

Annual Report 2006

**BEXIMCO
PHARMA**

We are moving forward ▶▶



Our mission



Each of our activities must benefit and add value to the common wealth of our society. We firmly believe that, in the final analysis we are accountable to each of the constituents with whom we interact, namely: our employees, our customers, our business associates, our fellow citizens and our shareholders.

Annual Report 2006

BEXIMCO
PHARMA

We are moving forward >>



BEXIMCO PHARMACEUTICALS LTD.

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Board and Management

The Board of Directors

A S F Rahman	Chairman
Salman F Rahman	Vice Chairman
Iqbal Ahmed	Director
Mohammad Abul Qasem	Director
Osman Kaiser Chowdhury	Director
Dr. Abdul Alim Khan	Director
Abu Bakar Siddiqur Rahman	Director
Dr. Farida Huq	Director
Chowdhury Hafizur Rahman	Director
Faheemul Huq	Director
Ahsanul Karim	Director
Md. Asad Ullah, FCS	Company Secretary

The Executive Committee

Osman Kaiser Chowdhury	Member of the Board of Directors
Chowdhury Hafizur Rahman	Member of the Board of Directors
Nazmul Hassan	Chief Executive Officer
Ali Nawaz	Chief Financial Officer
Afsar Uddin Ahmed	Director, Commercial

The Management Committee

Nazmul Hassan	Chief Executive Officer
Osman Kaiser Chowdhury	Member of the Board of Directors
Ali Nawaz	Chief Financial Officer
Afsar Uddin Ahmed	Director, Commercial
Rabbur Reza	Director, Marketing
Lutfur Rahman	Director, Works
Zakaria Seraj Chowdhury	Director, Sales
Mohd. Tahir Siddique	General Manager, Quality Assurance
A R M Zahidur Rahman	General Manager, Production
Jamal Ahmed Choudhury	Senior Manager, Accounts & Finance



Brief Company Profile



Beximco Pharma is a leading edge pharmaceutical company based in Dhaka, Bangladesh, and is acclaimed for its outstanding product quality, world-class manufacturing facilities, product development capabilities and outstanding professional services. Beximco Pharma is also the largest exporter of pharmaceutical products from Bangladesh and received National Export Trophy (Gold), the highest national accolade for export, for record three times.



Year of Establishment: 1976

Commercial Production: 1980

Status: Public Limited Company

Business Lines: Manufacturing and marketing of pharmaceutical Finished Formulation Products, Large Volume Parenterals and Active Pharmaceutical Ingredients (APIs)

Overseas Offices & Associates: UK, USA, Pakistan, Myanmar, Singapore, Kenya, Yemen, Nepal, Vietnam, Cambodia and Sri Lanka

Authorized Capital (Taka): 2,000 million

Paid-up Capital (Taka): 1,040.97 million

Number of Shareholders: Around 49,000

Stock Exchange Listings: Dhaka, Chittagong and London Stock Exchanges

Number of Employees: 2,403

76-87

- 1976 : Registration of the company
- 1980 : Started manufacturing and marketing of licensee products of Bayer AG of Germany and Upjohn Inc. of USA
- 1983 : Launching of Beximco Pharma's own brands
- 1985 : Listing in the Dhaka Stock Exchange (DSE) as a Public Limited Company (PLC)

88-97

- 1990 : Commissioning of Basic Chemical (APIs) unit
- 1992 : Started export operation with Active Pharmaceutical Ingredients (APIs)
- 1993 : First export market operation with finished formulations
- 1996 : Introduction of Sustained Release Dosage form
- 1997 : Introduction of Suppository Dosage form; Commissioning of Metered Dose Inhaler (MDI) plant; Introduction of Metered Dose Nasal Spray

98-05

- 1998 : First pharmaceutical company of the country achieving 'National Export Trophy (Gold)' for 1994-95
- 1999 : UNICEF approval of Beximco Pharma as an enlisted supplier
- 2000 : Agreement to manufacture Metered Dose Inhaler (MDI) for GlaxoSmithKline
- 2001 : Introduction of Small Volume Parenteral (SVP) products; establishment of Analgesic-Anti-inflammatory bulk drug plant
- 2002 : Won the first prize of ICAB National Awards 2000 for 'Best Published Accounts and Reports' in Non-Financial Sector Category
The first Bangladeshi company to supply pharmaceuticals to Raffles Hospital- the most prestigious hospital in Singapore
- 2003 : Received "National Export Trophy (Gold)" for consecutive 2 years (1998-99, 1999-2000)
Won the Silver prize of ICAB National Awards 2003 for 'Best Published Accounts and Reports' in Non-Financial Sector Category
Won a tender to supply Neoeptin R and Neofloxin to Raffles Hospital of Singapore for the whole year's consumption
Introduced Anti-HIV drugs for the first time in Bangladesh
Diversification into Anti-Cancer therapeutic class
- 2004 : Signed contract with Novartis to manufacture their liquid, cream, ointment and suppository products under "Toll Manufacturing" agreement
- 2005 : Merger of Beximco Infusions Ltd. with Beximco Pharmaceuticals Ltd.
Admission to Alternative Investment Market (AIM) of London Stock Exchange (LSE)

New USFDA standard Oral Solid Dosage (OSD) Plant became operational: started manufacturing validation batches

Successfully relocated/outsourced penicillin and cephalosporin manufacturing facilities to better comply with cGMP guidelines



58 new products launched in domestic markets

Introduced generic oseltamivir in Bangladesh



2006

We are moving forward



Entered into 3 new overseas markets

Registered 36 more new products in existing overseas markets

Signed distribution agreement in 5 new markets



Launched CFC-free HFA inhalers as the first company in Bangladesh

There are only few pharmaceutical companies in the world who are currently offering this technology driven CFC-free HFA MDIs

Post Year-End Highlights

Launched country's first HFA Glyceryl Trinitrate aerosol spray for cardiac patients

Launched 11 new products during the first half of 2007

Entered 4 new overseas markets, namely Ghana, Botswana, Belize, and Papua New Guinea

Registered 79 new products in existing overseas markets

Signed agreement for product registration, distribution and marketing in 10 new countries.



As a fast growing, high quality and efficient manufacturer and marketer of global quality medicines covering almost all therapeutic segments, we at Beximco Pharma are moving forward like never before. In view of our accomplishments and initiatives in 2006, we are repositioned for growth: a growth like never before with our significantly enhanced commercial operational capability, by sensibly adding products with significant growth potential, by focused expansion of overseas markets and accomplishing all these with our highly energized and motivated people.

We are moving forward 

Nazmul Hassan, CEO of Beximco Pharma focuses on some of the new accomplishments and initiatives in 2006 to move the company forward:



To move forward with a better than best pace, we need an excellence in executing every aspect of corporate operation: That's exactly what we are trying to achieve.....

We have enhanced our commercial operational capability

We have enjoyed good sales and market share in 2006. But, we are not completely satisfied with such modest growth rate of around 10-15% in recent past. We have set an ambitious goal of doubling our sales revenue by 2010. To achieve this revenue goal, we must unleash the untapped potential for our company in custom manufacturing partnership with the global giants in pharmaceutical industry.

Aligned with this strategy, we have significantly increased our capacity of Oral Solid Dosage (OSD) production. Our new Oral Solid Dosage (OSD) plant has made our capacity constraint a thing of the past. Now, we are able to probe into the highly regulated markets of the first

world countries. We have already commenced the international GMP certification process and the preparations are in the final stage to get this plant approved by TGA, Australia, followed by UK MHRA and USFDA.

"Our new plant will enable us to manufacture our own brands and other pharmaceutical companies' products at a standard suitable for commercial scale in developed countries. We offer an extremely cost effective solution to manufacturing quality drugs, enjoying significant cost advantages due to the low labour and energy costs in Bangladesh."

Foreign delegations visiting our manufacturing facility

A delegation
from Clinton
Foundation



A group of
business
entrepreneur from
Bahrain



High profile business
delegation from UAE led by
Mr. Khalifa Mohammed Abdul
Aziz Rubaya Al Muhairi



Charge the Affairs
Ms. Judith A. Chammas
of US Embassy in
Bangladesh led a
delegation



Health Minister of Sri Lanka
Mr. Nimal Siripala de Silva led
a delegation from Sri Lanka



Foreign Minister of Maldives,
Dr. A. Shahed with others



We have joined world league of CFC free inhaler manufacturers

We are the leading manufacturer of pressurized Metered Dose Inhalers (MDIs) in Bangladesh and are among the few pharma companies in the world manufacturing CFC (Chlorofluorocarbon) free MDIs, used in asthma and COPD.

CFCs are generally used as propellants in MDI formulation. They are safe for human use but are not environment friendly and the "Montreal Protocol on Substances that deplete ozone layer" (1987) urges to implement gradual phase out of CFC usage globally.

This global phase out of CFC production and formidable challenge to develop alternative ozone friendly inhalers placed the country like Bangladesh in a difficult situation to continue the supply of essential MDI to millions of asthma and COPD patients. Many major pharmaceutical companies in the world are undertaking extensive research and development works to produce CFC free MDIs, by replacing CFC propellant with Ozone-benign HFA (Hydrofluoroalkane) propellant. But, manufacturing HFA MDIs is a big challenge as it involves high level of expertise and sophisticated technology and for companies in developing and least developed countries it seemed to be a technology far beyond reach.

In collaboration with Europe's one of the leading manufacturers of specialty medical devices and respiratory drug development companies we successfully developed and introduced country's first CFC-free HFA based MDIs in September 2006. There are only few pharmaceutical companies in the world who are currently offering this technology driven CFC-free HFA MDIs.



Dr Richard Spiers, speaking at the launching International Seminar on HFA inhalers

"We have been exporting our MDI brands to various markets including Singapore, Kenya and Pakistan. However, we have not been able to enter the most attractive US and EU markets due to our CFC based formulation. Our new HFA based formulations will enable us to enter the highly regulated markets of the US and EU which represent the major share of the world MDI market worth more than US\$ 10 billion."





“We are focused on sensibly adding new products with significant growth potential”

We understand that to grow with new momentum, we should increase our product line but we must not forget that we should also aim for maximizing return on resource allocation.

Diversification into Small Volume Parenterals (SVP) and Ophthalmics market

In 2006, we started new projects to build facility to manufacture Small Volume Parenterals (SVPs) and ophthalmic products. Entering these two segments will increase our local market share significantly.

We are focused on

Excellence in execution

In 2006, we started to adopt the “excellence in execution” in everything we do from manufacturing to marketing with our highly motivated and inspired people.

In 2006, our excellence in execution approach helped us better identifying new products and reduced time requirement from concept to product launch significantly. In 2006, we launched a total of 58 new products and these new products made our business portfolio more robust to propel our growth in future.

Business process: improving efficiency

From the very beginning, Beximco Pharma has always been a pioneer in adopting innovative technologies intended to take the organization to a standard which would match other reputed global pharma companies. In 2006, we undertook various projects of upgrading our existing process in operations with new technology to drive greater productivity in quality control, warehouse, and production lines.

Several initiatives are also ongoing to improve our overall manufacturing efficiencies, including reduction in wastage and operational costs. In this regard, we started to develop an Enterprise Resource Planning system(ERP) to integrate all data and processes in our company into a unified system.

These development in the business process would definitely help us improve our efficiency.



Oseflu (Oseltamivir) capsule is one of the most important products launched in 2006. The Government of Bangladesh made a stockpile of our Oseflu as a preparation for any potential pandemic of 'Bird-Flu'.





Going the distance



We are focused in global pharmaceutical markets

While we are continuously strengthening our position in existing markets, we are also entering new geographies in global markets to achieve dynamic growth by 2010. We could advance much in 2006 in maintaining the momentum and gained new momentum of rapid transformation to become a globally respected international pharmaceutical company.

We entered into 3 new overseas markets, registered 36 more new products in existing overseas markets, and signed distribution agreement in 5 new markets.

In post 2006 period, we entered 4 new overseas markets, namely Ghana, Botswana, Belize, and Papua New Guinea, registered 79 new products in existing overseas markets, and signed agreement for product registration, distribution and marketing in 10 new countries.





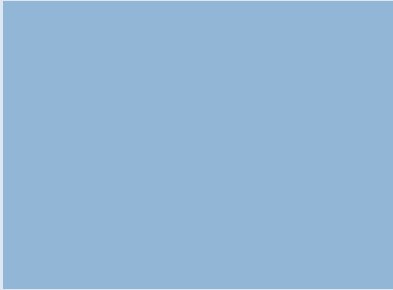
We have always considered the Middle East as a high potential market for our growth. We signed an agreement with Gulf Generic, a widely renowned and highly accredited pharmaceutical distributor in the Gulf region. Gulf Generic is owned by the members of the Kuwait Royal Family. Under the terms of the agreement, Gulf Generic will be responsible for the registration, distribution and marketing of Beximco Pharma products in Kuwait and other Gulf Central Committee (GCC) states whose pharmaceutical market is currently valued at over \$2 billion. This agreement with Gulf Generic will help us mark our presence in the Gulf region and is a further evidence of our commitment to global expansion of our market.

