

Annual Report

2007

**BEXIMCO
PHARMA**

We are moving forward ▶▶

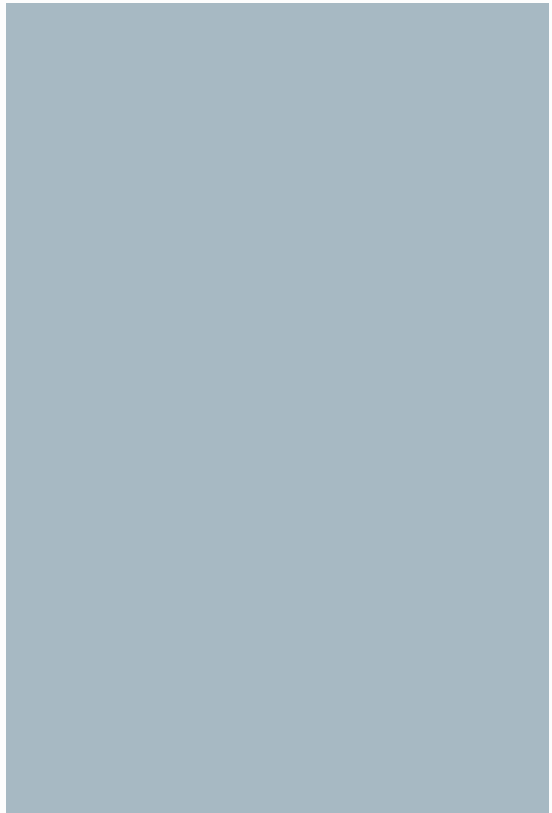
Our Mission

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.





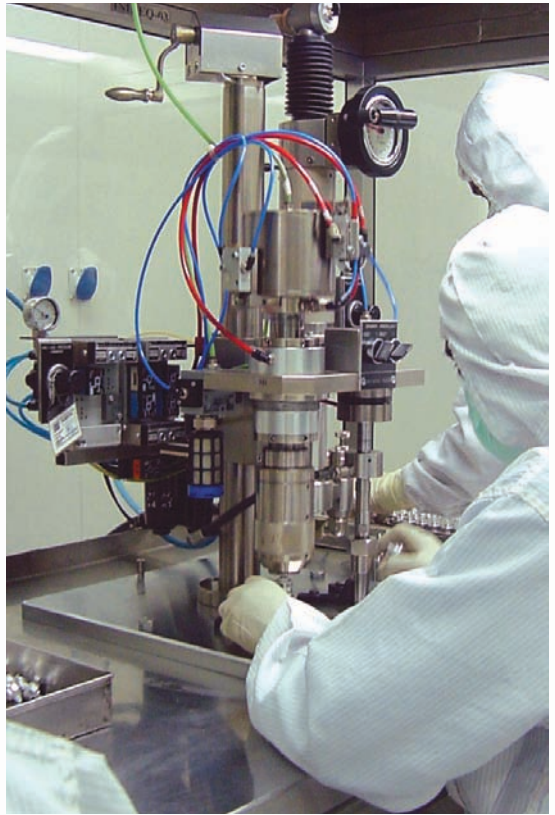
BEXIMCO PHARMACEUTICALS LTD.



Life's all about staying healthy and enjoying the good things in life! However, illness is inevitable at all stages of our life. This is where we find the intimate relationship with our global citizens when they take our medicines and find the smiles back in their life.

Contents

Board and Management	5
Brief Company Profile	6
Brief company history: Chronology	7
Highlights of 2007	8
Year 2007: News published in London Stock Exchange on company's business performances	9
Chairman's Statement	10
Thirty-First Annual General Meeting	17
Value Added Statement	18
Notice of the Thirty-Second Annual General Meeting	19
Report of the Directors to the Shareholders	20
Corporate Governance Compliance Report	24
Key Operating and Financial Data	25
Auditors' Report to the Shareholders	26
Balance Sheet	27
Profit and Loss Account	28
Statement of Changes in Equity	29
Cash Flow Statement	30
Notes to the Accounts	31
Proxy Form	



Our passionate effort to achieve excellence in all spheres of our operations and our keen endeavor to incorporate innovative new technologies into our manufacturing practice puts us ahead of our contemporaries.

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
Abu Bakar Siddiquir Rahman	Director
Dr. Farida Huq	Director
Barrister Faheemul Huq	Director
Advocate Ahsanul Karim	Director
Dr. Abdul Alim Khan	Independent Director

Company Secretary

Md. Asad Ullah, FCS

The Executive Committee

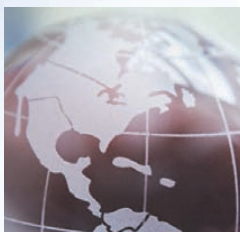
Osman Kaiser Chowdhury	Member of the Board of Directors
Nazmul Hassan	Chief Executive Officer
Ali Nawaz	Chief Financial Officer
Afsar Uddin Ahmed	Director, Commercial

The Management Committee

Osman Kaiser Chowdhury	Member of the Board of Directors
Nazmul Hassan	Chief Executive Officer
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	Executive Director, Quality
A R M Zahidur Rahman	Executive Director, 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: Australia, Bhutan, Cambodia, Chile, Ghana, Hong Kong, Indonesia, Jordan, Kenya, Malaysia, Myanmar, Nepal, Pakistan, Philippines, Singapore, Sri Lanka, Vietnam and Yemen

Authorized Capital (Taka): 2,000 million

Paid-up Capital (Taka): 1,145.07 million

Number of Shareholders: Around 54,000

Stock Exchange Listings: Dhaka, Chittagong and AIM of London Stock Exchanges

Number of Employees: 2,384

Brief company history: Chronology

- 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)
- 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
- 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 Neoceptin R and Neofloxin to Raffles Hospital of Singapore for 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)
- 2006 : New USFDA standard Oral Solid Dosage (OSD) Plant Commissioned
Successfully relocated/outsourced penicillin and cephalosporin manufacturing facilities as per cGMP guidelines
Introduced generic oseltamivir in Bangladesh
Launched CFC free ozone benign HFA inhalers as the first company in Bangladesh



Highlights of 2007

- Achieved Net Sales of Tk. 3,597.0 million and Pre-tax Profit of Tk. 399.7 million as compared to Tk. 3,702.3 million and Tk. 523.2 million respectively, of prior period.
- Overall sales declined by 2.84%. However, sales of the formulation products increased by 2.55% and export by 6.65%
- Entered into nine new international markets in Asia, Middle East, Pacific Islands, Africa and Central America. Registered 107 new products in different overseas markets.
- Therapeutic Goods Administration (TGA), Australia and Joint Inspection Committee of the Ministry of Health of Gulf Cooperation Council (GCC) countries completed audit of the new Oral Solid Dosage (OSD) and Metered Dose Inhaler (MDI) & Spray manufacturing facilities.
- Signed a Long Term Arrangement with the Global Supply Division of UNICEF (Denmark) to supply 60,000 units CFC free metered dose inhaler product over a two year contract period.





As promised to our shareholders, we are taking our company to the global market fast. In the year 2007, we have entered more new markets to strengthen and shape our focus in global market.

News Flash 2007

on overseas business
expansion

Released 07:32 09-Jan-08
Roche agrees HIV drug technology
transfers with Beximco Pharma

Released 10:16 25-Oct-07
Beximco Pharma Commences Exports
to Fiji

Released 07:01 28-Sep-07
Beximco Pharma Commences Exports
to Jordan

Released 08:33 10-Sep-07
Beximco Pharma Commences
Exports to Philippines

Released 14:22 30-Aug-07
Beximco Pharma Commences Exports
to Hong Kong

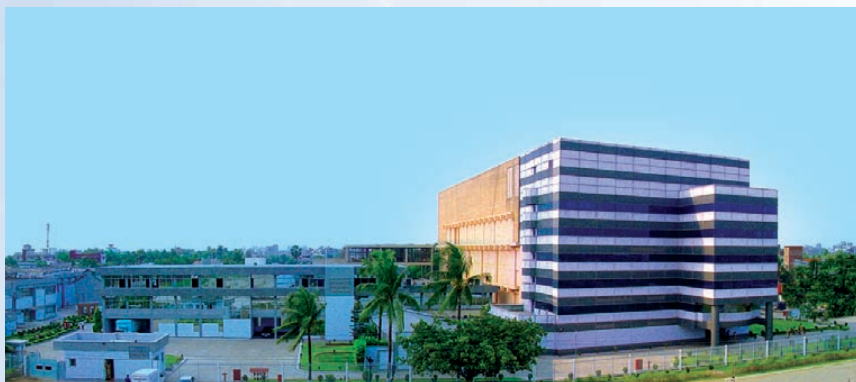
Released 13:36 29-May-07
Beximco Pharma Commences Exports
to Papua New Guinea

Released 12:13 30-Apr-07
Beximco Signs Agreement with Gulf
Generics to Export Medicine to Middle
East

Released 07:00 02-Apr-07
Beximco Pharmaceuticals Expands
African Presence with Commencement
of Exports to Ghana

Released 07:00 22-Mar-07
Beximco Pharmaceuticals Commences
Exports to Central America

For detailed news, please logon to
http://www.beximco-pharma.com/investor/News_Announcements.htm



Chairman's Statement

Dear Shareholders

On behalf of the Board of Directors and on my own behalf I welcome you all to the 32nd Annual General Meeting of your company, Beximco Pharmaceuticals Limited.

It is indeed my pleasure to present to you the Annual Report and the Audited Financial Statements of the company for the year ended December 31, 2007.

