


Your
Need
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the
Most

ANNUAL REPORT 2010

BEXIMCO PHARMACEUTICALS LTD.







“Beximco Pharma aspires to become a nationally admired and globally reputed generic pharmaceutical company, committed to enhancing human health and life.”

Beximco Group 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.

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About the Company

Beximco Pharmaceuticals Ltd., commonly known as Beximco Pharma or BPL, is a leading manufacturer and exporter of finished formulations and active pharmaceutical ingredients (APIs) in Bangladesh. Beximco Pharma is the flagship company of Beximco Group, the largest private sector industrial conglomerate in Bangladesh, and remains the only Bangladeshi company with an AIM listing on the London Stock Exchange.

The company employs more than 2,500 people and is widely acclaimed for its skilled and talented workforce. Its state-of-the-art manufacturing facilities have been certified by the global regulatory bodies such as TGA (Australia), GCC (Gulf Council), ANVISA (Brazil) and INVIMA (Colombia).

Today Beximco Pharma is building its presence across five continents and is the only Bangladeshi company to market pharmaceutical products in the USA. The company has a visible and growing presence in emerging markets, including Malaysia, Kenya, Singapore, Myanmar, Sri Lanka, Nepal, Nigeria and the Philippines. Moreover, it has received the National Export Trophy (Gold) on three separate occasions for its outstanding contributions to the country's pharmaceuticals export.

We've built Beximco Pharma into one of the most trusted pharmaceutical companies in the country by delivering solid returns to our shareholders, and helping patients with life-altering conditions so that they may live their lives to the fullest.



Our Story

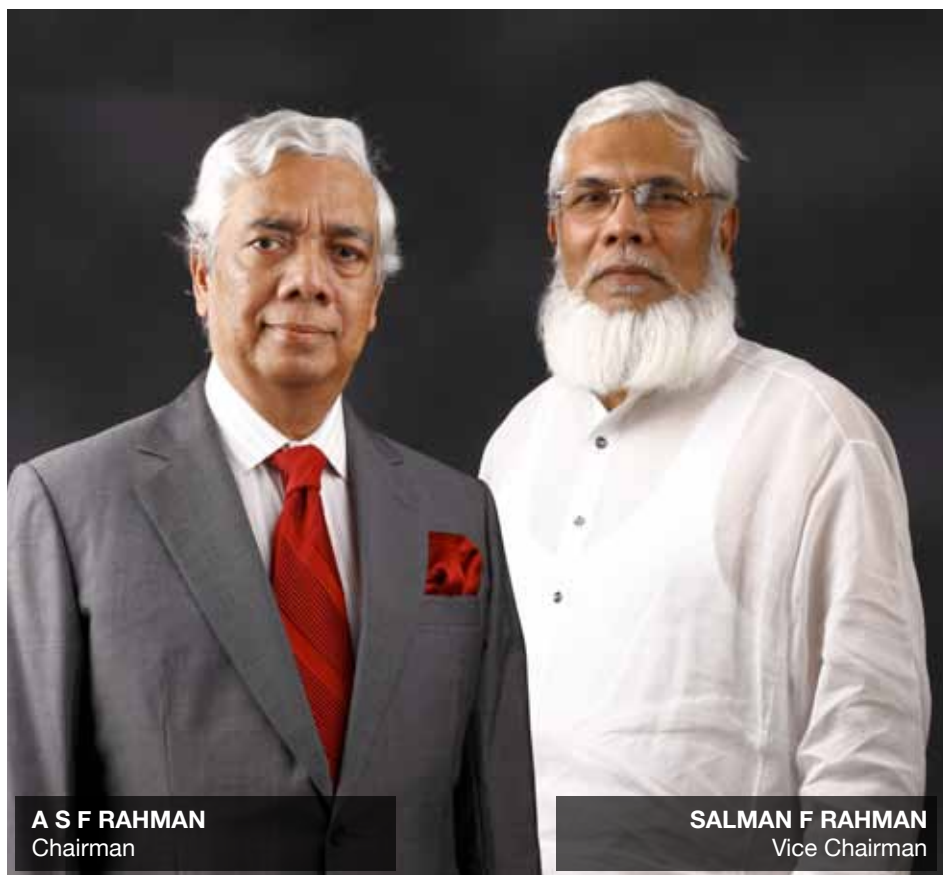
Beximco Pharma started its journey back in the 1970's. Today the company has grown to become one of the largest exporters of medicines in the country; employing over 2,500 people and expanding its presence across many regions of the world.

Let's take a look at Beximco Pharma's milestones along the way ...

- 2010 : The only pharmaceutical company in Bangladesh to enter the US market through the acquisition of an Abbreviated New Drug Application (ANDA) for a product;
Received GMP Accreditation from INVIMA, Colombia
- 2009 : Only Bangladeshi company to receive GMP Certification from ANVISA, Brazil;
ION unit was launched for producing injectables, ophthalmics and nebulizer solutions
- 2008 : First Bangladeshi company to receive GMP Clearance from Therapeutic Goods Administration (TGA) Australia, and Gulf Central Committee for Drug Registration, for GCC states;
Technology transfer arrangement to manufacture Roche's ARV drug Saquinavir
- 2007 : Oral Solid Dosage facility was commissioned according to US FDA standards
- 2006 : Launched CFC free HFA inhalers for the first time in Bangladesh
- 2005 : Only company in Bangladesh to be listed on the Alternative Investment Market (AIM) of London Stock Exchange (LSE) through issuance of GDRs
- 2003 : First and only company to introduce anti-retroviral (ARV) drugs in Bangladesh
- 2001 : First and only Bangladeshi company to enter Singapore, one of the most regulated markets in Asia
- 2000 : Only company to achieve 'National Export Trophy (Gold)' for the third time
- 1996 : IV unit (former Beximco Infusions Ltd.) received ISO 9001 Certification from TUV-Cert, Germany
- 1993 : Russia became the first export destination for formulation products
- 1992 : Export operation started with APIs
- 1985 : Listed on Dhaka Stock Exchange
- 1983 : Launched its own formulation brands
- 1980 : Started manufacturing products of Bayer AG, Germany and Upjohn Inc., USA, under license agreements
- 1976 : Company incorporated

We have come a long way; but the journey only gets better ...

Corporate Directories



A S F RAHMAN
Chairman

SALMAN F RAHMAN
Vice Chairman

The Board of Directors

A S F Rahman	Chairman
Salman F Rahman	Vice Chairman
Nazmul Hassan MP	Managing Director
Iqbal Ahmed	Director
Mohammad Abul Qasem	Director
Osman Kaiser Chowdhury	Director
Abu Bakar Siddiqur Rahman	Director
Advocate Ahsanul Karim	Director
Dr. Abdul Alim Khan	Independent Director

Company Secretary

Md. Asad Ullah, FCS

Management Committee



Nazmul Hassan MP
Managing Director



Osman Kaiser Chowdhury
Member of the Board of Directors



Rabbur Reza
Chief Operating Officer



Ali Nawaz
Chief Financial Officer



Afsar Uddin Ahmed
Director, Commercial



Lutfur Rahman
Director, Manufacturing



Zakaria Seraj Chowdhury
Director, International Marketing



A R M Zahidur Rahman
Executive Director, Production



Shamim Momtaz
Executive Director, Manufacturing



Mohd. Tahir Siddique
Executive Director, Quality



Jamal Ahmed Choudhury
Executive Director, Accounts & Finance

Executive Committee

Osman Kaiser Chowdhury
Nazmul Hassan MP
Rabbur Reza
Ali Nawaz
Afsar Uddin Ahmed

Member of the Board of Directors
Managing Director
Chief Operating Officer
Chief Financial Officer
Director, Commercial



NAZMUL HASSAN MP
Managing Director

Managing Director's Message

2010 was a successful year for Beximco Pharma. The company's performance in the year clearly demonstrates that we are well on the way to achieving the challenging goals we set for ourselves, and that our people remain focused on delivering outstanding results. 2010 was, in many ways, an important and defining year as we move forward with achieving our aspiration to become one of the most admired generic drug companies in the region.

During the year under review, your company performed exceptionally well—not only in terms of top line growth but also in terms of all-round improvements in operating parameters. Sales grew in excess of 33% to reach Tk 6.49 billion and profitability also increased sharply, with EBITDA growing by 70% from 2009.

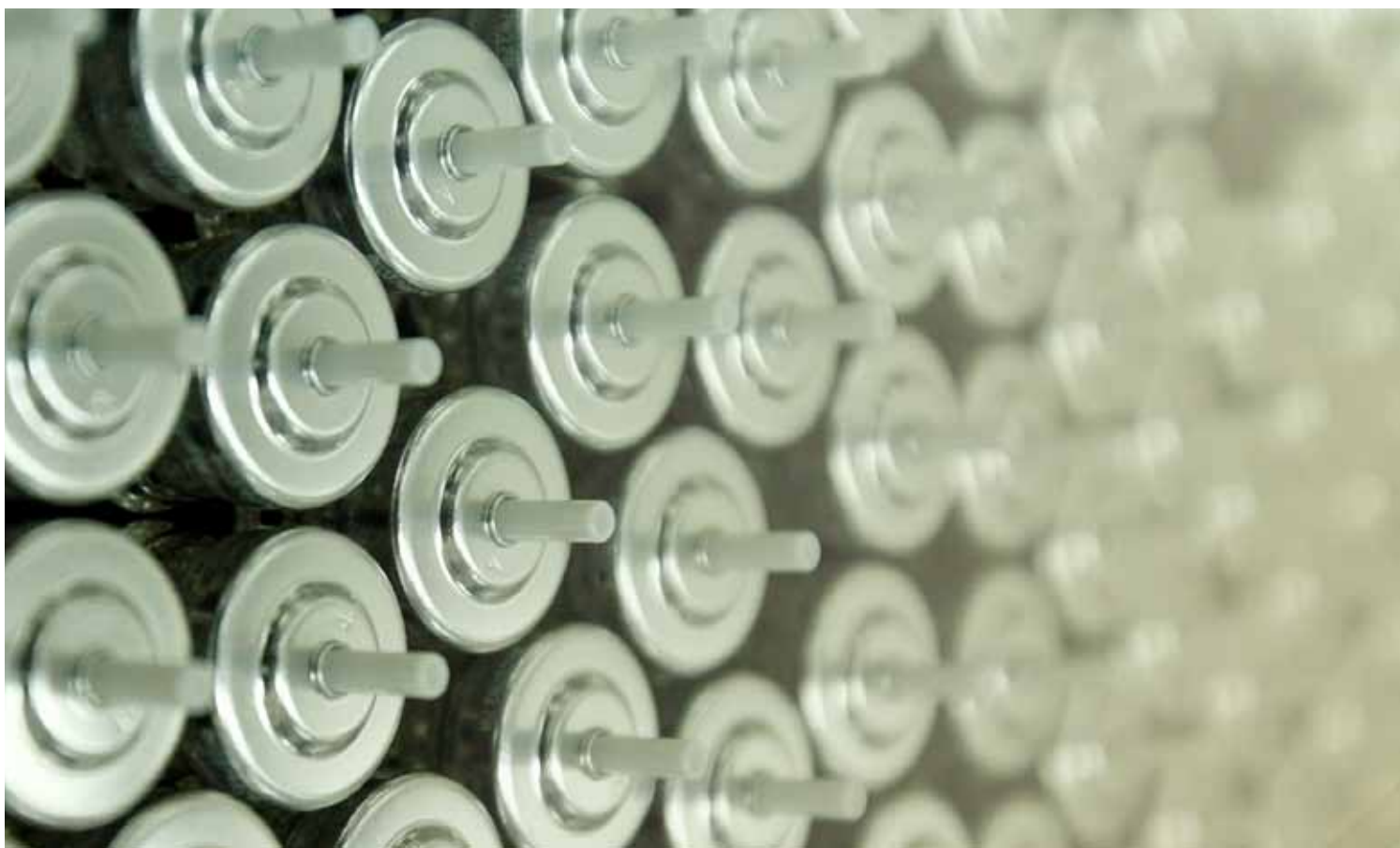
We have benefited from strong growth in the Bangladeshi economy, which grew 5.8% in 2010 despite the global economic slowdown. The main contributors towards this growth were the services and industrial sectors. A steady inflow of foreign remittances and an impressive growth in RMG exports helped the economy remain stable during this challenging period. Bangladesh continued to attract global attention, particularly from global business and investment firms. Bangladesh received its first sovereign credit rating in 2010 when US-based rating agencies Standard & Poor's (S&P) and Moody's Investors Service assigned positive ratings to Bangladesh and termed the country's economic outlook stable. These ratings put the country on a par with Turkey, the Philippines and Vietnam, and in the South Asian context, well ahead of Sri Lanka and Pakistan. These are very positive developments and we firmly believe that these will create awareness and attract further foreign investment in various product and service sectors; including the pharmaceuticals.

The pharmaceutical industry has historically been relatively immune to economic slowdowns and recession. According

to IMS Health, in 2010 the global pharmaceutical market was valued at \$825 billion growing by 4% over the previous year. The global generic drugs industry was worth \$125 billion, achieving double digit growth, and this trend will continue with rising cost pressure from healthcare providers and governments, further assisted by the large number of blockbuster drugs going off patent. Last year, drugs worth \$35 billion lost patent protection while blockbuster drugs worth \$150 billion are set to lose patent protection in the next five years. This will create huge opportunities for the generic drugs industry. We believe Bangladesh can capitalize on the opportunities in generic drugs with its skill base, regulatory compliance, quality standards and, above all, competitiveness. The government has undertaken various initiatives, which are at different stages of implementation, to support the industry in realizing its actual export potential.

The Bangladesh pharmaceutical market continued to register healthy growth of 23.81% in 2010, with approximately Tk. 68 billion in revenues. Local companies continued to dominate, with the top 10 manufacturers accounting for about 70% of the total market. Almost all the therapeutic categories showed positive growth which turned the market into a billion dollar industry. This was largely due to rising incomes, increasing prevalence of chronic diseases and increased government spending on healthcare. In 2010, Bangladesh received the prestigious UN award for its remarkable achievements in attaining the Millennium Development Goals, particularly in reducing child mortality rates. The private sector, particularly the pharmaceutical industry, continues to play a very important role in containing costs within the health care delivery system, and your company proudly and proactively associates itself with various government and CSR initiatives in order to support the strengthening of healthcare systems.

The company achieved a commendable 61% growth rate in analgesics last year. The chronic care segment also continued



to perform very well, with key therapeutic groups such as cardiovascular, anti-diabetic, and musculoskeletal significantly outperforming the market growth rates, registering growth of more than 50% each. Company's Napa (Paracetamol) range emerged as the highest selling brand, with annual sales in excess of Tk 1 billion. During the year, BPL expanded its branded generics portfolio with 34 new products. Napa Extend, a product line extension of Napa and a formulation of paracetamol 665mg, was launched for the first time in Bangladesh. In addition, three different HFA-based inhalers, Aeronid HFA, Ipramid HFA and Iprasol HFA, were launched in the market, for the very first time.

On the technology front, your company embraced a series of positive developments during the period. Our core strength is reverse engineering and we continue to focus on simplifying manufacturing processes and enhancing cost efficiency. Our R&D is geared up to produce hi-tech and specialized niche products and we have diversified into dosage delivery systems including Dry Powder Inhaler, Total Parenteral Nutrition, Pre-filled Syringes etc. We are also seeking international collaborations with renowned research institutes in order to strengthen our generic drug capabilities.

As we continue to grow, we recognize that our people are our most valuable asset, and a large measure of our success can be credited to our cohesive, result-oriented organizational culture. As part of our long term Learning and Development Program (LDP), we continued investing in our employees, providing them with high quality training to broaden and consolidate their professional skills.

