1 January 2013</b>	<b>282,418,750</b>	<b>157,955,918</b>	<b>242,592,280</b>	<b>4,623,411,687</b>	<b>5,306,378,635</b>	<b>35,966</b>	<b>5,306,414,601</b>
Stock dividend issued	70,604,680	-	-	(70,604,680)	-	-	-
Cash dividend paid	-	-	-	(169,451,250)	(169,451,250)	-	(169,451,250)
Deferred tax on revaluation surplus	-	157,382	-	-	157,382	-	157,382
Depreciation adjustment of revalued assets	-	(635,885)	-	635,885	-	-	-
Total comprehensive income for the year	-	-	-	1,400,779,114	1,400,779,114	767	1,400,779,881
Transferred to tax holiday reserve	-	-	43,492,702	(43,492,702)	-	-	-
Minority share in Renata Oncology Ltd.	-	-	-	-	-	1,000	1,000
<b>Balance at 31 December 2013</b>	<b>353,023,430</b>	<b>157,477,415</b>	<b>286,084,982</b>	<b>5,741,278,054</b>	<b>6,537,863,881</b>	<b>37,733</b>	<b>6,537,901,614</b>

**RENATA LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	Amount in Taka	
	2013	2012
<b>A. Cash flows from operating activities:</b>		
Collection from customers and other income	10,636,606,875	9,102,101,506
Payment of VAT	(1,277,054,798)	(1,109,233,351)
Payment to suppliers and employees	(7,688,399,823)	(6,277,122,775)
<i>Cash generated from operation</i>	<u>1,671,152,254</u>	<u>1,715,745,380</u>
Financing cost	(451,030,569)	(386,837,269)
Payment of tax	(325,393,752)	(253,773,099)
<i>Net cash from operating activities</i>	<u>894,727,933</u>	<u>1,075,135,012</u>
<b>B. Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(2,588,066,531)	(1,572,755,766)
Investment in shares	(38,000,542)	2,970,739
Sale proceeds of property, plant and equipment	1,551,705	200,000
<i>Net cash used in investing activities</i>	<u>(2,624,515,368)</u>	<u>(1,569,585,027)</u>
<b>C. Cash flows from financing activities:</b>		
Bank loan (repaid)/received (net)	1,812,120,291	(194,130,157)
Non convertible bond issue	-	1,000,000,000
Dividend paid to shareholders	(167,442,577)	(134,205,384)
<i>Net cash generated from financing activities</i>	<u>1,644,677,714</u>	<u>671,664,459</u>
<b>D. Net cash inflows for the year (A+B+C)</b>	(85,109,721)	177,214,444
<b>E. Opening cash and cash equivalents</b>	338,591,526	161,377,082
<b>F. Closing cash and cash equivalents (D+E)</b>	<u><u>253,481,805</u></u>	<u><u>338,591,526</u></u>

# RENATA LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 1. Reporting Entity

##### 1.1 Company profile

Renata Limited (the "Company") is a Public Limited Company incorporated in Bangladesh in 1972 as Pfizer Laboratories (Bangladesh) Limited under the Companies Act 1913. The Company was listed with Dhaka Stock Exchange Limited on 12 May 1979. Subsequently, the Company was renamed as Renata Limited in 1993. The registered office of the company is situated at Plot # 1, Milk Vita Road, Section-7, Mirpur, Dhaka - 1216.

##### 1.2 Principal Activities

The principal activities of the Company are carrying on business of manufacturing, marketing and distribution of pharmaceutical and animal health products.

##### 1.3 Subsidiary Companies

##### 1.3.1 Renata Agro Industries Limited

Renata Agro Industries Limited, a subsidiary company of Renata Limited, was incorporated on 7 September 1997 as a private limited company under the Companies Act 1994 with authorized share capital of Taka 150,000,000 divided into 1,500,000 ordinary shares of Taka 100 each. The company commenced its commercial operation from October 1998. The principal activities of the company comprise of poultry breeding and hatching and selling of various agro based products.

##### 1.3.2 Purnava Limited

Purnava Limited, a subsidiary company of Renata Limited, was incorporated on 17 August 2004 as a private limited company under the Companies Act 1994 with authorized share capital of Taka 200,000,000 divided into 2,000,000 ordinary shares of Taka 100 each. The company commenced its commercial operation in 2009. The principal activities of the company are to carry on business of manufacturing, marketing and distribution of all kinds of consumer goods, consumer durables, food items, edible oils etc. and to engage in the business as traders, importers, exporters, commission agents of all kinds of goods and services including pharmaceutical products.

##### 1.3.3 Renata Oncology Limited

Renata Oncology Limited, a subsidiary company of Renata Limited, was incorporated on 12 August 2012 as a private limited company under the Companies Act 1994 with authorized share capital of Taka 1,000,000,000 divided into 100,000,000 ordinary shares of Taka 10 each. The company not yet commenced its commercial operation. The principal activities of the company are to carry on business of manufacturing, marketing and distribution of drugs and medicines, allopathic and indigenous and particularly produce and prepare biological and non-biological drugs, injectables of all kinds of tablets of all sorts, serum, vaccines syrup both medicated and non medicated.

#### 2. Significant Accounting Policies

##### 2.1 Basis of accounting

The financial statements have been prepared following Generally Accepted Accounting Principles (GAAP) under historical cost convention and after due compliance with the Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. More specifically, the consolidated financial statements of the company have been prepared in accordance with the provisions of Bangladesh Accounting Standard 27 "Consolidated and Separate Financial Statements".