Africa has the potential to be an important growth driver in the global generic pharmaceutical market. We have been exporting pharmaceuticals to Kenya and Somalia in Eastern Africa, Mozambique in South-East Africa and Botswana in South-Central Africa. As part of our continued strategic expansion in Africa, we successfully started exporting to Ghana as the first country in Western Africa. Success in these markets will strengthen our presence in Africa and will definitely speed up the next phase of our expansion plan in this region.

In summary, as a fast growing, high quality and efficient manufacturer and marketer of global quality medicines, we at Beximco Pharma are moving forward like never before. In view of our accomplishments and new initiatives in 2006, we are repositioned for growth: a growth with new momentum, and to become an internationally reputed pharmaceutical company. We believe, our highly skilled, motivated and inspired people will make our dream come true, as it always happened in the past.

Nazmul Hassan

Nazmul Hassan
Chief Executive Officer



Beximco Pharma

A great company to work with



From the very beginning, Beximco Pharma believes in one paradigm- 'a business is judged in the market based on two basic components- its products and people'. The company considers the most valuable asset it has, is the people who work for the company for its 'successes' built to last. This people focused culture, indeed, makes Beximco Pharma unique compared to others.

So it makes sense for the management of the company to do everything possible to ensure that every member of staff enjoys the friendly and welcoming atmosphere in the company that encourages the employees to be themselves. Here, the workplace has evolved to be a very close community of co-workers where employees take pride in their job, their team, and their company. They celebrate the successes of their peers and cooperate with others throughout the organization. Here, communication is open and accessible, hiring and rewarding are impartial and decisions are taken together with the employees in a free and fair process. Here, everyone is treated and cared for as an individual with personal life and respected of their professional life by encouraging and supporting professional development. Today, Beximco Pharma is not just a great workplace but is a great way of life. It has made itself a great company to work with where the company and its people 'grow together'.

“Here we all share a passion of thriving for excellence”

After spending long 20 years with Beximco Pharma, when I look back and ask myself, what kept me here for such a long time, I find the answer to be the splendid spirit of Beximco Pharma that underlies the everyday activities here - a spirit that encourages to innovate and to participate, motivates to perform and to contribute, inspires to think big; and above all, a spirit that has a genuine desire to serve people in a better way. Throughout my career here, whatever I do, I know, I am doing it for my society and for my country - because at Beximco Pharma we all share a passion of thriving for excellence and serving the country for building a healthier tomorrow.

■ **Nazmul Hassan**, Chief Executive Officer

“Being with Beximco Pharma means being full of life”

I have always wished for a job which is challenging and which would bring the best out of me. Working in a dynamic organization like Beximco Pharma gives me all of these. The vibrant entrepreneurial spirit that prevails here at Beximco Pharma creates newer challenges for me and I feel exploring new boundaries while keeping pace with its momentum. For me, being with Beximco means being full of life.

■ **Ali Nawaz**, Chief Financial Officer

“At the end of the day it gives me a great feeling of contentment”

I never felt like doing a job in Beximco Pharma; I always feel that I'm fulfilling responsibilities towards my society, my company and to myself. My job allows me to make my own decisions and implement them in order to get the job done and delivering my responsibilities. At the end of the day I look back with contentment that I have achieved for my company, for my country and for myself.

■ **Afsar Uddin Ahmed**, Director, Commercial

“The brisk and electric atmosphere always inspires us to think big and make it happen”

Thinking out-of-the-box and being innovative is one of the foremost personal aspirations of my life and this is exactly what we do in Beximco Pharma. Here the brisk and electric atmosphere always inspires us to think big and make it happen, stimulates our thoughts and encourages us to invent. Here we don't just share views and ideas; we in fact try implementing those creative ideas. Working with Beximco Pharma is fun for me and I really enjoy being here.

■ **Rabbur Reza**, Director, Marketing

“I own my job here”

I always loved to take total control of my life. At the very outset of my career I wanted to take total responsibility of my job as if I were the owner of my company - I wanted to own my job. The unique ownership culture which prevails here at Beximco Pharma encouraged me to achieve many and after these long years with Beximco Pharma I feel I have been practising, nourishing and enriching myself.

■ **Md. Zakaria S. Chowdhury**, Director, Sales

“After so many years I find no division between my family and my colleagues”

I have been in this company for long. I saw this company growing from a humble beginning. Today, after so many years I find no division between my family and my colleagues here in Beximco Pharma - I am attached to both of them equally!

■ **Lutfur Rahman**, Director, Works



“Here I am able to explore my ideas”

Our society in general is unforgiving of failure, even honest mistakes, thus creating a cultural context that encourages only low risk, low reward ventures. With such perception in my mind, I was always a risk averter, not a risk taker. After joining the Beximco Pharma team, my second evolution of mind took place. Now, I am not afraid to make mistakes, which allows me to be a risk taker. In process, I learned from my mistake which I never repeated. I am not afraid to try different 'ideas' for my brands' success. Here, I am able to explore my ideas.

■ A Group Brand Manager

“Here I can truly balance my work life and personal life”

Management truly encourages and expects individuals to care for themselves before work. They understand personal lives are as important as jobs.

■ A Female Executive

“Here I feel comfortable and confident that I can achieve anything”

Personal and professional opportunities here are endless. The company is always striving to improve itself and at the same time giving individuals the motivation and encouragement to achieve their desires. I have never worked anywhere else where I felt so comfortable and confident that I can achieve anything.

■ Manager, Production

“I think Beximco Pharma is the best place for self development”

It's not long since I have been with Beximco pharma sales team, but within this very short period I discovered myself. If I were not here, I might have never known my real capabilities. I think Beximco Pharma is the best place for self development.

■ A newly promoted Regional Sales Manager





"I say it the 'Beximco Pharma Experience' - one has to experience it to know it"

Before I joined Beximco pharma, I worked with some other top-ranked pharmaceutical companies. Within only a year of joining, I realized the difference. The only thing my superiors compel me to do is self-development. Everything here has a class, everything I do here differentiates me from others. I say it the 'Beximco Pharma Experience' - one has to experience it to know it.

■ A Beximco Pharma Sales Representative

"Being with Beximco means adding value to one's life"

I joined Beximco Pharma about ten years back, and this was my first job. I am still here and never could think of anything else. Everything here at Beximco Pharma is special to me. Being with Beximco Pharma means adding value to one's life.

■ Front Desk Executive



Our Core Values in Beximco Pharma

Innovation 	Quality 	Performance 	Customer Focus 
Community Support 	Environment Protection 	Economic Contribution 	

Social Responsibility



We see it more as a 'duty'
than as a 'responsibility'

Corporate social responsibility is an integral part of Beximco Pharma's business strategy which is reflected in its mission statement - 'Each of our activities must benefit and add value to the common wealth of our society'. Here at Beximco Pharma, we view our operational success in terms of both being financially profitable so that we can contribute to the national economy and also being socially responsible so that we can do our part for the betterment of the society. Guided by this spirit, each year an increasing amount of contribution is ploughed back into social causes, demonstrating Beximco Pharma's commitment to the nation. More importantly, these contributions extend beyond and above one-time donation to a deep-rooted continued partnership with the society.

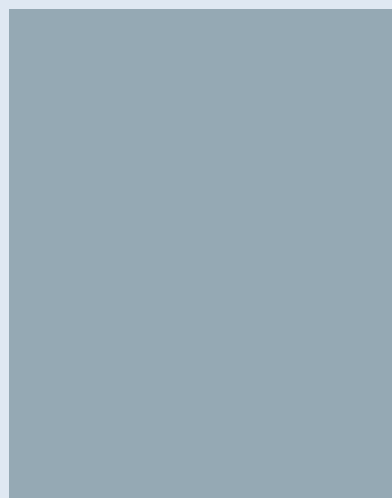
At Beximco Pharma, we are in a business which deals with human life and this makes us more responsible to keep the highest standards of our products. Highest quality products, however, are only one side of our expression of commitment. We believe our responsibility lies even more in ensuring that our society gets benefited while we continue to grow. Likely, our passion for a healthier tomorrow is perpetually reflected in every effort we make.

We do business, do serve the humanity too

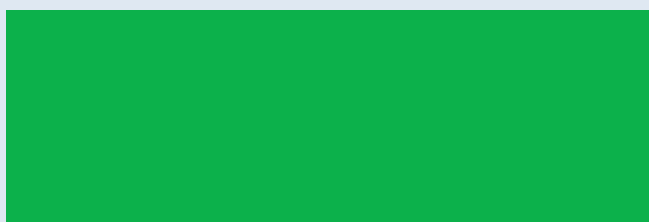
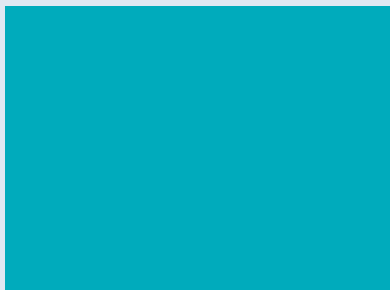
As the country's one of the leading pharmaceutical companies, it is our mission to improve access to essential medicines saving our peoples' lives. In line with this mission, Beximco Pharma introduced many products which were guided by its social commitment, not by its financial ambition. For example, Beximco Pharma is the first company in Bangladesh which introduced 5 (five) anti-retroviral medicines for HIV/ AIDS treatment fully knowing that these would not be commercially viable in Bangladesh. Currently Beximco Pharma supplies these HIV medications to several non-profit organizations at highly discounted price.

Beximco Pharma also introduced oral anti-smoking drug Zybox[®] SR (Bupropion) just on the day before the announcement of a ban on smoking in public places in Bangladesh. This came as a huge relief for the chronic smokers who, despite all efforts, were unable to quit smoking.

Beximco Pharma also introduced Oseflu[®], a preparation of Oseltamivir, the only medication against the virus of bird flu, when the government and other working groups of the country were preparing to combat the potential pandemic of bird flu. Beximco Pharma donated Oseflu[®] to the government and proposed several initiatives for 'Public-Private' partnership to face the crisis. Beximco Pharma also donated Oseflu[®] to the government of Myanmar as a gesture of its empathy for the neighboring country.



Environment Protection



Everyone here at Beximco Pharma knows that the company does not view its success and achievements in financial terms only, but also in terms of its deep relationship with the society and environment. It is one of our core values that we should take maximum care for our environment and should reduce environmental effects of manufacturing activities to a practical minimum. Keeping this in mind, whenever practicable, Beximco Pharma works to reduce the impact of its operations on the environment.

Shifting from CFC-based inhalers to HFA-based inhalers is an evidence of our firm commitment to 'Environment Protection'. Though it is still not a regulatory obligation, not even in the developed countries until end of 2008, Beximco Pharma proactively and deliberately invested heavily for the conversion of its MDI Facility and commenced manufacturing HFA based inhalers, replacing CFC-based inhalers, as a responsibility to protect the environment.

Background of CFC phase out

The metered dose inhalers (MDIs) generally contain CFCs as propellants, which are safe for human use but are considered as major culprits of ozone depletion. Ozone depletion poses a serious environmental threat, as it reduces the amount of ozone in the ozone layer that acts as a shield to protect the earth against the sun's harmful rays. In 1987, 183 countries including Bangladesh agreed to a treaty called "Montreal Protocol on Substances that deplete ozone layer" and this treaty urges to implement gradual phase out of CFC usage. For Bangladesh this puts a ban on CFC usage from January 1, 2010. We took initiatives to stop usage of CFCs by introducing CFC-free ozone-benign HFA inhalers in 2006, to take small part in protecting our mother planet.

Our commitment to community is one of our core values and this has been reflected in our partnerships with community, government and various non-government organizations over the years.

Beximco Pharma has arranged many public awareness campaigns on AIDS, Cancer, Diabetes, smoking, asthma etc. and worked with different professional organizations to convey information and create public awareness through arranging seminars, making rallies, publishing posters etc.

Besides these, Beximco pharma has also organized, participated in and sponsored many cultural and sports events like Corporate Cricket League, School Handball Tournament etc.

Above all, our corporate responsibility is reflected in our maneuvering effort to represent a picture of glorious Bangladesh and its people in different international forums. All our endeavours are to prove that Bangladesh is not just another third world country - it is bigger than it seems and it can make bigger things happen.