During the year, BPL became the first and only company in Bangladesh to commence marketing of a pharmaceutical product in USA, one of the most stringent and highly regulated markets in the world. This is a major milestone for the company which is in line with our expectations and our aspiration to become a global generic drug player. The marketed generic, already listed on US FDA's Orange Book as a Beximco product, is currently being manufactured by an overseas contract manufacturing organization (CMO) which will be transferred to BPL production site as soon as the US FDA accreditation is received. Moreover, we continue to have a growing presence in emerging markets like Kenya, Myanmar, Sri Lanka, and so on. In 2010, export turnover grew 21.47% to reach Tk. 330.54 million and the company saw registration of another 45 products in seven countries. The company entered several new markets such as Netherlands Antilles, and South Africa (via contract manufacturing).



The year saw the successful expansion of our ION unit. Our expansion of MDI is nearing completion which will significantly increase our capacity. All these translate into enhanced manufacturing capacity in value added products such as inhalers, eye drops, nasal sprays etc. As a line extension of our infusion unit, we have successfully completed the amino acid project and already introduced a parenteral nutrition product. As we look forward to becoming a notable contract manufacturing company in the region, our major initiatives in expanding capacity which were implemented throughout the year will help us to meet the growing demands of our existing and prospective clients.

In light of our global aspirations, we will continue to foster partnerships and will reinforce our efforts to obtain all prerequisite international regulatory approvals for expansion into the most strictly regulated markets. We remain focused on entering these regulated markets, as they offer tremendous opportunities for generic drugs, and your company is advantageously positioned to gain from such opportunities, with its strong generic drug manufacturing skills and very low cost base. In 2010 the company became the first and only Bangladeshi company to receive regulatory approval from INVIMA, Colombia. A GMP accreditation audit by an EMA regulatory authority was completed for our new OSD

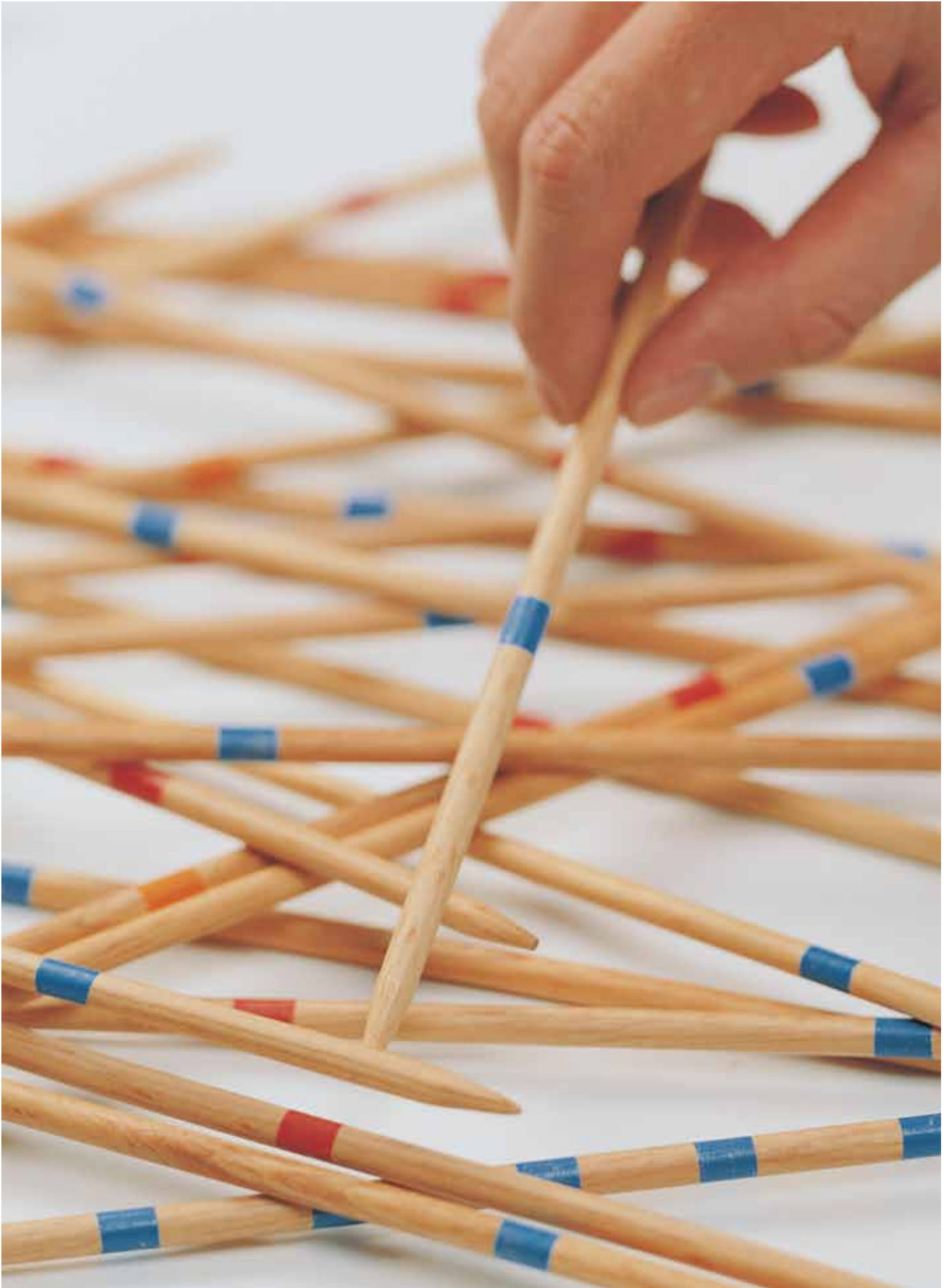
and Ophthalmology units, while GMP re-inspection by TGA Australia was successfully completed for the new OSD and MDI facilities which have been extended until 2012.

Our vision is to transform Beximco Pharma from being a leading Bangladeshi pharmaceutical company into a global generic drug company. We are gearing up in preparation for building our presence in the European Union, USA, Latin America, Gulf Cooperation Council, and Australia.

I would like to take this opportunity to thank each of our shareholders and all other stakeholders for their trust and confidence in us. My deepest appreciation goes to all our employees for their all-out efforts in achieving outstanding results in 2010 which, we hope, will be an important milestone towards achieving our vision of becoming one of the most admired and successful generic drug companies in the region.

Nazmul Hassan

Nazmul Hassan MP



2010 Highlights

- *Achieved 33.33% sales growth over 2009, outperforming industry growth of 23.81%*
- *BPL became the first and only Bangladeshi company to enter the US pharma market through acquisition of an Abbreviated New Drug Application (ANDA)*
- *BPL received regulatory approval from INVIMA (Colombia) for OSD and MDI facility*
- *MDI expansion is being completed to produce more than 20 million units per year*
- *Introduced 34 new products*
- *Launched 3 HFA-based inhalers and Napa Extend (a formulation of Paracetamol 665 mg) for the first time in Bangladesh*
- *Completed expansion of ION unit (ION-2)*
- *Donated drugs worth Tk. 10 million to the nationwide health camp for treatment for the underprivileged*
- *Sponsored national cricket league as well as major international event including the South Asian Federation (SAF) games*

We continuously review, update and expand our product portfolio in order to ensure that patients have access to newer generics and better treatment options at an affordable price.



Products

The Company's diverse product portfolio encompasses a wide variety of therapeutic categories, including antibiotics, analgesics, respiratory, cardiovascular, central nervous system, dermatology, gastrointestinal etc. BPL currently produces 235 generics in 426 strengths and dosage forms and many of the company's brands are consistently occupying leading positions in their respective therapeutic categories.

In 2010 Beximco Pharma introduced 27 new generics in a total of 34 presentations, which include seven ophthalmic drops, three HFA asthma inhalers and also drugs in categories such as, three cardiovascular, two multivitamins, two musculoskeletal, two anti-infective, and one anti-diabetic, among others.

The three HFA-based inhalers which were launched for the first time in Bangladesh in 2010 include: Aeronid HFA (Budesonide), Ipramid (Ipratropium) HFA and Iprasol (Salbutamol + Ipratropium) HFA. Also introduced for the first time into the market was a formulation of Paracetamol 665 mg, Napa Extend; a product line extension of the well established brand Napa.

Beximco Pharma's growth prospects remain excellent with key blockbuster products such as Napa and Neoceptin R in its portfolio.

In 2010, Napa and Neoceptin R ranked 2nd and 4th respectively on the national "Top Five" list. More than ten of BPL's brands have annual sales in excess of BDT 100 million each. With an ever increasing number of new products in the pipeline, the company is building a much stronger portfolio that will ensure future growth as well as provide access to newer treatments.

Beximco Pharma has a well-established and balanced portfolio of products to meet the patient needs. BPL, with more than 400 products, is able to respond to the wide range of needs of physicians, patients, and health care providers, both therapeutically and economically.



Therapeutic Groups

ALLERGY, COUGH & COLD

Beximco Pharma has a good number of drugs for treating different types of allergy and cough. Bexidal (Mebhydroline) is the highest selling brand of its generic. Atrizin (Cetirizine) along with other growing brands like Axodin (Fexofenadine) and Momento (Desloratidine) are performing very well. Among the cough preparations, Mucosol (Ambroxol Hydrochloride), and Tripec (Guaifenesin, Pseudoephedrine and Triprolidine) are widely popular brands in this category.

16
generics
25
presentations

ANALGESIC & MUSCULOSKELETAL

Beximco Pharma has been a market leader in analgesics for more than a decade, led by the strong performance of Napa (Paracetamol) which is the leading paracetamol brand and bestselling drug in the country in terms of volume. Napa is available in 13 different forms and strengths. Strong brand recognition, efficacy and affordability helped achieve its leadership position. Osteoarthritis, Rheumatoid arthritis, Muscle spasm, pain of musculoskeletal origin limits the activities of daily life of millions of patients. The wide range of products in the musculoskeletal category offers Ultrafen Plus (Diclofenac + Misoprostol), Ultrafen (Diclofenac), Zolfin (Aceclofenac), Xidolac (Ketorolac) and Relentus (Tizanidine) which are consistently performing well. Napa Extend (Paracetamol 665 mg) tablet has been launched for the first time in Bangladesh and has already become a popular brand in this category. Ultrafen Injection, a line extension of Ultrafen, has also been launched.

20
generics
52
presentations

ANTI-INFECTIVES

Beximco Pharma is very strong in this category offering broader portfolio of antibiotics from Penicillin, Cephalosporin, Fluoroquinolone and Macrolide groups and key brands in these categories occupy leadership positions. Notable among them are- Neofloxin (Ciprofloxacin) which is the only clinically tested Ciprofloxacin brand in the country, Arixon (Ceftriaxone), Azithrocin (Azithromycin), Turbocef (Cefuroxime) and Triocim (Cefixime). The company also has a good product portfolio of Antiamoebic like Filmet (Metronidazole), Antifungal like Omastin (Fluconazole) and Antiparasite like Ivera (Ivermectin).

Beximco Pharma is the first company in Bangladesh to launch Oseflu (Oseltamivir), a drug for treating Avian and H1N1 flu.

32
generics
81
presentations

CARDIOVASCULAR

Heart disease and stroke remain major causes of death in Bangladesh. Our cholesterol lowering drug Atova (Atorvastatin), Amdocal (Amlodipine besylate), Amdocal Plus (Amlodipine besylate + Atenolol), Odrel (Clopidogrel), Odrel Plus (Clopidogrel + Aspirin) and Prosan (Losartan) are performing very well. Our brand of nitroglycerine aerosol spray, Nitrosol is getting increasing response from the doctors. In particular Olmesan (Olmesartan) and Bizaran (Amlodipine+Olmesartan) are gaining significant prescription share.

26
generics
41
presentations

CENTRAL NERVOUS SYSTEM

Nervous system disorders have become a major health concern worldwide, and the incidence of CNS disorders is rising steadily. Beximco Pharma offers a good number of CNS products to treat these disorders. Frenxit (Flupentixol + Melitracen) is the highest selling CNS brand in Bangladesh. Among other brands Onsat (Ondansetron) and Xetril (Clonazepam) are also doing well in this segment.

23
generics
33
presentations



DERMATOLOGICAL

Beximco Pharma's range of products in the skin care category offers easy and convenient solution to wide range of skin diseases like fungal and bacterial infections, eczema, atopic dermatitis, other inflammatory skin diseases requiring corticosteroid therapy, acne, psoriasis etc. Omastin Duo (Fluconazole Capsule and Clotrimazole Cream) and Neosten VT (Clotrimazole) are widely used antifungal brands. Exovate N (Neomycin, Nystatin and Clobetasol Propionate) is enjoying a good prescription share as multiple action topical agents. Burnsil (Silver Sulphadiazine) and Cosmotrin (Tretinoin) are widely used for treating burns and acne respectively.

21
generics 27
presentations

ENDOCRINE & METABOLIC DISORDERS

Bangladesh has one of the most prevalent diabetic populations in the world. Beximco Pharma offers a wide range of drugs for effective treatment of type II diabetes. Co-Diaglit (Pioglitazone+Metformin) is launched as a new combination antidiabetic brand in this year getting significant market share. Diapro (Gliclazide) is the brand of choice from the sulfonyl urea group available in Bangladesh. Other products in this category include Informat (Metformin), Diaryl (Glimepiride) and Diaglit (Pioglitazone).

10
generics 17
presentations

GASTROINTESTINAL

The company has one of the strongest product lines for treating gastrointestinal disorders and remains a leader in this therapeutic class. Emonium injection has been launched as the line extension of Emonium which is getting good result from market. Neceptin R, which is a H2 blocker used in the treatment of ulcer, GERD, and other hyperacidity disorders, is currently the 2nd largest selling brand in Bangladesh. In the segment of Proton Pump Inhibitors (PPIs), Pantobex (Pantoprazole), Proceptin (Omeprazole) and Opton (Esomeprazole) are doing well and driving this subcategory. Antacid Max (Aluminium Hydroxide, Magnesium Hydroxide and Simethicone), Deflux (Domperidone) and Rostil (Mebeverine) have also achieved healthy growth.

20
generics 36
presentations

RESPIRATORY

Respiratory represents another key segment for the company. Beximco is the largest manufacturer of Metered Dose Inhalers (MDIs) in Bangladesh using the most advanced technology. It has a wide range of inhalers - 'Reliever', 'Preventer' and 'Controller' - for the treatment of asthma and COPD, segment that dominates Respiratory category.

The company is pioneer in CFC free medical inhalers. Azmasol (Salbutamol) is the leading inhaler brand in Bangladesh. Bexitrol F (Salmeterol Xinafoate + Fluticasone Propionate) and Decomit (Beclomethasone) inhalers are widely prescribed and trusted by millions of patients suffering from asthma and COPD. Three new HFA inhalers namely Aeronid HFA (Budesonide), Ipramid (Ipratropium) HFA and Iprasol (Salbutamol + Ipratropium) HFA were launched for the first time in Bangladesh. Nasomet (Mometasone) nasal spray was also launched in this year.

26
generics 41
presentations

VITAMINS & MINERALS

Beximco Pharma has been the leader in multivitamin-mineral market since a long period of time offering a range of high quality products. Bextram Gold is one of the major brands in this segment which offers a combination of 32 vitamins and minerals. Other major brands include Bextram kidz, Momvit, Aristocal D, Aristovit B, and Bextram Silver. Neurocare, for the treatment of diabetic neuropathy, has received very good market response following its relaunch.

32
presentations

OPHTHALMICS

Beximco Pharmaceuticals Ltd. has introduced its Vision unit for producing ophthalmic products. The company has so far introduced 30 ophthalmic drops covering various therapeutic groups like Anti-infective, Anti-inflammatory, Artificial Tear, Anti-allergic, Anti-glaucoma and eye vitamins and minerals etc. Continuous enrichment of ophthalmic product range is going on.