##### 2.2 Principles of consolidation

The financial statements of all the subsidiaries of the Company have been fully consolidated as the Company directly controls more than 50% voting shares of these entities. The Company has made following investments in its subsidiaries:

Name on subsidiaries	Amount in Taka	
	2013	2012
Renata Agro Industries Limited	60,570,476	60,570,476
Purnava Limited	2,499,900	2,499,900
Renata Oncology Limited	779,999,000	-
<b>Total</b>	<b>143,069,376</b>	<b>63,070,376</b>

## 2.3 Scope of consolidation

The name of subsidiaries and proportion of ownership interest are as follows:

Name on subsidiaries	% of ownership interest
Renata Agro Industries Limited	99.988%
Purnava Limited	99.996%
Renata Oncology Limited	99.999%

## 2.4 Property, plant and equipment

Item of property, plant & equipment is recognized where it is probable that future economic benefits will flow to the entity and their cost can be measured reliably.

### 2.4.1 Measurement and recognition

An item of property, plant & equipment qualifying for recognition is initially measured at its cost. Cost comprises:

- Purchase price, including all non recoverable duties and taxes but net of discounts.
- Costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

### 2.4.2 Subsequent Costs

- Repairs and maintenance expenditure is recognized as expenditure as incurred.
- Replacement parts are capitalized, provided that the original cost of the items they replace is derecognized.

### 2.4.3 Depreciation

Full year depreciation is charged for the assets acquired within 1st quarter of the year. For the assets acquired in 2nd quarter, 3rd quarter and 4th quarter of the year, depreciation is charged for 9 months, 6 months and 3 months respectively. In case of disposal of asset no depreciation is charged in the year of disposal.

Renata Agro Industries Limited: Depreciation is charged for the full year on assets acquisitioned during the first half of the year while half year depreciation is charged on assets acquired during the second half of the year.

The list of property, plant & equipment and related depreciation rates are given below:

Asset Type	Depreciation rate (%)	
	2013	2012
Building	1.54-12.5	1.54-12.5
Plant and machinery	5-20	5-20
Automobiles	20-25	20-25
Office equipment	10-12.5	10-12.5
Furniture & fixture	5-10	5-10

### 2.4.4 Disposal of Property, Plant and Equipment

An item of Property, Plant and Equipment is removed from the statement of financial position when it is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal of an item of property, plant and equipment is included in the statement of income of the period in which the assets are disposed of.

### 2.4.5 Impairment

The carrying amounts of its assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience.

### 2.4.6 Revaluation of assets

The assets were initially recognized at cost. Subsequently some assets were revalued by a professional valuer which resulted in increase of carrying amount as well as creation of revaluation reserve. The revaluation reserve released to retain earnings by the difference between the depreciation charged on the revalued amount and that based on cost transferred from the revaluation reserve to retained earnings.

## 2.5 Capital work-in-progress

Property, plant and equipment under construction/ acquisition have been accounted for as capital work-in-progress until construction/ acquisition is completed and measured at cost.

## **2.6 Investment in shares**

Quoted shares are classified as available for sale financial assets and recognized initially at cost. After initial recognition, investments are measured at fair value and any changes in the fair value are recognized in the statement of comprehensive income under the component of other comprehensive income for the period in which it arises.

## **2.7 Trade receivables**

Trade receivables are recognized and stated at original invoiced amounts and carried at anticipated realizable values. Bad debts are written off when it is established that they are irrecoverable. Specific allowance is made for known doubtful debts. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the financial position date.

## **2.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, balance and deposits with financial institutions that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **2.9 Trade payables**

Trade payables are stated at cost which approximates the fair value of the consideration to be paid in the future for goods and services received.

## **2.10 Interest-bearing borrowings**

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs. Borrowing costs directly attributable to the acquisition and construction of plant and equipment are capitalized as part of the cost of those assets, until such time as the assets are ready for their intended use in accordance with BAS 23. All other borrowing costs are charged to the statement of comprehensive income as an expense in the period in which they are incurred.

## **2.11 Inventories**

Stocks are valued at lower of cost and net realizable value except for goods in transit which are valued at cost.

Cost of active materials, raw materials and packing materials are valued by using FIFO formula.

Cost of work-in-progress and finished stocks are arrived at by using FIFO cost formula including allocation of manufacturing overheads related to bringing the inventories to their present condition. The Company uses standard cost method for measurement of cost of finished goods.

## **2.12 Provisions and contingent liabilities**

Provisions are recognized in the financial statements in line with the Bangladesh Accounting Standard (BAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when

- the company has a legal or constructive obligation as a result of past event.
- it is probable that an outflow of economic benefit will be required to settle the obligation.
- a reliable estimate can be made of the amount of the obligation.

### ***Contingent liability***

A possible obligation depending on whether some uncertain future event occurs, or a present obligation but payment is not probable or the amount cannot be measured reliably.

## **2.13 Workers' Profit Participation Fund (WPPF)**

The Company has created a Workers' Profit Participation Fund and 5% of profit before charging such expenses is transferred to this fund.

## **2.14 Income tax expenses**

Income tax expenses comprise current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to revaluation to property, plant and equipment which is recognized directly in equity.

### **2.14.1 Current Tax**

Current tax expense has been made on the basis of the Finance Act 2013 and the Income Tax Ordinance 1984.

