

Auditors' Report To The Shareholders of BEXIMCO PHARMACEUTICALS LIMITED

We have audited the accompanying Balance Sheet of the Beximco Pharmaceuticals Limited as of December 31, 2009 and the related Profit and Loss Account, Statement of Changes in Equity and Statement of Cash Flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating presentation of the overall financial statement. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with International Financial Reporting Standards (IFRSs), including International Accounting Standards (IASs), give a true and fair view of the state of the company's affairs as of December 31, 2009 and of the results of its operations and its cash flows for the year then ended and comply with the applicable sections of the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof ;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books ;
- (c) the company's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account ; and
- (d) The expenditure incurred was for the purposes of the company's business.

Dhaka
29 April, 2010



M. J. ABEDIN & CO.
Chartered Accountants

BEXIMCO PHARMACEUTICALS LIMITED
Balance Sheet
As at 31 December 2009

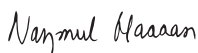
		<i>Amount in Taka</i>	
	Notes	2009	2008
ASSETS			
Non-Current Assets			
Property, Plant and Equipment- Carrying Value	4 (a)	12,966,587,178	11,921,072,697
Intangible Assets	3.5 & 5	5,726,525	-
Investment in Shares	6	2,881,826	36,701,090
		6,916,737,893	2,861,891,654
Current Assets			
Inventories	7	1,722,953,284	1,505,288,093
Spares & Supplies	8	242,034,855	234,530,326
Accounts Receivable	9	694,111,730	503,916,401
Loans, Advances and Deposits	10	699,204,450	544,509,106
Short Term Investment	11	2,500,000,000	-
Cash and Cash Equivalents	12	1,058,433,574	73,647,728
TOTAL ASSETS		19,891,933,422	14,819,665,441
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity			
Issued Share Capital	13	1,511,492,960	1,259,577,470
Share Premium	3.16	1,489,750,000	1,489,750,000
Excess of Issue Price over Face Value of GDRs	14	1,689,636,958	1,689,636,958
Capital Reserve on Merger		294,950,950	294,950,950
Revaluation Surplus	4(b)	1,617,361,714	1,711,174,747
Retained Earnings		4,282,514,032	4,005,112,020
		10,885,706,614	10,450,202,145
Non-Current Liabilities			
Long Term Borrowings-Net off Current Maturity (Secured)	15	1,924,933,065	1,446,600,500
Fully Convertible, 5% Dividend, Preference Share	3.15 & 13H	4,100,000,000	-
Liability for Gratuity & WPPF	16	307,425,614	274,419,253
Deferred Tax Liability	17	352,416,487	46,411,276
		6,684,775,166	1,767,431,029
Current Liabilities and Provisions			
Short Term Borrowings	18	1,451,326,354	1,461,666,227
Long Term Borrowings-Current Maturity	19	308,820,056	648,165,841
Creditors and Other Payables	20	409,898,122	263,176,822
Accrued Expenses	21	79,094,905	81,776,450
Dividend Payable		1,727,724	3,169,568
Income Tax Payable	22	70,584,481	144,077,359
		2,321,451,642	2,602,032,267
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		19,891,933,422	14,819,665,441

The Notes are integral part of the Financial Statements.

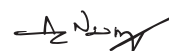
Approved and authorised for issue by the board of directors on 29 April, 2010 and signed for and on behalf of the Board :



Salman F Rahman
Vice Chairman



Nazmul Hassan
Managing Director



Ali Nawaz
Chief Financial Officer

Per our report of even date.

Dhaka
29 April, 2010



M. J. Abedin & Co.
Chartered Accountants

BEXIMCO PHARMACEUTICALS LIMITED
Profit and Loss Account
For the year ended 31 December 2009