In the year 2010, Beximco Pharma has launched 07 Ophthalmic Drops which include Contra (Lomefloxacin), Evo (Levofloxacin), Olopan (Olopatadine), Xegal (Gatifloxacin), Tearex (Povidone), Glucovis (Betaxolol HCl) and Chlormet (Dexamethasone+Chloramphenicol).

17
generics 11
presentations



OUR PEOPLE

Beximco Pharma owes its stories of success and accomplishments to its family of researchers, marketers, technicians and so forth, who have stood by the company through thick and thin. BPL workforce is charged with the life-force from highly skilled and dedicated professionals.

Currently there are more than 2,500 employees working at BPL. The company has a strong pool of talent which includes professionals like pharmacists, chemists, microbiologists, and engineers. Our work environment is conducive to promoting professional skills through regular training programs and workshops. At BPL, we always work to attract and retain the best talent available in the industry. Keeping in line with our global ambitions, we have taken up long term Learning and Development Program for our employees to achieve global quality benchmarks.

Our people—with their hard work, dedication and commitment to excellence—have led Beximco Pharma to new heights.



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BEXIMCO
PHARMA



Conference 2010

Business & Marketing

A new Beximco Pharma...
bigger than ever & inspired by bigger dreams



Manufacturing Capabilities

Situated near Dhaka, the capital city of Bangladesh, our manufacturing site extends over an area of 23 acres. The site houses manufacturing facilities for producing various drug formulae in different strengths and delivery systems such as capsules, tablets, intravenous fluids, metered dose inhalers, ophthalmic drops, injectables and nebulizer solutions. The site has its own utility infrastructure to ensure adequate generation and distribution of electricity with an installed capacity of 10 MW, in addition to water purifying and liquid nitrogen generation facilities.







Oral Solid Dosage (OSD) Unit

Our state-of-the-art Oral Solid Dosage unit is designed as per US FDA standards. The facility incorporates contemporary technological advancements with automated material handling systems and multilevel designs to enable gravity feed between various processing stages. The building architecture and design allows for enhanced efficiency as it ensures maximum engineering maintenance access without entry to production areas. This facility houses a total of five lines with an annual capacity to produce 5 billion tablets per shift. It has been audited and approved by regulatory authorities from Australia and the Gulf Cooperation Council, and is awaiting inspection and approvals from the US FDA and the UK MHRA, which would give Beximco Pharma access to the most stringently regulated markets in the world while providing advanced infrastructure for contract manufacturing opportunities.





Metered Dose Inhaler (MDI) Unit

Beximco Pharma is among the first few companies in the world to make the transition from manufacturing CFC-based inhalers to the eco-friendly HFA based formulations, in compliance with the Montreal Protocol. The company is the largest producer of MDIs in Bangladesh, and it currently produces a popular inhaler brand of an MNC under a contract manufacturing agreement.

The capacity for MDI production is being expanded in line with growing demand from overseas markets. The MDI units have been designed with technical collaboration from Pamasol, Switzerland to have an annual production capacity of more than 20 million canisters.



Intravenous (IV) Fluid Unit

Our Intravenous (IV) fluid unit is ISO 9001:2008 certified. The facility utilizes FFS (Form-Fill-Seal) Bottel Pack® aseptic system of PharmaPlan Germany, and produces a broad assortment of large volume parenterals (LVPs). Absolute sterile manufacturing conditions are rigorously maintained through a series of fully automated manufacturing procedures including robotics. As a line extension of this IV unit, the company has completed amino acid project to produce a range of parenteral nutrition products.







Injectable, Ophthalmic and Nebulizer (ION) Unit

The ION unit was launched in August, 2009. A total of 30 products are produced in this unit which comprise a portfolio of 19 Eye Drops, 3 Nebulizer Solutions and 8 Injectables. Beximco Pharma's ION products have received encouraging responses from the marketplace and consequently saw expansion to meet the growing demand.

Liquid, Cream and Ointment (LCO)

BPL produces a wide range of pharmaceuticals which are available in syrup, suspension, cream and ointment forms. Currently the company produces 37 million units of liquid products, 6 million units of creams and ointments and 10 million units of suppositories per year.

In addition, the company has diversified into innovative delivery systems such as dry powder inhalers, total parenteral nutrition, prefilled syringes and lyophilized products.

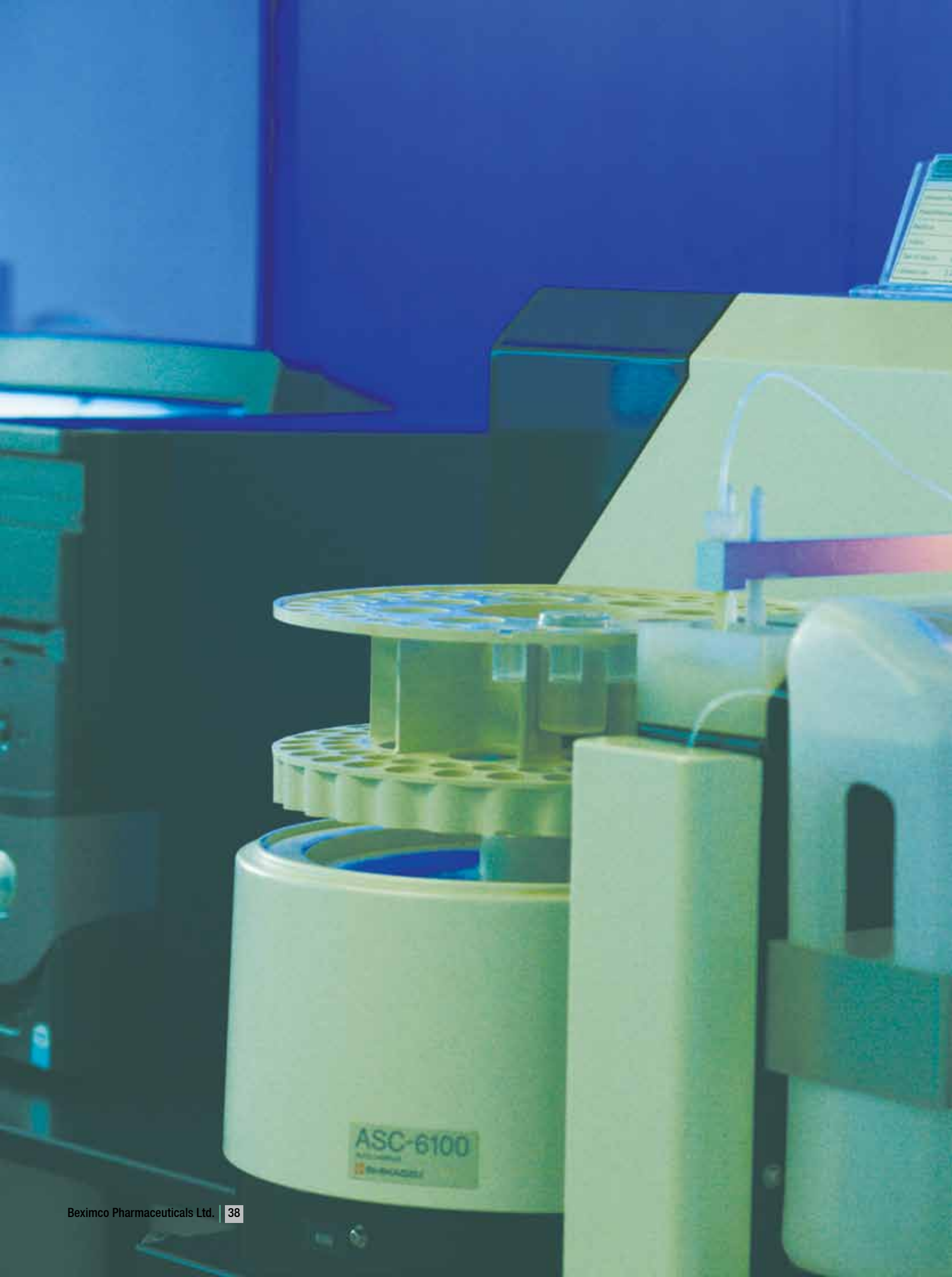


Regulatory Approvals

Over the years Beximco Pharma has established itself as a trusted source for prescription and OTC drugs. It always strives for quality, not only in the finished products but also in the manufacturing process itself. Beximco Pharma's manufacturing facilities have undergone satisfactory audits by global regulatory bodies and thus have been awarded regulatory approvals including:

- GMP clearance from Therapeutic Goods Administration (TGA) Australia for OSD, MDI and Spray.
- GMP certification from Gulf Central Committee for Drug Registration, Executive Board of the Health Ministers' Council of GCC states.
- GMP certification from ANVISA, Brazil (Agência Nacional de Vigilância Sanitária)
- GMP certification from INVIMA, Colombia (Instituto Nacional de Vigilancia de Medicamentos y Alimentos)

GMP accreditation audit by an EMA regulatory authority was completed for our OSD and Ophthalmology units, and inspections and approvals from UK MHRA and US FDA are anticipated.



ASC-6100
Multi-Well Plate Reader
Bio-Rad

R & D

Beximco Pharma's R&D team works meticulously towards creating generic formulations that are comparable to innovators' formulations. Their dedication can be witnessed in their successful development of challenging formulations such as multi-layer tablets, CFC-free inhalers and sustained release formulations to name just a few. To add to that, Beximco Pharma was the pioneering local generic company to produce anti-retroviral drugs and to proactively launch CFC-free metered dose inhaler formulation.

This year the team rolled out a particularly impressive portfolio of 34 new products. In terms of proprietary research, the company has a strong history in collaborative research with Ciba Specialty Chemicals of Switzerland and is currently establishing further international collaborations to reinforce its R&D capabilities.



Beximco Pharma has entered 45 countries to date and is set to further extend its global reach in the near future.

Global Footprint

Beximco Pharma continues to explore export opportunities and to reinforce its footprint on a global scale, which currently covers five different continents. Alongside the continuous endeavour to strengthen the position in existing markets, BPL attempts to achieve dynamic growth worldwide.

Beximco Pharma commenced its international operations with the export of API to Hong Kong in 1992 and formulation products to Russia in 1993. The company has received the 'National Export Trophy' (Gold) for an impressive three times. Since then, BPL has taken greater strides over the years to increase its footprints in international markets.

In 2010, BPL successfully ventured into several new countries including South Africa (via contract manufacturing) and Netherlands Antilles, and registered 45 products in overseas markets. The company achieved export revenues of Tk 330.54 million, up 21.47% over 2009.

The current expansion of this overseas portfolio includes prioritizing and directing marketing operations to focus more on highly regulated markets such as the European Union (EU), USA, Australia and GCC member countries for value added generics.

As of 2010 Beximco Pharma has 322 products registered in Asia, 91 in Africa, five in Central and Latin America, and 22 in Middle East, while we are actively taking measures to register our products in attractive branded generic markets such as the CIS states and the EU countries.

BPL's products are highly trusted for their quality by physicians and consumers at home and abroad. With this acclamation BPL is supplying different formulations from its portfolio to renowned hospitals and institutions including Raffles Hospital, Healthway Medical Group & K. K. Women and Children Hospital in Singapore; Asthma Drug Facility (ADF) in France; CENABAST in Chile; and MEDS and Kenyatta National Hospital in Kenya. BPL is constantly investing in its state-of-the-art manufacturing facilities to significantly expand its capabilities to meet the regulatory requirements of developed countries. BPL has pursued approvals from different drug regulatory authorities, e.g. TGA (Australia), GCC (Gulf Council), ANVISA (Brazil) and INVIMA (Colombia), which highlights BPL's credentials as it explores new opportunities in the export arena.

The company has a clear vision to efficiently orient its activities to reach a much broader global base, with the dedication to provide high quality affordable generics for all and maintaining a solid track record of working to the highest ethical and professional standards.

When the last hope is gone,
we still stand by **the distressed.**



Corporate Citizenship

At Beximco Pharma, Corporate Citizenship is at the very heart of our business processes and operations. Our commitment to building a healthier tomorrow by adding value to life is based on four foundations: Patients, Community, Environment and Accountability.

Patients

Our commitment to patients remains steadfast. Beximco Pharma was the first company to launch anti-AIDS drugs (ARVs) in Bangladesh. This initiative was started in an era when known cases of AIDS-affected patients in Bangladesh were too small to be considered commercially viable. Nevertheless BPL launched five anti-AIDS drugs in 1996 and started supplying these to government and non-government organizations at cost. Today, Beximco Pharma has more than 30 registered ARV drugs in its pipeline, some of which are in the final stages of development.

The company donates a large amount of medicines to the underserved and the victims of natural disaster. In 2010, Beximco Pharma made a generous donation of Tk. 10 million worth of drugs to the nationwide health camp for medical treatment of the underprivileged. Beximco Pharma regularly takes part in awareness campaigns in the form of rallies, poster presentations and seminars to observe Asthma Day, World Hypertension Day, Diabetes Day, AIDS day etc, in addition to organizing and sponsoring scientific seminars and conferences for various associations and societies in medical disciplines. Through the FRF foundation, the company has also been engaged in philanthropic activities for over a decade, providing medical consultation and diagnostic support at cost.

Community

Every year, Beximco Pharma's internship program for undergraduate students from various academic disciplines promotes the development of professional skills. Beximco Pharma is a strong advocate of good sportsmanship and in the year under review the company sponsored a major international event – the SAF games – as well as sponsoring the national cricket league.



GREEN TECHNOLOGY

Globally, we are among the first few in the pharma industry to take proactive measures in order to protect the environment. In compliance with the Montreal Protocol, we made the transition from manufacturing the ozone depleting CFC based formulation to the ozone benign HFA based formulation for our inhaler products.

The awareness for protecting the environment has to start somewhere.