### **2.14.2 Deferred Tax**

Deferred tax is recognized using the balance sheet method. Deferred tax arises due to temporary difference deductible or taxable for the events or transactions recognized in the statement of comprehensive income. A temporary difference is the difference between the carrying amounts of assets and liabilities and its tax base amount in the statement of financial position. Deferred tax asset or liability is the amount of income tax recoverable or payable in future period(s) recognized in the current period. The deferred tax asset/ income or liability/ expense do not create a legal liability/ recoverability to and from the income tax authority. Deferred tax also arises due to revaluation of property, plant and equipment. The resulting impact of deferred tax assets/ liabilities on revaluation surplus is included in the statement of changes in equity.

## **2.15 Employees benefit obligation**

### **2.15.1 Defined contribution plan**

The Company operates a recognized provident fund scheme where employees contribute 8.33% up to 5 years and over 5 years 10% of their basic salary with equal contribution by the Company. The provident fund is being considered as defined contribution plan being managed by a Board of Trustees.

### **2.15.2 Defined benefit plan (Gratuity scheme)**

The Company also operates an unfunded gratuity scheme. Employees are entitled to get gratuity benefit after completion of minimum seven years of service with the Company. The gratuity is calculated on the last basic pay and is payable at the rate of one month's basic pay for every completed year of service up to ten years of service while one and half months basic pay for more than ten years of service. Actuarial valuation of the scheme is made by a professional valuer/ actuary once in every 2 years. Last valuation was done on 22 April 2014 showing a surplus of liability of Taka 26,568,000.

### **2.15.3 Other employees benefit obligation**

The Company operates a group insurance scheme for its permanent employees.

## **2.16 Revenue**

Revenue is recognized upon invoicing the customers for goods sold and delivered net of returns and allowances and trade discounts.

Revenue from sale of goods is recognized when the significant risks and rewards of ownership has been transferred to the buyer, the Company has no managerial involvement of ownership of the goods, the amount of revenue and the cost of the transaction can be measured reliably and it is probable that the economic benefit associated with the transactions will flow to the company.

## **2.17 Foreign currency transactions**

Foreign currency transactions are accounted at exchange rate prevailing on the date of transaction. Monetary assets and liability denominated in foreign currencies at reporting date are translated at rates ruling at the statement of financial position date. All exchange differences are charged/ credited to the statement of comprehensive income.

## **2.18 Earnings per share (EPS)**

The Company represents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated as the profit or loss attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the affects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no potential dilutive ordinary share during the relevant periods.

## **2.19 Financial Risk Management**

Renata Limited's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. Renata Limited's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on Renata Limited's financial performance.

Renata Limited's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. Renata Limited regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices.

### **2.19.1 Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Senior Management of Renata Limited carefully manages its exposure to credit risk. Credit exposures arise principally in receivables from customers into Renata Limited's asset portfolio. The credit risk management and control are controlled through the credit policies of Renata Limited which are updated regularly. The company is also exposed to other credit risks arising from balances with banks which are controlled through board approved counterparty limits.

### **2.19.2 Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

The Company's approach toward managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity

to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

### **2.19.3 Market risk**

Renata Limited takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate and currency, all of which are exposed to general

and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads and foreign exchange rates.

#### **a. Currency risk**

The company is exposed to currency risk on certain revenues and purchase such as revenue from foreign customers and import of raw material, machineries and equipment. The majorities of the company's foreign currency transactions are denominated in USD and relate to procurement of raw material, machineries and equipment from abroad.

#### **b. Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Renata Limited takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise.

## **3. Basis of Preparation of Financial Statements**

### **3.1 Basis of measurement**

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of certain fixed assets which are stated at revalued amount. Accordingly, historical cost is employed to determine the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and statement of comprehensive income.

### **3.2 Basis of Consolidation**

The financial statements of the company and its subsidiaries, as mentioned in note-1.2, have been consolidated in accordance with Bangladesh Accounting Standard (BAS) 27 "Consolidated and Separate Financial Statements". Figures used in the consolidated financial statements are based on the audited financial statements of Renata Agro Industries Limited, Purnava Limited and Renata Oncology Limited audited by other auditors. Intra-group balances, and any unrealized income and expenses arising from intra-group transactions have been eliminated while preparing the consolidated financial statements. Unrealized gains arising from transactions with equity account of investees have been eliminated against the investment to the extent of the parent company's interest in the investee. Unrealized losses were eliminated in the same way as unrealized gains, but only to the extent that there was no evidence of impairment.

The consolidated financial statements are prepared to a common reporting year ended on 31 December 2013.

### **3.3 Reporting Framework and Compliance thereof**

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

on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

### **3.4 Functional and presentation currency**

These financial statements are prepared in Bangladesh Taka, which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer.

### **3.5 Reporting period**

The financial period of the company covers one year from 1 January to 31 December consistently.

### **3.6 Comparative Information and Rearrangement thereof**

Comparative figures have been re-arranged where considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

### **3.7 Use of estimates and judgments**

The preparation of financial statements in conformity with Bangladesh Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by BAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, inventory valuation, accrued expenses and other payables

### **3.8 Going concern**

The company has adequate resources to continue in operation for foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provide sufficient fund to meet the present requirements of its existing businesses and operations.

### **3.9 Statement of Cash Flows**

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

### **3.10 Events after the Reporting Period**

In compliance with the requirements of BAS 10: Events After the Reporting Period, post statement of financial position events that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements and events after the statement of financial position date that are not adjusting events are disclosed in the notes when material.

## **4. Directors' responsibility statement**

The Board of Directors takes the responsibility for the preparation and fair presentation of these financial statements.