		<i>Amount in Taka</i>	
	Notes	2009	2008
Net Sales Revenue	23	4,868,254,915	4,010,167,059
Cost of Goods Sold	24	(2,566,206,626)	(2,002,871,181)
Gross Profit		2,302,048,289	2,007,295,878
Operating Expenses :		(1,300,765,878)	(1,008,501,030)
Administrative Expenses	27	(215,192,547)	(153,464,243)
Selling, Marketing and Distribution Expenses	28	(1,085,573,331)	(855,036,787)
Profit from Operations		1,001,282,411	998,794,848
Other Income	29	198,986,379	686,510
Finance Cost	30	(289,427,992)	(249,654,298)
Profit Before Contribution to WPPF		910,840,798	749,827,060
Contribution to Workers' Profit Participation/ Welfare Funds	31	(43,373,371)	(35,706,050)
Profit Before Tax		867,467,427	714,121,010
Income Tax Expense	32	(242,727,120)	(168,779,737)
Current Tax		-	(173,720,430)
Deferred Tax (Expense) / Income		(242,727,120)	4,940,693
Profit After Tax Transferred to Statement of Changes in Equity		624,740,307	545,341,273
Earnings Per Share (of Tk. 10 /- each) (Adjusted EPS of 2008)	33	4.13	3.61
Number of Shares used to compute EPS		151,149,296	151,149,296

The Notes are integral part of the Financial Statements.

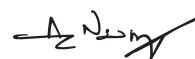
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Managing Director



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Chief Financial Officer

Per our report of even date.



M. J. Abedin & Co.
Chartered Accountants

Dhaka
29 April, 2010

BEXIMCO PHARMACEUTICALS LIMITED
Statement of Changes in Equity
For the year ended 31 December 2009

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
Opening Balance	1,259,577,470	1,489,750,000	1,689,636,958	294,950,950	1,711,174,747	4,005,112,020	10,450,202,145
Profit after tax for 2009	-	-	-	-	-	624,740,307	624,740,307
Cash Dividend of Previous Year (2008)	-	-	-	-	-	(125,957,747)	(125,957,747)
Stock Dividend of Previous Year (2008)	251,915,490	-	-	-	-	(251,915,490)	-
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(30,534,942)	30,534,942	-
Adjustment for Deferred Tax on Revalued Assets	-	-	-	-	(63,278,091)	-	(63,278,091)
Closing Balance	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 Number of shares							151,149,296
Net Asset Value per Share (NAVPS)							72.02

The Notes are integral part of the Financial Statements.

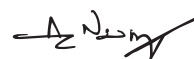
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Dhaka
29 April, 2010

BEXIMCO PHARMACEUTICALS LIMITED
Cash Flow Statement
For the year ended 31 December 2009

Amount in Taka


	2009	2008
Cash Flows from Operating Activities :		
Cash Receipts from Customers and Others	4,710,870,128	4,006,684,717
Cash Paid to Suppliers and Employees	(3,868,077,506)	(2,840,612,734)
Cash Generated from Operations	842,792,622	1,166,071,983
Interest Paid	(248,370,850)	(214,066,707)
Income Tax Paid	(73,492,878)	(71,277,001)
Net Cash Generated from Operating Activities	520,928,894	880,728,275
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment (Note : 34)	(1,148,198,910)	(1,180,445,241)
Intangible Assets	(5,726,525)	-
Sales of Shares	197,500,000	-
Disposal of Property, Plant and Equipment	3,553,600	61,600
Short Term Investment	(2,500,000,000)	-
Net Cash Used in Investing Activities	(3,452,871,835)	(1,180,383,641)
Cash Flows from Financing Activities :		
Net Increase / (Decrease) in Long Term Borrowings	(45,531,749)	(209,110,438)
Issuance of Preference Share	4,100,000,000	-
Net (Decrease)/Increase in Short Term Borrowings	(10,339,873)	554,083,900
Dividend Paid	(127,399,591)	(57,369,278)
Net cash Generated from Financing Activities	3,916,728,787	287,604,184
(Decrease) / Increase in Cash and Cash Equivalents	984,785,846	(12,051,182)
Cash and Cash Equivalents at Beginning of Year	73,647,728	85,698,910
Cash and Cash Equivalents at End of Year	1,058,433,574	73,647,728
Net Operating Cash Flow Per Share	3.45	5.83

The Notes are integral part of the Financial Statements.

Approved and authorised for issue by the board of directors on 29 April, 2010 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
29 April, 2010


M. J. Abedin & Co.
Chartered Accountants

BEXIMCO PHARMACEUTICALS LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2009

1. Reporting Entity

1.1 Company Profile

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

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

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

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

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

1.2 Nature of Business

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

2. Basis of 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 and 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), including International Accounting Standards (IASs).

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.

2.4 Reporting Period

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

2.5 Approval of Financial Statements

The financial statements were approved by the Board of Directors on 29 April, 2010.

2.6 Reporting 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.

2.7 Comparative Information and Rearrangement Thereof

Comparative information has been disclosed in respect of the year 2008 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 2008 have been re-arranged wherever considered necessary to ensure better comparability with the current year.