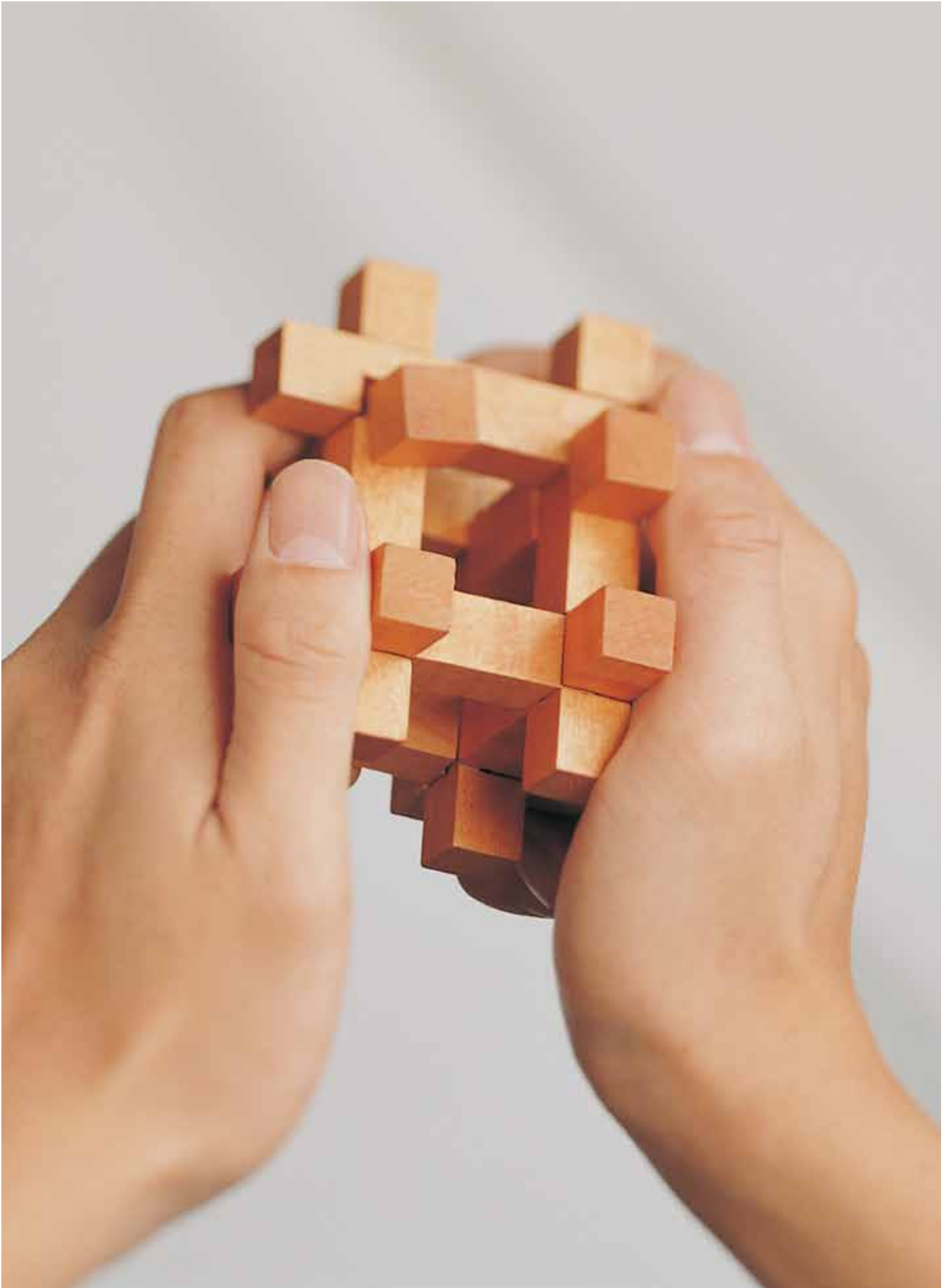
That's Beximco Pharma, where your need matters the most.

Environment

With global warming on the horizon, we at BPL understand the significance of protecting the environment. Beximco Pharma strives to minimize its carbon footprint and its initiatives are directed towards minimizing emissions and waste from its manufacturing operations. The company is committed to providing a safe working environment for all its employees and its Safety, Health and Environment (SHE) program is based on a framework of consistent standards. Moreover, Beximco Pharma is among the very few in the region to have proactively made the transition away from CFC-based inhalers by adopting the eco-friendly HFA formulations.

Accountability

As a public limited company we appreciate the trust of our valued shareholders and investors. Therefore, we always strive for high performance with integrity. This year Beximco Pharma achieved substantial growth, once again surpassing the industry average. The company always strives to ensure the best utilization of funds and resources in order to maintain sustained growth and create shareholders' wealth.



Strong Relationships

Through Beximco Pharma's eyes, at the core of every successful partnership is a professional relationship based on mutual trust and respect. We recognize and understand that our alliances and partnerships are a core component to accomplishing our strategic global aspirations. We firmly believe that the right alliances can contribute appreciably to the achievements of our partners as well as to our own vision and sustainable growth. Beximco Pharma has a successful track record of partnerships and alliances with global MNCs such as GSK, Aventis, Bayer AG, Upjohn Inc and Ciba.

The company has successfully established its brand value within the medical community. The company seeks to further reinforce its relationships with all major stakeholders in the healthcare value chain. BPL differentiates itself by providing value added, academic services to the medical community in the form of seminars and symposia, clinical meetings, scientific publications and the like. We are in constant communication with doctors to ensure prompt feedback and meet any requests for academic services.

Post Balance Sheet Developments

- 11 new products launched in Q1, 2011
- Registered four new products in overseas markets
- The Amino Acid line has been completed
- Dry Powder Inhaler project has been completed
- Pre-filled Syringe (PFS) line is being installed
- Beximco Group was the proud sponsor of ICC Cricket World Cup 2011



Notice

BEXIMCO PHARMACEUTICALS LIMITED

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

Notice of the Thirty-Fifth Annual General Meeting

Notice is hereby given that the Thirty- fifth Annual General Meeting of the Shareholders of Beximco Pharmaceuticals Limited will be held on Saturday, the 2nd July, 2011 at 12.30 p.m. at Beximco Industrial Park, Sarabo, Kashimpur, Gazipur 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, 2010 together with reports of the Auditors and the Directors thereon.
2. To elect Directors.
3. To declare 20% Stock Dividend.
4. To appoint Auditors for the year 2011 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,



Dated : May 18, 2011

(MD. ASAD ULLAH, FCS)
Executive Director-Corporate
Affairs & Company Secretary

NOTES :

- (1) The Shareholders whose names appeared in the Share Register of the Company or in the Depository Register on the record date i.e. 11th May, 2011, 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).
- (4) No gift or benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No. SEC/SRMI/2000-953/1950 dated 24 October 2000 for attending the AGM of the Company.



Chairman's Statement

Dear Shareholders,

I am delighted to report another excellent performance from Beximco Pharmaceuticals Limited (BPL). In 2010, despite a challenging global environment and stiff competition in the domestic market, we delivered a strong set of results and made progress towards achieving our strategic goals.

Sales and Profitability

The company continued to perform well and achieved significant growth in all key areas. During the year BPL achieved a net sales turnover of Tk. 6,490.85 million against Tk. 4,868.25 million in 2009 representing an impressive 33.33% increase while industry grew at 23.81% (Source: IMS 4th quarter 2010). Export turnover increased by 21.47% to reach Tk. 330.54 million in the same period.

A number of new projects became commercially operational including our US FDA standard Oral Solid Dosage plant (two lines). As a result, a significant amount of depreciation and financial expenses related to these projects were charged as expenses in 2010. Despite the increase in expenses, the company maintained its profit growth. Profit before tax increased to Tk. 1,361.53 million from Tk. 867.46 million in 2009. Earnings per share (EPS) stood at Tk. 5.17 against adjusted EPS of Tk. 3.50 in 2009. Significant growth in sales, better product mix

and stable local currency against the dollar up to the third quarter of the year contributed to this growth in profit.

New Products, Regulatory Approvals and Overseas Market Registrations

Our efforts to optimize the product portfolio continued throughout the year. Our focus on product innovation and healthcare needs saw the introduction of 34 new products in different dosage forms.

To ensure expansion of our global footprint in the longer term and export led growth in the future, we registered new products in overseas markets and explored new territories. During the period we acquired an ANDA (Abbreviated New Drug Application) for one product to enter the US market. Currently the product is being manufactured by an overseas CMO (Contract Manufacturing Organization). Manufacturing at BPL's plant will commence following receipt of GMP accreditation from the US FDA. During the year under review, we entered into several new countries and registered 45 new products (including dosage forms and strengths) overseas. We received regulatory approval from INVIMA (Colombia) for the MDI (Metered Dose Inhaler) and new OSD (Oral Solid Dosage) plants. Moreover, the GMP accreditation

audit for the OSD and Ophthalmology facilities was carried out by an EMA regulatory authority.

Investment for Sustained Growth

In 2009 shareholders gave their approval to management to raise Tk. 4,100 million through the issuance of convertible preference shares to finance projects that will secure the long term sustainable growth of the company. In 2010, preference shares were converted into ordinary shares as per the issuance terms. A number of projects financed by the funds thus raised are either completed or nearing completion. Importantly, an additional three lines of the US FDA standard OSD facility and expansion of Ophthalmology unit were completed during the period under review. The expansion of the MDI facility with capacity to produce 20 million canisters of inhaler per annum is nearing completion. To support the increased electricity demand for these expansion programs, 2 MW power has been added to the existing capacity, bringing the total installed generation capacity to 10 MW. Construction of another 55,000 sft warehouse with space for 8,000 pallets has also been completed during the year. Other projects are also progressing as planned.

Outlook

Since the fourth quarter of 2010, Bangladesh currency against the US dollar started to depreciate, in contrast to the global trend of declining US dollar value. By the end of first quarter of 2011, depreciation of taka against dollar reached an upsetting level, if this trend continues it may present a challenge to the Company. We are working on strategies to effectively address rising prices of materials so that the impact on profit can be kept to a minimum.

Retaining and expanding our domestic market share, which is our mainstay, continues to be an important marketing strategy. In addition to the domestic market, we are equally focused on realizing our export potential. Our investment in facilities, products and people, to achieve long-term sustainable growth through increased exports, will continue to be a key priority for the Company going forward.

BPL is committed to building value for shareholders – both short and long- term. Our efforts to add value to the business and thus to shareholders' wealth will continue.

Finally, I would like to thank our valued shareholders for their trust and confidence in BPL - their support is the driving force behind the growth and development of our business. My sincere appreciation goes out to each and every employee whose commitment, dedication and hard work remain at the core of all our achievements. I would also take this opportunity to acknowledge the support and co-operation we have received from our bankers, suppliers, customers, medical community, government agencies, regulatory bodies and everyone the company interacted with in conducting its business to date.

Thank you all.



A S F Rahman
Chairman



চেয়ারম্যানের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

বেক্সিমকো ফার্মাসিউটিক্যালস্ লিমিটেড তার সাফল্যের ধারা অব্যাহত রেখে আরো একটি গুরুত্বপূর্ণ বছর অতিক্রম করেছে। প্রতিকূল বিশ্ববাণিজ্য পরিস্থিতি ও দেশীয় বাজারের তীব্র প্রতিযোগিতা সত্ত্বেও ২০১০ সালে আমরা আমাদের অভীষ্ট লক্ষ্যে পৌঁছতে সমর্থ হয়েছি। কোম্পানীর কৌশলগত লক্ষ্যার্জন ও শেয়ারহোল্ডারদের পরিসম্পদ বৃদ্ধিতে আমরা আমাদের ধারাবাহিক সাফল্য সমুন্নত রাখতে পেরেছি। আমি তাই আনন্দের সাথে ২০১০ সালে কোম্পানীর সার্বিক কর্মকাণ্ডের একটি সংক্ষিপ্ত প্রতিবেদন আপনাদের সামনে উপস্থাপন করছি।

বিক্রয় ও মুনাফা

আর্থিক উন্নয়ন মানদণ্ড তথা বিক্রয়, মুনাফা, শেয়ার প্রতি আয় ইত্যাদি প্রতিটি ক্ষেত্রে উল্লেখযোগ্য প্রবৃদ্ধি অর্জনের পাশাপাশি কোম্পানী সার্বিক ব্যবসায়িক কার্যক্রমের গুরুত্বপূর্ণ ক্ষেত্রে সমূহে উল্লেখযোগ্য সাফল্য অর্জন করেছে। আলোচ্য বছরে কোম্পানীর মোট বিক্রয়ের পরিমাণ ৬,৪৯০.৮৫ মিলিয়ন টাকা যা পূর্ববর্তী বছরে ছিল ৪,৮৬৮.২৫ মিলিয়ন টাকা। আমাদের বিক্রয় প্রবৃদ্ধির হার ৩৩.৩৩% যা বাংলাদেশের ঔষধ শিল্প খাতের সামগ্রিক প্রবৃদ্ধির হার (IMS ২০১০ সালের সর্বশেষ রিপোর্ট অনুযায়ী ২৩.৮১%) অপেক্ষা উল্লেখযোগ্য পরিমাণে বেশী এবং প্রশংসার দাবীদার। ২০১০ সালে আমাদের রপ্তানিও ২১.৪৭% বেড়ে ৩৩০.৫৪ মিলিয়ন টাকায় পৌঁছেছে।

আপনারা জানেন, বেশকিছু নতুন প্রকল্প বিশেষ করে US FDA স্ট্যান্ডার্ড Oral Solid Dosage Plant (দুই লাইন) এ বছর বাণিজ্যিক উৎপাদন শুরু করেছে। ফলে অবচয় ও প্রকল্প খণ্ডের সুদ বাবদ উল্লেখযোগ্য পরিমাণ খরচ এ বছর লাভক্ষতি হিসেবে প্রদর্শিত হয়েছে। এতদসত্ত্বেও কোম্পানী সাফল্যজনকভাবে মুনাফা অর্জনে প্রবৃদ্ধির ধারাবাহিকতা ধরে রাখতে পেরেছে। এ বছর করপূর্ব মুনাফা হয়েছে ১,৩৬১.৫৩ মিলিয়ন টাকা যা বিগত বছরে ছিল ৮৬৭.৪৬ মিলিয়ন টাকা। ২০০৯ সালের শেয়ার প্রতি আয় (EPS) ৩.৫০ টাকার তুলনায় এ বছর শেয়ার প্রতি আয় (EPS) হয়েছে ৫.১৭ টাকা। বিক্রয় ক্ষেত্রে উল্লেখযোগ্য প্রবৃদ্ধি, সঠিক প্রোডাক্ট মিক্স এবং সেপ্টেম্বর ২০১০ পর্যন্ত বৈদেশিক মুদ্রার বিনিময় হারের স্থিতাবস্থা ইত্যাদি কারণেই আমরা এই সাফল্য অর্জনে সক্ষম হয়েছি।

নতুন পণ্য, আন্তর্জাতিক অনুমোদন ও রপ্তানি নিবন্ধন

জনসাধারণের স্বাস্থ্যসেবার মান উন্নয়নের নিমিত্তে গুণগতমান সম্পন্ন ঔষধ উদ্ভাবন এবং সম্ভাবনাময় নতুন ঔষধ বাজারজাতকরণে আমাদের প্রচেষ্টা অন্যান্য বছরের মত ২০১০ সালেও অব্যাহত ছিল। এরই ধারাবাহিকতায় আমরা বিভিন্ন dosage forms -এর ৩৪টি নতুন ঔষধ বাজারজাত করেছি।

দীর্ঘমেয়াদে আমাদের লক্ষ্য হচ্ছে রপ্তানি বৃদ্ধির মাধ্যমে কোম্পানীর প্রবৃদ্ধি অর্জন। এই লক্ষ্যকে সামনে রেখে আমরা নতুন নতুন বাজারে অনুপ্রবেশ ও আরো অধিক সংখ্যায় আমাদের ঔষধ নিবন্ধনের কার্যক্রমকে বেগবান করেছি। আমি অত্যন্ত আনন্দের

সাথে জানাতে চাই যে, মার্কিন যুক্তরাষ্ট্রের বাজারে প্রবেশের লক্ষ্যে বেক্সিমকো ফার্মাসিউটিক্যালস্ লিমিটেড একটি ঔষধের ANDA (Abbreviated New Drug Application)-এর মালিকানা ক্রয় করেছে। এই ঔষধটি বর্তমানে একটি বিদেশী CMO (Contract Manufacturing Organization) কর্তৃক উৎপাদিত হচ্ছে। ভবিষ্যতে আমাদের উৎপাদন স্থাপনা US FDA -এর সনদ প্রাপ্ত হলে ঔষধটি এখানেই উৎপাদিত হবে। আলোচ্য বছরে আমরা কয়েকটি নতুন দেশে ঔষধ রপ্তানি শুরু করেছি এবং ৪৫টি নতুন ঔষধ বিভিন্ন দেশে নিবন্ধিত করেছি। আমাদের MDI (Metered Dose Inhaler) এবং নতুন OSD (Oral Solid Dosage) কারখানা দুটি কলম্বিয়ার INVIMA কর্তৃক অনুমোদিত হয়েছে। এ ছাড়াও OSD এবং Ophthalmology Unit -এর জন্য EMA কর্তৃপক্ষের অডিট সম্পন্ন হয়েছে।