REVIEW OF PERFORMANCE

We passed through a very difficult year in 2007. The company achieved a sales revenue of Tk. 3,597.0 million and pre-tax profit of Tk. 399.7 million, as compared to Tk. 3702.3 and Tk. 523.2 million respectively of 2006. While any pretext is neither enough nor desirable to justify this below expected achievement, we however feel that it is our responsibility to keep you posted of the real situation. For long, our working capital facilities provided by banks were lagging behind the pace of the business growth that we achieved over the past years. The biggest of the constraints was the letter of credit limit. Our long initiative to extend that limit was hindered by a number of factors including the regulatory restrictions of the bank itself, which we successfully negotiated with the bank and came close to a solution in early 2007. But due to changes in macro-political business environment of the country the negotiated solutions could not come to its logical conclusion. To worsen the situation, we had to payoff our PAD and LIM- two short term credit facilities that we hoped for renewal/extension. All these factors have seriously affected our supply chain and we had to de-prioritize and in certain cases, suspend production and sales of certain products as a strategy to reap the most out of the situation. Consequent to this, sales of our infusion products and Active Pharmaceutical ingredients (APIs) were down by Tk. 114.1 million and Tk. 78.1 million respectively. These have pulled down our overall sales by 2.84%.

The least expected performance in sales however should not overshadow our achievement in certain key areas. I would like to inform you that despite the difficult operating situation, we were able to achieve growth in our core formulation business and export. Sales of our formulation products have increased to Tk. 3,216 million as against Tk. 3,136 million of prior year. We continued to maintain our key market focus, strengthened customer relationship and persuaded appropriate marketing and promotional strategies. As a result we have successfully retained our market position despite temporary problem at supply end.

We also tried to maintain performance in the overseas markets. Export sales during the period increased by 6.7% despite product shortages. In 2007, we have entered into nine new international markets in Asia, Middle East, Pacific Islands, Africa and Central America and have registered 107 products in different markets. Besides, BPL signed a Long Term Arrangement with the Global Supply Division of UNICEF (Denmark) to supply 60,000 units CFC free metered dose inhaler product over a two year contract period. During the first quarter of 2008, we have entered into 3 new international markets- namely, Afghanistan, Kiribati and Solomon Islands.

There is a rising trend of prices of materials in the international market. This along with the lower sales has pulled down the achievement of our profit target. We have however, effectively persuaded for containment of operating expenses to minimize the effect of fall in gross profit.

The bank related issues have been successfully resolved by the first quarter of 2008. The letter of Credit limit and the working capital facilities have been increased.

DIVIDEND

We have maintained our dividend rate despite lower earnings and sales in 2007. Board of directors has recommended 10% stock and 5% cash dividend -same as in prior year to ensure better yield on the investment of our valued shareholders.

PROJECTS AND EXPANSION PROGRAMS

I am pleased to inform that GMP (Good Manufacturing Practices) audit of our new Oral Solid Dosage (OSD) facility has been carried out by a number of Drug Regulatory Authorities including Gulf Co-operation Council (GCC) and TGA (Therapeutic Goods Administration), Australia. Additionally, audit of our existing Metered Dose Inhaler (MDI) and Spray manufacturing facilities have also been carried out during the period under review. We are hopeful of positive outcome of these audits.

During the year, our project to build facility to manufacture Small Volume Parenterals (SVP), Ophthalmic and Nebulizer Solutions progressed as scheduled. Hopefully as planned, we will be able to commence marketing of these products by first quarter of 2009. We are now expediting the process of adding more lines to our existing Oral Solid Dosage Facility.

As you are aware, BPL is one among the few pharmaceuticals companies in the world that are currently producing technology driven CFC-free HFA MDIs. Based on the very encouraging responses that we are getting for our MDI products particularly for our Non-CFC MDIs from Central and Latin America and Middle East Countries, we have undertaken a project to add another 10 million units capacity plant beside our existing MDI facility. The project is progressing as planned.



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Paracetamol + Caffeine Tablet

**For extra effective relief from
pain & fever**

Extra effective pain relief
Tough on pain
Easy on the stomach

FUTURE

Pharmaceutical sector of Bangladesh like all other industries is going to face new challenges. Rising prices of materials in the international market and higher domestic inflation is going to be a big issue. Besides, competition in the local pharmaceutical market is expected to intensify further. We are mindful of the challenges and confident about our capabilities to face them.

Expected GMP certification of our new OSD facilities by recognized drug regulatory authorities will give a new momentum to our existing operation and will be inline with our target to achieve export led growth in medium to long term. Recognizing today's unmet needs of healthcare sector - our marketing strategy will continue to focus on value added but cost effective medicines. Our future strategy will continue to concentrate on retaining and expanding the domestic market share while capitalizing on the enormous export opportunities.

CONTRIBUTION TO NATIONAL EXCHEQUER

During 2007, BPL contributed Tk. 772.7 million in the form of import related taxes, VAT and Income tax to the national exchequer.

CONDOLENCE

In 2007 we have lost our long term colleague in the Board - a highly experienced and knowledgeable personality Mr. Choudhury Hafizur Rahman, who passed away on September 17, 2007.

On behalf of the board I express my deep condolence at the sad and untimely demise of Mr. Rahman and pray for the salvation of his departed soul. We with great appreciation recall the valuable contribution he has made during his long association with this company in various capacities.

ACKNOWLEDGEMENT

I would like to express my sincere thanks to all BPL employees for their loyalty, commitment, professionalism and hard work during the difficult time the company has passed through. Without their skills and dedication BPL would not have been able to achieve today's position.

I extend my heartfelt thanks to our medical community, customers, bankers, suppliers, government agencies, regulatory bodies and everyone BPL interacted with in conducting its business. I would also like to extend sincere gratitude to our valued shareholders and stakeholders for extending at all times their invaluable support and co-operation.

Once again, on behalf of the Board of Directors and on my behalf, I convey my heartiest thanks to you all and look forward to your continued support and co-operation in the future as well.

Thank You All



A S F RAHMAN
Chairman

Dhaka
6th May, 2008



Burnsil[®]
Silver Sulfadiazine 1% Cream

...heals burn, kills germ

চেয়ারম্যানের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

বেক্সিমকো ফার্মাসিউটিক্যালস্ লিমিটেড-এর ৩২তম বার্ষিক সাধারণ সভায় কোম্পানীর পরিচালনা পর্ষদ এবং আমার পক্ষ থেকে আপনাদের স্বাগত জানাচ্ছি। কোম্পানীর ৩১ ডিসেম্বর, ২০০৭ সালের বার্ষিক প্রতিবেদন ও নিরীক্ষিত হিসাব বিবরণী আপনাদের সামনে উপস্থাপন করতে পেরে আমি আনন্দিত।

ব্যবসায়িক পর্যালোচনা

অনেক প্রতিকূলতার মধ্যে আমরা ২০০৭ সাল অতিক্রম করেছি। এ বছর কোম্পানীর নীট বিক্রয় ৩,৫৯৭.০ মিলিয়ন টাকা এবং করপূর্ব মুনাফা দাঁড়িয়েছে ৩৯৯.৭ মিলিয়ন টাকা যা বিগত বছর ছিল যথাক্রমে ৩,৭০২.৩ মিলিয়ন টাকা এবং ৫২৩.২ মিলিয়ন টাকা। লক্ষ্য অর্জিত না হওয়া সবসময়ই অনাকাঙ্ক্ষিত এবং এর স্বপক্ষে কোন যুক্তি উপস্থাপন করা আমার উদ্দেশ্য নয়। কিন্তু বাস্তব অবস্থা সম্পর্কে আপনাদেরকে অবহিত করা আমাদের দায়িত্ব। দীর্ঘ সময় ধরে কার্যকরী মূলধনের স্বল্পতা আমাদের লক্ষ্যার্জনের অন্যতম অন্তরায় ছিল। সবচেয়ে বড় সমস্যা ছিল কাঁচামাল আমদানীর ক্ষেত্রে এল.সি. খোলার সীমাবদ্ধতা। আমাদের যথেষ্ট উদ্যোগ থাকা সত্ত্বেও ব্যাংকগুলোর নিজস্ব আইনী জটিলতাসহ অন্যান্য নানাবিধ প্রতিকূলতার পরিত্রেক্ষিতে এই সমস্যার উত্তরণ সম্ভব হয়নি। তবে ২০০৭ সালের শুরুতে ব্যাংকগুলোর সাথে সমঝোতার মাধ্যমে আমরা এ সমস্যা সমাধানের অনেকটা কাছ এসে পড়েছিলাম। কিন্তু সামষ্টিক রাজনৈতিক ও ব্যবসায়িক পরিবেশ-পরিস্থিতির পরিবর্তনের প্রেক্ষিতে সমস্যার যৌক্তিক সমাধানে পৌঁছানো সম্ভব হয়নি। তদুপরি, এমন প্রতিকূল অবস্থার মধ্যেও আমাদের PAD এবং LIM দুটি স্বল্পমেয়াদী ঋণ পরিশোধ করতে হয়েছে, যার নবায়ন/সময়বর্ধন হবে বলে আমরা আশা করেছিলাম। এজন্য আমাদের সরবরাহের স্বাভাবিক ধারা প্রচণ্ডভাবে ব্যহত হয়েছে। পরিস্থিতির বাস্তবতায় এবং বিরাজমান পরিস্থিতি মোকাবেলা করতে গিয়ে আমাদেরকে কিছু কিছু পণ্যের উৎপাদন ও বিক্রয় হ্রাস কিংবা ক্ষেত্র বিশেষে স্থগিতও করতে হয়েছে। এসব কারণে আমাদের ইনফিউশন ও API পণ্যের বিক্রয় গত বছরের তুলনায় যথাক্রমে ১১৪.০১ মিলিয়ন এবং ৭৮.১০ মিলিয়ন টাকা কম হয়েছে যা কোম্পানীর মোট বিক্রয়কে ২.৮৪% কমিয়ে দিয়েছে।