2.8 Key Accounting 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. Revisions 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 payables and deferred liability for gratuity.

3. Accounting Principles and 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

In compliance with the requirements of IAS 18 : Revenue, revenue from 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 charges 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 for the period in use of the assets. Depreciation is provided at the following rates on reducing balance basis:

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

3.2.4 Retirements and Disposal

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 Lease

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.

3.4 Impairment

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

3.5 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 capitalized.

3.6 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.

3.7 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 Account 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 ageing, previous experience and general economic conditions. When an accounts receivable is determined to be uncollectible 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.

3.9 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.

3.10 Provisions

A provision is recognized on the balance sheet date if, as a result of past events, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.11 Income Tax Expense

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

Current Tax

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

3.12 Interest Income

Interest income is recognized on accrual basis.

3.13 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. 14 Employee Benefits

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

The cost of employee benefits 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**

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

(b) **Defined Benefits Plan**

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

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

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

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

(d) **Insurance Scheme**

Employees of the company are covered under group life insurance scheme.

3. 15 Fully Convertible, 5% Dividend, Preference Shares

The preference shares have been presented as Financial Liability (not Equity Instruments) in accordance with the requirements of IAS 32: Financial Instrument: Presentation, and therefore, payment of dividend under such arrangements will be accounted for as interest and charged to Profit and Loss Account.

3. 16 Share Premium

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

3. 17 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 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 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. 18 Earnings per Share (EPS)

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

Basic Earnings

This represents earnings for the year attributable to ordinary shareholders.

Weighted Average Number of Ordinary Shares Outstanding during the year

Current Year (2009)

The Bonus Shares issued during the year 2009 were treated as if they always had been in issue. Hence, in computing the Basic EPS of 2009, the total no. of shares including the said bonus shares has been considered as the Weighted Average No. of Shares outstanding during the year 2009.

Earlier Year (2008)

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 (2008), and accordingly, in calculating the adjusted EPS of 2008, the total number of shares including the subsequent bonus issue in 2009 has been considered as the Weighted Average Number of Shares outstanding during the year 2008.

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

Diluted Earnings per Share

No diluted EPS could be calculated for the year although there was scope for dilution during the year under review, due to the fact that the company issued fully convertible preference shares but the number of ordinary shares by which the preference share capital amount is to be settled is not pre-determined at the time of issue of said preference shares but varied on market value of the said ordinary shares.

3. 19 Foreign Currency Transactions

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

The monetary assets and liabilities, if any, denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchanges ruling at that date. Exchange differences are charged off as revenue expenditure in compliance with the provisions of IAS 21 : The Effects of Changes in Foreign Exchange Rates.

The rates of relevant foreign exchanges at year end are :

		2009	2008
1 US Dollar \$	= Tk.	68.55	69.45

3. 20 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.

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 31 December, 2008	3,277,506,000	1,320,242,205	2,976,774,233	71,442,441	125,902,571	238,327,520	8,010,194,970
Additions during the year	-	36,085,127	134,417,409	4,779,777	25,991,960	33,605,271	234,879,544
Transferred & Capitalized	-	4,148,185,726	1,849,014,793	27,250,343	-	6,096,859	6,030,547,721
Disposal during the year	-	-	-	(1,841,812)	(1,359,595)	-	(3,201,407)
Cost at 31 December, 2009	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
Accumulated Depreciation							
At 31 December, 2008	-	348,841,244	1,740,394,838	34,803,894	89,460,544	157,276,848	2,370,777,368
Depreciation during the year	-	69,703,372	183,072,010	4,044,366	12,470,031	16,854,679	286,144,458
Adjustment for assets disposed off	-	-	-	(867,146)	(1,275,761)	-	(2,142,907)
Accumulated Depreciation at 31 December, 2009	-	418,544,616	1,923,466,848	37,981,114	100,654,814	174,131,527	2,654,778,919
Net Book Value 31 December, 2009	3,277,506,000	5,085,968,442	3,036,739,587	63,649,635	49,880,122	103,898,123	11,617,641,909
Capital Work in Progress							1,348,945,269
Carrying Value as on 31 December, 2009							12,966,587,178

Assets include lease hold assets of Tk. 796,478,480 at current cost and Tk.729,211,356 at depreciated current cost.