Community Support





Thirtieth Annual General Meeting



The 30th Annual General Meeting (AGM) of the shareholders of Beximco Pharmaceuticals Limited was held on 22 June 2006. Around 7,000 shareholders attended the meeting. Mr. A S F Rahman, Chairman of the Board of Directors presided over the meeting. The Chairman thanked the shareholders for their interest in the company. The shareholders were informed about the performance of the company in 2005. Strategies and future vision of the company were also briefed at the AGM.

The meeting among other agenda approved 15% cash dividend for the year 2005.



Partial view of the shareholders attending the 30th Annual General Meeting

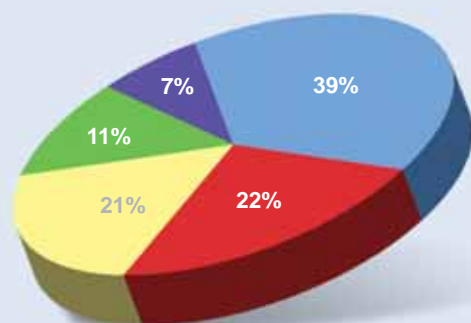


Value Added Statement

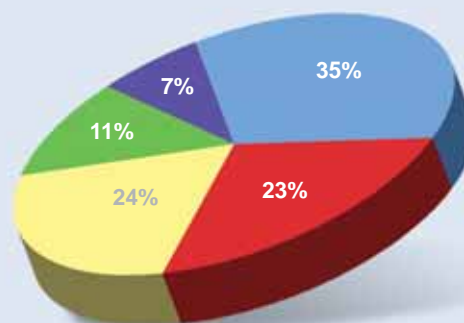
For the year ended 31 December 2006

Figures in Taka

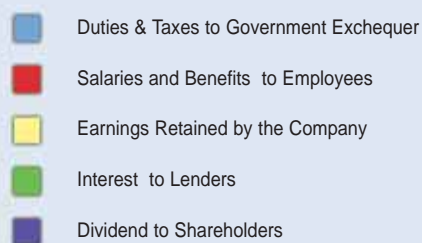
	2006		2005	
	Tk.	%	Tk.	%
Turnover & Other Income	4,364,863,360		3,879,420,007	
Bought-in-Materials & Services	(2,101,277,696)		(1,895,584,603)	
Value Added	2,263,585,664	100	1,983,835,404	100
APPLICATIONS				
Duties & Taxes to Government Exchequer	885,580,709	39	696,410,182	35
Salaries and Benefits to Employees	492,656,586	22	448,555,707	23
Earnings Retained by the Company	475,883,617	21	473,037,848	24
Interest to Lenders	253,318,784	11	221,949,324	11
Dividend to Shareholders	156,145,968	7	143,882,343	7
	2,263,585,664	100	1,983,835,404	100



2006



2005



BEXIMCO PHARMACEUTICALS LIMITED

17, Dhanmondi R/A, Road No. 2, Dhaka-1205

Notice of the Thirty-First Annual General Meeting

Notice is hereby given that the THIRTY-FIRST ANNUAL GENERAL MEETING of the Shareholders of Beximco Pharmaceuticals Limited will be held on Sunday, the 2nd September, 2007 at 10.30 a.m. at 1, Shahbag C/A, Dhaka to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st December, 2006 together with reports of the Auditors and the Directors thereon.
2. To elect Directors.
3. To declare 5% Cash and 10% Stock Dividend.
4. To appoint Auditors for the year 2007 and to fix their remuneration.
5. To transact any other business of the Company with the permission of the Chair.

By order of the Board,



(MD. ASAD ULLAH, FCS)

Company Secretary

Dated: 28th June, 2007

NOTES :

- (1) The Record Date shall be on 1st August, 2007. The Shareholders whose names will appear in the Share Register of the Company or in the Depository Register on that date will be entitled to attend at the Annual General Meeting and to receive the dividend.
- (2) A member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
- (3) Admission to the meeting room will be strictly on production of the attendance slip sent with the Notice as well as verification of signature of Member(s) and/or proxy-holder(s).

Chairman's Statement



We are striving to emerge as an international pharmaceutical company through export-led growth in medium to long term.

Dear Shareholders,

I am privileged to welcome you all to the 31st Annual General Meeting of Beximco Pharmaceuticals Limited. I take this opportunity to present before you a brief on the operating and financial performance of the company for the year 2006.

Sales and profitability

It is indeed a matter of great pleasure and pride that in 2006, as in the past, the company successfully maintained its historic trend of continued growth. During the year, sales of the company registered an appreciable 11.3% growth to reach at Tk. 3,702.32 million as compared to 3,327.02 million of 2005. In the domestic market our sales increased by 10.8%. This significantly outperformed the industry growth which, according to IMS (Information Medical Statistics, Switzerland), was only 4.1%. Thanks to our reorganized and mirrored sales team strategy improving doctor coverage and winning brand building strategies that have better positioned the company in the minds of the doctors and other healthcare professionals.

In 2006 we achieved export sales of Tk. 115.1 million- a significant 29.5% up over the prior period; entered into three new overseas markets namely, Sri Lanka, Somalia and Bhutan; and registered 36 new products in Kenya, Myanmar, Sri Lanka, Nepal and Cambodia. Besides we signed distribution agreement in 5 new markets. We consider these to be a modest beginning of the intensified efforts that we are initiating to significantly boost up our export sales.

Along with sales, the profit before tax also increased by 7.8% to Tk. 523.24 million as compared to Tk. 485.37 million in 2005.

Products

Over the last few years we have successfully added a significant number of new products in our portfolio. Consistent with our previous trend and consequent to our constant drive to innovate quality product, in 2006, we introduced 58 products (including dosage forms) across a wide range of therapeutic classes. Importantly, we introduced Oseflu® (Oseltamivir) in Bangladesh market to combat the growing threat of Bird Flu. Also introduced 3 environment-friendly CFC free ozone-benign HFA based Metered Dose Inhalers (MDIs) for the first time in Bangladesh. Notable is that we are getting very encouraging response from overseas markets for our high-tech HFA based inhaler products.

Projects and Expansion Programs

In collaboration with Europe's one of the leading manufacturers of specialty medical devices and respiratory drug, we completed conversion of Metered Dose Inhaler (MDI) plant to manufacture HFA-based inhalers. I am proud to say that through introduction of this technology BPL joined the list of very few companies of the world that have capacity to manufacture HFA inhalers. Owing to increased demand, a project for capacity expansion of the MDI facility is currently undergoing.

Another milestone achievement in 2006 was completion of the 2 lines of our USFDA approvable Oral Solid Dosage (OSD) facility. This facility is going to significantly ease our long suffered capacity constraint. We have now initiated the process of international GMP certification of the plant. In this regard a GMP audit by a developed country's drug regulatory authority is expected by the end of this year.

I am also pleased to inform you that in 2006, we have successfully re-located / Outsourced cephalosporin and penicillin facilities which was pre-requisite for our OSD plant to better comply with cGMP guidelines. We also commenced a project to create manufacturing facility for Small Volume Parenterals (SVP) and Ophthalmic products which will help diversify our product portfolio. The work of this project has substantially progressed.

Dividend

Although we have proposed dividend for 2006 at 15%, the same rate of 2005, 10% stock dividend with 5% cash dividend for 2006 are expected to give better yield compared to prior year.

Dear Shareholders,

2006 has given us a new impetus particularly our new OSD facility and HFA-based MDI facility has given us a competitive edge. As you will find in the CEO's statement we are striving to emerge as an international pharmaceutical company. In this regard we are repositioning ourselves to achieve an export-led growth in medium to long term. This however is a quite challenging task. We are aware of the challenges and confident of our capabilities.

Finally, I take this opportunity to express my sincere thanks to our customers, bankers, suppliers, health professionals, government agencies, regulatory bodies and everyone the company interacted with, in conducting its business. Our main strength is our professionally dedicated and sincere human resources. I thankfully acknowledge their contribution to the company.

Above all we are grateful to you, dear shareholders, for extending, at all times, the invaluable support and cooperation to bring the company to the level it has reached today. With your continued support Beximco Pharmaceuticals Limited is destined to move forward.

Thank you all.



A S F RAHMAN
Chairman

Dhaka
28 June, 2007



চেয়ারম্যানের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

বেস্কিমকো ফার্মাসিউটিক্যালস্ লিমিটেডের ৩১তম বার্ষিক সাধারণ সভায় আপনাদের স্বাগত জানাতে পেরে আমি গৌরবান্বিত বোধ করছি এবং অত্যন্ত আনন্দের সাথে আপনাদের সম্মুখে কোম্পানীর ২০০৬ সালের ব্যবসায়িক ও আর্থিক কার্যক্রমের একটি সংক্ষিপ্ত চিত্র উপস্থাপন করছি।

বিক্রয় ও মুনাফা :

এটা অত্যন্ত আনন্দ ও গৌরবের বিষয় যে অতীত বৎসরগুলোর ন্যায় ২০০৬ সালেও কোম্পানীর অগ্রগতির ধারা অব্যাহত ছিল। পূর্ববর্তী বৎসরের ৩,৩২৭.০২ মিলিয়ন টাকা বিক্রয়ের বিপরীতে আলোচ্য বৎসরে কোম্পানী ৩,৭০২.৩২ মিলিয়ন টাকা বিক্রয় করেছে- সার্বিক বিক্রয় প্রবৃদ্ধির হার ১১.৩%। IMS (Information Medical Statistics, Switzerland) এর তথ্য অনুযায়ী ২০০৬ সালে বাংলাদেশের ঔষধ শিল্পের সার্বিক প্রবৃদ্ধির হার ছিল মাত্র ৪.১%। কিন্তু আভ্যন্তরীণ বাজারে আমাদের বিক্রয় প্রবৃদ্ধি অর্জিত হয়েছে ১০.৮% যা প্রশংসার দাবী রাখে। আমাদের পূর্নবিন্যাসিত ও সুসংগঠিত বিক্রয় ও বিপণন কৌশলের মাধ্যমে আমরা আমাদের ঔষধ স্বাস্থ্যসেবা প্রদানকারী সকল মহলে যথোপযুক্তভাবে উপস্থাপনে সক্ষম হয়েছি বলেই এই অর্জন সম্ভব হয়েছে।

২০০৬ সালে আমাদের মোট রপ্তানীর পরিমাণ ছিল ১১৫.১ মিলিয়ন টাকা যা এর পূর্ববর্তী বৎসরের রপ্তানীর চেয়ে ২৯.৫% বেশী। এবছরে তিনটি নতুন দেশ তথা - শ্রীলংকা, সোমালিয়া ও ভুটানে আমরা রপ্তানী করেছি। এছাড়া ছত্রিশটি নতুন ঔষধ কেনিয়া, মায়ানমার, শ্রীলংকা, নেপাল ও কম্বোডিয়াতে নিবন্ধন করা হয়েছে। উল্লেখিত দেশ সমূহ ছাড়াও আরো ৫টি নতুন দেশে আমাদের পন্য বিক্রয়ের লক্ষ্যে বিতরণ চুক্তি সম্পাদিত হয়েছে। রপ্তানী বাণিজ্যে উল্লেখযোগ্য প্রবৃদ্ধি অর্জনের জন্যে আমরা যে সমস্ত জোরালো পদক্ষেপ গ্রহণ করেছি আলোচ্য বছরে আমাদের অর্জনসমূহ তারই প্রাথমিক প্রতিফলন বলে আমরা মনে করি।

বিক্রয় প্রবৃদ্ধির সাথে সাথে আমাদের করপূর্ব মুনাফাও ৭.৮% হারে বৃদ্ধি পেয়েছে। ২০০৬ সালে আমাদের করপূর্ব মুনাফা হয়েছে ৫২৩.২৪ মিলিয়ন টাকা যা বিগত বৎসরে ছিল ৪৮৫.৩৭ মিলিয়ন টাকা।

নতুন ঔষধ :

বিগত বৎসরগুলোতে আমরা সাফল্যের সাথে উল্লেখযোগ্য সংখ্যক নতুন ঔষধ আমাদের উৎপাদন তালিকায় সংযুক্ত করতে পেরেছি। মানসম্মত ঔষধ তৈরীতে আমাদের অতীত ঐতিহ্যের ধারাবাহিকতায় আমরা ২০০৬ সালে বিভিন্ন Therapeutic শ্রেণীভুক্ত ৫৮টি নতুন ঔষধ বাজারজাত করেছি। Bird Flu ভাইরাস এর সম্ভাব্য ঝুঁকি মোকাবেলায় গুরুত্বপূর্ণ Oseflu® (Oseltamivir) নামক ঔষধ এবছরেই আমরা উদ্ভাবন ও বাজারজাত করেছি। এছাড়াও প্রথমবারের মত বাংলাদেশে পরিবেশ বান্ধব ওটি CFC free HFA Metered Dose Inhaler (MDIs) আমরা উৎপাদন ও বাজারজাত করেছি। এখানে বিশেষভাবে উল্লেখ্য যে, বিদেশ থেকেও আমাদের এই অত্যাধুনিক CFC free Inhaler এর উৎসাহব্যঞ্জক চাহিদা পরিলক্ষিত হচ্ছে।