আলোচ্য বছরে বিক্রয় প্রবৃদ্ধি কম হওয়া সত্ত্বেও কিছু কিছু ক্ষেত্রে আমাদের সাফল্য প্রশংসার দাবি রাখে। আমি আপনাদের আনন্দের সঙ্গে জানাতে চাই, এসব সীমাবদ্ধতার মধ্যেও ফরমুলেশন ব্যবসা ও রপ্তানি ক্ষেত্রে আমরা প্রবৃদ্ধি অর্জন করেছি। এ বছর আমাদের ফরমুলেশন পণ্যের বিক্রয় বৃদ্ধি পেয়ে ৩,২১৬ মিলিয়ন টাকা হয়েছে, যা গত বছর ছিল ৩,১৩৬ মিলিয়ন টাকা। পণ্য বাজারে প্রতিনিধিত্বকারী অবস্থান বজায় রাখার পাশাপাশি বাজারজাতকরণ ও বাজার সম্প্রসারণে ফলপ্রসূ কৌশল প্রণয়নের ক্ষেত্রে আমরা আমাদের ধারাবাহিকতা সমুন্নত রাখতে পেরেছি। ফলে সরবরাহের দিক থেকে সীমাবদ্ধতা থাকা সত্ত্বেও প্রতিযোগিতামূলক বাজারে আমরা আমাদের সুদৃঢ় অবস্থান ধরে রাখতে পেরেছি।

রপ্তানি বাণিজ্যে আমরা প্রত্যাশিত সাফল্য অর্জন না করতে পারলেও রপ্তানি বিক্রয় ৬.৭% বৃদ্ধি পেয়েছে। সব ঔষধের সরবরাহ ঠিক থাকলে এক্ষেত্রে আরও ভাল ফলাফলের আশা ছিল। ২০০৭ সালে আমরা এশিয়া, মধ্যপ্রাচ্য, প্যাসিফিক দ্বীপপুঞ্জ, আফ্রিকা ও মধ্য আমেরিকার নয়টি নতুন আন্তর্জাতিক বাজারে প্রবেশ করতে পেরেছি। এ সময় ১০৭ টি ঔষধ বিভিন্ন দেশে নিবন্ধিত হয়েছে। এছাড়া বেক্সিমকো ফার্মাসিউটিক্যালস্ লিমিটেড Global Supply Division of UNICEF (Denmark) এর সাথে দুই বৎসর মেয়াদে ৬০,০০০ একক CFC-free ইনহেলার সরবরাহের জন্য একটি সমঝোতায় স্বাক্ষর করেছে। ২০০৮ সালের প্রথম দিকে আমরা আফগানিস্তান, কিরিবাটি এবং সলোমন দ্বীপপুঞ্জ এই তিনটি নতুন বাজারে রপ্তানি আরম্ভ করেছি।

ADVANCED FORMULA
Bextram Gold
HIGH POTENCY 32 MULTIVITAMIN - MULTIMINERAL
From A to Z
... the **gold standard**
multivitamin - multimineral for smart, energetic and colorful life

আন্তর্জাতিক বাজারে কাঁচামালের দামের উর্ধ্বগামী ধারা অব্যাহত রয়েছে। তদুপরি এ বৎসর প্রত্যাশিত বিক্রয় লক্ষ্য অর্জিত না হওয়ায় আমরা আশানুরূপ মুনাফা অর্জন করতে পারিনি। এস মুনাফাহ্রাস যাতে নীট মুনাফাকে অতিমাত্রায় প্রভাবান্বিত না করতে পারে সেজন্য আমরা আমাদের পরিচালন ব্যয় নিয়ন্ত্রিত রাখার সাধ্যমত চেষ্টা করেছি।

২০০৮ সালের প্রথম ত্রৈমাসিক সময়ের মধ্যেই আমরা ব্যাংক সংক্রান্ত যাবতীয় সমস্যার উত্তরণ করতে পেরেছি। এ সময়ে আমাদের এল.সি. সীমা ও কার্যকরী মূলধন উভয়ই বৃদ্ধি করা হয়েছে।

লভ্যাংশ:

২০০৭ সালে বিক্রয় ও মুনাফা কম হওয়া সত্ত্বেও আমরা লভ্যাংশ প্রদানের হার পূর্বের ন্যায় অব্যাহত রেখেছি। পূর্ববর্তী বছরের মতো আমাদের সম্মানিত শেয়ারহোল্ডারদের বিনিয়োগের ভালো আয় নিশ্চিত করতে কোম্পানীর পরিচালনা পর্ষদ ১০% স্টক ও ৫% নগদ লভ্যাংশ প্রস্তাব করেছে।

প্রকল্প ও সম্প্রসারণ পরিকল্পনা:

আমি আপনাদের আনন্দের সঙ্গে জানাতে চাই GCC (Gulf Co-operation Council) ও অস্ট্রেলিয়ার TGA (Therapeutic Goods Administration) সহ কয়েকটি ঔষধ নিয়ন্ত্রণকারী কর্তৃপক্ষ আমাদের নতুন OSD (Oral Solid Dosage) প্রকল্পের GMP (Good Manufacturing Practices) অডিট সম্পন্ন করেছে। এছাড়াও আমাদের MDI (Metered Dose Inhaler) এবং স্প্রে উৎপাদন কারখানার অডিটও আলোচ্য বৎসরে সম্পন্ন হয়েছে। এসব অডিটের সাফল্যের ব্যাপারে আমরা অত্যন্ত আশাবাদী।

আলোচ্য বছরে আমাদের SVP (Small Volume Parenterals), Ophthalmic and Nebulizer Solutions প্রকল্পের কাজ পরিকল্পনামত এগিয়েছে। ২০০৯ সালের প্রথমভাগে আমরা এ প্রকল্পের উৎপাদিত পণ্যের বাজারজাতকরণ শুরু করতে পারবো বলে আশা রাখছি। আমাদের নতুন OSD (Oral Solid Dosage) প্রকল্পের বাকি লাইনসমূহ স্থাপনের কাজ ত্বরান্বিত করার জন্যও আমরা পদক্ষেপ নিয়েছি।

আপনারা নিশ্চয়ই অবগত যে, বিশ্বের উচ্চ প্রযুক্তি সম্পন্ন CFC -Free HFA MDI উৎপাদনকারী সীমিত সংখ্যক ঔষধ প্রস্তুতকারী প্রতিষ্ঠানের মধ্যে বেক্সিমকো ফার্মাসিউটিক্যালস্ লিমিটেড একটি। মধ্য ও ল্যাটিন আমেরিকা এবং মধ্যপ্রাচ্যের দেশগুলো হতে আমাদের MDI পণ্যের বিশেষত: Non-CFC MDI পণ্যের আশাব্যঞ্জক সাড়া পাওয়ায় আমরা ১০ মিলিয়ন একক উৎপাদন ক্ষমতাসম্পন্ন আরেকটি MDI কারখানা স্থাপনের কার্যক্রম হাতে নিয়েছি।

ভবিষ্যত পরিকল্পনা:

অন্যান্য শিল্পের মতো ঔষধ শিল্পও দিন দিন নিত্য নতুন প্রতিযোগিতার সম্মুখীন হচ্ছে। আন্তর্জাতিক বাজারে কাঁচামালের মূল্য বৃদ্ধির প্রবণতা এবং আমাদের অর্থনীতিতে মুদ্রাস্ফিতির উর্ধ্বগতি বড় ধরনের সমস্যা হিসেবে আমাদের সামনে আসছে। এছাড়াও অভ্যন্তরীণ বাজারে প্রতিযোগিতাও ভীষণভাবে বেড়েছে। এসব প্রতিকূলতার বিষয়ে আমরা যথেষ্ট সজাগ এবং আত্মবিশ্বাসের সাথে এসব মোকাবেলা করতে পারবো বলে আশা রাখছি।

IcyKool[®] MAX
Methyl salicylate 30% + Menthol 8%
...for fast pain relief

দ্রুত ব্যথা উপশম করে
Maximum pain relief
Fast action

IcyKool[®] MAX
Methyl Salicylate 30% and Menthol 8%

IcyKool[®] MAX
Cream 25g
Methyl Salicylate and Menthol
Each gram contains
Methyl Salicylate 300mg and Menthol 80mg

বিশ্বস্বীকৃত ঔষধ নিয়ন্ত্রণকারী কর্তৃপক্ষ কর্তৃক GMP সনদ প্রাপ্তি আমাদের বর্তমান কার্যক্রমে আশানুরূপ গতিসঞ্চার করবে এবং রপ্তানি বৃদ্ধির মাধ্যমে সার্বিক ব্যবসায়িক প্রবৃদ্ধি ত্বরান্বিতকরণের জন্য যে মধ্য ও দীর্ঘ মেয়াদী লক্ষ্য আমরা স্থির করেছি তা বাস্তবায়নে সহায়ক ভূমিকা পালন করবে। জীবনরক্ষাকারী ঔষধ বাজারের অপূরণীয় চাহিদার বিষয়টি বিবেচনায় রেখে আমরা মানসম্মত ও স্বল্পমূল্যে ঔষধ বাজারজাতকরণ কৌশল অব্যাহত রেখেছি। রপ্তানি বাণিজ্যের বিশাল সম্ভাবনাকে কাজে লাগানোর পাশাপাশি দেশীয় বাজারে আমাদের সুউচ্চ অবস্থান ধরে রাখা এবং প্রসারিত করাই হবে আমাদের ভবিষ্যৎ ব্যবসায়িক কৌশল।

জাতীয় কোষাগারে অবদান:

২০০৭ সালে আমদানী সংক্রান্ত কর, ভ্যাট ও আয়কর বাবদ বেক্সিমকো ফার্মাসিউটিক্যালস লিমিটেড জাতীয় কোষাগারে ৭৭২.৭ মিলিয়ন টাকা প্রদান করেছে।

শোক প্রকাশ:

২০০৭ সালের ১৭ই সেপ্টেম্বর পরিচালনা পর্ষদের দীর্ঘ সময়ের অভিজ্ঞ ও জ্ঞানী সহকর্মী জনাব চৌধুরী হাফিজুর রহমান আমাদের ছেড়ে চলে গেছেন। বোর্ডের পক্ষ থেকে আমরা তাঁর অকাল প্রয়াণে গভীর শোক প্রকাশ করছি এবং তাঁর বিদেহী আত্মার মাগফেরাত কামনা করছি। কোম্পানীর সমৃদ্ধির জন্য বিভিন্ন ক্ষেত্রে তাঁর দীর্ঘ সময়ের অবদানকে আমরা সকল সময় শ্রদ্ধার সাথে স্মরণ করবো।