প্রবৃদ্ধির জন্য বিনিয়োগ

কোম্পানীর দীর্ঘমেয়াদী ধারাবাহিক প্রবৃদ্ধি অর্জনের অভিপ্রায়ে গৃহীত প্রকল্পসমূহের অর্থায়নের জন্য ২০০৯ সালে রূপান্তরযোগ্য প্রেফারেন্স শেয়ার ইস্যুর মাধ্যমে ৪,১০০ মিলিয়ন টাকা সংগ্রহের প্রস্তাবে আপনারা মূল্যবান অনুমোদন প্রদান করেছিলেন। ২০১০ সালে এই প্রেফারেন্স শেয়ার সমূহ শর্তানুযায়ী সাধারণ শেয়ারে রূপান্তরিত হয়েছে। এই তহবিলের মাধ্যমে অর্থায়ন করা প্রকল্পসমূহের অধিকাংশই ইতিমধ্যে সম্পন্ন হয়েছে এবং কয়েকটি প্রায় সমাপ্তির পথে। উল্লেখ্য যে, US FDA মানসম্পন্ন OSD Plant -এর অতিরিক্ত তিনটি লাইন স্থাপন এবং Ophthalmology Unit -এর সম্প্রসারণের কাজ এ বছরে সম্পন্ন হয়েছে। MDI Unit -এর সম্প্রসারণের কাজও প্রায় সমাপ্তির পথে যা বছরে ২০ মিলিয়ন ক্যান Inhaler উৎপাদনে সক্ষম হবে। নতুন ও সম্প্রসারিত প্রকল্পের অতিরিক্ত বিদ্যুৎ চাহিদা মেটাতে আমাদের বর্তমান বিদ্যুৎ উৎপাদন ক্ষমতার সঙ্গে অতিরিক্ত ২ মেগাওয়াট যোগ করে মোট বিদ্যুৎ উৎপাদন ক্ষমতা ১০ মেগাওয়াটে উন্নীত করা হয়েছে। এছাড়াও ৫৫,০০০ বর্গফুট নতুন Warehouse নির্মিত হয়েছে যা ৮,০০০ প্যালেট মালামাল ধারণে সক্ষম।

ভবিষ্যৎ সম্ভাবনা

২০১০ সালের শেষের দিক থেকে ডলারের বিপরীতে বাংলাদেশী মুদার ক্রমাগত অবমূল্যায়ন শুরু হয়। ২০১১ সালের প্রথম প্রান্তিকের শেষে অবমূল্যায়ন উদ্বেগজনক পর্যায়ে পৌঁছেছে। এ অবস্থা যদি

অব্যাহত থাকে তবে উৎপাদন ব্যয় বৃদ্ধি মোকাবেলা করে মুনাফার লক্ষ্যমাত্রা অর্জন করা আমাদের জন্য বিরাট চ্যালেঞ্জ হয়ে দাঁড়াবে। কাঁচামালের ব্যয় বৃদ্ধিজনিত এ প্রতিকূল অবস্থা মোকাবেলার জন্য আমরা বিভিন্ন কৌশল নিয়ে অগ্রসর হচ্ছি।

বর্তমানে আমাদের সাফল্যের মূল চালিকা শক্তি হচ্ছে দেশীয় বাজারের বিক্রয় প্রবৃদ্ধি। এই প্রবৃদ্ধি অব্যাহত রাখার জন্য প্রত্যাশিত বাজার সম্প্রসারণ করাই আমাদের অন্যতম বিপণন কৌশল। দেশীয় বাজারের পাশাপাশি আমরা আমাদের রপ্তানি বাজারের সম্ভাবনার দিকটিও সমানভাবে গুরুত্ব দিচ্ছি। প্রযুক্তি, পণ্য ও জনবলে আমাদের অব্যাহত বিনিয়োগের ধারাবাহিকতায় অধিকতর রপ্তানির মাধ্যমে কোম্পানীর দীর্ঘমেয়াদী প্রবৃদ্ধি অর্জনের যে লক্ষ্য নিয়ে আমরা অগ্রসর হচ্ছি আমাদের সকল ভবিষ্যৎ ব্যবসায়িক কৌশল নির্ধারণে তা অব্যাহতভাবে প্রাধান্য পাবে।

আমি আপনাদের আবারো আশ্বস্ত করতে চাই, আমরা স্বল্প ও দীর্ঘমেয়াদে আমাদের সম্মানিত শেয়ারহোল্ডারদের পরিসম্পদ বৃদ্ধির প্রচেষ্টায় অঙ্গীকারাবদ্ধ। ব্যবসায়িক উন্নয়নের মাধ্যমে শেয়ারহোল্ডারদের সম্পদ বৃদ্ধিতে আমাদের সর্বাঙ্গিক প্রচেষ্টা বর্তমানের ন্যায় ভবিষ্যতেও অব্যাহত থাকবে।

পরিশেষে আমাদের প্রতি অবিচল বিশ্বাস ও সমর্থনের জন্য আমি আমাদের সম্মানিত শেয়ারহোল্ডারদেরকে আন্তরিক অভিনন্দন জানাচ্ছি। আপনাদের অব্যাহত সমর্থনই আমাদের ব্যবসায়িক প্রবৃদ্ধি ও উন্নয়নের অন্যতম চালিকাশক্তি। ধন্যবাদ জানাচ্ছি বেক্সিমকো ফার্মাসিউটিক্যালস্ লিমিটেড -এর প্রত্যয়ী কর্মীবাহিনীকে, যাদের অক্লান্ত পরিশ্রমের মাধ্যমে আমাদের এই সাফল্য অর্জিত হয়েছে। সর্বাঙ্গিক সহযোগিতা ও সমর্থনের জন্য কৃতজ্ঞতা জানাতে চাই আমাদের ব্যাংকার, সরবরাহকারী, ক্রেতা, চিকিৎসা ব্যবস্থার সাথে সংশ্লিষ্ট সকল পেশাজীবী, বিভিন্ন সরকারী প্রতিষ্ঠান ও নিয়ন্ত্রক সংস্থাসমূহ সহ সংশ্লিষ্ট সবাইকে যারা কোন না কোন ভাবে আমাদের ব্যবসায়িক কার্যক্রমের সঙ্গে যুক্ত আছেন।

আপনাদের সবাইকে ধন্যবাদ।

X. L. P. Lalinda

এ এস এফ রহমান
চেয়ারম্যান

Report of the Directors to the Shareholders

For the year ended 31 December 2010

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, 2010 along with Auditors' Report thereon.

Financial Results and Appropriation of Profit

	Taka in Thousand	
	2010	2009
Net Profit After Tax	1,051,649	624,740
Adjustment for depreciation on revalued assets	26,811	30,535
Profit brought forward from previous year	4,008,852	3,627,238
Profit Available for Appropriation	5,087,312	4,282,513
Proposed dividend	(419,613)	(273,661)
Profit Carried Forward	4,667,699	4,008,852

Dividend

The Board of Directors has recommended 20% stock dividend for approval of the shareholders for the year ended 31 December, 2010.

Directors

Mr.A. B. Siddiqur Rahman (Nominee of Beximco Holdings Ltd.) and Mr. Salman F Rahman, Directors of the company retire by rotation as per Articles 126 and 127 of the Articles of Association of the Company and being eligible offer themselves for re-election.

Board Audit Committee

Four meetings of the audit committee were held in 2010 to consider Annual Financial Statements for the year ended 31 December 2009, Quarterly Report for the period ended 31st March 2010, Half-Yearly Report for the period ended 30 June 2010 and Quarterly Report for the period ended 30th September 2010. The Committee comprises of Mr. M A Qasem as Chairman, Dr. Abdul Alim Khan and Advocate Ahsanul Karim as Members.

Auditors

The existing Auditors, M. J. Abedin & Co., Chartered Accountants, National Plaza, 109, Bir Uttam C. R. Datta Road, Dhaka-1205 who were appointed as Auditors of the Company in the Thirty-fourth Annual General Meeting of the Company has carried out the audit for the year ended 31 December 2010.

M. J. Abedin & Co., Chartered Accountants, National Plaza, 109, Bir Uttam C. R. Datta Road, Dhaka-1205, the Auditors of the Company retire at this meeting and has expressed their willingness to continue in office for the year 2011.

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	17
Mr. Salman F Rahman	17
Mr. Nazmul Hassan	17
Mr. Iqbal Ahmed	8
Mr. M.A. Qasem	17
Mr. O.K. Chowdhury	17
Dr. Abdul Alim Khan	17
Mr. A. B. Siddiqur Rahman	17
Advocate Ahsanul Karim	5

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.
- Proper books of accounts of the Company have been maintained.
- 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.
- The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- Internal Control System is sound in design and has been effectively implemented and monitored.
- There is no significant doubts about the ability of the Company to continue as a going concern.

The pattern of shareholding

Name-wise details	Number of Shares held
(i) Parent/Subsidiary/Associate companies and other related parties :	
Beximco Holdings Ltd.	14,921,108
Bangladesh Export Import Company Ltd.	1,760,349
New Dacca Industries Ltd.	4,865,858
(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	2,760,397
Mr. Salman F Rahman, Vice Chairman	2,020,370
Mr. Nazmul Hassan, Managing Director	6,895
Dr. Abdul Alim Khan, Director	877,801
Dr. Farida Huq, Director	5,193
Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and minor children	Nil
(iii) Executives.....	Nil
(iv) Shareholders holding ten percent (10%) or more voting interest in the company:	
The Bank of New York (GDRs' Depository).....	47,047,866

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

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.

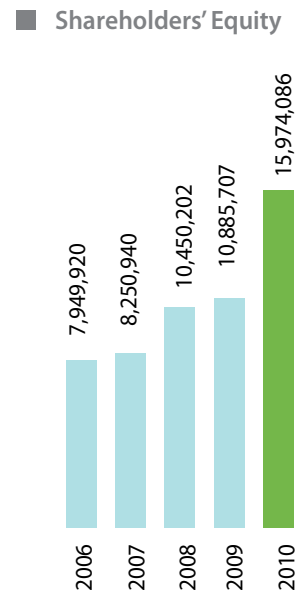
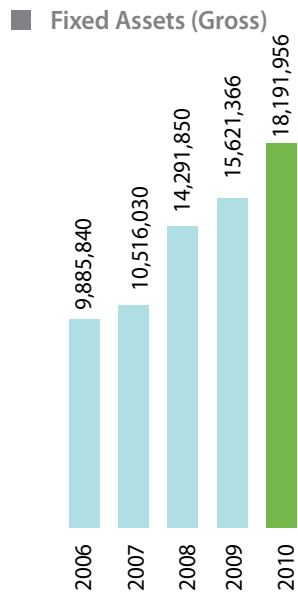
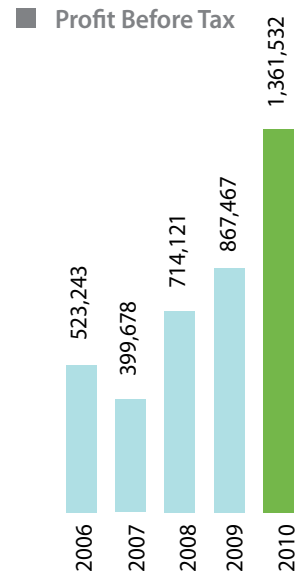
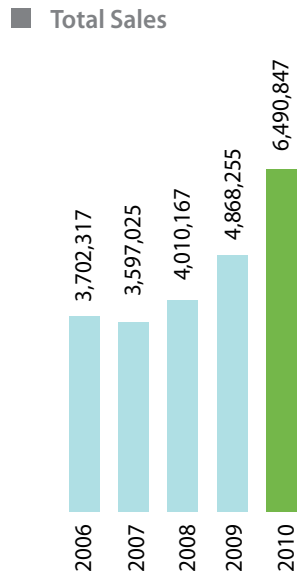
(Report under Condition No.5.00)

Condition	Title	Compliance Status		Explanation for non-compliance with the condition
		Complied	non-Complied	
1.1	Board 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

Taka in thousand

Particulars	2010	2009	2008	2007	2006
Authorized Capital	9,100,000	9,100,000	2,000,000	2,000,000	2,000,000
Paid up Capital	2,098,065	1,511,493	1,259,577	1,145,070	1,040,973
Total Sales	6,490,847	4,868,255	4,010,167	3,597,025	3,702,317
Export Sales	330,541	272,126	170,604	122,752	115,099
Gross Margin	3,173,207	2,302,048	2,007,296	1,629,515	1,731,086
Profit Before Tax	1,361,532	867,467	714,121	399,678	523,243
Net Profit	1,051,649	624,740	545,341	353,068	470,659
Fixed Assets (Gross).....	18,191,956	15,621,366	14,291,850	10,516,030	9,885,840
Shareholders' Equity	15,974,086	10,885,707	10,450,202	8,250,940	7,949,920
Dividend	20%	15%	30%	15%	15%
Net Asset Value (NAV) Per Share.....	79	72	83	72	76
EPS/Restated EPS	5.17	3.5	3.61	2.8	4.11
Market Price Per Share (at end of the year)	135.1	155.8	167.7	58.9	53.7
Price Earning Ratio (Time).....	26.13	44.51	46.45	21.04	13.06
Number of shareholders	93,371	80,189	65,556	53,892	48,932
Foreign Investors.....	57	54	54	60	58
ICB including ICB Investors Account	899	890	885	879	986
Sponsors, General Public & Other Institutions.....	92,415	79,245	64,617	52,953	47,888
Number of employees	2,507	2511	2,310	2,384	2,403



বেক্রিমকো ফার্মাসিউটি
৩৪ তম বার্ষিক সাধারণ স
BEXIMCO PHARMACEUTICALS
34 TH ANNUAL GENERAL MEETING



বিক্যালস্ লিঃ
জা, ২০১০
ALS LIMITED
TING, 2010



Shareholders' Meeting



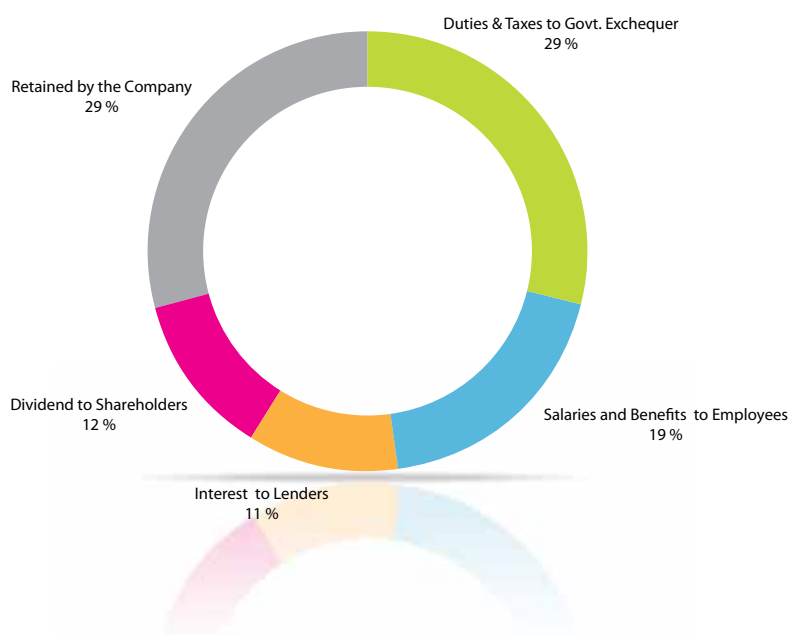
The 34th Annual General Meeting (AGM) of the shareholders of Beximco Pharmaceuticals Limited was held on June 15, 2010. Mr. A S F Rahman, Chairman of the Company presided over the meeting. The performance of the company in 2009 and the future strategies were discussed in the meeting. The meeting among other agenda approved 15% stock dividend for the year 2009. The Chairman thanked the shareholders for their keen interest in and continued support for the company.