সম্প্রসারণ প্রকল্প সমূহ :

বিশেষায়িত চিকিৎসা সামগ্রী ও Respiratory ঔষধ উৎপাদনে নেতৃস্থানীয় একটি ইউরোপীয় কোম্পানীর সার্বিক সহায়তায় আমরা আমাদের Metered Dose Inhaler (MDI) কারখানাকে CFC মুক্ত ও পরিবেশ বান্ধব HFA ভিত্তিক ইনহেলার উৎপাদনে সক্ষম কারখানায় রূপান্তর এর কাজ সম্পন্ন করেছি। আমি বলতে গর্ববোধ করছি যে, এই প্রযুক্তি সংযোজনের মাধ্যমে বেস্কিমকো ফার্মাসিউটিক্যালস্ লি: বিশ্বে HFA Inhaler উৎপাদনকারী খুব স্বল্প সংখ্যক প্রতিষ্ঠানের তালিকায় এক গর্বিত সদস্য হিসাবে অন্তর্ভুক্ত হলো। ক্রমবর্ধমান চাহিদার প্রেক্ষিতে আমাদের MDI Plant এর উৎপাদন ক্ষমতা বৃদ্ধির জন্যে সম্প্রসারণ প্রকল্পের কাজ ইতিমধ্যে আমরা হাতে নিয়েছি।

আমাদের USFDA অনুমোদনযোগ্য Oral Solid Dosage (OSD) প্লাস্টের ২টি উৎপাদন লাইন সংস্থাপনের কাজ এবছরে সাফল্যজনকভাবে সম্পন্ন হয়েছে, যা আমাদের দীর্ঘদিনের উৎপাদন ক্ষমতার সীমাবদ্ধতা দূরীকরণে উল্লেখযোগ্যভাবে সহায়তা করবে। কোম্পানীর গতিশীল অগ্রযাত্রায় এটি একটি গুরুত্বপূর্ণ মাইলফলক। আমরা এই প্রকল্পের আন্তর্জাতিক GMP সনদ প্রাপ্তির জন্য প্রয়োজনীয় কার্যক্রম শুরু করেছি। আমরা আশা করছি উন্নত বিশ্বের ঔষধ নিয়ন্ত্রন কর্তৃপক্ষের অন্তত একটি এ বৎসরের শেষ নাগাদ আমাদের কারখানাটির নিরীক্ষা কার্যক্রম সম্পন্ন করবে যার মাধ্যমে আমরা কারখানাটির GMP সনদ অর্জন করতে সক্ষম হব।

আপনাদের অবগতির জন্যে জানাচ্ছি যে, ২০০৬ সালে সাফল্যের সাথে Cephalosporin এবং Penicillin এর উৎপাদন কারখানা স্থানান্তর/Outsourcing সম্পন্ন হয়েছে। এর মাধ্যমে আমাদের টপ্পীস্থ সকল ইউনিটের সর্বশেষ GMP বিধিমালায় প্রতিপালন নিশ্চিত হয়েছে। এছাড়া পণ্য সত্ত্বার সমৃদ্ধ করনের লক্ষ্যে আমরা Small Volume Parenterals (SVP) ও Ophthalmic ঔষধ উৎপাদনের জন্যে প্রয়োজনীয় স্থাপনা নির্মানের একটি প্রকল্প হাতে নিয়েছি। ইতিমধ্যে এই প্রকল্প কাজের যথেষ্ট অগ্রগতি হয়েছে।

লভ্যাংশ :

এবছর আমরা ১৫% হারে লভ্যাংশ ঘোষনার প্রস্তাব করেছি, যা ২০০৫ সালের সমপরিমান হলেও ১০% বোনাস শেয়ার ও ৫% নগদ লভ্যাংশের সংমিশ্রনের ফলে শেয়ারহোল্ডারদের প্রকৃত আয় বিগত বৎসরের চেয়ে বেশী হবে বলে আশা করা যায়।

সম্মানিত শেয়ার হোল্ডারবৃন্দ,

২০০৬ সালে কোম্পানী নতুন গতি লাভ করেছে, বিশেষ করে OSD ও HFA ইনহেলার প্লাস্ট এর সংযোজন প্রতিযোগী কোম্পানীসমূহের তুলনায় আমাদেরকে এক ভিন্নমাত্রা প্রদান করেছে। আপনারা CEO এর প্রতিবেদন থেকে স্পষ্টতই অবহিত হয়েছেন যে, ঔষধ প্রস্তুতকারী কোম্পানী হিসাবে আন্তর্জাতিকভাবে প্রতিষ্ঠা পাওয়ার লক্ষ্যে আমাদের অদম্য স্পৃহা ও কার্যক্রম অব্যাহত রয়েছে। এক্ষেত্রে আমাদের লক্ষ্য হচ্ছে মধ্য থেকে দীর্ঘ মেয়াদী সময়ে রপ্তানীর মাধ্যমে কোম্পানীর প্রবৃদ্ধি অর্জন নিশ্চিত করা। যদিও এটি একটি কঠিন কাজ, কিন্তু এ লক্ষ্য অর্জনের ব্যাপারে আমরা আত্মবিশ্বাসী এবং বদ্ধপরিকর।

পরিশেষে, আমি আমাদের সম্মানিত সকল গ্রাহক, ব্যাংকার, আর্থিক প্রতিষ্ঠান, সরবরাহকারী, স্বাস্থ্য সেবাকর্মী, সরকারী সংস্থাসমূহ, বিভিন্ন নিয়ন্ত্রক সংস্থাসমূহ এবং আমাদের কর্মকান্ডের সাথে সংশ্লিষ্ট প্রত্যেককে আমার আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি। আমাদের অন্যতম শক্তি হচ্ছে পেশাগতভাবে উৎসর্গীকৃত সচেতন ও দায়িত্বসম্পন্ন কর্মীবাহিনী, আমি কৃতজ্ঞতার সাথে তাদের অবদানের প্রশংসা করছি।

সর্বোপরি আমাদের সম্মানিত শেয়ার হোল্ডারগণের সার্বক্ষনিক সক্রিয় সমর্থন এবং সহযোগীতার ফলেই কোম্পানী বর্তমান পর্যায়ে পৌঁছতে সক্ষম হয়েছে। সেজন্যে আপনাদেরকে আন্তরিক অভিনন্দন জ্ঞাপন করছি। আমি দৃঢ়ভাবে বিশ্বাস করি আপনাদের অব্যাহত সমর্থন নিয়ে বেক্সিমকো ফার্মাসিউটিক্যালস্ লিমিটেডের অগ্রযাত্রা ভবিষ্যতেও অব্যাহত থাকবে।

আপনাদের সকলকে অসংখ্য ধন্যবাদ।

X. L. P. Lalanda

এ এস এফ রহমান
চেয়ারম্যান

ঢাকা
২৮ জুন ২০০৭

Report of the Directors to the Shareholders For the year ended 31 December 2006

The Directors are pleased to present their report to the shareholders together with the audited accounts for the year ended 31st December, 2006 along with Auditors' Report thereon.

Financial Results and Profit Appropriations

	Figures in '000 Taka	
	2006	2005
Net Profit After Tax	470,659	489,262
Add : Profit brought forward from previous year	2,549,402	2,173,216
Profit Available for Appropriation	3,020,061	2,662,478
Recommended for Appropriations:		
Transfer to tax-holiday reserve	(125,369)	(117,824)
Proposed dividend	(156,146)	(143,882)
Tax holiday reserve no longer required	145,083	148,630
	(136,432)	(113,076)
Un-appropriated Profit Carried Forward	2,883,629	2,549,402

Dividend

The Board of Directors have recommended 5% cash and 10% stock dividend for approval of the shareholders for the year ended 31 December, 2006.

Directors

Dr. Abdul Alim Khan, Director of the company retires by rotation as per Articles 126 and 127 of the Articles of Association of the Company and being eligible offers himself for re-election.

Messrs. Iqbal Ahmed and O K Chowdhury (Nominees of Beximco Holdings Limited) and M A Qasem (Nominee of Bangladesh Export Import Company Limited), Directors of the Company retire by rotation as per Articles 126 and 127 of the Articles of Association of the Company and being eligible offer themselves for re-election.

Board Audit Committee

The Company has an audit committee, which met once in 2006, to consider its Half-Yearly Report for the half-year to 30 June 2006. The Company however re-constituted the Committee in 2007 with Mr. M A Qasem as Chairman and Dr. Abdul Alim Khan and Advocate Ahsanul Karim as Members.

Auditors

The Directors hereby report that the existing Auditors, Messrs M.J.Abedin & Co., Chartered Accountants, National Plaza (6th Floor), 1/G Free School Street, Sonargoan Road, Dhaka-1205 who were appointed as Auditors of the Company in the Thirtieth Annual General Meeting of the Company has carried out the audit for the year ended 31 December 2006.

Messrs M.J.Abedin & Co., Chartered Accountants, National Plaza (6th Floor), 1/G Free School Street, Sonargoan Road, Dhaka-1205, the Auditors of the Company retire at this meeting and have expressed their willingness to continue in office for the year 2007.

Board Meetings and Attendance

During the year 12(twelve) Board Meetings were held. The attendance record of the Directors is as follows:

Name of Directors	Meetings attended
Mr. A S F Rahman	12
Mr. Salman F Rahman	11
Mr. Iqbal Ahmed	12
Mr. M. A. Qasem	12
Mr. O. K. Chowdhury	11
Dr. Abdul Alim Khan	12
Mr. A. B. Siddiqur Rahman	12
Dr. Farida Huq	12
Mr. C. H. Rahman	6
Barrister Faheemul Huq	12
Advocate Ahsanul Karim	12

Statement of Directors on Financial Reports

- The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994 and Securities and Exchange Rules, 1987. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.

- b) Proper books of accounts of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements except those referred to in the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d) The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- e) Internal Control System is sound in design and has been effectively implemented and monitored.
- f) There is no significant doubts about the ability of the Company to continue as a going concern.

The pattern of shareholding

Name-wise details	No. of Shares held
(i) Parent/Subsidiary/Associate companies and other related parties :	
Beximco Holdings Ltd.	11,820,561
Bangladesh Export Import Company Ltd.	6,259,523
(ii) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children :	
Mr. A S F Rahman, Chairman	1,653,132
Mr. Salman F Rahman, Vice Chairman	1,209,949
Dr. Abdul Alim Khan, Director	525,694
Dr. Farida Huq, Director	3,111
Mr. Nazmul Hassan, Chief Executive Officer	3,845
Mr. Afsar Uddin Ahmed, Director Commercial	2,308
Chief Financial Officer, Company Secretary And Head of Internal Audit, spouse and minor children	Nil
(iii) Executives	Nil
(iv) Shareholders holding ten percent (10%) or more voting interest in the company	
Beximco Holdings Ltd. (mentioned in Sl. No. (i))	11,820,561
The Bank of New York (International Nominees)	28,175,750

Key Operating and Financial Data

The summarized key operating and financial data of four preceding years is annexed.

Corporate Governance Compliance Report

In accordance with the requirement of the Securities and Exchange Commission, "Corporate Governance Compliance Report" is annexed.

Thank you all.