কৃতজ্ঞতা স্বীকার :

কোম্পানীর অনুকূল-প্রতিকূল সকল সময়ে আমাদের কর্মীবাহিনী আনুগত্য, কর্তব্যনিষ্ঠা, সততা, ও দক্ষতার সঙ্গে তাদের দায়িত্ব পালন করেছেন। বিশেষ করে আলোচ্য বছরে তাদের অবদান ছিল প্রশংসার দাবিদার। আমি তাই তাদের সকলকে আন্তরিক ধন্যবাদ জানাচ্ছি। তাদের নিরলস প্রচেষ্টার ফলেই কোম্পানী আজকের এই অবস্থান অর্জন করতে পেরেছে।

একই সাথে আমি ঔষধ ও স্বাস্থ্য সেবাখাতের সাথে সংশ্লিষ্ট সকলকে এবং আমাদের ব্যাংকার, সরবরাহকারী, সরকারী সংস্থাসমূহ ও বিভিন্ন নিয়ন্ত্রক সংস্থাসমূহকে তাদের আন্তরিক সহযোগিতার জন্য ধন্যবাদ জ্ঞাপন করছি। আমি কৃতজ্ঞতা জানাই আমাদের সম্মানিত শেয়ারহোল্ডারদের যাঁদের সমর্থন ও সহযোগিতা আমাদের অগ্রযাত্রায় সর্বোচ্চ অবদান রেখেছে।

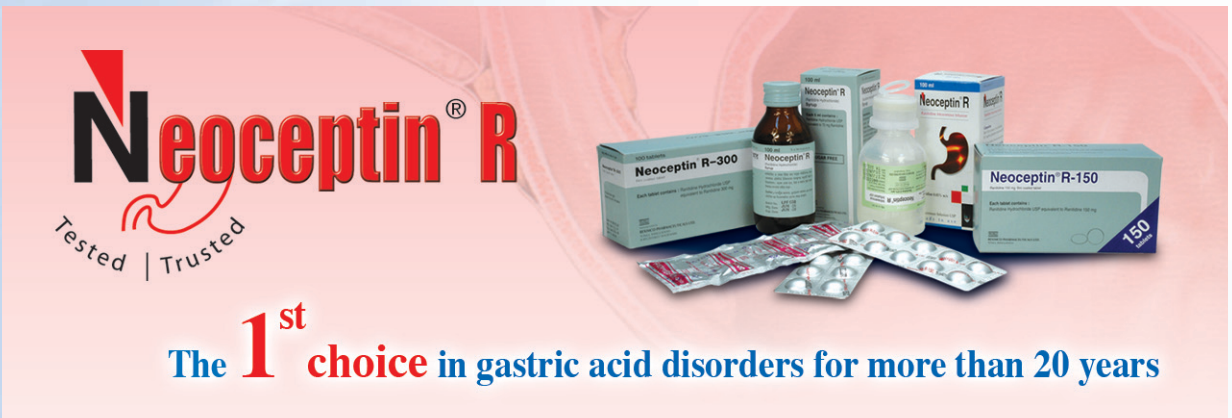
আবারও পরিচালনা পর্ষদ এবং আমার পক্ষ থেকে আমি আপনাদের আন্তরিক ধন্যবাদ জানাই এবং আশা রাখি আমাদের অগ্রযাত্রায় আপনাদের সমর্থন ও সহযোগিতা ভবিষ্যতেও অব্যাহত থাকবে।

ধন্যবাদ সবাইকে।

X. K. P. Kabir

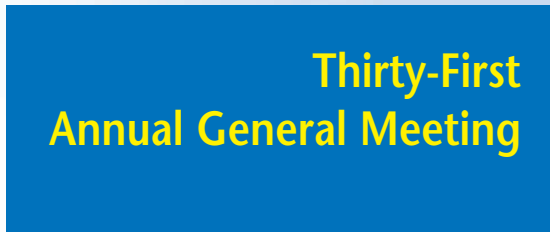
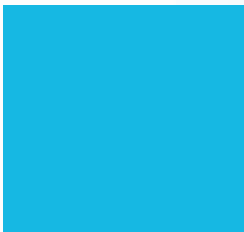
এ এস এফ রহমান
চেয়ারম্যান

ঢাকা
৬ মে, ২০০৮



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The 31st Annual General Meeting (AGM) of the shareholders of Beximco Pharmaceuticals Limited was held on September 02, 2007. Around 7,000 shareholders attended the meeting. Mr. Osman Kaiser Chowdhury, Director of Beximco Pharmaceuticals Limited 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 2006. Strategies and future vision of the company were also briefed at the AGM.

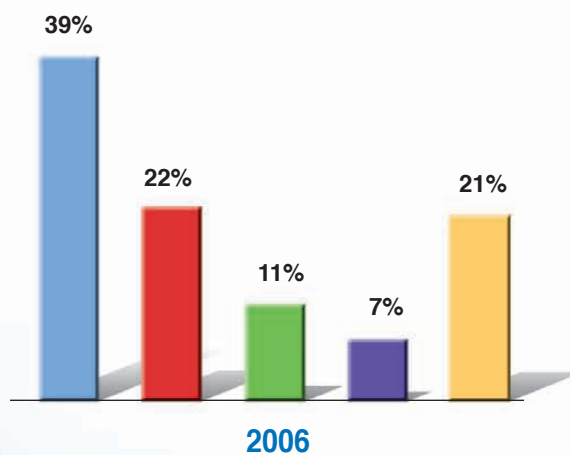
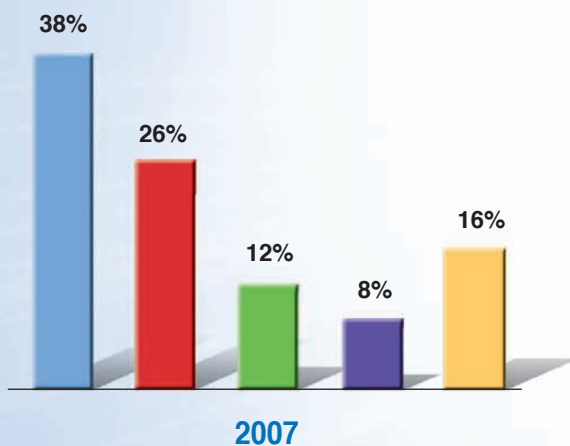
The meeting among other agenda approved 5% cash and 10% stock dividend for the year 2006.

Value Added Statement

For the year ended 31 December 2007

Figures in Taka

	2007		2006	
	Tk.	%	Tk.	%
Turnover & Other Income	4,202,886,208		4,364,863,360	
Bought-in-Materials & Services	(2,136,359,277)		(2,101,277,696)	
Value Added	2,066,526,931	100	2,263,585,664	100
APPLICATIONS				
Duties & Taxes to Govt. Exchequer	772,726,001	38	885,580,709	39
Salaries and Benifits to Employees	528,614,856	26	492,656,586	22
Interest to Lenders	254,742,392	12	253,318,784	11
Dividend to Shareholders	171,760,565	8	156,145,968	7
Earnings Retained by the Company	338,683,117	16	475,883,617	21
	2,066,526,931	100	2,263,585,664	100



- Duties & Taxes to Govt. Exchequer
- Salaries and Benifits to Employees
- Interest to Lenders
- Dividend to Shareholders
- Earnings Retained by the Company

BEXIMCO PHARMACEUTICALS LIMITED

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

Notice of the Thirty-Second Annual General Meeting

Notice is hereby given that the THIRTY-SECOND ANNUAL GENERAL MEETING of the Shareholders of Beximco Pharmaceuticals Limited will be held on Thursday, the 21ST August, 2008 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, 2007 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 2008 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: 6th May, 2008

NOTES :

- (1) The Record Date shall be on 2nd July, 2008. 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).

Report of the Directors to the Shareholders For the year ended 31 December 2007

The Directors are pleased to present their report to the shareholders together with the audited accounts of the Company for the year ended 31st December, 2007 along with Auditors' Report thereon.

Financial Results and Profit Appropriations

	Figures in '000 Taka	
	2007	2006
Net Profit After Tax	353,068	470,659
Add : Profit brought forward from previous year	2,883,629	2,549,402
Profit Available for Appropriation	3,236,697	3,020,061
Recommended for Appropriations:		
Transfer to tax-holiday reserve	(78,155)	(125,369)
Proposed dividend	(171,761)	(156,146)
Tax holiday reserve no longer required	30,634	145,083
	(219,282)	(136,432)
Un-appropriated Profit Carried Forward	3,017,415	2,883,629

Dividend

The Board of Directors has recommended 5% cash and 10% stock dividend for approval of the shareholders for the year ended 31 December, 2007.

Directors

The Board regrets to report that Mr. Chowdhury Hafizur Rahman FCMA, Director of the company, expired on 17th September 2007 (Inna lillahe wa inna illaihe razeun). The Board wishes to place on record its appreciation for the contribution made by Mr. Chowdhury during his tenure with the company.

Mr. Salman F Rahman, 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.

Dr. Farida Huq, 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 herself for re-election as representative of General Shareholders.

Barrister Faheemul Huq, Director of the Company also 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 being the nominee of Beximco Holdings Limited.

Board Audit Committee

The Company has an audit committee, which met twice in 2007, to consider its Annual Financial Statements for the year ended 31 December 2006 and Half-Yearly Report for the half-year to 30 June 2007. The Committee comprises 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, 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 Thirty-first Annual General Meeting of the Company has carried out the audit for the year ended 31 December 2007.

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 2008.