Value Added Statement

For the year ended 31 December 2010

Taka in thousand

Value Added:	Tk.	%
Sales & Other Income	7,956,113	
Bought-in-Materials & Services	(3,403,766)	
	4,552,347	100
Applications :		
Duties & Taxes to Govt. Exchequer	1,311,791	29
Salaries and Benefits to Employees	853,795	19
Interest to Lenders	508,432	11
Dividend to Shareholders	573,363	12
Retained by the Company	1,304,966	29
	4,552,347	100



Auditors' Report

To The Shareholders of
BEXIMCO PHARMACEUTICALS LIMITED

Introduction

We have audited the accompanying financial statements of Beximco Pharmaceuticals Limited, which comprise of the Statement of Financial Position as at 31 December 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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) and Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

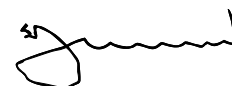
Opinion

In our opinion, the financial statements prepared in accordance with International Financial Reporting Standards (IFRSs) and Bangladesh Financial Reporting Standard (BFRSs), give a true and fair view of the state of the company's affairs as at 31 December 2010 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof ;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books ;
- (c) the Statement of Financial Position (Balance Sheet) and Statement of Comprehensive Income (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 April, 2011



M. J. ABEDIN & CO.
Chartered Accountants

BEXIMCO PHARMACEUTICALS LIMITED

Statement of Financial Position

As at 31 December 2010

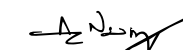
		Amount in Taka	
		2010	2009
ASSETS			
Non-Current Assets			
	15,180,731,678	12,975,195,529	
Property, Plant and Equipment- Carrying Value	4 (a) 15,123,306,298	12,966,587,178	
Intangible Assets	3.3 & 5 51,126,854	5,726,525	
Investment in Shares	6 6,298,526	2,881,826	
Current Assets			
	6,191,667,831	6,916,737,893	
Inventories	7 1,983,809,444	1,722,953,284	
Spares & Supplies	8 276,520,188	242,034,855	
Accounts Receivable	9 821,356,439	694,111,730	
Loans, Advances and Deposits	10 779,129,620	699,204,450	
Short Term Investment	11 859,403,704	2,500,000,000	
Cash and Cash Equivalents	12 1,471,448,436	1,058,433,574	
TOTAL ASSETS	21,372,399,509	19,891,933,422	
EQUITY AND LIABILITIES			
Shareholders' Equity			
	15,974,086,451	10,885,706,614	
Issued Share Capital	13 2,098,065,090	1,511,492,960	
Share Premium	14 5,269,474,690	1,489,750,000	
Excess of Issue Price over Face Value of GDRs	15 1,689,636,958	1,689,636,958	
Capital Reserve on Merger	294,950,950	294,950,950	
Revaluation Surplus	4(b) 1,534,645,820	1,617,361,714	
Retained Earnings	5,087,312,943	4,282,514,032	
Non-Current Liabilities			
	2,885,155,826	6,684,775,166	
Long Term Borrowings-Net off Current Maturity (Secured)	16 1,902,150,733	1,924,933,065	
Fully Convertible, 5% Dividend, Preference Share	-	4,100,000,000	
Liability for Gratuity & WPPF	17 335,885,792	307,425,614	
Deferred Tax Liability	18 647,119,301	352,416,487	
Current Liabilities and Provisions			
	2,513,157,232	2,321,451,642	
Short Term Borrowings	19 1,639,961,052	1,451,326,354	
Long Term Borrowings-Current Maturity	20 348,860,443	308,820,056	
Creditors and Other Payables	21 432,315,660	409,898,122	
Accrued Expenses	22 90,512,178	79,094,905	
Dividend Payable	1,507,899	1,727,724	
Income Tax Payable	23 -	70,584,481	
TOTAL EQUITY AND LIABILITIES	21,372,399,509	19,891,933,422	

The Notes are integral part of the Financial Statements.

Approved and authorised for issue by the board of directors on 28 April, 2011 and signed for and on behalf of the Board :



Salman F Rahman
Vice Chairman


Nazmul Hassan
Managing Director


Ali Nawaz
Chief Financial Officer

Per our report of even date.

Dhaka
28 April, 2011


M. J. Abedin & Co.
Chartered Accountants

BEXIMCO PHARMACEUTICALS LIMITED
Statement of Comprehensive Income
For the year ended 31 December 2010

Amount in Taka

	Notes	2010	2009
Net Sales Revenue	24	6,490,847,353	4,868,254,915
Cost of Goods Sold	25	(3,317,640,254)	(2,566,206,626)
Gross Profit		3,173,207,099	2,302,048,289
Operating Expenses :		(1,537,426,907)	(1,300,765,878)
Administrative Expenses	28	(233,413,980)	(215,192,547)
Selling, Marketing and Distribution Expenses	29	(1,304,012,927)	(1,085,573,331)
Profit from Operations		1,635,780,192	1,001,282,411
Other Income	30	456,011,134	198,986,379
Finance Cost	31	(662,182,384)	(289,427,992)
Profit Before Contribution to WPPF		1,429,608,942	910,840,798
Contribution to Workers' Profit Participation/ Welfare Funds	32	(68,076,616)	(43,373,371)
Profit Before Tax		1,361,532,326	867,467,427
Income Tax Expense	33	(309,883,518)	(242,727,120)
Current Tax		(71,085,835)	-
Deferred Tax Expense		(238,797,683)	(242,727,120)
Profit After Tax for the Year		1,051,648,808	624,740,307
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		1,051,648,808	624,740,307
Earnings Per Share (of Tk. 10 /- each)/Adjusted EPS of 2009		5.17	3.50
Number of Shares used to compute EPS		203,420,202	178,515,362

The Notes are integral part of the Financial Statements.

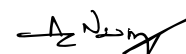
Approved and authorised for issue by the board of directors on 28 April, 2011 and signed for and on behalf of the Board :



Salman F Rahman
Vice Chairman



Nazmul Hassan
Managing Director



Ali Nawaz
Chief Financial Officer

Per our report of even date.



M. J. Abedin & Co.
Chartered Accountants

Dhaka
28 April, 2011

BEXIMCO PHARMACEUTICALS LIMITED
Statement of Changes in Equity
For the year ended 31 December 2010

Amount in Taka

	Share Capital	Share Premium	Excess of Issue Price over Face Value of GDRs	Capital Reserve on Merger	Revaluation Surplus	Retained Earnings	Total
Balance as on January 01, 2010	1,511,492,960	1,489,750,000	1,689,636,958	294,950,950	1,617,361,714	4,282,514,032	10,885,706,614
Total Comprehensive Income for 2010:							
Profit for the Year	-	-	-	-	-	1,051,648,808	1,051,648,808
Other Comprehensive Income	-	-	-	-	-	-	-
Transaction with the Shareholders:							
Cash Dividend	-	-	-	-	-	-	-
Stock Dividend	273,660,660	-	-	-	-	(273,660,660)	-
Preference Share Converted into Ordinary Shares	312,911,470	-	-	-	-	-	312,911,470
Premium on Conversion of Preference Shares net off expenses	-	3,779,724,690	-	-	-	-	3,779,724,690
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(26,810,763)	26,810,763	-
Adjustment for Deferred Tax on Revalued Assets	-	-	-	-	(55,905,131)	-	(55,905,131)
Closing Balance	2,098,065,090	5,269,474,690	1,689,636,958	294,950,950	1,534,645,820	5,087,312,943	15,974,086,451

Weighted Average Number of Shares

203,420,202

Net Asset Value (NAV) per Share

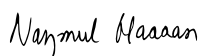
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The Notes are integral part of the Financial Statements.

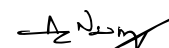
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Per our report of even date.



M. J. Abedin & Co.
Chartered Accountants

Dhaka
28 April, 2011

BEXIMCO PHARMACEUTICALS LIMITED

Statement of Cash Flows

For the year ended 31 December 2010

Amount in Taka

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

Intangible Assets

Sale of Shares

Investment in Share

Disposal of Property, Plant and Equipment

Short Term Investment

Net Cash Used in Investing Activities

Cash Flows from Financing Activities :

Net Increase / (Decrease) in Long Term Borrowings

Issuance of Preference Share

Net (Decrease)/Increase in Short Term Borrowings

Preference Share Dividend

Ordinary Share Dividend

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

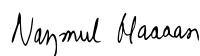
Net Operating Cash Flow Per Share

The Notes are integral part of the Financial Statements.

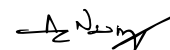
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Salman F Rahman
Vice Chairman



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Chief Financial Officer

Per our report of even date.



M. J. Abedin & Co.
Chartered Accountants

Dhaka

28 April, 2011

BEXIMCO PHARMACEUTICALS LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2010

1. Reporting entity

1.1 About the company

Beximco Pharmaceuticals Limited (BPL/ the Company) was incorporated as a public limited company in Bangladesh in 1976. It commenced its manufacturing operation in 1980. The company was listed with Dhaka Stock Exchange in 1985 and with Chittagong Stock Exchange on its debut in 1995. In 2005, BPL took over Beximco Infusions Ltd., a listed company of the Beximco Group engaged in manufacturing and marketing of intravenous fluids and got enlisted with the Alternative Investment Market (AIM) of the London Stock Exchange through issuance of Global Depository Receipts (GDRs). Shares of the Company are traded in Dhaka and Chittagong Stock Exchanges of Bangladesh and its GDRs in AIM of the London Stock Exchange.

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 and Kaliakoir of Gazipur district – vicinities close to the capital city Dhaka.

1.2 Nature of Business

The company is engaged in manufacturing and marketing of generic pharmaceuticals formulation products including life saving intravenous fluids and Active Pharmaceutical Ingredients (APIs). Products of the company are sold in domestic and international markets. The company also provides contract manufacturing services.

2. Basis of Preparation of Financial Statements

2.1 Basis of Measurement

The financial statements have been prepared on the Historical Cost Basis except land, building and plant & machinery revalued as on 31 December 2008 and disclosed through Note: 4 b. The financial statements therefore, do not take into consideration the effect of inflation.

2.2 Statement of Compliance

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 and in accordance with the International Financial Reporting Standards (IFRSs), and Bangladesh Financial Reporting Standards (BFRSs).

2.3 Presentation of Financial Statements

The presentation of these financial statements are in accordance with the guidelines provided by IAS 1 : Presentation of Financial Statements.

The financial statements comprises of :

- (a) a Statement of Financial Position as at the end of the year 2010 ;
- (b) a Statement of Comprehensive Income for the year 2010 ;
- (c) a Statement of Changes in Equity for the year 2010 ;
- (d) a Statement of Cash Flows for the year 2010 ; and
- (e) notes, comprising a summary of significant accounting policies and explanatory information.

2.4 Compliance of International/Bangladesh Reporting Standards (IFRSs/BFRSs) :

Name of the Accounting Standards	Ref. No.	Status of Application
First-time Adoption of International Financial Reporting Standards	IFRS/BFRS-1	Not applicable
Share-based Payment	IFRS/BFRS-2	Not applicable
Business Combinations	IFRS/BFRS-3	Not applicable
Insurance Contracts	IFRS/BFRS-4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS/BFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	IFRS/BFRS-6	Not applicable
Financial Instruments: Disclosures	IFRS/BFRS-7	Applied
Operating Segments	IFRS/BFRS-8	Not applicable
Presentation of Financial Statements	IAS/BAS-1	Applied
Inventories	IAS/BAS-2	Applied
Cash Flow Statements	IAS/BAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS/BAS-8	Applied
Events After the Balance Sheet Date	IAS/BAS-10	Applied
Construction Contracts	IAS/BAS-11	Not applicable
Income Taxes	IAS/BAS-12	Applied
Property, Plant and Equipment (summary)	IAS/BAS-16	Applied
Leases	IAS/BAS-17	Applied
Revenue	IAS/BAS-18	Applied
Employee Benefits	IAS/BAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS/BAS-20	Not applicable
The Effects of Changes in Foreign Exchange Rates	IAS/BAS-21	Applied
Borrowing Costs	IAS/BAS-23	Applied
Related Party Disclosures	IAS/BAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS/BAS-26	Not applicable
Consolidated Financial Statements	IAS/BAS-27	Not applicable
Investments in Associates	IAS/BAS-28	Not applicable
Interests in Joint Ventures	IAS/BAS-31	Not applicable
Financial Instruments: Presentation	IAS/BAS-32	Applied
Earnings per Share	IAS/BAS-33	Applied
Interim Financial Reporting	IAS/BAS-34	Not applicable
Impairment of Assets	IAS/BAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS/BAS-37	Applied
Intangible Assets	IAS/BAS-38	Applied
Financial Instruments: Recognition and Measurement	IAS/BAS-39	Applied
Investment Property	IAS/BAS-40	Not applicable
Agriculture	IAS/BAS-41	Not applicable

2.5 Reporting Period

The financial statements cover one calendar year from January 01, 2010 to December 31, 2010.

2.6 Authorisation for issue

The financial statements have been authorised for issue by the Board of Directors on April 28, 2011.

2.7 Functional and Presentation Currency

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

2.8 Comparative Information

Comparative information has been disclosed in respect of the year 2009 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 2009 have been re-arranged wherever considered necessary to ensure better comparability with the current year.

2.9 Use of Estimates and Judgments

The preparation of financial statements in conformity with the IFRSs including IASs require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and 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. Any revision of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

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

3. Significant Accounting Policies

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

3.1 Revenue Recognition

In compliance with the requirements of IAS 18 : Revenue, revenue receipts from customers against sales is recognized 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.

3.2 Property, Plant and Equipment

3.2.1 Recognition and Measurement

This has been stated at cost or revalued amount 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.

3.2.2 Maintenance Activities

The company incurs maintenance costs for all its major items of property, plant and equipment. Repair and maintenance costs are charged as expenses when incurred.

3.2.3 Depreciation

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 at the following rates on reducing balance basis:

Building and Other Construction	2% to 10%
Plant and Machinery	7.5% to 15%
Furniture & Fixtures	10%
Transport & Vehicle	20%
Office Equipment	10% to 15%

3.2.4 Retirements and Disposals

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.

3.3 Intangible Assets

Intangible assets are stated at cost less provisions for amortization and impairments. Licenses, patents, know-how and marketing rights acquired are amortized over their estimated useful lives, using the straight line basis, from the time they are available for use. The cost of acquiring and developing computer software for internal use and internet sites for external use are capitalized as intangible fixed assets where the software or site supports a significant business system and the expenditure leads to the creation of a durable asset. Also, the research and development expenditures that is definite to yield benefit to the company are capitalised.

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

3.5 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.5.1 Financial assets

Financial assets of the company include cash and cash equivalents, accounts receivable and other receivables. The company initially recognizes receivable on the date they are originated. All others financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

3.5.1(a) Accounts Receivable

Accounts receivable are created at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account aging, previous experience and general economic conditions. When an accounts receivable is determined to be uncollected it is written off,

firstly against any provision available and then to the profit and loss account. Subsequent recoveries of amounts previously provided for are credited to the profit and loss account.

3.5.1(b) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, in transit 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.

3.5.1(c) Investment in Shares

Investment in shares of listed company is valued at lower of cost and stock exchange quoted value of year end. Investment in other shares is valued at lower of cost and net book value.

3.5.2 Financial Liability

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Finance liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

3.6 Impairment

(a) Financial Assets

Accounts receivable and other receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effects on the estimated future cash flows of that asset, that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy etc.

(b) Non-Financial Assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

3.7 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.

3.8 Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of

statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

3.9 Income Tax Expense

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the Statement of Comprehensive Income 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 27.50%.

Deferred Tax

The company has recognized 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 recognized to the extent that it is probable that future taxable profit will be available, against which temporary differences can be utilized. 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 realized.

3.10 Interest Income

Interest income is recognized on accrual basis.