On behalf of the Board



A S F RAHMAN
Chairman

Dhaka
28 June 2007

Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006/158/ Admin/02-08 dated 20th February 2006 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

(Report under Condition No.5.00)

Condition No.	Title	Compliance status		Explanation for non-compliance with the condition
		Complied	Not complied	
1.1	Boards Size		√	
1.2(I)	Independent Directors		√	
1.2(II)	Independent Directors Appointment		√	
1.3	Chairman & Chief Executive		√	
1.4(a)	Directors Report on financial Statements		√	
1.4(b)	Books of Accounts		√	
1.4(c)	Accounting Policies		√	
1.4(d)	IAS Applicable in Bangladesh		√	
1.4(e)	System of Internal Control		√	
1.4(f)	Going Concern		√	
1.4(g)	Deviation in Operating Results		√	
1.4(h)	Key operating and Financial Data		√	
1.4(i)	Declaration of Dividend		√	
1.4(j)	Number of Board Meetings		√	
1.4(k)	Pattern of Shareholdings		√	
2.1	CFO, HIA & CS Appointment		√	
2.2	Board Meeting Attendance		√	
3.00	Audit Committee		√	
3.1(i)	Composition of Audit Committee		√	
3.1(ii)	Audit Committee Members Appointment		√	
3.1(iii)	Terms of service of Audit Committee		√	
3.2(I)	Chairman of Audit Committee		√	
3.2(ii)	Audit Committee Chairman's Qualification		√	
3.3.1(I)	Reporting to the Board of Directors		√	
3.3.1(ii)(a)	Report of Conflicts of Interest		√	
3.3.1(ii)(b)	Defect in the Internal Control System		√	
3.3.1(ii)(c)	Suspected infringement of Laws		√	
3.3.1(ii)(d)	Any other matter		√	
3.3.2	Reporting to the Authorities		√	
3.4	Reporting to the Shareholders		√	
4.00 (I)	Appraisal or Valuation Services		√	
4.00 (ii)	Financial information system		√	
4.00 (iii)	Book keeping or other services		√	
4.00 (iv)	Broker dealer services		√	
4.00 (v)	Actuarial services		√	
4.00 (vi)	Internal Audit services		√	
4.00 (vii)	Any other services		√	

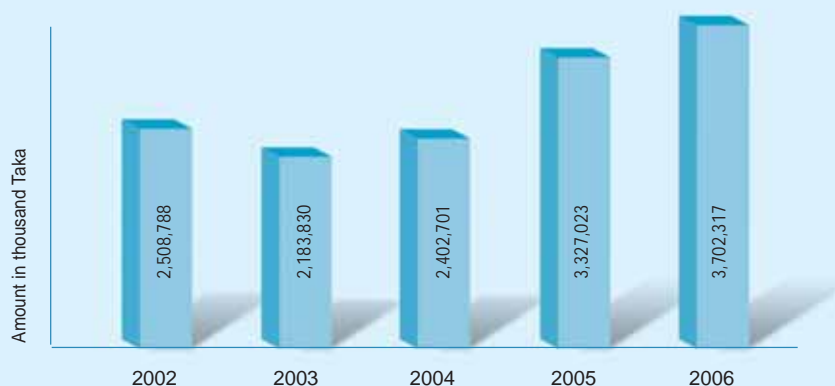
Key Operating and Financial Data

Amounts in thousand Taka

Particulars	2006	2005	2004	2003	2002
Authorized Capital	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000
Paid up Capital	1,040,973	959,216	559,763	508,875	442,500
Net Sales Revenue	3,702,317	3,327,023	2,402,701	2,183,830	2,508,788
Export Sales	115,099	88,858	79,485	59,594	50,284
Gross Profit	1,731,086	1,558,500	1,023,772	828,081	888,295
Profit Before Tax	523,244	485,367	353,661	263,619	362,232
Net Profit	470,659	489,262	329,376	207,140	341,680
Fixed Assets (Gross)	9,885,840	8,623,969	6,822,860	6,669,824	5,512,974
Shareholders' Equity	7,949,920	6,820,925	4,836,013	4,596,421	4,411,406
Dividend	15%	15%	30%	20%	20%
Shareholders' Equity Per Share	76	71	86	90	100
Earnings Per Share (EPS)	4.67	6.36	4.71	2.96	4.88
Market Price Per Share (at end of the year)	53.70	57.80	92.10	39.72	41.83
Price Earning Ratio (Times)	11.50	9.09	19.55	13.42	8.57
Number of Shareholders	48,932	50,591	50,750	47,811	49,960
<i>Sponsors, General Public & Other Institutions</i>	<i>47,888</i>	<i>48,429</i>	<i>41,882</i>	<i>35,568</i>	<i>37,317</i>
<i>Foreign Investors</i>	<i>58</i>	<i>55</i>	<i>49</i>	<i>42</i>	<i>43</i>
<i>ICB including ICB Investors Account</i>	<i>986</i>	<i>2,107</i>	<i>8,819</i>	<i>12,201</i>	<i>12,600</i>
Human Resources					
Number of Employees	2,403	1,981	1,385	1,328	1,218
Officers	1905	1,505	964	862	747
Staff	498	476	421	466	471

Note: Effective from 1st January 2005, Beximco Infusions Limited was amalgamated with Beximco Pharmaceuticals Limited. Figures from 2005 onward are therefore, the combined result of Beximco Pharmaceuticals Limited and former Beximco Infusions Limited.

Net Sales Revenue



Auditors' Report

To The Shareholders of

BEXIMCO PHARMACEUTICALS LIMITED

We have audited the accompanying Balance Sheet of the Beximco Pharmaceuticals Limited as of December 31, 2006 and the related Profit and Loss Account, Statement of Changes in Equity and Statement of Cash Flows for the year then ended. These financial statements are the responsibility of the company's management. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating presentation of the overall financial statement. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the company's affairs as of December 31, 2006 and of the results of its operations and its cash flows for the year then ended and comply with the applicable sections of 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 company's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account ; and
- (d) the expenditure incurred was for the purposes of the company's business.

Dhaka
28 June, 2007



M. J. ABEDIN & CO.
Chartered Accountants

BEXIMCO PHARMACEUTICALS LIMITED

Balance Sheet

As at 31 December 2006

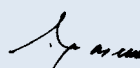
	Notes	2006	2005
ASSETS			
Non-Current Assets		8,555,119,221	7,449,630,817
Property, Plant and Equipment- Carrying Value	20	8,513,136,381	7,412,474,567
Investment in Shares	21	41,982,840	37,156,250
Current Assets		3,357,393,266	3,495,849,163
Inventories	22	1,754,440,288	1,683,722,059
Accounts Receivable	23	430,240,095	779,798,943
Loans, Advances and Deposits	24	591,613,938	603,764,931
Cash and Cash Equivalents	25	581,098,945	428,563,230
TOTAL ASSETS	Tk.	11,912,512,487	10,945,479,980
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity		7,949,920,425	6,820,925,052
Issued Share Capital	26	1,040,973,120	959,215,620
Share Premium	27	1,489,750,000	1,489,750,000
Excess of Issue Price over Face Value of GDRs	28	1,689,636,958	969,175,305
Capital Reserve	29	294,950,950	294,950,950
Tax-Holiday Reserve	30	394,834,828	414,548,999
Retained Earnings		3,039,774,569	2,693,284,178
Non-Current Liabilities		1,435,171,264	1,622,730,360
Long Term Borrowing-Net off Current Maturity (Secured)	31	1,159,409,947	1,387,455,909
Liability for Gratuity & WPPF	32	213,357,859	190,053,550
Deferred Tax Liability	19.5 & 33	62,403,458	45,220,901
Current Liabilities and Provisions		2,527,420,798	2,501,824,568
Short Term Borrowings	34	1,302,816,980	1,062,011,192
Long Term Borrowing-Current Maturity	35	712,122,930	1,066,030,957
Creditors and Other Payables	36	365,255,938	216,660,743
Accrued Expenses	37	117,936,620	101,859,834
Dividend Payable		13,012,146	830,440
Income Tax Payable	38	16,276,184	54,431,402
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	Tk.	11,912,512,487	10,945,479,980

The Notes are integral part of the Financial Statements.

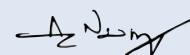
Approved and authorised for issue by the board of directors on 28 June 2007 and signed for and on behalf of the Board :



O. K. Chowdhury
Director



M. A. Qasem
Director



Ali Nawaz
Chief Finance Officer

Dhaka
28 June, 2007

Per our report of even date.



M. J. Abedin & Co.
Chartered Accountants

BEXIMCO PHARMACEUTICALS LIMITED
Profit and Loss Account
For the year ended 31 December 2006

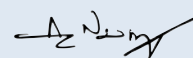
	Notes	2006	2005
Net Sales Revenue	39	3,702,317,159	3,327,022,574
Cost of Goods Sold	40	(1,971,231,333)	(1,768,522,363)
Gross Profit		1,731,085,826	1,558,500,211
Operating Expenses :		(984,562,332)	(834,148,493)
Administrative Expenses	43	(150,285,977)	(119,006,535)
Selling, Marketing and Distribution Expenses	44	(834,276,355)	(715,141,958)
Profit from Operations		746,523,494	724,351,718
Other Income	45	56,201,142	7,232,609
Finance Cost	46	(253,318,784)	(221,949,324)
Net Profit Before Contribution to WPPF		549,405,852	509,635,003
Contribution to Workers' Profit Participation/ Welfare Funds	47	(26,162,183)	(24,268,333)
Net Profit Before Tax		523,243,669	485,366,670
Income Tax Income/(Expense)	19.5, 33 & 48	(52,585,106)	3,895,094
Current Tax		(35,402,549)	(46,169,026)
Deferred Tax Income/(Expense)		(17,182,557)	50,064,120
Net Profit After Tax Transferred to Statement of Changes in Equity		Tk. 470,658,563	489,261,764
Earnings Per Share (of Tk. 10 /- each)	49	Tk. 4.67	6.36
Number of shares used to compute EPS		100,737,415	76,878,446

The Notes are integral part of the Financial Statements.

Approved and authorised for issue by the board of directors on 28 June 2007 and signed for and on behalf of the Board :

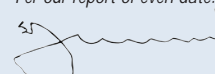

O. K. Chowdhury
Director


M. A. Qasem
Director


Ali Nawaz
Chief Finance Officer

Dhaka
28 June, 2007

Per our report of even date.


M. J. Abedin & Co.
Chartered Accountants

BEXIMCO PHARMACEUTICALS LIMITED
Statement of Changes in Equity
For the year ended 31 December 2006

	Share Capital	Share Premium	Excess of Issue Price over Face Value of GDRs	Tax Holiday Reserve	Capital Reserve	Retained Earnings	Total
Opening Balance on 01.01.2006	959,215,620	1,489,750,000	969,175,305	414,548,999	294,950,950	2,693,284,178	6,820,925,052
Net Profit after tax for 2006						470,658,563	470,658,563
Tax Holiday Reserve provided for 2006 (Note-50)				125,369,152		(125,369,152)	-
Tax Holiday Reserve no longer required				(145,083,323)		145,083,323	-
Cash Dividend of Prior Period (2005)						(143,882,343)	(143,882,343)
Shares issued against GDR in 2006	81,757,500		720,461,653				802,219,153
At the end of year 2006	Tk. 1,040,973,120	1,489,750,000	1,689,636,958	394,834,828	294,950,950	3,039,774,569	7,949,920,425

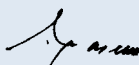
Total Number of shares							104,097,312
Shareholders' Equity per share						Tk.	76.37

The Notes are integral part of the Financial Statements.

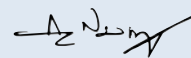
Approved and authorised for issue by the board of directors on 28 June 2007 and signed for and on behalf of the Board :



O. K. Chowdhury
Director




M. A. Qasem
Director



Ali Nawaz
Chief Finance Officer

Per our report of even date.



M. J. Abedin & Co.
Chartered Accountants

Dhaka
28 June, 2007

BEXIMCO PHARMACEUTICALS LIMITED
Cash Flow Statement
For the year ended 31 December 2006

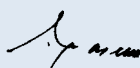
	2006	2005
Cash Flows from Operating Activities :		
Cash Receipts from Customers and Others	4,097,579,564	3,303,531,937
Cash Paid to Suppliers and Employees	(2,714,775,105)	(2,754,388,271)
Cash Generated from Operations	1,382,804,459	549,143,666
Interest Paid	(229,719,450)	(202,541,434)
Income Tax Paid	(73,557,767)	(34,977,184)
Net Cash Generated from Operating Activities	1,079,527,242	311,625,048
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(1,224,925,205)	(908,660,504)
Investment in Shares	(10,000,000)	-
Amalgamation Expenditure	-	(8,311,848)
Sales of Shares in Bextex Ltd.	15,294,792	-
Disposal of Property, Plant and Equipment	450,467	3,844,428
Net Cash Used in Investing Activities	(1,219,179,946)	(913,127,924)
Cash Flows from Financing Activities :		
Net (Decrease)/Increase in Long Term Borrowings	(619,135,885)	65,200,780
Issue of Shares against GDR	81,757,500	200,000,000
Net Excess of Issue Price over Face Value of GDRs (Note : 28)	720,461,653	969,175,305
Net (Decrease)/Increase in Short Term Borrowings	240,805,788	(180,510,567)
Dividend Paid	(131,700,637)	(34,318,673)
Net cash Generated from Financing Activities	292,188,419	1,019,546,845
Increase in Cash and Cash Equivalents	152,535,715	418,043,969
Cash and Cash Equivalents at Beginning of Year	428,563,230	10,519,261
Cash and Cash Equivalents at End of Year	Tk. 581,098,945	428,563,230

The Notes are integral part of the Financial Statements.

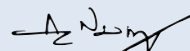
Approved and authorised for issue by the board of directors on 28 June 2007 and signed for and on behalf of the Board :



O. K. Chowdhury
Director



M. A. Qasem
Director



Ali Nawaz
Chief Finance Officer

Per our report of even date.