Amount in Taka

Capital Work in Progress is arrived at as follows :

Opening Balance

Addition during the year

Transferred & Capitalized

Land

Building and Other Constructions

Plant & Machinery

Furniture

Office Equipment

	2009	2008
Opening Balance	6,281,655,095	6,364,095,218
Addition during the year	1,097,837,895	731,580,342
	7,379,492,990	7,095,675,560
Transferred & Capitalized	(6,030,547,721)	(814,020,465)
Land	-	(20,433,395)
Building and Other Constructions	(4,148,185,726)	(201,830,246)
Plant & Machinery	(1,849,014,793)	(586,662,040)
Furniture	(27,250,343)	-
Office Equipment	(6,096,859)	(5,094,784)
	1,348,945,269	6,281,655,095

4 (b). Revaluation Surplus

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

	<i>Amount in Taka</i>
Opening 01.01.2009	1,711,174,747
Adjustment for depreciation on revalued assets	(30,534,942)
Adjustment for Deferred Tax	(63,278,091)
	1,617,361,714

5. Intangible Assets

This represents partial expenses for Dossier development of products for Australia and Europe and shall be amortised over 5 years as decided by the management.

6. Investment in Shares

This consists of as follows :

- a) Bextex Ltd.
- b) BPL Power Company Ltd.
- c) Central Depository Bangladesh Ltd. (CDBL)

	<i>Amount in Taka</i>	
	2009	2008
	1,881,826	25,701,090
	-	10,000,000
	1,000,000	1,000,000
	2,881,826	36,701,090

The shares of the Bextex Limited are listed in the Dhaka and Chittagong Stock Exchanges Ltd..The market value of each share of Bextex Ltd. as on 30 December, 2009 was Tk. 81.40 (on 30-12-08 Tk. 23.90) in the Dhaka Stock Exchange Ltd. and Tk. 81.70 (on 30-12-08 Tk. 23.80) in the Chittagong Stock Exchanges 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

	2009	2008
	554,393,259	358,010,498
	189,396,879	171,647,779
	611,475,514	554,338,294
	272,626,347	187,608,219
	3,870,072	3,719,853
	23,023,857	23,037,101
	68,167,356	206,926,349
	1,722,953,284	1,505,288,093

8. Spares & Supplies

This consists of as follows :

- Spares & Accessories
- Stock of Stationery
- Literature & Promotional Materials

	2009	2008
	166,173,465	163,413,187
	2,433,790	4,092,814
	73,427,600	67,024,325
	242,034,855	234,530,326

9. Accounts Receivable

This includes receivable of Tk. 104,949,981 equivalent to US\$ 1,530,999 (on 31-12-2008 Tk. 24,604,636 equivalent to US \$ 356,495) against export sales.

This also includes Tk. 468,903,177 (on 31-12-2008 Tk. 405,920,613) due from I & I Services Ltd., the local distributor of the pharmaceutical products of the Company and a "Related Party". The maximum amount due from that company during the year was Tk. 537,206,498 on 30-06-2009 (on 30-06-2008 Tk. 450,520,014)

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

Amount in Taka

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

	2009	2008
Clearing & Forwarding	26,974,144	13,060,361
VAT	193,432,407	130,500,392
Claims Receivable	17,832,569	17,153,650
Security Deposit & Earnest Money	18,764,808	15,592,487
Lease Deposit	15,881,544	15,547,359
Capital Expenditure/ Project	65,305,151	79,535,888
Expenses	27,760,884	25,732,995
Bank Guarantee Margin	185,546	196,946
Advance against Salary	58,797,457	44,927,912
Rent Advance	1,935,429	1,111,267
Motor Cycle	124,548,892	56,936,121
Raw & Packing Material	130,680,381	75,600,892
Others	17,105,238	68,612,836
	699,204,450	544,509,106

- The maximum amount due from the officers during the year was Tk.59,975,683 on 30.09.2009.
- 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
- No amount was due from any related party.