3.11 Borrowing Cost

Borrowing costs are recognized as expenses in the period in which they are incurred unless capitalization of such is allowed under IAS 23 : Borrowing Costs.

3.12 Employee Benefits

The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

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

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

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

The company has a registered provident fund scheme (Defined Contribution Plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute 10% of their basic salary to the provident fund and the company also makes equal contribution. The company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

(b) Defined Benefit Plan (Gratuity)

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) Short-term employee benefits

Short-term employee benefits include salaries, bonuses, leave encashment, etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

(d) 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 law.

(e) Insurance Scheme

Employees of the company are covered under insurance schemes.

3.13 Fully Convertible, 5% Dividend, Preference Shares

The preference shares have been converted into ordinary shares during the year under review. Payment of dividend on preference shares has been charged as expenses.

3.14 Share Premium

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

3.15 Proposed Dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts along with dividend per share in accordance with the requirements of the Para 125 of International Accounting Standard (IAS) 1: Presentation of Financial Statements. Also, the proposed dividend has not been considered as "Liability" in accordance with the requirements of the Para 12 & 13 of International Accounting Standard (IAS) 10: Events After The Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board of Directors.

3.16 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 (Numerator)

This represents earnings for the year attributable to ordinary shareholders.

Weighted Average Number of Ordinary Shares Outstanding during the year (Denominator).

Current Year (2010)

The Bonus Shares issued during the year 2010 were treated as if they always had been in issue. Hence, in computing the Basic EPS of 2010, the total number of shares including the said bonus shares has been considered as the Weighted Average Number of Shares outstanding during the year 2010.

Earlier Year (2009)

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 (2009), and accordingly, in calculating the adjusted EPS of 2009, the total number of shares including the subsequent bonus issue in 2010 has been considered as the Weighted Average number of Shares outstanding during the year 2009.

The basis of computation of number of shares as stated above is in line with the provisions of IAS 33 : Earnings 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 .

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.

3.17 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 financial position 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.

3.18 Statement of Cash Flows

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

3.19 Events after Reporting Period

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position or those that indicate that the going concern assumption is not appropriate are reflected in the financial statements. Events after reporting period that are not adjusting events are disclosed in the notes when material.

4 (a). Property, Plant and Equipment

Amount in Taka

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Transport and Vehicle	Office Equipment	Total
Cost							
At January 01, 2010	3,277,506,000	5,504,513,058	4,960,206,435	101,630,749	150,534,936	278,029,650	14,272,420,828
Additions during the year	-	27,813,712	285,859,309	13,171,949	169,481,233	19,157,847	515,484,050
Transferred & Capitalized	-	-	750,879,856	-	-	-	750,879,856
Disposal during the year	-	-	(14,510,658)	(795,370)	(9,175,704)	(26,918)	(24,508,650)
Cost at December 31, 2010	3,277,506,000	5,532,326,770	5,982,434,942	114,007,328	310,840,465	297,160,579	15,514,276,084
Accumulated Depreciation							
At January 01, 2010	-	418,544,616	1,923,466,848	37,981,114	100,654,814	174,131,527	2,654,778,919
Depreciation during the year	-	147,249,012	255,820,704	6,316,845	9,477,748	15,268,394	434,132,703
Adjustment for assets disposed off	-	-	(13,239,562)	(314,178)	(6,684,321)	(23,663)	(20,261,724)
Accumulated Depreciation at December 31, 2010	-	565,793,628	2,166,047,990	43,983,781	103,448,241	189,376,258	3,068,649,898
Net Book Value							
31 December, 2010	3,277,506,000	4,966,533,142	3,816,386,952	70,023,547	207,392,224	107,784,321	12,445,626,186
Capital Work in Progress							2,677,680,112
Carrying Value as on December 31, 2010							15,123,306,298

Assets include leasehold assets of Tk. 780,588,256 at current cost and Tk. 683,258,817 at depreciated current cost.

Capital Work in Progress is arrived at as follows :

Balance as on January 01
Addition during the year

Transferred & Capitalized

Land
Building and Other Constructions
Plant & Machinery
Furniture
Office Equipment

Amount in Taka	
2010	2009
1,348,945,269	6,281,655,095
2,079,614,699	1,097,837,895
3,428,559,968	7,379,492,990
(750,879,856)	(6,030,547,721)
-	-
-	(4,148,185,726)
(750,879,856)	(1,849,014,793)
-	(27,250,343)
-	(6,096,859)
2,677,680,112	1,348,945,269

4 (b). Revaluation Surplus

S.F. Ahmed & Co, Chartered Accountants and Valuers revalued the land, building and plant & machinery of the Company as of 31 December 2008, following "Current cost method". Such revaluation resulted into a revaluation surplus aggregating Tk. 1,711,174,747. Current balance is arrived at as follows :

Balance as on January 01
Adjustment for depreciation on revalued assets
Adjustment for Deferred Tax on revalued assets

1,617,361,714	1,711,174,747
(26,810,763)	(30,534,942)
(55,905,131)	(63,278,091)
1,534,645,820	1,617,361,714

5. Intangible Assets

This is arrived at as follows :

Balance as on January 01
Add during the year
Total
Less amortised during the year
Closing balance

5,726,525	-
46,545,634	5,726,525
52,272,159	5,726,525
(1,145,305)	-
51,126,854	5,726,525

6. Investment in Shares

This consists of as follows :

- Bextex Ltd.
- Central Depository Bangladesh Ltd. (CDBL)

1,881,826	1,881,826
4,416,700	1,000,000
6,298,526	2,881,826

Number of Shares:

	No. of Share	Amount in Taka
(a) Bextex Ltd.		
Balance as on January 01, 2010	263,290	1,881,826
Stock Dividend	39,493	-
	302,783	1,881,826
b) Central Depository Bangladesh Ltd. (CDBL)		
Balance as on January 01, 2010	100,000	1,000,000
Stock Dividend	100,000	-
Additional Investment (Right Share)	56,945	3,416,700
	256,945	4,416,700

The shares of the Bextex Limited are listed in Dhaka and Chittagong Stock Exchanges. The market value of each share of Bextex Ltd. as on 30 December, 2010 was Tk. 76.30 (on 30-12-09 Tk. 81.40) in the Dhaka Stock Exchange Ltd. and Tk. 76.30 (on 30-12-09 Tk. 81.70) in the Chittagong Stock Exchange Ltd.

7. Inventories

This consists of as follows :

Finished Goods
Work in Process
Raw Materials
Packing Materials
Laboratory Chemicals
Physician Samples
Raw & Packing Materials in Transit

	Amount in Taka	
	2010	2009
Finished Goods	565,049,644	554,393,259
Work in Process	195,111,787	189,396,879
Raw Materials	769,883,557	611,475,514
Packing Materials	327,253,736	272,626,347
Laboratory Chemicals	4,076,834	3,870,072
Physician Samples	41,239,901	23,023,857
Raw & Packing Materials in Transit	81,193,985	68,167,356
	1,983,809,444	1,722,953,284

8. Spares & Supplies

This consists of as follows :

Spares & Accessories
Stock of Stationery
Literature & Promotional Materials

Spares & Accessories	198,512,867	166,173,465
Stock of Stationery	876,990	2,433,790
Literature & Promotional Materials	77,130,331	73,427,600
	276,520,188	242,034,855

9. Accounts Receivable

This includes receivable of Tk. 68,268,464 equivalent to US\$ 976,659 (on 31-12-2009 Tk. 104,949,981 equivalent to US \$ 1,530,999) against export sales.

This also includes Tk. 589,633,177 (on 31-12-2009 Tk. 468,903,177) due from I & I Services Ltd., who provides delivery support to the Company and a "Related Party". The maximum amount due from that company during the year was Tk. 618,177,584 on 30.09.2010.

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

10. Loans, Advances and Deposits

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

Clearing & Forwarding
VAT
Claims Receivable
Security Deposit & Earnest Money
Lease Deposit
Capital Expenditure/ Project
Expenses
Bank Guarantee Margin
Advance against Salary
Rent Advance
Motor Cycle
Raw & Packing Material
Advance Income Tax
Others

Clearing & Forwarding	23,017,468	26,974,144
VAT	209,985,542	193,432,407
Claims Receivable	32,870,917	17,832,569
Security Deposit & Earnest Money	29,060,383	18,764,808
Lease Deposit	13,376,677	15,881,544
Capital Expenditure/ Project	14,893,328	65,305,151
Expenses	35,508,812	27,760,884
Bank Guarantee Margin	1,331,546	185,546
Advance against Salary	49,633,854	58,797,457
Rent Advance	3,666,626	1,935,429
Motor Cycle	139,475,754	124,548,892
Raw & Packing Material	161,055,013	130,680,381
Advance Income Tax	37,736,253	-
Others	27,517,447	17,105,238
	779,129,620	699,204,450

(a) The maximum amount due from the employees during the year was Tk. 64,851,328 on 31.03.2010

(b) No amount was due from 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 from any related party.

(d) Advance income tax is after netting off the income tax liability.

11. Short Term Investment

This represents the Company's temporary investment with Bangladesh Export Import Company Limited (Beximco), carrying interest at 14% per annum. This investment is returnable as and when required by the Company.

12. Cash and Cash Equivalents

This consists of as follows :

- (a) Cash in Hand, Current & FC Account
- (b) Imprest Cash
- (c) FDR Account

		Amount in Taka	
		2010	2009
	59,991,354	59,991,354	57,342,425
	1,789,149	1,789,149	1,091,149
	1,409,667,933	1,409,667,933	1,000,000,000
	1,471,448,436	1,471,448,436	1,058,433,574

13. Issued Share Capital

This represents :

A. Authorized :

500,000,000 (2009: 500,000,000) Ordinary Shares of Tk. 10/- each
 41,000,000 (2009: 41,000,000) Fully Convertible, 5% Dividend, Preference Shares of Tk. 100/- each

5,000,000,000	5,000,000,000
4,100,000,000	4,100,000,000
9,100,000,000	9,100,000,000

B. Issued, Subscribed and Paid-up :

51,775,750 shares (2009: 51,775,750) of Tk. 10/- each fully paid-up in cash
 120,788,362 Bonus Shares (2009: 93,422,296) of Tk. 10/- each
 5,951,250 Shares of Tk. 10/- each issued in Exchange of Shares of Beximco Infusions Ltd.
 31,291,147 Shares converted from Preference Share

51,775,750	51,775,750
1,207,883,620	934,222,960
59,512,500	59,512,500
312,911,470	-
2,098,065,090	1,511,492,960

C. The movement of Ordinary Shares during the year 2010 is as follows :

	Number of Shares	Amount in Taka
Balance as on January 01, 2010	151,149,296	1,511,492,960
Bonus Shares issued during the year 2010 (for 2009)	27,366,066	273,660,660
Preference Shares converted into Ordinary Shares	31,291,147	312,911,470
Balance as on December 31, 2010	209,806,509	2,098,065,090

D. Conversion of Preference Shares

During the year 41,000,000 fully convertible, 5% dividend, preference shares of Tk. 100 each issued in 2009 were converted into ordinary shares in two stages. 50% of the preference shares were converted on February 01, 2010 into 16,169,191 ordinary shares of Tk. 10 each at a share price of Tk. 126.66 being 25% discount over the weighted average market price of preceding three months. The rest 50% of the preference shares were converted on May 02, 2010 into 15,121,956 ordinary shares of Tk. 10 each at a share price of Tk. 135.59 being 25% discount over the weighted average market price of preceding three months. The related Share Premium were as follows:

	No. of Shares	Rate	Share Capital	Share Premium	Total
1st Conversion	16,169,191	126.66	161,691,910	1,888,308,090	2,050,000,000
2nd Conversion	15,121,956	135.59	151,219,560	1,898,780,440	2,050,000,000
Total	31,291,147		312,911,470	3,787,088,530	4,100,000,000

E. Composition of Share holding of Ordinary Shares:

Sponsors:

1. A S F Rahman
 2. Salman F Rahman
 Associates
 Foreign Investors
 ICB including ICB Investors Account
 General Public & Institutions

2010		2009	
Number of Shares	%	Number of Shares	%
2,760,397	1.32	2,400,346	1.59
2,020,370	0.96	1,756,844	1.16
22,437,204	10.69	12,327,677	8.16
48,303,437	23.02	41,808,370	27.66
23,511,271	11.21	15,802,432	10.46
110,773,830	52.80	77,053,627	50.97
209,806,509	100	151,149,296	100

F. Distribution Schedule of Ordinary Shares:

Range of Holdings In number of shares	No. of Shareholders		% of Shareholders		Number of Shares		% of Share Capital	
	2010	2009	2010	2009	2010	2009	2010	2009
1 to 499	75,349	62,733	80.70%	78.23%	8,744,514	8,112,210	4.17%	5.37%
500 to 5,000	16,420	16,276	17.59%	20.30%	21,358,898	20,226,160	10.18%	13.38%
5,001 to 10,000	815	632	0.87%	0.79%	5,856,413	4,394,089	2.79%	2.91%
10,001 to 20,000	362	275	0.39%	0.34%	5,108,823	3,798,847	2.44%	2.51%
20,001 to 30,000	102	85	0.11%	0.11%	2,493,069	2,057,022	1.19%	1.36%
30,001 to 40,000	52	38	0.06%	0.05%	1,812,896	1,309,369	0.86%	0.87%
40,001 to 50,000	38	18	0.04%	0.02%	1,763,174	816,584	0.84%	0.54%
50,001 to 100,000	82	48	0.09%	0.06%	6,047,905	3,726,809	2.88%	2.47%
100,001 to 1,000,000	122	68	0.13%	0.08%	36,446,752	22,146,697	17.37%	14.65%
Over 1,000,000	29	16	0.03%	0.02%	120,174,065	84,561,509	57.28%	55.94%
Total	93,371	80,189	100.00%	100.00%	209,806,509	151,149,296	100.00%	100.00%

G. Market Price of Ordinary Shares:

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. 135.10 (in 2009 Tk. 155.80) in the Dhaka Stock Exchange Ltd., Tk. 135.70 (in 2009 Tk. 155.40) in the Chittagong Stock Exchange Ltd., and GBP 0.47 in London Stock Exchange (in 2009 GBP 0.28).

H. Option on unissued Ordinary shares :

There was no option on unissued shares as on 31.12.2010.

14. Share Premium

This is arrived at as follows :

Balance as on January 01
 Add Premium on Conversion of Preference share (Note: 13.D)
 Less Preference Share Issue Expense

Preference Share Issue Expense consists of:

Credit Rating Fee
 Issue Manager Fee
 Consent fee & others to SEC
 Legal Fee
 Expenses for Extra-ordinary General Meeting

Share issue expense was set off against share premium received as per IAS-32:
 Financial Instruments: Presentation

Amount in Taka	
2010	2009
1,489,750,000	1,489,750,000
3,787,088,530	-
(7,363,840)	-
5,269,474,690	1,489,750,000
450,000	-
5,000,000	-
865,000	-
921,840	-
127,000	-
7,363,840	-

15. Excess of Issue Price over Face Value of GDRs

This represents the issue price of 28,175,750 GDRs at Tk. 2,244,080,670 net off face value of underlying shares against GDRs and GDR issue expenses as per IAS 32: Financial Instruments: Presentation.

16. Long Term Borrowings - Net off Current Maturity (Secured)

This arrived at as follows :

- (a) Project Loan
- (b) Interest and PAD Block
- (c) Obligation Under Finance Leases

(a) Project Loan

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

This Loan is secured against :

- (i) First (registered mortgage) charge on pari passu basis with the participating banks on 1,113 decimals of land at Kathaldia, Aushpara, Tongi of Gazipur along with the building and other constructions thereon ; and
- (ii) First pari passu charge by way of hypothecation on all assets of the company both present and future.
- (iii) This Loan, carrying interest at 12.50% to 13% per annum, is repayable in quarterly installments ending by March, 2017.