M. J. Abedin & Co.
Chartered Accountants

Dhaka
28 June, 2007

BEXIMCO PHARMACEUTICALS LIMITED
Notes to the Accounts
For the year ended 31 December 2006

1. Reporting Entity

Beximco Pharmaceuticals Limited (BPL/ the Company) was incorporated in Bangladesh in 1976 under the Companies Act, 1913 as a Public Limited Company. It commenced its manufacturing operation in 1980. The Company was listed with Dhaka Stock Exchange in 1985 and with Chittagong Stock Exchange in 1995 on its debut.

In 2005 BPL was enlisted with the Alternative Investment Market (AIM) of the London Stock Exchange.

The shares of the Company are now traded in Dhaka and Chittagong Stock Exchanges of Bangladesh and also in the AIM of the London Stock Exchange.

Also during the year 2005, the company took over, under a Scheme of Amalgamation Beximco Infusions Ltd., a listed company of the Beximco Group engaged in manufacturing and marketing of intravenous fluids.

The registered office of the company is located at House No. 17, Road No. 2, Dhanmondi R/A, Dhaka. The industrial units are located in Gazipur district - a close vicinity of the capital city.

The Company is engaged in manufacturing and marketing of pharmaceuticals finished Formulation Products, Active Pharmaceutical Ingredients (APIs) and life saving Intravenous (I.V) Fluids which it sells in the local as well as international markets. The Company also provides contract manufacturing services.

2. Basis of Measurement of Elements of Financial Statements

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

3. Statement on Compliance with Local Laws

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 and Chittagong Stock Exchanges* and other relevant local laws as applicable.

4. Statement on Compliance of Bangladesh Accounting Standards

The financial statements have been prepared in accordance with the applicable *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).

5. Structure, Content and Presentation of Financial Statements

Being the general purpose financial statements, the presentation of these financial statements are in accordance with the guidelines provided by *BAS 1 : Presentation of Financial Statements*.

6. Reporting Period

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

7. Approval of Financial Statements

The financial statements were approved by the Board of Directors on 28 June 2007.

8. Reporting Currency

The financial statements are prepared and presented in *Bangladesh Currency (Taka)*, which is the company's functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

9. Comparative Information and Rearrangement Thereof

Comparative information has been disclosed in respect of the year 2005 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the year 2005 have been re-arranged wherever considered necessary to ensure better comparability with the current year.

10. Risk and Uncertainty For Use of Estimates and Judgements

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

11. Accrued Expenses and Other Payables

Liabilities for the goods and services received has been accounted for. Payables are not interest bearing and are stated at their nominal value.

12. Going Concern

The company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the accounts.

13. Financial Instruments

Non-derivative financial instruments comprise accounts and other receivables, cash and cash equivalents, borrowings and other payables and are shown at transaction cost.

14. Impairment

In accordance with the provisions of *BAS 36 : Impairment of Assets*, the carrying amount of non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognised in profit and loss account. No such indication of impairment has been raised till to date.

15. Segment Reporting

No segment reporting is applicable for the company as required by *BAS 14 : Segment Reporting*, as the company operates in a single industry segment .

16. Cash Flow Statement

The Cash Flow Statement has been prepared in accordance with the requirements of *BAS 7: Cash Flow Statements*.

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.

17. Transactions with Related Parties

The company carried out a number of transactions with related parties in the normal course of business and on arm's length basis.

The information as required by *BAS 24 : Related party Disclosures* has been disclosed in a separate note to the accounts.

18. Events After the Balance Sheet Date

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

19. Accounting Policies For Significant Items

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

19.1 Revenue Recognition Policy

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

Revenue from sales is exclusive of VAT.

Cash dividend income on investment in shares is recognized on approval of said dividend in the annual general meeting . Stock dividend income (Bonus Shares) is not considered as revenue.

19.2 Property, Plant and Equipment

19.2.1 Recognition and Measurement

Property, plant and equipment are capitalised at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the requirements of *BAS 16: Property, Plant and Equipment*. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

19.2.2 Pre-Operating Expenses and Borrowing Costs

In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing cost considering the requirement of *BAS 23: Borrowing Costs*.

19.2.3 Disposal of Fixed Assets

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

19.2.4 Depreciation on Fixed Assets

Depreciation is provided to amortise the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of *BAS 16: Property, Plant and Equipment*. Depreciation is provided for the period in use of the assets. Depreciation is provided at the following rates on reducing balance basis:

Building and Other Construction	5% to 10%
Plant and Machinery	7.5% to 15%
Furniture & Fixtures	10%
Transport & Vehicle	20%
Office Equipment	10% to 15%

19.3 Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by *BAS 2 : Inventories*. Cost is determined on weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

19.4 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

19.5 Income Tax Expense

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit and loss account and accounted for in accordance with the requirements of *BAS 12 : Income Tax*.

Current Tax

Current tax is the expected tax payable on the taxable income for the year, and any adjustment to tax payable in respect of previous years. The company qualified as a "Publicly Traded Company", hence the applicable Tax Rate is 30%.

Deferred Tax

The company has recognised deferred tax using balance sheet method in compliance with the provisions of *BAS 12 : Income Taxes*. The company's policy of recognition of deferred tax assets/ liabilities is based on temporary differences (Taxable or deductible) between the carrying amount (Book value) of assets and liabilities for financial reporting purpose and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and earnings per shares (EPS).

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

19.6 Leased Assets

In compliance with the *BAS 17 : Leases*, cost of assets acquired under finance lease along with related obligation have been accounted for as assets and liabilities respectively of the company, and the interest element has been charged as expenses .

19.7 Lease Payment

Lease payments made under finance leases are apportioned between the finance expenses and the reduction of the outstanding liability.

19.8 Employee Benefits

The company has accounted for and disclosed of employee benefits in compliance with the provisions of *BAS 19: Employee Benefits*.

The cost of employee benefits are charged off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits includes the following :

(a) Defined Contribution Plan

This represents recognized contributory provident fund for all its permanent employees. Assets of provident fund are held in a separate trustee administered fund as per the relevant rules and is funded by contributions from both the employees and the company at pre-determined rates.

(b) Defined Benefits Plan

This represents unfunded gratuity scheme for its permanent employees. Employees are entitled to gratuity benefit after completion of minimum five years of service in the company. The gratuity is calculated on the latest applicable basic pay and is payable at the rate of one month basic pay for every completed year of service.

Though no valuation was done to quantify actuarial liabilities as per the *BAS 19 : Employee Benefits*, such valuation is not likely to yield a result significantly different from the current provision.

(c) **Contribution To Workers' Profit Participation/ Welfare Funds**

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

(d) **Insurance Scheme**

Employees of the company are covered under life insurance scheme.

19.9 Share Premium

The Share Premium shall be utilized in accordance with the provisions of the Companies Act 1994 and as directed by the Securities and Exchange Commission in this respect.

19.10 Tax Holiday Reserve

This is being created out of profit of units enjoying tax holiday status to invest in the same undertaking or in any new industrial undertaking or in stocks and shares of listed companies or in government bonds or securities or for other purposes as required by the Income Tax Ordinance 1984.

On expiry of the tax holiday period of a unit, related tax holiday reserve being no longer required are released and transferred to retained earnings.

19.11 Proposed Dividend

Proposed dividend is accounted for after approval by the shareholders in the annual general meeting.

19.12 Earnings Per Share (EPS)

This has been calculated in compliance with the requirements of *BAS 33 : Earnings Per Share* by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Basic Earnings

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

Weighted Average Number of Ordinary Shares Outstanding during the year

The basis of computation of number of shares is in line with the provisions of *BAS 33 : Earnings Per Share*. Therefore, the total number of shares issued in 2006 has been multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the period.

Diluted Earnings Per Share

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

19.13 Foreign Currency Transactions

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

The monetary assets and liabilities, if any, denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchanges ruling at that date. Exchange differences are charged off as revenue expenditure in compliance with the provisions of *BAS 21 : The Effects of Changes in Foreign Exchange Rates*. However, as a requirement of the Companies Act 1994, exchange loss relating to obligation under lease has been capitalized to relevant fixed assets being procured under the said obligation.

The rates of relevant foreign exchanges at year end are :

		<u>2006</u>		<u>2005</u>
1 US Dollar (\$)	=	Tk. 70.4000		67.2500

20. Property, Plant and Equipment - Tk. 8,513,136,381

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Transport and Vehicle	Office Equipment	Total
Cost							
At 01.01.2006	1,199,313,610	596,284,330	1,233,272,178	53,234,461	105,798,712	176,963,786	3,364,867,077
Additions during the year	8,104,304	14,333,972	85,666,968	8,465,175	19,666,000	29,552,829	165,789,248
Transferred & Capitalized	-	259,037,873	94,662,571	287,928	-	9,862,508	363,850,880
Exchange Loss	27,028,255	-	3,737,341	-	-	89,009	30,854,605
Disposal during the year	-	-	-	(171,500)	(64,446)	-	(235,946)
Cost at 31 December, 2006	1,234,446,169	869,656,175	1,417,339,058	61,816,064	125,400,266	216,468,132	3,925,125,864
Accumulated Depreciation							
At 31 December, 2005	-	324,180,935	690,953,174	24,440,536	56,461,014	115,458,378	1,211,494,037
Depreciation during the year	-	39,230,691	89,825,792	3,747,546	13,777,057	14,789,936	161,371,022
Adjustment for assets disposed off	-	-	-	(123,734)	(37,947)	-	(161,681)
Accumulated Depreciation at 31 December, 2006	-	363,411,626	780,778,966	28,064,348	70,200,124	130,248,314	1,372,703,378
Net Book Value							
31 December, 2006	Tk. 1,234,446,169	506,244,549	636,560,092	33,751,716	55,200,142	86,219,818	2,552,422,486
Capital Work in Progress	Tk.						5,960,713,895
Carrying Value as on 31 December, 2006	Tk. 1,234,446,169	506,244,549	636,560,092	33,751,716	55,200,142	86,219,818	8,513,136,381

Assets include lease hold assets of Tk. 1,404,292,092 at cost and Tk. 1,217,024,800 at written down value.

Capital Work in Progress is arrived at as follows :

	2006	2005
Opening Balance	5,259,101,527	4,392,597,712
Addition during the year	1,059,135,957	844,412,619
Exchange Loss	6,327,291	22,091,196
	6,324,564,775	5,259,101,527
Transferred & Capitalized		
Building and Other Constructions	(259,037,873)	-
Plant & Machinery	(94,662,571)	-
Furniture	(287,928)	-
Office Equipment	(9,862,508)	-
Tk.	5,960,713,895	5,259,101,527

21. Investment in Shares - Tk. 41,982,840

This Consists of :

	2006	2005
a) 3,582,538 Shares of Tk. 10 each of Bextex Limited (former Padma Textile Mills Ltd.)	30,982,840	36,156,250
b) 100,000 Shares of BPL Power Company Ltd. of Tk. 100 each	10,000,000	-
c) 1 Share of Tk.1,000,000 each of Central Depository Bangladesh Ltd. (CDBL)	1,000,000	1,000,000
	<u>Tk. 41,982,840</u>	<u>37,156,250</u>

The shares of the Bextex Limited are listed in the Dhaka and Chittagong Stock Exchanges.

The market value of each share of Bextex Ltd. as on 28th December, 2006 was Tk. 22.40 (on 29-12-05 Tk. 21.90) in the Dhaka Stock Exchange Ltd. and Tk. 22.40 (on 29-12-05 Tk. 22.10) in the Chittagong Stock Exchange Ltd.

The investment in 3,582,538 shares represents 2.09% of total 171,167,841 issued, subscribed and paid-up shares of Bextex Limited.

22. Inventories - Tk. 1,754,440,288

This consists of as follows :

Finished Goods	398,102,771	378,744,903
Work in Process	178,713,956	156,374,814
Raw Material	623,238,087	695,165,382
Packing Material	200,227,273	229,060,186
Laboratory Chemical	2,163,268	2,145,268
Literature & Promotional Material	44,474,997	18,745,269
Physician Sample	14,025,516	12,998,593
Raw & Packing Material in Transit	196,082,038	107,063,860
Stock of Stationery	2,537,415	1,874,526
Spares & Accessories	94,874,967	81,549,258
	<u>Tk. 1,754,440,288</u>	<u>1,683,722,059</u>

23. Accounts Receivable - Tk. 430,240,095

This is unsecured, considered good and is falling due within one year.

This includes receivable of Tk. 3,151,402 equivalent to US\$ 45,455 (on 31-12-2005 Tk. 48,424,050 equivalent to US \$ 826,785) against export sales.

This also includes Tk. 364,005,726 (on 31-12-2005 Tk. 683,362,096) due from I & I Services Ltd., the local distributor of the pharmaceutical products of the Company and a "Related Party". The maximum amount due from that company during the year was Tk. 770,764,638 on 30-4-2006 (on 28-11-2005 Tk. 693,297,037).