Board Meetings and Attendance

During the year 17 (Seventeen) Board Meetings were held. The attendance record of the Directors is as follows:

Name of Directors	Meetings attended
Mr. A S F Rahman	4
Mr. Salman F Rahman	2
Mr. Iqbal Ahmed	12
Mr. M. A. Qasem	16
Mr. O. K. Chowdhury	17
Dr. Abdul Alim Khan	17
Mr. A. B. Siddiqur Rahman	17
Dr. Farida Huq	15
Barrister Faheemul Huq	14
Advocate Ahsanul Karim	14

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.	13,002,617
Bangladesh Export Import Company Ltd.	6,885,475
(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	1,818,445
Mr. Salman F Rahman, Vice Chairman	1,330,943
Dr. Abdul Alim Khan, Director	578,263
Dr. Farida Huq, Director	3,422
Mr. Nazmul Hassan, Chief Executive Officer	4,228
Mr. Afsar Uddin Ahmed, Director Commercial Chief Financial Officer, Company Secretary And Head of Internal Audit, spouse and minor children	4
	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))	13,002,617
The Bank of New York (International Nominees)	30,993,325

Key Operating and Financial Data

The summarized key operating and financial data of five 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
6 May, 2008

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.

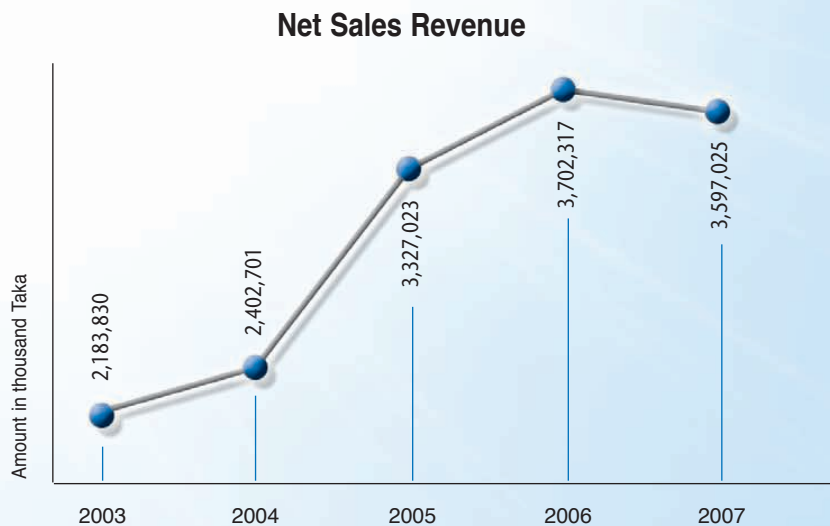
(Report under Condition No.5.00)

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	2007	2006	2005	2004	2003
Authorized Capital	2,000,000	2,000,000	2,000,000	1,000,000	1,000,000
Paid up Capital	1,145,070	1,040,973	959,216	559,763	508,875
Net Sales Revenue	3,597,025	3,702,317	3,327,023	2,402,701	2,183,830
Export Sales	122,752	115,099	88,858	79,485	59,594
Gross Profit	1,629,515	1,731,086	1,558,500	1,023,772	828,081
Profit Before Tax	399,678	523,244	485,367	353,661	263,619
Net Profit	353,068	470,659	489,262	329,376	207,140
Fixed Assets (Gross)	10,516,030	9,885,840	8,623,969	6,822,860	6,669,824
Shareholders' Equity	8,250,940	7,949,920	6,820,925	4,836,013	4,596,421
Dividend	15%	15%	15%	30%	20%
Shareholders' Equity Per Share	72	76	71	86	90
Earnings Per Share (EPS)	3.08	4.11	6.36	4.71	2.96
Market Price Per Share (at end of the year)	58.9	53.7	57.8	92.1	39.72
Price Earning Ratio (Times)	19.12	13.06	9.09	19.55	13.42
Number of Shareholders	53,892	48,932	50,591	50,750	47,811
Sponsors, General Public & Other Institutions	52,953	47,888	48,429	41,882	35,568
Foreign Investors	60	58	55	49	42
ICB including ICB Investors Account	879	986	2,107	8,819	12,201
Human Resources					
Number of Employees	2,384	2,403	1,981	1,385	1,328
Officers	1,910	1,905	1,505	964	862
Staff	474	498	476	421	466



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, 2007 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 International Standards on Auditing (ISA). 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 International Financial Reporting Standards (IFRSs), including International Accounting Standards (IASs), give a true and fair view of the state of the company's affairs as of December 31, 2007 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
6 May, 2008



M. J. ABEDIN & CO.
Chartered Accountants

BEXIMCO PHARMACEUTICALS LIMITED
Balance Sheet

	Notes	2007	2006
ASSETS			
Non-Current Assets			
Property, Plant and Equipment- Carrying Value	20	8,992,942,392	8,513,136,381
Investment in Shares	21	36,701,090	41,982,840
Current Assets			
Inventories	22	1,652,480,291	1,754,440,288
Accounts Receivable	23	499,680,792	430,240,095
Loans, Advances and Deposits	24	685,915,465	591,613,938
Cash and Cash Equivalents	25	85,698,910	581,098,945
TOTAL ASSETS	Tk.	11,953,418,940	11,912,512,487
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity			
Issued Share Capital	26	1,145,070,430	1,040,973,120
Share Premium		1,489,750,000	1,489,750,000
Excess of Issue Price over Face Value of GDRs		1,689,636,958	1,689,636,958
Capital Reserve on Merger		294,950,950	294,950,950
Tax-Holiday Reserve	27	442,354,953	394,834,828
Retained Earnings		3,189,176,356	3,039,774,569
Non-Current Liabilities			
Long Term Borrowing-Net off Current Maturity (Secured)	28	1,776,449,778	1,159,409,947
Liability for Gratuity & WPPF	29	246,704,610	213,357,859
Deferred Tax Liability	30	51,351,969	62,403,458
Current Liabilities and Provisions			
Short Term Borrowings	31	907,582,327	1,302,816,980
Long Term Borrowing-Current Maturity	32	343,604,498	712,122,930
Creditors and Other Payables	33	271,814,118	365,255,938
Accrued Expenses	34	60,052,739	117,936,620
Dividend Payable		3,285,324	13,012,146
Income Tax Payable	35	41,633,930	16,276,184
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	Tk.	11,953,418,940	11,912,512,487

The Notes are integral part of the Financial Statements.

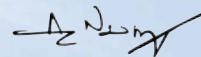
Approved and authorised for issue by the board of directors on 6 May, 2008 and signed for and on behalf of the Board :



O. K. Chowdhury
Director



M. A. Qasem
Director



Ali Nawaz
Chief Finance Officer

Dhaka
6 May, 2008

Per our report of even date.



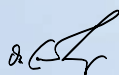
M. J. Abedin & Co.
Chartered Accountants

BEXIMCO PHARMACEUTICALS LIMITED
Profit and Loss Account
For the year ended 31 December 2007

	Notes	2007	2006
Net Sales Revenue	36	3,597,024,812	3,702,317,159
Cost of Goods Sold	37	(1,967,509,975)	(1,971,231,333)
Gross Profit		<u>1,629,514,837</u>	<u>1,731,085,826</u>
Operating Expenses :		(974,736,690)	(984,562,332)
Administrative Expenses	40	(145,544,701)	(150,285,977)
Selling, Marketing and Distribution Expenses	41	(829,191,989)	(834,276,355)
Profit from Operations		<u>654,778,147</u>	<u>746,523,494</u>
Other Income	42	19,625,795	56,201,142
Finance Cost	43	(254,742,392)	(253,318,784)
Profit Before Contribution to WPPF		<u>419,661,550</u>	<u>549,405,852</u>
Contribution to Workers' Profit Participation/ Welfare Funds	44	(19,983,883)	(26,162,183)
Profit Before Tax		<u>399,677,667</u>	<u>523,243,669</u>
Income Tax Expense	19.5, & 45	(46,609,789)	(52,585,106)
Current Tax		(57,661,278)	(35,402,549)
Deferred Tax Income/(Expense)		11,051,489	(17,182,557)
Profit After Tax Transferred to Statement of Changes in Equity		<u>Tk. 353,067,878</u>	<u>470,658,563</u>
Earnings Per Share (of Tk. 10 /- each) (Adjusted EPS of 2006)	46	<u>Tk. 3.08</u>	<u>4.11</u>
Number of shares used to compute EPS		<u>114,507,043</u>	<u>114,507,043</u>

The Notes are integral part of the Financial Statements.

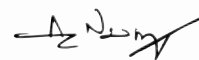
Approved and authorised for issue by the board of directors on 6 May, 2008 and signed for and on behalf of the Board :



O. K. Chowdhury
Director



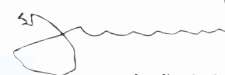
M. A. Qasem
Director



Ali Nawaz
Chief Finance Officer

Dhaka
6 May, 2008

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 2007

	Share Capital	Share Premium	Excess of Issue Price over Face Value of GDRs	Tax Holiday Reserve	Capital Reserve on Merger	Retained Earnings	Total
Opening Balance on 01.01.2007	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
Profit after tax for 2007	-	-	-	-	-	353,067,878	353,067,878
Tax Holiday Reserve provided for 2007 (Note-47)				78,154,622		(78,154,622)	-
Tax Holiday Reserve no longer required				(30,634,497)		30,634,497	-
Cash Dividend of Previous Year (2006)						(52,048,656)	(52,048,656)
Bonus Share of Previous Year (2006)	104,097,310		-			(104,097,310)	-
At the end of year 2007	Tk. 1,145,070,430	1,489,750,000	1,689,636,958	442,354,953	294,950,950	3,189,176,356	8,250,939,647

Total Number of shares	114,507,043
Shareholders' Equity per share	Tk. 72.06

The Notes are integral part of the Financial Statements.

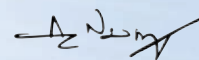
Approved and authorised for issue by the board of directors on 6 May, 2008 and signed for and on behalf of the Board :



O. K. Chowdhury
Director

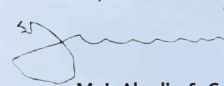


M. A. Qasem
Director



Ali Nawaz
Chief Finance Officer

Per our report of even date.