## 5. Property, plant and equipment

Amount in Taka

Particulars	Cost/Revaluation				Depreciation					Written down value at 31 December 2013
	At 1 January 2013	Additions during the year	Disposal/ adjustment during the year	At 31 December 2013	Rate %	At 1 January 2013	Charged during the year	Disposal/ adjustment during the year	At 31 December 2013	
Freehold land										
At cost	903,810,870	123,782,458	-	1,027,593,328		-	-	-	-	1,027,593,328
On revaluation	179,132,078	-	-	179,132,078		-	-	-	-	179,132,078
	1,082,942,948	123,782,458	-	1,206,725,406		-	-	-	-	1,206,725,406
Buildings										
At cost	1,568,438,631	666,183,967	-	2,234,622,598	1.54-12.5	160,840,776	68,299,142	-	229,139,918	2,005,482,680
On revaluation	41,291,251	-	-	41,291,251	1.54-12.5	11,564,027	635,885	-	12,199,912	29,091,339
	1,609,729,882	666,183,967	-	2,275,913,849		172,404,803	68,935,027	-	241,339,830	2,034,574,019
Plant and machinery	2,757,296,169	1,630,998,648	-	4,388,294,817	5-20	816,582,638	239,243,603	-	1,055,826,241	3,332,468,576
Automobiles	159,825,724	16,587,000	5,632,500	170,780,224	20-25	117,270,788	26,310,777	4,479,644	139,101,921	31,678,303
Office equipments	158,185,769	48,027,337	-	206,213,106	10-12.5	78,523,614	17,621,684	-	96,145,298	110,067,808
Furnitures and fixtures	51,413,443	18,563,009	-	69,976,452	5-10	16,554,337	6,098,147	-	22,652,484	47,323,968
<b>Total '2013</b>	<b>5,819,393,935</b>	<b>2,504,142,419</b>	<b>5,632,500</b>	<b>8,317,903,854</b>		<b>1,201,336,180</b>	<b>358,209,238</b>	<b>4,479,644</b>	<b>1,555,065,774</b>	<b>6,762,838,079</b>
<b>Total '2012</b>	<b>5,081,181,785</b>	<b>851,031,880</b>	<b>112,819,730</b>	<b>5,819,393,935</b>		<b>945,489,565</b>	<b>309,632,583</b>	<b>53,785,968</b>	<b>1,201,336,180</b>	<b>4,618,057,755</b>

6. Capital work in-progress	Amount in Taka	
	2013	2012
Renata Limited	2,026,083,847	2,061,905,242
Renata Agro Industries Limited	79,167,217	33,140,881
Renata Oncology Limited	73,719,168	-
	<b>2,178,970,232</b>	<b>2,095,046,123</b>

7. Investment in shares and others

	Market value	Book Value	
	2013	2013	2012
Detail of the above amount is given as under:			
Central Depository Bangladesh Limited	1,569,450	1,569,450	1,569,450
BRAC Bank Limited	14,833	13,905	15,288
Social Islami Bank Limited	678	595	595
EXIM Bank Limited	1,883	1,494	1,376
International Leasing & Finance Services Ltd	13,272	39,497	33,844
United Commercial Bank Limited	326,829	2,603,640	2,603,640
Peoples Leasing Company Limited	23,664	117,132	117,135
Square Pharma Limited	46,698,368	28,116,719	21,360,743
BATBC	5,210,075	1,964,918	1,964,919
Islami Bank (BD) Limited	177,083	163,725	163,727
City General Insurance Limited	2,546,500	2,947,834	1,246,968
Meghna Insurance Limited	273,305	266,140	1,102,492
Titas Gas Transmission & Distribution Co. Ltd	7,380,000	7,979,039	1,534,112
Bangladesh General Insurance Co. Limited	-	-	1,174,608
Global Insurance Limited	-	-	951,642
Mercantile Bank Limited	-	-	517,512
S Alam CR steels Limited	-	-	502,000
Lafarge Surma Cement Limited	6,030,000	6,235,342	-
First BSRM Mutual Fund	813,000	988,940	-
Dhaka Electric Supply Co. Limited	584,000	598,384	-
Khulna Power Company Limited	7,409,190	8,051,177	-
Beacon Pharmaceuticals Limited	924,000	919,011	-
ICB Islamic Bank	2,440,000	2,720,137	-
Sonar Bangla Insurance Limited	988,000	1,023,449	-
United Airways Bangladesh Limited	1,230,000	1,249,980	-
Premier Leasing and Finance Limited	300,000	336,139	-
Jamuna Oil Company Limited	4,795,000	4,953,947	-
Investment Corporation of Bangladesh	590,242	1,066,263	1,066,263
Bata Shoe Ltd	1,391,000	264,501	264,501
Atlas Bangladesh Limited	453,224	396,530	396,530
United Leasing Company Limited	702,321	578,923	578,923
	<b>92,885,917</b>	<b>75,166,811</b>	<b>37,166,268</b>

8. Other investment

	2013	2012
Renata Limited	-	30,592,153
Renata Agro Industries Limited	18,881,156	18,881,156
	<b>18,881,156</b>	<b>49,473,309</b>

## 9. Inventories

Amount in Taka

	2013	2012
Finished goods		
Pharmaceutical	641,279,133	513,601,968
Premix	162,386,436	107,763,074
Contract manufacturing	15,615,418	3,425,376
Potent Product Facility	33,862,027	28,339,959
Cepha Facility	133,518,415	104,750,769
Penicillin Facility	34,445,377	23,498,110
	1,021,106,806	781,379,256
Work-in-progress	282,351,925	135,125,733
Raw materials	112,815,887	141,130,787
Bulk materials	212,062,328	199,682,148
Packing materials	120,541,114	111,466,981
Raw and packaging materials-Premix	65,480,136	98,763,736
Raw and packaging materials-Contract manufacturing	23,650,209	20,520,870
Raw and packaging materials-Potent Product Facility	151,884,431	84,906,386
Raw and packaging materials-Cepha Facility	56,553,424	38,276,686
Raw and packaging materials-Penicillin Facility	13,393,510	11,035,888
Consumable stores and spares	29,539,887	3,781,736
Stock in transit	568,399,597	360,674,676
Stock-Renata Agro Industries Limited	55,721,516	124,418,045
Stock-Purnava Limited	49,954,630	8,617,698
	<b>2,763,455,400</b>	<b>2,119,780,626</b>

\*Inventories are kept as a security against short term bank loan.