No amount was due by the directors, managing agent, managers and other officers of the company and any of them severally or jointly with any other person.

24. Loans, Advances and Deposits - Tk. 591,613,938

This is unsecured, considered good and consists of as follows :

	2006	2005
Clearing & Forwarding	10,792,368	41,109,112
VAT	139,504,808	128,957,135
Claim Receivable	16,085,288	14,705,569
Security Deposit	11,008,107	10,231,066
Lease Deposit	26,248,190	23,635,890
Earnest Money	1,729,384	3,033,844
For Capital Expenditure	46,673,169	29,657,950
For Expenses	12,766,250	13,568,564
Bank Guarantee Margin	2,875,744	1,539,813
Advance against Salary	29,977,777	18,950,286
Rent Advance	2,128,286	1,627,297
Motor Cycle	54,067,439	68,811,816
Raw & Packing Material	186,198,704	233,898,656
Others	51,558,424	14,037,933
Tk.	<u>591,613,938</u>	<u>603,764,931</u>

(a) The maximum amount due from the officers during the year was Tk. 31,418,798 on 30.11.06.

(b) No amount was due by the directors, managing agent, managers and other officers of the company and any of them severally or jointly with any other person, except as stated above.

(c) No amount was due by any related party.

25. Cash and Cash Equivalents - Tk. 581,098,945

This consists of as follows :

(a) Cash in Hand	1,426,068	529,884
(b) Imprest Cash	2,636,111	780,965
(c) Cash at Banks :		
(i) In Current Accounts	(2,536,354)	16,520,973
(ii) In FDR Accounts	577,448,630	402,301,370
(iii) In F.C. Accounts (Equivalent US\$ 30,177) (on 31-12-2005 US\$ 125,354)	2,124,490	8,430,038
	<u>577,036,766</u>	<u>427,252,381</u>
Tk.	<u>581,098,945</u>	<u>428,563,230</u>

26. Issued Share Capital - Tk. 1,040,973,120

This represents :

Authorized :

200,000,000 Ordinary Shares of Tk. 10/- each **Tk. 2,000,000,000** **2,000,000,000**

Issued, Subscribed and Paid-up :

51,775,750 Ordinary Shares (2005: 43,600,000) of Tk. 10/- each fully paid-up in cash **517,757,500** **436,000,000**

46,370,312 Bonus Shares (2005: 46,370,312) of Tk. 10/- each **463,703,120** **463,703,120**

5,951,250 Shares of Tk. 10/- each issued in Exchange of Shares of Beximco Infusions Ltd. **59,512,500** **59,512,500**

104,097,312 Shares **Tk. 1,040,973,120** **959,215,620**

The movement of issued shares during the year 2006 is as follows :

	Number of Shares	Amount in Taka
(a) As on 01.01.2006	95,921,562	959,215,620
Issued in 2006 against :		
Underlying Shares against GDRs	8,175,750	81,757,500
Closing as at 31.12.2006	<u>104,097,312</u>	<u>1,040,973,120</u>

(b) Composition of Shareholding :

	2006		2005	
	No. of shares	%	No. of shares	%
Sponsors	21,471,970	20.63	21,471,970	22.38
Foreign Investors	31,000,305	29.78	20,870,436	21.76
ICB including ICB Investors Account	14,242,332	13.68	14,191,356	14.79
General Public and Institutions	37,382,705	35.91	39,387,800	41.07
	<u>104,097,312</u>	<u>100.00</u>	<u>95,921,562</u>	<u>100.00</u>

(c) Distribution Schedule :

Range of Holdings In number of shares	No. of Shareholders		% of Shareholders		No. of Shares		% of Share Capital	
	2006	2005	2006	2005	2006	2005	2006	2005
1 to 499	39,471	40,419	80.67%	79.89%	5,074,404	5,268,754	4.87%	5.49%
500 to 5,000	8,501	9,122	17.37%	18.03%	11,770,861	12,783,259	11.31%	13.33%
5,001 to 10,000	525	563	1.07%	1.11%	3,668,789	3,966,045	3.52%	4.13%
10,001 to 20,000	239	278	0.49%	0.55%	3,327,993	3,973,112	3.20%	4.14%
20,001 to 30,000	65	76	0.13%	0.15%	1,616,329	1,867,586	1.55%	1.95%
30,001 to 40,000	32	31	0.07%	0.06%	1,128,449	1,067,595	1.08%	1.11%
40,001 to 50,000	19	23	0.04%	0.05%	853,446	1,001,725	0.82%	1.04%
50,001 to 100,000	36	40	0.07%	0.08%	2,420,867	2,835,678	2.33%	2.96%
100,001 to 1,000,000	31	29	0.06%	0.06%	11,532,064	8,980,367	11.08%	9.36%
Over 1,000,000	13	10	0.03%	0.02%	62,704,110	54,177,441	60.24%	56.49%
Total	48,932	50,591	100.00%	100.00%	104,097,312	95,921,562	100.00%	100.00%

(d) Market Price :

The shares are listed in the Dhaka, Chittagong and London Stock Exchanges on the last working day of the year, each share was quoted at Tk. 53.70 (on 29.12.2005 Tk. 57.80) in the Dhaka Stock Exchange Ltd., Tk. 53.50 (on 29.12.2005 Tk. 58.00) in the Chittagong Stock Exchange Ltd., and GBP 0.615 in London Stock Exchanges (GBP 0.655 at 31.12.2005).

(e) Option on unissued shares :

There is option regarding authorized capital not yet issued but can be used to increase the issued, subscribed and paid-up capital through the issuance of new shares against GDRs to the number of 6,666,662 (2005 : 6,666,662).

27. Share Premium - Tk. 1,489,750,000

This is made-up as follows :

- (a) 590,000 shares issued in 1992 at the premium of Tk. 325/- per share
 (b) 1,180,000 shares issued in 1994 at the premium of Tk. 1,100/- per share

	2006	2005
	191,750,000	191,750,000
	1,298,000,000	1,298,000,000
Tk.	<u>1,489,750,000</u>	<u>1,489,750,000</u>

28. Excess of Issue Price over Face Value of GDRs- Tk. 1,689,636,958

This represents the issue price of 28,175,750 GDRs at Tk. 2,244,080,670 net of face value of underlying shares against GDRs and GDR expenses.

29. Capital Reserve-Tk. 294,950,950

This is as per last account.

30. Tax-Holiday Reserve - Tk. 394,834,828

This has been provided for as per provisions of the Income Tax Ordinance, 1984 which is arrived at as follows :

Opening Balance

Add: Provided during the year (Note - 50)

Less : Tax Holiday Reserve no longer required

	2006	2005
	414,548,999	445,355,048
	125,369,152	117,823,763
	(145,083,323)	(148,629,812)
Tk.	<u>394,834,828</u>	<u>414,548,999</u>

31. Long Term Borrowing - Net off Current Maturity (Secured)- Tk. 1,159,409,947

This Consists of :

(a) Project Loan

(b) Interest and PAD

(c) Obligation Under Finance Leases

	964,687,435	1,182,785,716
	159,719,746	148,209,229
	35,002,766	56,460,964
Tk.	<u>1,159,409,947</u>	<u>1,387,455,909</u>

(a) Project Loan

This loan was sanctioned under the consortium arrangement of Janata Bank, Sonali Bank, Agrani Bank, Rupali Bank and United Commercial Bank Ltd. for the US FDA standard oral solid dosages facility of the company. Janata Bank was the lead bank to the consortium.

This Loan is secured against :

- First (registered mortgage) charge on paripassu basis with the participating banks on 1,112.82 decimals of land along with the building and other construction to be built thereon at Kathaldia and Aushpara of Gazipur; and
- First paripassu charge by way of hypothecation on all assets of the company both present and future.
- This Loan, carrying interest at 11% to 13% per annum, is repayable in half-yearly installments ending by 2012.

(b) Interest and PAD

This represents PAD and blocked interest of Janata Bank to be paid in quarterly installments over a period of 7(seven) years ending by 30.04.2011.

32. Liability for Gratuity & WPPF - Tk. 213,357,859

This consists of payable to the permanent employees at the time of separation from the company and Loan from Workers' Profit Participation/Welfare Funds as detailed below :

	2006	2005
(a) Gratuity Payable		
Opening Balance	83,598,054	73,138,962
Provided during the year	15,280,229	16,030,813
	98,878,283	89,169,775
Paid during the year	(4,041,684)	(5,571,721)
Tk.	<u>94,836,599</u>	<u>83,598,054</u>
(b) Loan from Workers' Profit Participation/Welfare Funds	118,521,260	106,455,496
Tk.	<u>213,357,859</u>	<u>190,053,550</u>

33. Deferred Tax Liability - Tk. 62,403,458

This is arrived at as follows:

Opening Balance	45,220,901	95,285,021
Deferred Tax (Income)/Expense for the year (Note : 48)	17,182,557	(50,064,120)
Tk.	<u>62,403,458</u>	<u>45,220,901</u>

34. Short Term Borrowings - Tk. 1,302,816,980

This represents :

(a) Janata Bank :		
Cash Credit-Pledge	165,214,805	152,305,681
Cash Credit-Hypothecation	628,919,853	582,349,567
PAD	250,305,095	-
LIM	165,057,074	218,200,735
(b) Citibank NA	41,626,869	40,853,947
(c) Standard Chartered Bank	1,762	18,301,262
(d) IPDC	51,691,522	50,000,000
Tk.	<u>1,302,816,980</u>	<u>1,062,011,192</u>

35. Long Term Borrowing-Current Maturity - Tk. 712,122,930

This consists of as follows and is payable within next twelve months from the Balance Sheet date :

Project Loan	489,443,207	-
Interest & PAD	67,200,136	92,679,968
Obligation under Finance Leases	155,479,587	973,350,989
Tk.	<u>712,122,930</u>	<u>1,066,030,957</u>

36. Creditors and other Payables - Tk. 365,255,938

This consists of :

For Goods & Services	146,825,002	103,097,124
Provident Fund	112,692,882	88,291,329
For Capital Expenditure	69,581,555	20,845,776
Advance Against Export	15,294,367	-
Others	20,862,132	4,426,514
Tk.	<u>365,255,938</u>	<u>216,660,743</u>

These are unsecured, and falling due within one year.

37. Accrued Expenses - Tk. 117,936,620

This is falling due within one year and consists of as follows :
 For expenses - Unsecured
 Workers' Profit Participation/ Welfare Funds (current year's provision)

	2006	2005
	91,774,437	77,591,501
	26,162,183	24,268,333
Tk.	<u>117,936,620</u>	<u>101,859,834</u>

38. Income Tax Payable - Tk. 16,276,184

This is arrived at as follows :

Opening Balance
 Tax provided in 2006 (Note - 48)
 (Excess)/Shortfall in tax provision of earlier years

	54,431,402	43,239,560
	43,413,478	43,217,283
	(8,010,929)	2,951,743
	89,833,951	89,408,586
	(73,557,767)	(34,977,184)
Tk.	<u>16,276,184</u>	<u>54,431,402</u>

Tax paid (including advance tax) during the year

39. Net Sales Revenue - Tk. 3,702,317,159

This represents net sales and consists of as follows :

Local Sales
 Export Sales-US\$ 1,671,522 (in 2005 US\$ 1,395,584)

	3,587,218,117	3,238,165,045
	115,099,042	88,857,529
Tk.	<u>3,702,317,159</u>	<u>3,327,022,574</u>

Sales represent :

Tablet & Capsules Pcs
 Bottles & Tubes Pcs
 Basic Chemicals Kg.
 IV Fluids Bottles

	1,647,670,068	1,559,743,959
	37,025,214	25,760,260
	44,751	-
	8,724,310	8,993,424

40. Cost of Goods Sold - Tk.1,971,231,333

This is made-up as follows :

Work-in-Process (Opening)
 Material Consumed

	156,374,814	124,370,616
41	1,622,394,163	1,537,380,433
	1,778,768,977	1,661,751,049

Work-in-Process (Closing)

(178,713,956) (156,374,814)

TOTAL CONSUMPTION

1,600,055,021 **1,505,376,235**

Factory Overhead

42 426,338,680 338,892,462

COST OF PRODUCTION

2,026,393,701 **1,844,268,697**

Finished Goods (Opening)

378,744,903 321,243,903

Finished Goods available

2,405,138,604 **2,165,512,600**

Finished Goods (Closing)

(398,102,771) (378,744,903)

2,007,035,833 **1,786,767,697**

Cost of Physician Sample

(35,804,500) (18,245,334)

Tk. 1,971,231,333 1,768,522,363

Item wise quantity and value of Finished Goods Stock are as follows :