M. J. Abedin & Co.
Chartered Accountants

Dhaka
6 May, 2008

BEXIMCO PHARMACEUTICALS LIMITED
Cash Flow Statement
For the year ended 31 December 2007

Cash Flows from Operating Activities :

Cash Receipts from Customers and Others

Cash Paid to Suppliers and Employees

Cash Generated from Operations

Interest Paid

Income Tax Paid

Net Cash Generated from Operating Activities

Cash Flows from Investing Activities :

Acquisition of Property, Plant and Equipment (Note : 48)

Investment in Shares

Sales of Shares in Bextex Ltd.

Disposal of Property, Plant and Equipment

Net Cash Used in Investing Activities

Cash Flows from Financing Activities :

Net Increase/(Decrease) in Long Term Borrowings

Issue of Shares against GDR

Net Excess of Issue Price over Face Value of GDRs

Net (Decrease)/Increase in Short Term Borrowings

Dividend Paid

Net cash Generated from Financing Activities

(Decrease)/Increase in Cash and Cash Equivalents

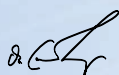
Cash and Cash Equivalents at Beginning of Year

Cash and Cash Equivalents at End of Year

	2007	2006
	3,542,690,128	4,097,579,564
	(2,947,335,836)	(2,714,775,105)
	595,354,292	1,382,804,459
	(222,581,780)	(229,719,450)
	(32,303,532)	(73,557,767)
	340,468,980	1,079,527,242
	(460,904,187)	(1,083,478,873)
	-	(10,000,000)
	9,730,325	15,294,792
	1,928,598	450,467
	(449,245,264)	(1,077,733,614)
	70,386,381	(760,582,217)
	-	81,757,500
	-	720,461,653
	(395,234,653)	240,805,788
	(61,775,479)	(131,700,637)
	(386,623,751)	150,742,087
	(495,400,035)	152,535,715
	581,098,945	428,563,230
Tk.	85,698,910	581,098,945

The Notes are integral part of the Financial Statements.

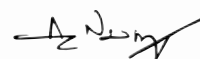
Approved and authorised for issue by the board of directors on 6 May, 2008 and signed for and on behalf of the Board :



O. K. Chowdhury
Director



M. A. Qasem
Director



Ali Nawaz
Chief Finance Officer

Dhaka
6 May, 2008

Per our report of even date.



M. J. Abedin & Co.
Chartered Accountants

BEXIMCO PHARMACEUTICALS LIMITED
Notes to the Accounts
For the year ended 31 December 2007

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 in 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 at Tongi, 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 International Financial Reporting Standards (IFRSs)

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs), including International Accounting Standards (IASs).

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 *IAS 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 6 May, 2008.

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 2006 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 2006 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 the IFRSs including IASs require 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 *IAS 8 : Accounting Policies, Changes in Accounting Estimates and Errors*.

11. Accrued Expenses and Other Payables

Liabilities for the goods and services received have 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 of 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 *IAS 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 observed till to date.

15. Segment Reporting

No segment reporting is applicable for the company as required by *IAS 14 : Segment Reporting* as its revenue from external customers and from transactions with internal customers (other segments) is not 10% or more of total revenue of all segments.

16. Cash Flow Statement

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

The cash generated 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 *IAS 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 *IAS 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 *IAS 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 in respect of Material 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 *IAS 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 *IAS 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 *IAS 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 *IAS 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 *IAS 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 *IAS 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 qualifies 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 *IAS 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 *IAS 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 *IAS 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 *IAS 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 Labor Law, 2006 and is payable to workers as defined in the said scheme.

(d) Insurance Scheme

Employees of the company are covered under group 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 IAS 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

Current Year (2007)

The Bonus Shares issued during the year 2007 were treated as if they always had been in issue. Hence, in computing the Basic EPS of 2007, the total number of shares including the said bonus shares has been considered as the Weighted Average number of Shares Outstanding during the year 2007.

Earlier Year (2006)

The number of shares outstanding before the bonus issue has been adjusted for the proportionate change in the number of shares outstanding as if the bonus issue had occurred at the beginning of the earliest period reported (2006), and accordingly, in calculating the adjusted EPS of 2006, the total number of shares including the subsequent bonus issue in 2007 has been considered as the Weighted Average number of Shares Outstanding during the year 2006.

The basis of computation of number of shares as states above is in line with the provisions of IAS 33 " Earning Per Share ". The logic behind this basis, as stated in the said IAS is, that the bonus Shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings.

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 IAS 21 : *The Effects of Changes in Foreign Exchange Rates*.

The rates of relevant foreign exchanges at year end are :

			<u>2007</u>	<u>2006</u>
1 US Dollar \$	=	Tk.	69.20	70.40

20. Property, Plant and Equipment - Tk. 8,992,942,392

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Transport and Vehicle	Office Equipment	Total
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
Additions during the year	1,625,230	65,305,077	11,511,610	5,682,007	1,523,150	12,603,682	98,250,756
Transferred & Capitalized	-	112,346,818	25,060,308	-	-	-	137,407,126
Disposal during the year	-	-	(5,442,737)	(2,377,958)	(547,000)	(481,138)	(8,848,833)
Cost at 31 December, 2007	1,236,071,399	1,047,308,070	1,448,468,239	65,120,113	126,376,416	228,590,676	4,151,934,913
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
Depreciation during the year	-	44,944,230	82,853,156	3,812,531	11,297,597	14,468,289	157,375,803
Adjustment for assets disposed off	-	-	(5,051,695)	(1,093,350)	(403,607)	(442,790)	(6,991,442)
Accumulated Depreciation at 31 December, 2007	-	408,355,856	858,580,427	30,783,529	81,094,114	144,273,813	1,523,087,739
Net Book Value 31 December, 2007	Tk. 1,236,071,399	638,952,214	589,887,812	34,336,584	45,282,302	84,316,863	2,628,847,174
Capital Work in Progress							Tk. 6,364,095,218
Carrying Value as on 31 December, 2007							Tk. 8,992,942,392

Assets include lease hold assets of Tk 507,535,669 at cost and Tk. 335,007,513 at written down value.

Capital Work in Progress is arrived at as follows :

	2007	2006
Opening Balance	5,960,713,895	5,259,101,527
Addition during the year	540,788,449	1,059,135,957
Exchange Loss	-	6,327,291
	6,501,502,344	6,324,564,775
Transferred & Capitalized	(137,407,126)	(363,850,880)
Building and Other Constructions	(112,346,818)	(259,037,873)
Plant & Machinery	(25,060,308)	(94,662,571)
Furniture	-	(287,928)
Office Equipment	-	(9,862,508)
Tk.	6,364,095,218	5,960,713,895

Capital Work in Progress includes an aggregate amount of Tk. 5,391,751,875 being investment in property, plant and equipment of our US FDA standard Oral Solid Dosage Plant. The project is now under certification by different international regulatory authorities.

21. Investment in Shares - Tk. 36,701,090

This Consists of :

	2007	2006
a) 3,268,991 Shares of Tk. 10 each of Bextex Limited (former Padma Textile Mills Ltd.)	25,701,090	30,982,840
b) 100,000 Shares of BPL Power Company Ltd. of Tk. 100 each	10,000,000	10,000,000
c) 1 Share of Tk.1,000,000 each of Central Depository Bangladesh Ltd. (CDBL)	1,000,000	1,000,000
Tk.	<u>36,701,090</u>	<u>41,982,840</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 30 December, 2007 was Tk.18.90 (on 28-12-06 Tk. 22.40) in the Dhaka Stock Exchange Ltd. and Tk.19.00 (on 28-12-06 Tk. 22.40) in the Chittagong Stock Exchange Ltd.

22. Inventories - Tk. 1,652,480,291

This consists of as follows :

Finished Goods	331,438,214	398,102,771
Work in Process	142,743,433	178,713,956
Raw Material	607,643,749	623,238,087
Packing Material	188,571,634	200,227,273
Laboratory Chemical	2,673,958	2,163,268
Literature & Promotional Material	49,039,537	44,474,997
Physician Sample	18,397,570	14,025,516
Raw & Packing Material in Transit	178,683,684	196,082,038
Stock of Stationery	2,162,958	2,537,415
Spares & Accessories	131,125,554	94,874,967
Tk.	<u>1,652,480,291</u>	<u>1,754,440,288</u>

23. Accounts Receivable - Tk. 499,680,792

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

This includes receivable of Tk.27,811,796 equivalent to US\$ 399,645 (on 31-12-2006 Tk.3,151,402 equivalent to US \$ 45,455) against export sales.

This also includes Tk. 427,386,197 (on 31-12-2006 Tk. 364,005,726) 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. 566,999,130 on 28.06.2007 (on 30.04.06 Tk. 770,764,638).

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. 685,915,465

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

	2007	2006
Clearing & Forwarding	15,908,958	10,792,368
VAT	103,793,763	139,504,808
Claim Receivable	15,214,568	16,085,288
Security Deposit	16,924,082	11,008,107
Lease Deposit	15,458,331	26,248,190
Earnest Money	2,120,839	1,729,384
Capital Expenditure	158,660,096	46,673,169
Expenses	26,483,401	12,766,250
Bank Guarantee Margin	341,414	2,875,744
Advance against Salary	27,672,341	29,977,777
Rent Advance	1,468,303	2,128,286
Motor Cycle	62,295,492	54,067,439
Raw & Packing Material	189,924,320	186,198,704
Others	49,649,557	51,558,424
Tk.	<u>685,915,465</u>	<u>591,613,938</u>

(a) The maximum amount due from the officers during the year was Tk. 29,516,725 on 30.04.2007

(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. 85,698,910

This consists of as follows :

(a) Cash in Hand	737,246	1,426,068
(b) Imprest Cash	1,402,400	2,636,111
(c) Cash at Banks :		
(i) In Current Accounts	79,139,152	(2,536,354)
(ii) In FDR Accounts -	-	577,448,630
(iii) In F.C. Accounts (Equivalent US\$ 63,874.45) (on 31-12-2006 US\$ 30,177)	4,420,112	2,124,490
	<u>83,559,264</u>	<u>577,036,766</u>
Tk.	<u>85,698,910</u>	<u>581,098,945</u>

26. Issued Share Capital - Tk. 1,145,070,430

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 (2006: 51,775,750) of Tk. 10/- each fully paid-up in cash