11. Short Term Investment

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

Amount in Taka

12. Cash and Cash Equivalents

This consists of as follows :

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

2009	2008
57,342,425	72,656,579
1,091,149	991,149
1,000,000,000	-
1,058,433,574	73,647,728

13. Issued Share Capital

This represents :

A. Authorized :

- 500,000,000 (2008: 200,000,000) Ordinary Shares of Tk. 10/- each
- 41,000,000 Fully Convertible, 5% Dividend, Preference Shares of Tk. 100/- each

B. Issued, Subscribed and Paid-up :

(a) Ordinary Shares:

- 51,775,750 shares (2008: 51,775,750) of Tk. 10/- each fully paid-up in cash
 - 93,422,296 Bonus Shares (2008: 68,230,747) of Tk. 10/- each
 - 5,951,250 Shares of Tk. 10/- each issued in Exchange of Shares of Beximco Infusions Ltd.
- 151,149,296 Shares**

2009	2008
5,000,000,000	2,000,000,000
4,100,000,000	-
9,100,000,000	2,000,000,000
517,757,500	517,757,500
934,222,960	682,307,470
59,512,500	59,512,500
1,511,492,960	1,259,577,470

C. The movement of Ordinary Issued Shares during the year 2009 is as follows :

- Balance as on 01.01.2009**
- Bonus Shares issued during the year 2009 (For 2008)
- Balance as on 31.12.2009**

Number of Shares	Amount in Taka
125,957,747	1,259,577,470
25,191,549	251,915,490
151,149,296	1,511,492,960

During the year 2009, the Authorized Share Capital of the Company has been increased from Tk. 200,00,00,000 (Taka Two hundred crores) to Taka 910,00,00,000 (Taka Nine hundred ten crores), consisting of 500,000,000 Ordinary Shares of Taka 10 each amounting to Taka 500,00,00,000 (Taka Five hundred crores) ; and 41,000,000 Fully Convertible, 5% Dividend, Preference Share of Taka 100 each amounting to Taka 410,00,00,000 (Taka Four hundred ten crores) in view of the aforesaid Preference Share issue.

D. 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 and Institutions

2009		2008	
No. of shares	%	No. of shares	%
2,400,346	1.59	2,000,289	1.59
1,756,844	1.16	1,464,037	1.16
12,327,677	8.16	22,516,753	17.88
41,808,370	27.66	35,889,219	28.49
15,802,432	10.46	12,882,399	10.23
77,053,627	50.97	51,205,050	40.65
151,149,296	100.00	125,957,747	100.00

E. Distribution Schedule of Ordinary Shares:

Range of Holdings In number of shares	No. of Shareholders		% of Shareholders		No. of Shares		% of Shares	
	2009	2008	2009	2008	2009	2008	2009	2008
1 to 499	62,733	53,098	78.23%	81.00%	8,112,210	6,312,797	5.37%	5.01%
500 to 5,000	16,276	11,448	20.30%	17.45%	20,226,160	14,168,303	13.38%	11.25%
5,001 to 10,000	632	541	0.79%	0.83%	4,394,089	3,812,607	2.91%	3.03%
10,001 to 20,000	275	234	0.34%	0.36%	3,798,847	3,227,093	2.51%	2.56%
20,001 to 30,000	85	79	0.11%	0.12%	2,057,022	1,934,231	1.36%	1.54%
30,001 to 40,000	38	34	0.05%	0.05%	1,309,369	1,168,786	0.87%	0.93%
40,001 to 50,000	18	11	0.02%	0.02%	816,584	505,241	0.54%	0.40%
50,001 to 100,000	48	46	0.06%	0.07%	3,726,809	3,120,082	2.47%	2.48%
100,001 to 1,000,000	68	50	0.08%	0.08%	22,146,697	14,569,334	14.65%	11.57%
Over 1,000,000	16	15	0.02%	0.02%	84,561,509	77,139,273	55.94%	61.23%
Total	80,189	65,556	100.00%	100.00%	151,149,296	125,957,747	100.00%	100.00%

F. 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. 155.80 (in 2008 Tk. 167.70) in the Dhaka Stock Exchange Ltd., Tk. 155.40 (in 2008 Tk. 167.90) in the Chittagong Stock Exchanges Ltd., and GBP 0.28 in London Stock Exchanges (in 2008 GBP 0.13).

G. Option on Unissued Ordinary Shares :

The Preference Shares shall be fully convertible into Ordinary Shares. However the number of Ordinary Shares to be increased could not be determined now as the conversion would be base on market price of Ordinary Shares.

H. Fully Convertible, 5% Dividend, Preference Shares:

The Extra Ordinary General Meeting (EGM) of the Share holders of Beximco Pharmaceuticals Ltd. held on 15 October 2009 have unanimously approved the issuance upto 4,10,00,000 Fully Convertible, 5% Dividend, Preference Shares of Taka 100 each, amounting to Tk. 410,00,00,000/- subject to certain specific terms and conditions. The Shares were fully subscribed and the company subsequently issued the shares to the concerned allottees.