(b) Interest and PAD Block

This represents blocked PAD and blocked interest of Janata Bank Ltd. to be paid in quarterly/monthly installments ending latest by 2013.

		Amount in Taka	
		2010	2009
	1,733,509,289	1,723,032,978	
	41,526,100	81,384,493	
	127,115,344	120,515,594	
	1,902,150,733	1,924,933,065	

17. Liability for Gratuity & WPPF

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

Balance as on January 01
Provisions during the year

Paid during the year

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

129,226,456	115,305,525
33,970,920	24,026,220
163,197,376	139,331,745
(6,841,766)	(10,105,289)
156,355,610	129,226,456
179,530,182	178,199,158
335,885,792	307,425,614

18. Deferred Tax Liability

This is arrived at as follows :

Balance as on January 01
Deferred Tax Expense for the year (Note : 33)
Deferred Tax on revalued assets

352,416,487	46,411,276
238,797,683	242,727,120
55,905,131	63,278,091
647,119,301	352,416,487

19. Short Term Borrowings

This represents :

- (a) Janata Bank Ltd.: Cash Credit-Hypothecation
- (b) Citibank NA

1,639,961,052	1,436,986,600
-	14,339,754
1,639,961,052	1,451,326,354

20. Long Term Borrowings-Current Maturity

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

		Amount in Taka	
		2010	2009
	250,000,000	187,500,000	
	47,391,326	77,899,123	
	51,469,117	43,420,933	
	348,860,443	308,820,056	

21. Creditors and other Payables

This consists of :

Goods & Services
Provident Fund
Capital Expenditure
Advance Against Export
Others

161,570,971	150,680,955
263,783,942	221,884,977
-	1,956,454
222,069	27,299,340
6,738,678	8,076,396
432,315,660	409,898,122

22. Accrued Expenses

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

For expenses
Workers' Profit Participation/ Welfare Funds-current year's provision (Note : 32)

22,435,562	35,721,534
68,076,616	43,373,371
90,512,178	79,094,905

23. Income Tax Payable

This is arrived at as follows :

Balance as on January 01
Provision for the year
Payments during the year

Adjusted with Advance Income Tax

70,584,481	144,077,359
71,085,835	-
(66,000,000)	(73,492,878)
75,670,316	70,584,481
(75,670,316)	-
-	70,584,481

24. Net Sales Revenue

This represents net sales and consists of as follows :

Local Sales
Export Sales-US \$ 4,817,829 (in 2009 US \$ 3,979,426)

6,160,306,406	4,596,129,162
330,540,947	272,125,753
6,490,847,353	4,868,254,915

Sales represent :		2010	2009
Solid, Liquid, Inhalation and Other Formulations	Pcs	2,428,033,108	1,911,212,983
Active Pharmaceutical Ingredients	Kg.	108,573	61,848
IV Fluids	Bottles	7,985,682	6,665,198
Liquid Nitrogen	Liter	611,731	583,823

25. Cost of Goods Sold

This is made-up as follows :

Work-in-Process (Opening)
Materials Consumed (Note : 26)
Factory Overhead (Note : 27)

Work-in-Process (Closing)

COST OF PRODUCTION
Finished Goods (Opening)
Finished Goods available
Finished Goods (Closing)

Cost of Physician Sample transferred to Sample Stock

	Amount in Taka	
	2010	2009
	189,396,879	171,647,779
	2,537,648,743	2,259,811,565
	894,097,750	591,289,797
	3,621,143,372	3,022,749,141
	(195,111,787)	(189,396,879)
	3,426,031,585	2,833,352,262
	554,393,259	358,010,498
	3,980,424,844	3,191,362,760
	(565,049,644)	(554,393,259)
	3,415,375,200	2,636,969,501
	(97,734,946)	(70,762,875)
	3,317,640,254	2,566,206,626

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

Item	Unit	Quantity	Value (Tk.)
Stock as on January 01, 2010			
Solid, Liquid, Inhalation and Other Formulations	Pcs	492,622,769	503,424,034
IV Fluids	Bottles	1,459,393	31,161,720
Active Pharmaceutical Ingredients	Kg	7,316	19,807,505
			554,393,259
Stock as on December 31, 2010			
Solid, Liquid, Inhalation and Other Formulations	Pcs	484,372,316	509,719,030
IV Fluids	Bottles	877,258	24,487,565
Active Pharmaceutical Ingredients	Kg	11,920	30,843,049
			565,049,644

26. Materials Consumed

This is made-up as follows :

Opening Stock
Purchase
Closing Stock

887,971,933	745,666,366
2,750,890,937	2,402,117,132
(1,101,214,127)	(887,971,933)
2,537,648,743	2,259,811,565

27. Factory Overhead

This consists of as follows :

Salary & Allowances
Repairs & Maintenance
Insurance Premium
Municipal Tax & Land Revenue
Advertisement & Subscription
Registration & Renewal
Travelling & Conveyance
Entertainment
Research and Development
Printing & Stationery
Telephone & Postage
Toll Charge/ (Income) - Net
Electricity, Gas & Water
Training
Plant Certification and Regulatory Approvals
Depreciation
Other Expenses

Amount in Taka	
2010	2009
270,910,357	200,123,833
66,680,578	57,717,740
10,762,989	3,714,356
1,237,290	1,000,652
96,769	82,295
715,777	645,612
2,250,371	1,302,204
721,850	481,780
6,815,379	4,489,878
5,765,044	4,678,561
2,228,125	1,943,146
76,281,942	38,534,380
40,587,162	19,495,457
609,919	506,787
12,753,618	-
392,890,096	254,668,568
2,790,484	1,904,548
894,097,750	591,289,797

- (a) Salary and allowances include Company's Contribution to provident fund of Tk. 5,739,527 (in 2009 Tk. 3,805,274).
- (c) The value of imported stores and spares consumed is Tk. 20,664,179 (in 2009 Tk. 17,990,661) is included in repairs & maintenance.
- (d) Other expenses does not include any item exceeding 1% of total revenue.

28. Administrative Expenses

This consists of as follows :

Salary & Allowances
Rent Expenses
Repairs & Maintenance
Registration & Renewals
Travelling & Conveyance
Entertainment
Printing & Stationery
Auditors' Remuneration
Telephone & Postage
Electricity, Gas & Water
Legal & Consultancy Fee
AGM, Company Secretarial Expenses and Regulatory Fees
Training & Conference
Depreciation
Other Expenses

120,635,185	98,036,060
9,615,930	8,439,024
11,903,815	9,576,063
535,967	345,429
12,792,422	11,364,616
3,546,181	9,893,452
1,948,640	1,655,994
862,500	731,500
4,011,859	3,729,998
7,479,958	6,881,732
2,920,722	7,478,664
29,326,959	36,555,557
2,808,265	493,577
15,194,645	11,445,778
9,830,932	8,565,103
233,413,980	215,192,547

- (a) Salary and allowances include provident fund contribution of Tk. 3,318,203 (in 2009 Tk. 3,003,874).
- (b) Auditors' remuneration includes VAT on audit fee.

29. Selling, Marketing and Distribution Expenses

This consists of as follows :

Salary & Allowances
Rent Expenses
Repairs & Maintenance
Travelling & Conveyance
Entertainment
Printing & Stationery
Telephone & Postage
Electricity, Gas & Water
Market Research & New Products
Training & Conference
Insurance Premium
Sample Expenses
Promotional Expenses
Literature/News Letter
Registration & Renewals
Regulatory Approvals
Export Insurance, Freight and C & F Expense
Delivery Expense
Amortisation
Depreciation
Other Expenses

		Amount in Taka	
		2010	2009
394,172,411	335,538,128		
14,018,539	9,380,800		
9,884,277	12,585,298		
205,017,107	185,907,997		
12,487,400	7,692,897		
15,300,027	14,444,374		
7,497,939	6,463,410		
3,378,686	3,116,119		
16,256,229	15,185,037		
28,902,890	26,025,805		
4,235,200	-		
94,019,074	77,509,082		
188,563,588	146,945,185		
63,977,381	59,817,731		
2,372,417	1,700,479		
820,497	342,500		
35,827,506	21,532,307		
169,065,853	131,438,890		
1,145,305	-		
26,047,962	20,030,112		
11,022,639	9,917,180		
1,304,012,927	1,085,573,331		

(a) Salary and allowances include provident fund contribution of Tk. 11,378,454 (in 2009 Tk. 9,831,247).

(b) Delivery expense includes delivery support fee @ 2% of local Formulation and IV Fluid sales paid to I & I Services Ltd., a "Related Party".

30. Other Income

This is arrived at as follows :

Interest on FDR & Short term Investment
Income from HFA Technology Adoption and Transfer
Dividend Income
Gain on Sale of Shares
Profit on Sale of Fixed Assets (Note : 36)

367,995,851	32,128,767
78,812,136	-
100,000	212,500
-	164,150,012
9,103,147	2,495,100
456,011,134	198,986,379

31. Finance Cost

This is arrived at as follows :

Interest on Cash Credit, Lease Finance and Other Charges
Interest on Loan from PF and WPP & Welfare Fund
Dividend on Preference Shares

463,200,224	248,370,850
45,232,160	41,057,142
153,750,000	-
662,182,384	289,427,992

32. Contribution To Workers' Profit Participation / Welfare Funds

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

33. Income Tax Expenses

This consists of as follows :

- (i) Current Tax for the year under review (Note: 3.9)
- (ii) Deferred Tax Expense (Note: 3.9)

		Amount in Taka	
		2010	2009
		71,085,835	-
		238,797,683	242,727,120
		309,883,518	242,727,120

34. Earnings Per Share (EPS) :

	2010	2009
(a) Earnings attributable to the Ordinary Shareholders	Tk. 1,051,648,808	624,740,307
(b) Weighted average number of Ordinary Shares outstanding during the year (Note : 34.1)	Nos. 203,420,202	178,515,362
EPS	5.17	3.50

The relevant accounting policies have been stated in the (Note : 3.16)

34.1 Number of Shares Outstanding

This is arrived at as follows :

Number of shares outstanding on January 01	151,149,296	151,149,296
Add : Number of bonus shares issued in 2010 (for 2009)	27,366,066	27,366,066
Add : Weighted average number of ordinary shares converted from preference shares	24,904,840	-
	203,420,202	178,515,362

35. Related Party Disclosures :

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

Name of Related Parties	Nature of Transactions	Value of Transaction in 2010	Balance at year end
(a) I & I Services Ltd.	Local Delivery	6,754,733,636	589,633,177
(b) I & I Services Ltd.	Delivery Support Fee	115,975,321	-
(c) Bangladesh Export Import Co. Ltd.	Short Term Investment	1,640,596,296	859,403,704
(d) Bangladesh Export Import Co. Ltd.	Interest on Short Term Investment	246,300,055	-
(e) Beximco Holdings Ltd.	Preference Share Dividend	30,613,882	-
(f) New Dhaka Industries Ltd..	Preference Share Dividend	23,812,500	-

Nature of Relationship :

The Company and the parties are subject to common control from same source i.e., Beximco Group.

36. Particulars of Disposal of Property, Plant and Equipment :

The following assets were disposed off during the year ended 31-12-10:

Particulars of Assets	Cost	Accumulated Depreciation	Written Down Value	Sales Price	Profit / (Loss)	Mode of Disposal	Name of Parties
Furniture	795,370	314,178	481,192	131,400	(349,792)	Negotiation	Various Individuals
Transport & Vehicle	9,175,704	6,684,321	2,491,383	12,241,673	9,750,290	Negotiation	Various Individuals
Plant & Machinery	14,510,658	13,239,562	1,271,096	301,000	(970,096)	Negotiation	Various Individuals
Office Equipment	26,918	23,663	3,255	676,000	672,745	Negotiation	Various Individuals
	24,508,650	20,261,724	4,246,926	13,350,073	9,103,147		

37. Payment / Perquisites to Managers and above :

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

Remuneration
Gratuity
Contribution to Provident Fund
Bonus
Transport
Medical
Telephone
Electricity, Gas & Water

Total

		Amount in Taka	
		2010	2009
	86,381,088	76,461,360	
	3,326,065	2,930,200	
	3,957,684	3,516,240	
	6,652,130	5,860,400	
	19,308,343	18,045,180	
	3,170,595	1,868,854	
	1,750,321	1,699,341	
	3,392,580	2,574,467	
Total	127,938,806	112,956,042	

(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.

38. Production Capacity and Actual Production :

Unit	Production Capacity		Actual Production		Excess / (Shortfall)	
	2010	2009	2010	2009	2010	2009
Tablet & Capsule (in million pcs)	2,308	1,742	2,490	2,203	182	461
Liquid Bottle, Tube, Can, Injectable, Ophthalmic and Nebulizer Solution (in million pcs)	64	39	47	45	(17)	6
IV Fluid (in million pcs)	14	14	7.5	8	(6.5)	(6)

39. Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for at 31 December 2010.

40. Finance Lease Commitment

At 31 December, 2010, the company had annual commitment under finance leases as set out below :

Leases expiring within 1 year	51,469,117
Leases expiring within 2-5 years (inclusive)	127,115,344
	178,584,461

41. Claim not Acknowledged as Debt

There was no claim against the company not acknowledged as debt as on 31 December, 2010.

42. Un-availed Credit Facilities

There is 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 December, 2010.

43. Payments Made in Foreign Currency :

	<u>Foreign Currency (Equivalent US\$)</u>	<u>Taka</u>
Import of Machinery, Equipments & Spares	15,955,734	1,112,114,683
Import of Raw & Packing material	27,909,455	1,958,308,492
Regulatory fees & others	2,351,865	163,435,246
No other expenses including royalty, technical expert and professional advisory fee, interest, etc. was incurred or paid in foreign currencies except as stated above.		

44. Foreign Exchange Earned :

(a) Export Sales of US\$ 4,817,829 (in 2009 US\$ 3,979,426).

(b) Technology Transfer Fee US\$ 300,000.

45. 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.

46. Contingent Liability

The company has a contingent liability aggregating Tk. 122,934,264 against disputed income tax claims for the year 1999, 2007 and 2008. The company has filed writ petition against the claims for the years 1999 and 2007 and an appeal with the Appellate Tribunal against the claim of 2008. There is also a disputed VAT claim aggregating Tk. 144,113,691 against the company. An appeal filed by the company against the claim is now pending with the Appellate Tribunal. Additionally, there are claims of custom duty aggregating Tk. 25,272,285 against the indemnity bond issued by the company in connection with import of certain plant and machinery. The company has filed writ petitions against these claims. If any liability arises on disposal of the cases, the company shall provide for such liability in the year of final disposal.

47. Events after The Reporting Period

The directors recommended 20% Stock dividend (i.e. 20 shares for every 100 shares held) for the year 2010. The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting. Excepting to that, no circumstances have arisen since the date of Statement of Financial Position which would require adjustment to, or disclosure in, the financial statements or notes thereto.

48. Financial Risk Management

The management of company has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risk for its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

48.01 Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. As at 31 December 2010 substantial part of the receivables are those from its related company and subject to insignificant credit risk. Risk exposures from other financial assets i.e. Cash at bank and other external receivables are nominal.

48.02 Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses including financial obligations through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient fund to make the expected payment within due date. In extreme stressed conditions the company may get support from the related company in the form of short term financing.

48.03 Market Risk

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(a) Currency risk

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

(b) Interest rate risk

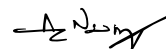
Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no foreign currency loan which is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.



Salman F Rahman
Vice Chairman



Nazmul Hassan
Managing Director



Ali Nawaz
Chief Financial Officer

Dhaka
28 April, 2011

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