517,757,500

517,757,500

56,780,043 Bonus Shares (2006: 46,370,312) of Tk. 10/- each

567,800,430

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

114,507,043 Shares

Tk. 1,145,070,430

1,040,973,120

The movement of issued shares during the year 2007 is as follows :

	Number of Shares	Amount in Taka
(a) As on 01.01.2007	104,097,312	1,040,973,120
Bonus Share issued as dividend of 2006	10,409,731	104,097,310
Closing as at 31.12.2007	114,507,043	1,145,070,430

(b) Composition of Shareholding :

	2007		2006	
	No. of shares	%	No. of shares	%
Sponsors/Directors	23,619,165	20.63	21,471,970	20.63
Foreign Investors	38,303,493	33.45	31,000,305	29.78
ICB including ICB Investors Account	12,881,852	11.25	14,242,332	13.68
General Public and Institutions	39,702,533	34.67	37,382,705	35.91
	114,507,043	100.00	104,097,312	100.00

(c) Distribution Schedule :

Range of Holdings In number of shares	No. of Shareholders		% of Shareholders		No. of Shares		% of Share Capital	
	2007	2006	2007	2006	2007	2006	2007	2006
1 to 499	42,754	39,471	79.33%	80.67%	5,267,925	5,074,404	4.60%	4.87%
500 to 5,000	10,201	8,501	18.93%	17.37%	13,121,792	11,770,861	11.46%	11.31%
5,001 to 10,000	541	525	1.00%	1.07%	3,729,112	3,668,789	3.26%	3.52%
10,001 to 20,000	204	239	0.38%	0.49%	2,844,702	3,327,993	2.48%	3.20%
20,001 to 30,000	60	65	0.11%	0.13%	1,437,596	1,616,329	1.26%	1.55%
30,001 to 40,000	30	32	0.06%	0.07%	1,076,154	1,128,449	0.94%	1.08%
40,001 to 50,000	18	19	0.03%	0.04%	802,656	853,446	0.70%	0.82%
50,001 to 100,000	32	36	0.06%	0.07%	2,215,866	2,420,867	1.94%	2.33%
100,001 to 1,000,000	38	31	0.07%	0.06%	13,175,792	11,532,064	11.51%	11.08%
Over 1,000,000	14	13	0.03%	0.03%	70,835,448	62,704,110	61.85%	60.24%
Total	53,892	48,932	100.00%	100.00%	114,507,043	104,097,312	100.00%	100.00%

(d) Market Price :

The shares are listed in Dhaka, Chittagong and London Stock Exchanges. On the last working day of the year, each share was quoted at Tk. 58.90 (in 2006 Tk. 53.70) in the Dhaka Stock Exchange Ltd., Tk. 59.30 (in 2006 Tk. 53.50) in the Chittagong Stock Exchange Ltd., and GBP 0.37 in London Stock Exchange (in 2006 GBP 0.615).

(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 (2006 : 6,666,662).

27. Tax-Holiday Reserve - Tk. 442,354,953

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

	2007	2006
Opening Balance	394,834,828	414,548,999
Add: Provided during the year (Note - 47)	78,154,622	125,369,152
Less : Tax Holiday Reserve no longer required	(30,634,497)	(145,083,323)
Tk.	442,354,953	394,834,828

28. Long Term Borrowing-Net off Current Maturity (Secured)- Tk. 1,776,449,778

This Consists of :

	2007	2006
(a) Project Loan	1,516,920,475	964,687,435
(b) Interest and PAD Block	223,810,664	159,719,746
(c) Obligation Under Finance Leases	35,718,639	35,002,766
	Tk. <u>1,776,449,778</u>	<u>1,159,409,947</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 is the lead bank to the consortium.

This Loan is secured against :

- (i) 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, Aushpara of Gazipur; and
- (ii) First paripassu charge by way of hypothecation on all assets of the company both present and future.
- (iii) This Loan, carrying interest at 12.5% to 14.5% per annum, is repayable in quarterly installments ending by 2012.

(b) Interest and PAD Block

This represents blocked PAD and blocked interest of Janata Bank to be paid in quarterly installments ending by 30.04.2011.

29. Liability for Gratuity & WPPF - Tk. 246,704,610

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 :

(a) Gratuity Payable

Opening Balance	94,836,599	83,598,054
Provided during the year	17,558,748	15,280,229
	112,395,347	98,878,283
Paid during the year	(9,950,918)	(4,041,684)
	Tk. <u>102,444,429</u>	<u>94,836,599</u>

(b) Loan from Workers' Profit Participation/Welfare Funds

	144,260,181	118,521,260
	Tk. <u>246,704,610</u>	<u>213,357,859</u>

30. Deferred Tax Liability - Tk. 51,351,969

This is arrived at as follows:

Opening Balance	62,403,458	45,220,901
Deferred Tax (Income)/Expense for the year (Note : 45)	(11,051,489)	17,182,557
	Tk. <u>51,351,969</u>	<u>62,403,458</u>

31. Short Term Borrowings - Tk. 907,582,327

This represents :

- (a) Janata Bank :
 - Cash Credit-Pledge
 - Cash Credit-Hypothecation
 - PAD
 - LIM
- (b) Citibank NA
- (c) Standard Chartered Bank
- (d) IPDC

	2007	2006
	149,972,531	165,214,805
	666,029,415	628,919,853
	-	250,305,095
	-	165,057,074
	41,570,459	41,626,869
	9,922	1,762
	50,000,000	51,691,522
Tk.	<u>907,582,327</u>	<u>1,302,816,980</u>

32. Long Term Borrowing-Current Maturity - Tk. 343,604,498

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

- Project Loan
- Interest & PAD Block
- Obligation under Finance Leases

	2007	2006
	152,025,355	489,443,207
	159,478,000	67,200,136
	32,101,143	155,479,587
Tk.	<u>343,604,498</u>	<u>712,122,930</u>

33. Creditors and other Payables - Tk. 271,814,118

This consists of :

- Goods & Services
- Provident Fund
- Capital Expenditure
- Advance Against Export
- Others

	2007	2006
	112,027,880	146,825,002
	149,723,824	112,692,882
	5,051,325	69,581,555
	1,705,718	15,294,367
	3,305,371	20,862,132
Tk.	<u>271,814,118</u>	<u>365,255,938</u>

These are unsecured, and falling due within one year.

34. Accrued Expenses - Tk. 60,052,739

This is unsecured falling due within one year and consists of as follows :

- For expenses
- Workers' Profit Participation/ Welfare Funds (current year's provision)

	2007	2006
	40,068,856	91,774,437
	19,983,883	26,162,183
Tk.	<u>60,052,739</u>	<u>117,936,620</u>

35. Income Tax Payable - Tk. 41,633,930

This is arrived at as follows :

- Opening Balance
- Tax provided (Note - 45)
- Short/(Excess) in tax provision of earlier years
- Tax paid (including advance tax) during the year

	2007	2006
	16,276,184	54,431,402
	57,661,278	43,413,478
	-	(8,010,929)
	73,937,462	89,833,951
	(32,303,532)	(73,557,767)
Tk.	<u>41,633,930</u>	<u>16,276,184</u>

36. Net Sales Revenue - Tk. 3,597,024,812

This represents net sales and consists of as follows :

Local Sales
Export Sales-US\$ 1,777,322 (in 2006 US\$ 1,671,522)

	2007	2006
	3,474,272,775	3,587,218,117
	122,752,037	115,099,042
Tk.	<u>3,597,024,812</u>	<u>3,702,317,159</u>

Sales represent :

Solid. Liquid & Inhalation Formulations Pcs
Basic Chemicals Kg.
IV Fluids Bottles

1,768,179,996	1,684,695,282
9,040	44,751
6,565,071	8,724,310

37. Cost of Goods Sold - Tk. 1,967,509,975

This is made-up as follows :

Work-in-Process (Opening)
Material Consumed
Factory Overhead

Notes

Work-in-Process (Closing)

COST OF PRODUCTION

Finished Goods (Opening)

Finished Goods available

Finished Goods (Closing)

Cost of Physician Sample

	178,713,956	156,374,814
38	1,486,392,827	1,622,394,163
39	414,930,167	426,338,680
	2,080,036,950	2,205,107,657
	(142,743,433)	(178,713,956)
	1,937,293,517	2,026,393,701
	398,102,771	378,744,903
	2,335,396,288	2,405,138,604
	(331,438,214)	(398,102,771)
	2,003,958,074	2,007,035,833
	(36,448,099)	(35,804,500)
Tk.	<u>1,967,509,975</u>	<u>1,971,231,333</u>

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

Item	Unit	Quantity	Value
Stock as on 01-01-07			
Solid. Liquid & Inhalation Formulations	Pcs	366,491,147	353,990,375
Basic Chemicals	kg	8,989	20,880,681
IV Fluids	Bottles	1,231,511	23,231,715

Tk. 398,102,771

Stock as on 31-12-07

Solid. Liquid & Inhalation Formulations	Pcs	312,870,267	307,290,151
IV Fluids	Bottles	960,630	24,148,063

Tk. 331,438,214

38. Material Consumed - Tk. 1,486,392,827

This is made-up as follows :

Opening Stock
Purchase
Closing Stock

	825,628,628	926,370,836
	1,459,653,540	1,521,651,955
	(798,889,341)	(825,628,628)
Tk.	<u>1,486,392,827</u>	<u>1,622,394,163</u>

39. Factory Overhead - Tk. 414,930,167

This consists of as follows :

	2007	2006
Salary & Allowances	164,122,324	152,419,522
Repairs & Maintenance	52,288,675	55,432,059
Insurance Premium	2,746,192	4,464,103
Municipal Tax & Land Revenue	243,532	966,105
Advertisement & Subscription	95,103	207,280
Traveling & Conveyance	615,056	508,110
Entertainment	290,292	289,979
Research and Development	5,408,921	5,012,565
Printing & Stationery	5,392,708	5,047,093
Telephone & Postage	2,353,985	2,110,387
Toll Charge/ (income) - Net	14,240,267	30,865,623
Electricity, Gas & Water	19,876,997	19,620,220
Other Expenses	8,765,408	7,513,532
Depreciation	138,490,707	141,882,102
Tk.	<u>414,930,167</u>	<u>426,338,680</u>

- (a) Salary and allowances include Company's Contribution to provident fund of Tk. 2,411,504 (in 2006 Tk. 2,235,542).
- (b) In 2007, all the 662 factory employees received annual salary and allowances of Tk. 36,000 and above.
- (c) The value of imported stores and spares consumed is Tk. 12,577,281 (in 2006 Tk.16,056,036) included in repairs & maintenance.
- (d) Other expenses does not include any item exceeding 1% of total revenue.