One-half (50%), i.e., Taka 50, of each preference share will be converted into ordinary shares on 1 February 2010 at 25% discount to the weighted average price of the Dhaka Stock Exchange Ltd. during the three-months ending 31 January 2010. The remaining one-half (50%), i.e., Taka 50, of each preference share will be converted into ordinary shares on 2 May 2010 at 25% discount to the weighted average price of the Dhaka Stock Exchange Ltd. during the three-months ending 30 April 2010. The amount has been shown as non-current liability as per IAS - 32.

14. 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.

15. 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

<i>Amount in Taka</i>	
2009	2008
1,723,032,978	1,292,229,846
81,384,493	143,151,541
120,515,594	11,219,113
1,924,933,065	1,446,600,500

(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 dosages facility of the company. Janata Bank Ltd. is the lead bank to the consortium.

This Loan is secured against :

- (i) First (registered mortgage) charge on paripassu basis with the participating banks on 1,112.82 decimals of land at Kathaldia, Aushpara of Gazipur; along with the building and other construction thereon and
- (ii) First paripassu charge by way of hypothecation on all assets of the company both present and future.
- (iii) This Loan, carrying interest at 12.50% to 13% per annum, is repayable in quarterly installments ending by 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 30.04.2011.

16. 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 :

Amount in Taka

	2009	2008
(a) Gratuity Payable		
Opening Balance	115,305,525	102,444,429
Provided during the year	24,026,220	23,460,000
	139,331,745	125,904,429
Paid during the year	(10,105,289)	(10,598,904)
	129,226,456	115,305,525
(b) Loan from Workers' Profit Participation/Welfare Funds	178,199,158	159,113,728
	307,425,614	274,419,253

17. Deferred Tax Liability

This is arrived at as follows :

	2009	2008
Opening Balance	46,411,276	51,351,969
Deferred Tax (Income)/Expense for the year (Note : 32)	242,727,120	(4,940,693)
Deferred Tax for revaluation	63,278,091	-
	352,416,487	46,411,276

Amount in Taka

18. Short Term Borrowings

This represents :

- (a) Janata Bank Ltd. :
 - Cash Credit-Pledge
 - Cash Credit-Hypothecation
 - PAD
- (b) Citibank NA
- (c) Standard Chartered Bank
- (d) IPDC
- (e) Loan From Beximco Holdings Ltd.

2009	2008
-	155,058,129
1,436,986,600	960,682,217
-	35,018,033
14,339,754	39,199,326
-	(15,079)
-	50,716,933
-	221,006,668
1,451,326,354	1,461,666,227

19. 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

2009	2008
187,500,000	479,020,757
77,899,123	143,658,000
43,420,933	25,487,084
308,820,056	648,165,841

20. Creditors and Other Payables

This consists of :

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

2009	2008
150,680,955	58,382,776
221,884,977	191,013,499
1,956,454	3,269,279
27,299,340	2,368,551
8,076,396	8,142,717
409,898,122	263,176,822

21. 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)

2009	2008
35,721,534	46,070,400
43,373,371	35,706,050
79,094,905	81,776,450

Amount in Taka

22. Income Tax Payable

This is arrived at as follows :

Opening Balance	
Tax provided	
Tax paid during the year including Tax deducted at source	

2009	2008
144,077,359	41,633,930
-	173,720,430
144,077,359	215,354,360
(73,492,878)	(71,277,001)
70,584,481	144,077,359

23. Net Sales Revenue

This represents net sales and consists of as follows :

Local Sales	
Export Sales-US\$ 3,979,426 (in 2008 US\$ 2,501,084)	

2009	2008
4,596,129,162	3,839,563,510
272,125,753	170,603,549
4,868,254,915	4,010,167,059

Sales represent :

Solid, Liquid & Inhalation Formulations	
Basic Chemicals	
IV Fluids	
Liquid Nitrogen	

Pcs	
Kg.	
Bottles	
Liter	

2009	2008
1,911,212,983	2,171,705,929
61,848	26,790
6,665,198	6,364,302
583,823	-

24. Cost of Goods Sold

This is made-up as follows :

Work-in-Process (Opening)	Notes	
Materials Consumed	25	
Factory Overhead	26	

Work-in-Process (Closing)