Item	Unit	Quantity	Value
Stock as on 01-01-06			
Tablet & Capsule	Pcs	302,731,794	235,154,176
Bottle & Tube	Pcs	6,997,074	111,789,537
Basic Chemicals	Kg	2,372	2,467,189
IV Fluids	Bottles	2,580,489	29,334,001
			Tk. <u>378,744,903</u>
Stock as on 31-12-06			
Tablet & Capsule	Pcs	360,793,569	252,207,009
Bottle & Tube	Pcs	5,697,578	101,783,366
Basic Chemicals	Kg	8,989	20,880,681
IV Fluids	Bottles	1,231,511	23,231,715
			Tk. <u>398,102,771</u>

41. Material Consumed - Tk. 1,622,394,163

This is made-up as follows :

Opening Stock
Purchase
Closing Stock

	2006	2005
	926,370,836	871,493,939
	1,521,651,955	1,592,257,330
	<u>(825,628,628)</u>	<u>(926,370,836)</u>
Tk.	<u>1,622,394,163</u>	<u>1,537,380,433</u>

42. Factory Overhead - Tk. 426,338,680

This consists of as follows :

Salary & Allowances
Repairs & Maintenance
Insurance Premium
Municipal Tax & Land Revenue
Advertisement & Subscription
Traveling & Conveyance
Entertainment
Research and Development
Printing & Stationery
Telephone & Postage
Toll Charge/ (income) - Net
Electricity, Gas & Water
Other Expenses
Depreciation

	2006	2005
	152,419,522	134,469,797
	55,432,059	39,456,949
	4,464,103	6,498,801
	966,105	620,390
	207,280	175,410
	508,110	1,310,215
	289,979	507,828
	5,012,565	16,710,265
	5,047,093	3,171,742
	2,110,387	1,738,720
	30,865,623	3,917,000
	19,620,220	16,901,507
	7,513,532	5,938,553
	141,882,102	107,475,285
Tk.	<u>426,338,680</u>	<u>338,892,462</u>

- Salary and allowances include Company's Contribution to provident fund of Tk. 2,235,542 (in 2005 Tk. 2,169,838).
- In 2006, all the 625 factory employees received annual salary and allowances of Tk. 36,000 and above.
- The value of imported stores and spares consumed is Tk. 16,056,036 (in 2005 Tk. 5,136,590) which is 70% (42% in 2005) of total stores and spares consumed as included in repairs & maintenance.
- Other expenses does not include any item exceeding 1% of total revenue.

43. Administrative Expenses Tk. 150,285,977

This consists of as follows :

	2006	2005
Salary & Allowances	71,303,223	60,096,658
Rent Expenses	5,067,449	5,062,150
Repairs & Maintenance	8,419,528	8,141,534
Donation & Subscription	1,288,074	1,522,742
Traveling & Conveyance	9,916,494	7,074,211
Entertainment	2,376,972	1,805,972
Printing & Stationery	1,334,676	1,099,500
Auditors' Remuneration	306,270	300,000
Telephone & Postage	3,819,394	3,273,840
Electricity, Gas & Water	2,477,526	3,552,365
Legal & Consultancy Fee	2,474,773	3,350,442
AGM and Company Secretarial Expenses	27,937,966	13,759,040
Other Expenses	6,772,337	1,678,042
Depreciation	6,791,295	8,290,039
Tk.	<u><u>150,285,977</u></u>	<u><u>119,006,535</u></u>

- (a) Salary and allowances include provident fund contribution of Tk. 1,835,719 (in 2005Tk. 1,222,163).
- (b) In 2006, all the 136 employees of head office (excluding employees relating to selling and distribution) received annual salary and allowances of Tk. 36,000 and above.
- (c) Auditors' remuneration represents audit fee for auditing the accounts for the year 2006.

44. Selling, Marketing and Distribution Expenses - Tk. 834,276,355

This consists of as follows :

	2006	2005
Salary & Allowances	242,771,658	229,720,919
Rent Expenses	13,323,650	14,174,590
Repairs & Maintenance	14,059,422	12,531,386
Traveling & Conveyance	132,569,372	112,894,909
Entertainment	876,932	1,769,800
Printing & Stationery	11,927,246	9,179,084
Telephone & Postage	7,612,156	8,177,292
Electricity, Gas & Water	3,077,875	3,012,474
Market Research & New Products	38,372,541	31,002,585
Training & Conference	24,760,303	18,679,751
Sample Expenses	55,899,980	34,687,667
Promotional Expenses	91,107,283	67,568,237
Literature/News Letter	47,851,630	43,429,760
Freight, Insurance etc-Export	15,903,140	7,922,655
Delivery Commission	107,908,247	99,483,680
Depreciation	12,697,625	11,893,102
Other Expenses	13,557,295	9,014,067
Tk.	<u><u>834,276,355</u></u>	<u><u>715,141,958</u></u>

- (a) Salary and allowances include provident fund contribution of Tk. 6,551,980 (in 2005 Tk. 5,357,062).
- (b) In 2006, all the 1,547 employees relates to selling and distribution received annual salary and allowances of Tk. 36,000 and above.
- (c) Delivery commission represents 3% of sales other than export and API sales which has been paid to the I & I Services Ltd., the local distributor of the company and a related party.

45. Other Income - Tk. 56,201,142

This is arrived at as follows :

Interest Income	43,748,781	2,873,370
Cash Dividend received	1,900,336	1,520,269
Exchange gain on retention quota (F.C.) accounts	54,441	1,169,216
Gain on Sale of shares in Bextex Ltd.	10,121,382	-
Liability against customs Debenture Written off	-	1,758,387
(Loss)/profit on sale of Fixed Assets	376,202	(88,633)
Tk.	<u>56,201,142</u>	<u>7,232,609</u>

46. Finance Cost - Tk. 253,318,784

This is arrived at as follows :

Interest on Cash Credit and others	229,719,450	202,541,434
Interest on loan from PF and WPP & Welfare Fund	23,599,334	19,407,890
Tk.	<u>253,318,784</u>	<u>221,949,324</u>

47. Contribution To Workers' Profit Participation / Welfare Funds -Tk. 26,162,183

This represents 5% of net profit before tax after charging the contribution as per provisions of the Bangladesh Labour Law, 2006 and is payable to workers as defined in the said Act.

48. Income Tax (Income)/Expenses - Tk. 52,585,106

This consists of as follows :

(i) Current Tax		35,402,549	46,169,026
(ii) Deferred Tax (Income)/Expense	Note 19.5 & 33	17,182,557	(50,064,120)
Tk.		<u>52,585,106</u>	<u>(3,895,094)</u>
Current Tax consists of as Follows :			
Tax for the year under review		43,413,478	43,217,283
Short/(Excess) provision of Tax relating to earlier years		(8,010,929)	2,951,743
Tk.		<u>35,402,549</u>	<u>46,169,026</u>

49. Earnings Per Share (EPS) :

(a) Earnings attributable to the Ordinary Shareholders (Net profit after Tax)	Tk.	470,658,563	489,261,764
(b) Weighted average number of Ordinary Shares outstanding during the year		100,737,415	76,878,446
Earnings Per Share (EPS)	Tk.	<u>4.67</u>	<u>6.36</u>

50. Tax-Holiday Reserve - Tk.125,369,152

This represents 40% of net profit of the Tax-Holiday units.

51. Related Party Transactions :

The Company carried out a number of transactions with related parties in the normal course of business and on arms length basis. The nature of transactions and their total value is shown below :

Name of Related Parties	Nature of Transactions	Value of Transaction in 2006	Balance at year end
(a) I & I Services Ltd.	(a) Local Delivery	4,076,663,567	364,005,726
(b) I & I Services Ltd.	(b) Delivery Commission	107,908,247	-
(c) Bextex Ltd.	(c) Dividend Income	1,900,336	-

52. Particulars of Disposal of Property, Plant and Equipment

The following assets were disposed off during the year ended 31-12-06 :

PARTICULARS OF ASSETS	COST	DEP.UPTO 31-12-05	W.D.V. AS ON 31-12-05	SALES PRICE	PROFIT/ (LOSS)	NAME OF PARTIES	MODE OF DISPOSAL
Transport & Vehicle	13,676	2,735	10,941	13,676	2,735	Asia Pacific	Tender
Transport & Vehicle	41,770	30,820	10,950	89,925	78,975	Mr. Yousuf Ali	Tender
Transport & Vehicle	9,000	4,392	4,608	310,666	306,058	Mr. Tareq Rana	Tender
Furniture	163,500	117,587	45,913	34,000	(11,913)	Kazi Enterprise	Tender
Furniture	8,000	6,147	1,853	2,200	347	Mr. Mahabub Momen	Tender
Total	Tk. 235,946	161,681	74,265	450,467	376,202		

53. Payment/Perquisites to Directors and Officers :

(a) The aggregate amounts paid to/ provided for the officers of the company as defined in the Securities and Exchange Rules 1987 are disclosed below :

	2006	2005
Managerial Remuneration	23,569,740	20,240,480
Gratuity	1,964,145	1,668,706
Company's Contribution to Provident Fund	2,181,974	1,779,048
Bonus	3,985,461	2,995,580
Perquisites :		
Housing	9,565,106	6,881,638
Transport	8,303,045	5,977,451
Medical	3,985,461	2,165,891
Telephone	3,605,513	2,501,781
Electricity, Gas & Water	2,486,927	1,746,468
Total	Tk. 59,647,372	45,957,043

(b) No compensation was allowed by the company to the Directors of the company.

(c) No amount of money was expended by the company for compensating any member of the board for special services rendered.

(d) No board meeting attendance fee was paid to the directors of the company.

54. Production Capacity, Actual Production in 2006 :

Unit	Production Capacity		Actual Production		Excess/(Shortfall)	
	2006	2005	2006	2005	2006	2005
Tablet & Capsule (in million pcs)	1,566	1,336	2,124	1,789	558	453
Bottle, Tube & Can (in million pcs)	39	26	41	29	2	3
Bottle-IV (in million pcs)	14	14	10	15	(4)	1

55. Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for at 31 December 2006.

56. Finance Lease Commitment

At 31 December, 2006, the company had annual commitment under finance leases as set out below :

Leases expire within 1 year	81,696,779
Leases expire within 2-5 years (inclusive)	50,513,105
Leases expire after five years	-
Tk.	<u>132,209,884</u>

57. Claim not Acknowledged as Debt

There was no claim against the company not acknowledged as debt as on 31-12-06.

58. Un-availed Credit Facilities

The company has no credit facilities available to the company under any contract, other than trade credit available in the ordinary course of business and not availed of as on 31.12.2006.

59. Payments Made in Foreign Currency :

	<u>Foreign Currency (Equivalent US\$)</u>	<u>Taka</u>
Import of Machinery & Equipments	10,314,332	723,844,163
Import of Raw & Packing material and Spares	15,996,613	1,110,583,061

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

60. Dividend Paid to the Non-resident Shareholders in 2006:

- (i) Dividend for 2005 was declared on 22nd June, 2006 and therefore, dividend for 2005 was paid in 2006.
- (ii) Dividend of Tk. 26,250,510 relating to the year 2005 was paid to 8 non-resident shareholders against 20,588,635 shares held by them.
- (iii) No dividend was remitted in foreign currency but paid in local currency to their local custodian banks.

61. Foreign Exchange Earned :

- (a) Export Sales of US\$ 1,671,522 (in 2005 US\$ 1,395,584).
- (b) No other income including royalty, technical assistance and professional advisory fee, interest and dividend was earned or received in foreign currency.

62. Commission / Brokerage to selling agent :

No commission was incurred or paid to any sales agent nor any brokerage or discount other than conventional trade discount was incurred or paid against sales.

63. Contingent Liability:

The company has a contingent liability to the extent of Tk. 1,611,120,096 (Yen 2,693,280,000) for third party corporate guarantee issued to Bank of Tokyo, Mitsubishi, Marubeni Corporation, Tokyo and Marubeni Trust Banking Corporation in favour of Bextex Limited, a member of Beximco Group.

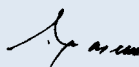
64. Post Closing Events

Following events have occurred since the Balance Sheet date:

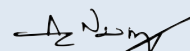
- (a) The company has fully paid its obligation to Shamil Bank and LIM liabilities of Janata Bank.
- (b) The directors recommended 5% cash dividend and 10% Stock dividend (Bonus Share). The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting.
- (c) Except the fact stated above, no circumstances have arisen since the balance sheet date which would require adjustment to, or disclosure in, the financial statements or notes thereto.



O. K. Chowdhury
Director



M. A. Qasem
Director



Ali Nawaz
Chief Finance Officer

Dhaka
28 June, 2007



Operational Headquarter

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Factory

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Kaliakoir Unit

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Legal Advisor

Huq and Company
47/1 Purana Paltan, Dhaka-1000

Auditors

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Chartered Accountants
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Bankers

Janata Bank

Local office
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