## 10. Trade and other receivables

	2013	2012
Renata Limited	832,288,936	728,215,599
Renata Agro Industries Limited	12,377,617	17,561,193
Purnava Limited	30,114,847	15,292,007
Renata Oncology Limited	276,500	-
	<b>875,057,900</b>	<b>761,068,799</b>

## 11. Advances, deposits and prepayments

	2013	2012
Renata Limited	167,985,236	148,951,592
Renata Agro Industries Limited	5,375,492	4,227,687
Purnava Limited	804,815	659,852
	<b>174,165,543</b>	<b>153,839,131</b>

## 12. Cash and cash equivalents

Amount in Taka

	2013	2012
Cash in hand	3,008,550	3,556,537
<b>Cash at bank:</b>		
Standard Chartered Bank Limited	66,420,263	97,898,946
The Hongkong Shanghai Banking Corporation Limited	84,220,707	83,330,398
Agrani Bank Limited	42,138,352	71,875,746
Sonali Bank Limited	17,446,114	4,835,589
One Bank Limited	6,877,611	-
Bank Asia Limited	8,864,019	72,450,684
Islami Bank Bangladesh Limited	3,488,363	2,695,613
Eastern Bank Limited	18,572,561	-
United Commercial Bank Limited.	337,305	1,137,130
Southeast Bank Limited	6,502	-
The City Bank Limited	722	180,813
Prime Bank Limited	803,712	-
Pubali Bank Limited	853,583	-
Janata Bank Limited	270,272	484,428
Dutch Bangla Bank Limited	173,169	145,642
	250,473,255	335,034,989
	<b>253,481,805</b>	<b>338,591,526</b>

## 13. Long term loan - net of current portion

Renata Limited	707,050,000	358,333,333
Renata Agro Industries Limited	-	56,670,201
	<b>707,050,000</b>	<b>415,003,534</b>
Less: Current portion		
Renata Limited	229,743,333	133,333,333
	<b>229,743,333</b>	<b>133,333,333</b>
Balance:		
Renata Limited	<b>477,306,667</b>	<b>281,670,201</b>

## 14. Non-convertible bond - net of current portion

At 31 December 2013 the institutional investors list are given below:

Trust Bank First Mutual Fund	-	100,000,000
Popular Life First Mutual Fund	70,000,000	70,000,000
PHP First Mutual Fund	30,000,000	30,000,000
AB Bank First Mutual Fund	150,000,000	150,000,000
First Bangladesh Fixed Income Fund	470,000,000	370,000,000
The Premier Bank Limited	250,000,000	250,000,000
Central Depository Bangladesh Limited	30,000,000	30,000,000
	<b>1,000,000,000</b>	<b>1,000,000,000</b>

	Amount in Taka	
	2013	2012
<b>Less: Current portion</b>		
Trust Bank First Mutual Fund	-	-
Popular Life First Mutual Fund	70,000,000	-
PHP First Mutual Fund	30,000,000	-
AB Bank First Mutual Fund	150,000,000	-
First Bangladesh Fixed Income Fund	470,000,000	-
The Premier Bank Limited	250,000,000	-
Central Depository Bangladesh Limited	30,000,000	-
	<b>1,000,000,000</b>	<b>-</b>

**Balance:**

Trust Bank First Mutual Fund	-	100,000,000
Popular Life First Mutual Fund	-	70,000,000
PHP First Mutual Fund	-	30,000,000
AB Bank First Mutual Fund	-	150,000,000
First Bangladesh Fixed Income Fund	-	370,000,000
The Premier Bank Limited	-	250,000,000
Central Depository Bangladesh Limited	-	30,000,000
	<b>-</b>	<b>1,000,000,000</b>

**15. Deferred tax liability**

Renata Limited	473,840,609	272,041,423
	<b>473,840,609</b>	<b>272,041,423</b>

Renata Agro Industries Limited, a subsidiary of Renata limited is enjoying tax exemption as such no deferred tax adjustment have been considered. Purnava Limited has no temporary difference as such, no deferred tax adjustment has been considered. Oncology Limited not yet started its operation as such the matter of deferred tax calculation does not arise.