COST OF PRODUCTION

Finished Goods (Opening)	
Finished Goods Available	
Finished Goods (Closing)	

Cost of Physician Sample

2009	2008
171,647,779	142,743,433
2,259,811,565	1,680,187,263
591,289,797	418,030,710
3,022,749,141	2,240,961,406
(189,396,879)	(171,647,779)
2,833,352,262	2,069,313,627
358,010,498	331,438,214
3,191,362,760	2,400,751,841
(554,393,259)	(358,010,498)
2,636,969,501	2,042,741,343
(70,762,875)	(39,870,162)
2,566,206,626	2,002,871,181

Item wise quantity and value of finished goods stock are as follows:

Item	Unit	Quantity	Value (Tk.)
Stock as on 01-01-09			
Solid, Liquid & Inhalation Formulations	Pcs	435,894,863	323,481,781
IV Fluids	Bottles	1,037,201	23,587,639
Basic Chemicals	Kg	3,464	10,941,078
			358,010,498
Stock as on 31-12-09			
Solid, Liquid & Inhalation Formulations	Pcs	492,622,769	503,424,034
IV Fluids	Bottles	1,459,393	31,161,720
Basic Chemicals	Kg	7,316	19,807,506
			554,393,260

Amount in Taka

25. Materials Consumed

This is made-up as follows :

Opening Stock
Purchase
Closing Stock

	2009	2008
Opening Stock	745,666,366	798,889,341
Purchase	2,402,117,132	1,626,964,288
Closing Stock	(887,971,933)	(745,666,366)
	2,259,811,565	1,680,187,263

26. Factory Overhead

This consists of as follows :

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

	2009	2008
Salary & Allowances	200,123,833	178,633,988
Repairs & Maintenance	57,717,740	52,239,401
Insurance Premium	3,714,356	3,739,078
Municipal Tax & Land Revenue	1,000,652	1,576,304
Advertisement & Subscription	82,295	210,780
Registration & Renewal	645,612	109,710
Traveling & Conveyance	1,302,204	1,132,515
Entertainment	481,780	405,432
Research and Development	4,489,878	3,341,369
Printing & Stationery	4,678,561	4,326,436
Telephone & Postage	1,943,146	1,779,948
Toll Charge/ (Income) - Net	38,534,380	14,015,468
Electricity, Gas & Water	19,495,457	17,521,600
Training	506,787	334,600
Other Expenses	1,904,548	7,670,473
Depreciation	254,668,568	130,993,608
	591,289,797	418,030,710

- (a) Salary and allowances include Company's Contribution to provident fund of Tk. 3,805,274 (in 2008 Tk. 2,917,908).
- (c) The value of imported stores and spares consumed is Tk. 17,990,661 (in 2008 Tk. 14,059,370) is included in repairs & maintenance.
- (d) Other expenses does not include any item exceeding 1% of total revenue.

27. Administrative Expenses

Amount in Taka

This consists of as follows :

	2009	2008
Salary & Allowances	98,036,060	84,200,344
Rent Expenses	8,439,024	7,300,078
Repairs & Maintenance	9,576,063	8,275,689
Donation & Subscription	345,429	738,391
Traveling & Conveyance	11,364,616	9,503,179
Entertainment	9,893,452	1,287,515
Printing & Stationery	1,655,994	1,167,878
Auditors' Remuneration	731,500	522,500
Telephone & Postage	3,729,998	3,412,609
Electricity, Gas & Water	6,881,732	5,156,735
Legal & Consultancy Fee	7,478,664	2,506,406
AGM, Company Secretarial Expenses and Regulatory Fees	36,555,557	15,151,730
Other Expenses	8,565,103	8,246,900
Training & Conference	493,577	106,936
Depreciation	11,445,778	5,887,353
	215,192,547	153,464,243

(a) Salary and allowances include provident fund contribution of Tk. 3,003,874 (in 2008 Tk. 2,466,064).

(b) Auditors' remuneration represents audit fee (annual audit Tk. 600,000 and half yearly audit Tk. 100,000) including VAT.