40. Administrative Expenses - Tk. 145,544,701

This consists of as follows :

	2007	2006
Salary & Allowances	76,563,948	71,303,223
Rent Expenses	5,505,570	5,067,449
Repairs & Maintenance	7,554,565	8,419,528
Donation & Subscription	1,560,457	1,288,074
Traveling & Conveyance	10,921,693	9,916,494
Entertainment	1,093,769	2,376,972
Printing & Stationery	1,068,943	1,334,676
Auditors' Remuneration	365,750	306,270
Telephone & Postage	3,330,813	3,819,394
Electricity, Gas & Water	2,417,841	2,477,526
Legal & Consultancy Fee	2,059,086	2,474,773
AGM, Company Secretarial Expenses and Regulatory Fees	18,433,038	27,937,966
Other Expenses	7,896,605	6,368,427
Training	477,591	403,910
Depreciation	6,295,032	6,791,295
Tk.	<u>145,544,701</u>	<u>150,285,977</u>

- (a) Salary and allowances include provident fund contribution of Tk. 2,265,163 (in 2006 Tk. 1,835,719).
- (b) In 2007, all the 132 employees of Administrative and General Management received annual salary and allowances of Tk. 36,000 and above.
- (c) Auditors' remuneration represents audit fee for auditing the accounts for the year 2007.

41. Selling, Marketing and Distribution Expenses - Tk. 829,191,989

This consists of as follows :

	2007	2006
Salary & Allowances	267,944,701	242,771,658
Rent Expenses	13,005,628	13,323,650
Repairs & Maintenance	14,696,235	14,059,422
Traveling & Conveyance	138,760,988	132,569,372
Entertainment	663,066	876,932
Printing & Stationery	10,189,762	11,927,246
Telephone & Postage	7,147,739	7,612,156
Electricity, Gas & Water	2,719,882	3,077,875
Market Research & New Products	20,434,120	38,372,541
Training & Conference	21,498,705	24,760,303
Sample Expenses	53,540,434	55,899,980
Promotional Expenses	88,106,570	91,107,283
Literature/News Letter	47,070,903	47,851,630
Export Freight, Insurance & C & F Expense	14,952,132	15,903,140
Delivery Commission	106,083,796	107,908,247
Depreciation	12,590,064	12,697,625
Other Expenses	9,787,264	13,557,295
Tk.	<u>829,191,989</u>	<u>834,276,355</u>

- (a) Salary and allowances include provident fund contribution of Tk.7,784,687 (in 2006 Tk. 6,551,980).
- (b) In 2007, all the 1,465 employees relates to selling and distribution received annual salary and allowances of Tk. 36,000 and above.
- (c) Delivery commission represents 3% of local sales of Formulation and IV Fluids which has been paid to I & I Services Ltd., the local distributor of the company and a related party.

42. Other Income - Tk. 19,625,795

This is arrived at as follows :

Interest Income	15,169,014	43,748,781
Cash Dividend received	-	1,900,336
Exchange gain/(loss) on retention quota (F.C.) accounts	(63,001)	54,441
Gain on Sale of shares in Bextex Ltd.	4,448,575	10,121,382
Profit on sale of Fixed Assets (Note-50)	71,207	376,202
Tk.	<u>19,625,795</u>	<u>56,201,142</u>

43. Finance Cost - Tk. 254,742,392

This is arrived at as follows :

Interest on Cash Credit and others	222,581,780	229,719,450
Interest on loan from PF and WPP & Welfare Fund	32,160,612	23,599,334
Tk.	<u>254,742,392</u>	<u>253,318,784</u>

44. Contribution To Workers' Profit Participation / Welfare Funds -Tk. 19,983,883

This represents 5% of net profit before tax after charging the contribution as per provisions of Bangladesh Labour Law-2006.

45. Income Tax Expenses-Tk. 46,609,789

This consists of as follows :

- (i) Current Tax
- (ii) Deferred Tax (Income)/Expense (Note 19.5)

	2007	2006
	57,661,278	35,402,549
	(11,051,489)	17,182,557
Tk.	<u>46,609,789</u>	<u>52,585,106</u>
	57,661,278	43,413,478
	-	(8,010,929)
Tk.	<u>57,661,278</u>	<u>35,402,549</u>

Current Tax consists of as Follows :

Tax for the year under review
Short/(Excess) provision of Tax relating to earlier years

46. Earnings Per Share (EPS) :

- (a) Earnings attributable to the Ordinary Shareholders (Net profit after Tax)
- (b) Weighted average number of Ordinary Shares outstanding during the year

Earnings Per Share (EPS) (Adjusted EPS of 2006)

Tk.	<u>353,067,878</u>	<u>470,658,563</u>
	114,507,043	114,507,043
Tk.	<u>3.08</u>	<u>4.11</u>

47. Tax-Holiday Reserve - Tk. 78,154,622

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

48. Acquisition of Property, Plant and Equipment Tk. 460,904,187

This is net of Interest During Construction Period (IDCP) amounting Tk. 178,135,018 (in 2006 Tk. 141,446,332).

49. 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 2007	Balance at year end
(a) I & I Services Ltd.	(a) Local Delivery	3,981,860,549	427,386,197
(b) I & I Services Ltd.	(b) Delivery Commission	106,083,796	-
(c) Bangladesh Online Ltd.	(c) Internet Bill	1,819,423	-

50. Particulars of Disposal of Property, Plant and Equipment

The following assets were disposed off during the year ended 31-12-07 :

Particulars Of Assets	Cost	Dep.Upto 31-12-06	W.D.V. as on 31-12-06	Sales Price	Profit/ (Loss)	Mode Of Disposal	Name of Parties
Furniture	2,377,958	1,093,350	1,284,608	1,055,111	(229,497)	Tender	Various
Office Equipment	481,138	442,790	38,348	67,724	29,376	Tender	Various
Plant & Machinery	5,442,737	5,051,695	391,042	625,663	234,621	Tender	Various
Transport & Vehicle	547,000	403,607	143,393	180,100	36,707	Tender	Kh. Mohsin Uddin
Total	Tk. 8,848,833	6,991,442	1,857,391	1,928,598	71,207		

51. Payment/Perquisites to Directors and Managers :

(a) The aggregate amounts paid to/ provided for the Directors and Managers of the company are disclosed below :

	2007	2006
Managerial Remuneration	35,788,874	33,134,846
Gratuity	2,302,025	1,964,145
Company's Contribution to Provident Fund	2,253,984	2,181,974
Bonus	4,604,050	3,985,461
Perquisites :		
Transport	9,719,924	8,303,045
Medical	2,979,925	3,985,461
Telephone	3,160,179	3,605,513
Electricity, Gas & Water	2,160,518	2,486,927
Total	Tk. 62,969,479	59,647,372

(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.

52. Production Capacity, Actual Production in 2007:

Unit	Production Capacity		Actual Production		Excess/(Shortfall)	
	2007	2006	2007	2006	2007	2006
Tablet & Capsule (in million pcs)	1,742	1,566	1,774	2,124	32	558
Bottle, Tube & Cans (in million pcs)	39	39	36	41	(3)	2
Bottle-IV (in million pcs)	14	14	6	10	(8)	(4)

53. Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for at 31 December 2007.

54. Finance Lease Commitment

At 31 December, 2007, the company had annual commitment under finance leases as set out below :

Leases expire within 1 year	32,101,143
Leases expire within 2-5 years (inclusive)	35,718,639
Leases expire after five years	-
Tk.	<u>67,819,782</u>

55. Claim not Acknowledged as Debt

There was no claim against the company not acknowledged as debt as on 31-12-07.

56. 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 31.12.2007.

57. Payments Made in Foreign Currency :

	<u>Foreign Currency (Equivalent US\$)</u>	<u>Taka</u>
Import of Machinery, Equipments and Spares	539,824	37,938,831
Import of Raw & Packing material	11,426,107	803,060,645
Regulatory Fees	47,801	3,359,480

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

58. Dividend Paid to the Non-resident Shareholders in 2007:

- (i) Dividend for 2006 was declared on 2nd September, 2007 and therefore, dividend for 2006 was paid in 2007.
- (ii) Dividend of Tk. 15,561,493 relating to the year 2006 was paid to 13 non-resident shareholders against 36,615,493 shares held by them.
- (iii) No dividend was remitted in foreign currency but paid in local currency to their local custodian banks.

59. Foreign Exchange Earned :

- (a) Export Sales of US\$ 1,777,322 (in 2006 US\$ 1,671,522).
- (b) No other income including royalty, technical assistance and professional advisory fee, interest and dividend was earned or received in foreign currency.

60. 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.

61. Contingent Liability:

The company has a contingent liability to the extent of Tk. 1,721,005,920 (Yen 2,693,280,000) for third party corporate guarantee issued to Marubeni Corporation, Tokyo in favour of Bextex Limited, a member of Beximco Group.

62. Post Closing Events

Following events have occurred since the Balance Sheet date:

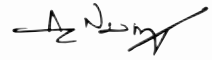
- (a) The directors recommended 5% cash dividend and 10% Stock dividend (Bonus Share). The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting.
- (b) Except the fact stated above, no circumstances have arisen since the balance sheet date which would require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



O. K. Chowdhury
Director



M. A. Qasem
Director



Ali Nawaz
Chief Finance Officer

Dhaka
6 May, 2008



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Legal Advisor

Huq and Company
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Auditors

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