**16. Short term loan and overdraft**

	2013	2012
Renata Limited	3,041,324,251	1,812,605,178
Renata Agro Industries Limited	16,214,096	59,189,205
Purnava Limited	-	24,287,935
	<b>3,057,538,347</b>	<b>1,896,082,318</b>

**17. Trade & other payables**

Renata Limited	418,165,689	338,495,218
Renata Agro Industries Limited	33,838,273	3,760,524
Purnava Limited	-	571,312
	<b>452,003,962</b>	<b>342,827,054</b>

		Amount in Taka	
18.	Provision & other liabilities	2013	2012
	Renata Limited	263,876,962	340,461,110
	Renata Agro Industries Limited	14,308,899	14,304,147
	Purnava Limited	17,250	-
	Renata Oncology Limited	11,500	
		<u>278,214,611</u>	<u>354,765,257</u>
19.	Provision for taxation		
	Renata Limited	370,595,092	402,110,091
	Purnava Limited	640,795	505,902
		<u>371,235,887</u>	<u>402,615,993</u>
	Renata Agro Industries Limited, a subsidiary of Renata Limited, is enjoying tax exemption, hence no tax provision has been made on its profit.		
20.	Turnover		
	Renata Limited	8,501,511,813	7,453,669,495
	Renata Agro Industries Limited	312,118,283	179,689,675
	Purnava Limited	316,977,766	225,156,039
		<u>9,130,607,862</u>	<u>7,858,515,209</u>
21.	Cost of sales		
	Renata Limited	4,060,881,093	3,401,710,836
	Renata Agro Industries Limited	288,202,141	205,295,768
	Purnava Limited	300,763,932	202,090,375
		<u>4,649,847,166</u>	<u>3,809,096,979</u>
22.	Administrative, selling and distribution expenses		
	Salaries, wages and allowances	745,538,570	738,633,980
	Contribution to Provident Fund	16,711,519	15,291,344
	Gratuity	20,043,807	28,477,989
	Fuel and power	28,552,372	26,597,870
	Rent, rates and taxes	34,369,082	22,802,711
	Insurance	6,058,645	6,977,372
	Travelling, moving and entertainment exp.	178,192,053	182,794,336
	Repairs and maintenance	24,892,219	19,988,329
	Legal and professional expense	5,183,975	4,652,258
	Provision for bad and doubtful debts	15,054,602	283,883
	Audit fee	601,250	690,000
	Directors' fee	360,000	300,000
	Membership fees and subscription	3,786,752	2,563,495
	Meeting and corporate expense	25,997,504	46,651,431
	Advertising and sales promotion	72,592,479	102,932,663
	Field expenses	410,800,858	344,494,711
	Depreciation	42,335,999	40,087,818
	Printing and stationery	32,479,096	23,864,993
	Postage, telex, fax and telephone	20,603,499	21,708,258
	Distribution freight	209,099,538	174,745,586
	Lunch, snacks, tea and welfare exp.	86,665,804	54,481,140
	Other overhead expense	95,367,063	75,207,885
		<u>2,075,286,686</u>	<u>1,934,228,052</u>

## 23. Share holding position

	2013		2012	
	Number of shares	% of total holding	Number of shares	% of total holding
<b>Renata Agro Industries Limited</b>				
Renata Limited	419,949	99.988%	419,949	99.99%
Non controlling interest	51	0.012%	51	0.012%
	<b>420,000</b>	<b>100%</b>	<b>420,000</b>	<b>100%</b>
<b>Purnava Limited</b>				
Renata Limited	24,999	99.996%	24,999	99.996%
Non controlling interest	1	0.004%	1	0.004%
	<b>25,000</b>	<b>100%</b>	<b>25,000</b>	<b>100%</b>
<b>Renata Oncology Limited</b>				
Renata Limited	7,999,900	99.999%	-	-
Non controlling interest	100	0.001%	-	-
	<b>8,000,000</b>	<b>100%</b>	<b>-</b>	<b>-</b>

## 24. Basic earnings per share (EPS)

The computation of EPS is given below:

Earnings attributable to the ordinary shareholders (group profit for the year)	1,397,015,677	1,194,698,822
Weighted average number of ordinary shares outstanding during the year	35,302,343	35,302,343
Basic earning per share (EPS)	<b>39.57</b>	<b>33.84</b>

## 25. Payments to directors and officers

The aggregate amount paid (except directors' fees for attending board meetings in note 30) during the year to directors and officers of the Company are disclosed below as required by the Securities and Exchange Rules-1987.

	Directors	Officers
Remuneration	5,964,750	234,550,830
House rent	3,795,000	143,810,451
Bonus	2,475,000	66,803,053
Contribution to provident fund	596,470	16,115,044
Gratuity	662,750	31,412,638
Medical expenses	174,271	2,488,974
Conveyance allowance and transport	1,113,200	129,678,229
Other welfare expenses	3,465,000	39,448,714
	<b>18,246,441</b>	<b>664,307,933</b>

### 25.1 During the year no payment has been made to any non-executive Directors for any special services rendered.

## 26. Contingent liabilities and assets

### 26.1 There are contingent liabilities on account of unresolved disputed corporate income tax assessments involving tax claims by the tax authority amounting to Taka 57,868,443 for which appeals are pending with the Commissioner of taxes (Appeal) and High Court division of the Supreme Court. However, tax paid and provided for the relevant years are adequate to meet the demanded tax.

**26.2** There are contingent liabilities on account of unresolved VAT cases claimed by the authority amounting to Taka 28,825,822 for which appeals are pending with the High Court division of the Supreme Court and VAT appellate tribunal.

**26.3** Renata Limited purchased 16.93 land at Mouza Dhamsur, Union: Mollick Bari, Thana: Bhaluka, Dist.: Mymensing in 2011 by Taka 200,163,438. After acquisition, local people lodged a complain to Mymensing judge court regarding the land which was resolved in favor of Renta Limited. However, there are some other pending issues which is yet to be resolved.

## **27. Commitments**

On the statement of financial position date, the Company is enjoying unfunded credit facilities from the following banks:

	<b>Amount in Taka</b>	
	<b>2013</b>	<b>2012</b>
Letters of credit (Note 27.1)	549,801,999	945,547,602
Outstanding guarantees issued by the banks	53,564,285	53,564,285
	<u>603,366,284</u>	<u>999,111,887</u>

### **27.1 Letters of credit**

	<b>Limit</b>	<b>2013</b>	<b>2012</b>
The Hong Kong Shanghai Banking Corporation Limited	1,350,000,000	278,296,845	368,361,032
Standard Chartered Bank Limited	1,200,000,000	22,298,096	269,603,566
Eastern Bank Limited	550,000,000	26,944,983	34,723,058
The City Bank Limited	320,000,000	2,141,622	19,573,214
City Bank N.A	799,200,000	21,080,877	245,922,378
Commercial Bank of Ceylon	400,000,000	157,964,911	-
Bank Asia Limited	250,000,000	41,074,665	7,364,354
	<u>4,869,200,000</u>	<u>549,801,999</u>	<u>945,547,602</u>

## **28. Dividend paid to non-resident shareholders**

Dividend paid to non-resident shareholder, Business Research International Corp. Inc. during the year 2013 was Taka 29,476,320 equivalent to US\$ 377,949.99 for their 6,140,900 shares.

## **29. Claims against the company not acknowledged as debt**

None as at 31 December 2013.

## **30. Disclosure as per requirement of Schedule XI, Part II of The Company Act 1994**

### **30.1 Employee Position of the Renata Limited as per requirement of schedule XI, part II, Para 3**

The company engaged 4,334 employees of which 3,113 are permanent employees and 1221 are casual and temporary workers as required. All employees received total remuneration of above Taka 36,000 per annum.

## 30.2 Capacity utilization - single shift basis

Production capacity and current utilization as required by the Companies Act 1994, Schedule-XI para-7.  
The company operates multi-products plants. As a result plant utilization is not comparable with capacity due to variation of product mix. However, actual production and utilization for major products groups are as follows:

Major product group/ Unit	Capacity	2013		2012	
	(In "000")	Actual production (In "000")	Utilization %	Actual production (In "000")	Utilization %
Sterile dry fill (injectable)/ Vials	6,500	4,140	63.69%	3,999	61.52%
Sterile liquid (inj)/ Vials/ampoule	10,500	9,800	93.33%	9,146	87.10%
Ointments/ Tubes	1,500	424	28.27%	838	55.87%
Capsules and tablets/ Cap/Tab	900,000	1,147,147	127.46%	1,038,143	138.42%
Oral liquid & dry syrup/ Bottles	14,400	15,641	108.62%	15,635	130.29%
Water for injection/ Ampoules	2,875	4,246	147.69%	2,797	111.88%
Premix feed supplement/ Kg	4,500	5,028	111.73%	4,571	114.28%
Premix feed suppl./ Sachets	3,000	3,367	112.23%	2,928	117.12%
ORAL saline/ Sachets	720,000	828,000	115.00%	72,560	207.31%
Potent Products/ Tablets	2,000,000	2,137,646	106.88%	1,979,302	197.93%

## 31. Payments/ receipts in foreign currency

### 31.1 Payments to directors and officers

During the year the following payments were made in foreign currency for imports calculated on CIF basis of:

	Foreign currency US\$	Local currency Taka
Active, raw and packaging materials	36,165,143	2,811,894,294
Machinery and spares	18,494,205	1,437,924,467
	<u>54,659,348</u>	<u>4,249,818,761</u>

### 31.2 The following expenses were incurred during the year in foreign exchange on account of:

Professional consultation fee	US\$	244,416
Export promotional expenses	US\$	382,033
Product registration	US\$	42,073

### 31.3 Foreign exchange was earned in respect of the following:

Export of goods on FOB	US\$	2,660,026
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## 32. General

- 1) All the figures in the financial statements represent Bangladesh Taka currency (Taka) rounded off to the nearest integer.
- 2) The comparative information has been disclosed in respect of 2013 for all numerical information in the financial statements and also the narrative and descriptive information as found relevant for understanding of the current year's financial statements.
- 3) To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged or reclassified whenever considered necessary to conform to current year presentation.

## CORPORATE HEADQUARTERS

Plot # 1, Milk Vita Road, Section-7, Mirpur, Dhaka-1216, Bangladesh  
PABX: (880 -2) 800 1450-54, Fax: (880 -2) 800 1446  
e-mail: renata@renata-ltd.com, Website: www.renata-ltd.com

## MANUFACTURING SITES

Plot # 1, Milk Vita Road, Section-7, Mirpur, Dhaka-1216, Bangladesh, PABX: (880 -2) 801 1012-13  
Noyapara, Bhawal Mirzapur, Rajendrapur, Gazipur, Bangladesh, Tel: 06825-55148  
Kashor, P.O.: Seed Store, P.S.: Bhaluka, Mymensingh, Bangladesh.

## DISTRIBUTION CENTRES

### DHAKA REGION

#### Burigonga Depot

Teghoria (Nuton Raster Moor),  
South Keranigonj, Dhaka - 1311  
Mobile: 01847028891  
e-mail: dhaka@renata-ltd.com

#### Gazipur Depot

E/214, Joor Pukurpar  
Joydebpur, Gazipur-1700  
Tel: 02-9263297, Mobile: 01817045729  
e-mail: gazipur@renata-ltd.com

#### Bhairab Depot

808, Bhairabpur,  
Bhairab, Kishoregonj -2350  
Phone & Fax: 02-9470265  
Mobile: 01814651002  
e-mail: bhairab@renata-ltd.com

#### Turag Depot

House # 39, Road #06  
Block # C, Turag Thana Road  
Dhour, Turag, Dhaka-1230  
Phone & Fax: 02-8981898  
Mobile: 01833316984  
e-mail: turag@renata-ltd.com

### MYMENSINGH REGION

#### Mymensingh Depot

71/E Sarada Ghosh Road,  
Mymensingh - 2200  
Phone & Fax: 091-66811  
Mobile: 01817049456  
e-mail: mymensingh@renata-ltd.com

### SYLHET REGION

#### Sylhet Depot

45, Rajar Galli,  
Amberkhana, Sylhet - 3100  
Phone & Fax: 0821-718407  
Mobile: 01817049367  
e-mail: sylhet@renata-ltd.com

### CHITTAGONG REGION

#### Chittagong Depot

Prashanti Tower-3,  
Prashanti R/A Road, Colonel Hat,  
Pahartali, Chittagong  
Phone- 031-751255  
Fax: 031-751266  
Mobile: 01817049449  
e-mail: chittagong@renata-ltd.com

#### Chokoria Depot

Hospital Road, Chokoria - 4740  
Phone & Fax: 034-2256251  
Mobile: 01817041015  
e-mail: chakaria@renata-ltd.com

### COMILLA REGION

#### Comilla Depot

Bscic Road, Ranir Bazar,  
Comilla - 3500  
Phone & Fax: 081-76989  
Mobile: 01817049452  
e-mail: comilla@renata-ltd.com

### BARISAL REGION

#### Kirtonkhola Depot

Amtole more, Band Road, Barisal  
Phone: 0431-71249  
Fax: 0431-71071  
Mobile: 01817049375  
e-mail: barisal@renata-ltd.com

### FENI REGION

#### Feni Depot

Dhaka Chittagong Highway,  
Debipur, Fatepur, Shorshodi,  
Feni-3902  
Mobile: 01817049531  
e-mail: feni@renata-ltd.com

### FARIDPUR REGION

#### Faridpur Depot

Utrile Lodge,  
Masjid Bari Sarak,  
Niltuly, Faridpur- 7800  
Phone & Fax: 0631-62174  
Mobile: 01817049370  
e-mail: faridpur@renata-ltd.com

### KHULNA REGION

#### Khulna Depot

27, Sir Iqbal Road,  
Khulna - 9100  
Phone & Fax: 041-720154  
Mobile: 01817049382  
e-mail: khulna@renata-ltd.com

#### Jessore Depot

Sheikh Hati, DIG (Prejon)  
Jail Road, Jessore -7400  
Phone & Fax: 0421-60851  
Mobile: 01817049381  
e-mail: jessore@renata-ltd.com

### RAJSHAHI REGION

#### Rajshahi Depot

C-212, Laxmipur,  
Greater Road,  
Rajshahi - 6000  
Phone & Fax: 0721-772893  
Mobile: 01817049459  
e-mail : rajshahi@renata-ltd.com

### BOGRA REGION

#### Bogra Depot

Jaleswaritola, Bogra - 5800  
Phone & Fax: 051-66379  
Mobile: 01817049376  
e-mail: bogra@renata-ltd.com

### RANGPUR REGION

#### Rangpur Depot

Faizon Vila, Road#1,  
House#3, Karanipara,  
Rangpur -5400  
Phone & Fax: 0521-62822  
Mobile: 01817049072  
e-mail: rangpur@renata-ltd.com

#### Dinajpur Depot

Amir Lodge, Block #08,  
House # 36, Upshohor  
Housing More, Dinajpur -5200  
Phone & Fax: 0531-66164  
Mobile: 01833-316987  
e-mail: dinajpur@renata-ltd.com



RENATA LIMITED

## PROXY FORM

Revenue  
Stamp  
of  
Taka 20.00

I/We, the undersigned, being a member of the above named Company hereby appoint

Mr./Ms. \_\_\_\_\_

Of (Address) \_\_\_\_\_

as my/our proxy to vote and act for me/us and on my/our behalf, at the 41st Annual General Meeting of the Company, to be held at the Dhaka Ladies Club, 36 Eskaton Garden Road, Dhaka-1000. on Saturday, June 21, 2014 at 10.30 a.m. and at any adjournment thereof.

Specimen Signature (s) of the Shareholder (s) \_\_\_\_\_ Date: \_\_\_\_\_

Name in Block Letters \_\_\_\_\_

Address \_\_\_\_\_

Folio/BO No. \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of the Proxy



RENATA LIMITED

## Shareholders' Attendance Slip

*I/We hereby record my/our attendance at the 41st Annual General Meeting  
being held on Saturday, June 21, 2014 at the Dhaka Ladies Club  
36, Eskaton Garden Road, Dhaka-1000 at 10.30 a.m.*

Name of Shareholder(s).....

Register Folio/BO No. ....

holding of ..... Ordinary Shares of Renata Limited.

\_\_\_\_\_  
Signature (s) of Shareholder(s)

Note :

1. Please note that AGM can only be attended by the honourable shareholder or properly constituted proxy. Therefore, any friend or children accompanying with honourable shareholder or proxy cannot be allowed into the meeting.
2. Please bring this slip with you and present at the reception desk.

3. No Gift/Gift Coupon/Food Box shall be distributed at the 41st AGM in Compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated 24 October, 2013



**Renata Limited**

Corporate Headquarters: Plot # 1, Milk Vita Road, Section-7, Mirpur, Dhaka-1216, Bangladesh, GPO Box No. 303  
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Find us on **facebook** at <http://www.facebook.com/renatalimited>