Amount in Taka

28. Selling, Marketing and Distribution Expenses

This consists of as follows :

	2009	2008
Salary & Allowances	335,538,128	291,723,125
Rent Expenses	9,380,800	8,305,000
Repairs & Maintenance	12,585,298	10,620,026
Traveling & Conveyance	185,907,997	144,538,948
Entertainment	7,692,897	8,590,918
Printing & Stationery	14,444,374	11,441,995
Telephone & Postage	6,463,410	7,716,905
Electricity, Gas & Water	3,116,119	3,025,764
Market Research & New Products	15,185,037	8,180,930
Training & Conference	26,025,805	22,998,344
Sample Expenses	77,509,082	58,267,732
Promotional Expenses	146,945,185	88,159,738
Literature/ News Letter	59,817,731	45,148,618
Registration & Renewals	1,700,479	775,758
Regulatory Approvals	342,500	-
Export Freight, Insurance and C & F Expense	21,532,307	12,332,087
Delivery Commission	131,438,890	114,180,696
Depreciation	20,030,112	10,302,868
Other Expenses	9,917,180	8,727,335
	1,085,573,331	855,036,787

(a) Salary and allowances include provident fund contribution of Tk 9,831,247 (in 2008 Tk. 9,278,354).

(b) Delivery commission represents 3% of local sales of Formulation & IV Fluids which has been paid to the I & I Services Ltd., the local distributor of the company and a related party.

29. Other Income

This is arrived at as follows :

	2009	2008
Interest on Short Term Investment, FDR and Others	32,128,767	753,267
Dividend Income	212,500	-
Gain on Sale of shares in Bextex Ltd.	164,150,012	-
Profit/(Loss) on Sale of Fixed Assets (Note 36)	2,495,100	(66,757)
	198,986,379	686,510

Amount in Taka

30. Finance Cost

This is arrived at as follows :

Interest on Cash Credit and others

Interest on loan from PF and WPP & Welfare Fund

2009	2008
248,370,850	214,066,707
41,057,142	35,587,591
289,427,992	249,654,298

31. 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 .

32. Income Tax Expenses

This consists of as follows :

(i) Current Tax for the year under review

(ii) Deferred Tax (Income)/Expense (Note 3.11)

2009	2008
-	173,720,430
242,727,120	(4,940,693)
242,727,120	168,779,737

No current tax for the year under review has been provided as there is an estimated taxable loss due to the fact that although no depreciation has been provided in the accounts on the assets capitalized and put to use at the end of year, Income tax authority will allow depreciation on the said assets.

33. Earnings Per Share (EPS)

(a) Earnings attributable to the Ordinary Shareholders
(Net profit after Tax)

(b) Weighted average number of Ordinary Shares outstanding during the year

Earnings Per Share (EPS) (Adjusted EPS of 2008)

2009	2008
624,740,307	545,341,273
151,149,296	151,149,296
4.13	3.61

34. Acquisition of Property, Plant and Equipment

This is net of Interest During Construction Period (IDCP) amounting Tk. 184,518,529 (in 2008 Tk. 183,822,503).

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 2009	Balance at year end
(a) I & I Services Ltd.	Local Delivery	4,512,735,247	468,903,177
(b) I & I Services Ltd.	Delivery Commission	131,438,890	-
(3) Bangladesh Export Import Co. Ltd. (BOL Unit)	Internet Bill	1,004,125	-
(d) Bangladesh Export Import Co. Ltd.	Short Term Investment	2,500,000,000	2,500,000,000
(e) Bangladesh Export Import Co. Ltd.	Interest on Short Term Investment	31,164,384	31,164,384
(f) Beximco Holdings Ltd.	Private Placement of Preference Share	816,372,000	-
(g) New Dhaka Industries Ltd.	Private Placement of Preference Share	635,000,000	-

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 31-12-09 :

Particulars of Assets	Cost	Dep.Upto 31-12-08	W.D.V.as on 31-12-08	Sales Price	Profit/ (Loss)	Mode of Disposal	Name of the Parties
Furniture	1,841,812	867,146	974,666	333,598	(641,068)	Negotiation	Various Individuals
Transport & Vehicle	1,359,595	1,275,761	83,834	3,220,002	3,136,168	Negotiation	Various Individuals
Total	3,201,407	2,142,907	1,058,500	3,553,600	2,495,100		

Amount in Taka

37. Payment/Perquisites to Directors and Managers :

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

	2009	2008
Remuneration	76,461,360	40,524,160
Gratuity	2,930,200	2,592,405
Contribution to Provident Fund	3,516,240	3,110,886
Bonus	5,860,400	5,184,810
Transport	18,045,180	13,453,596
Medical	1,868,854	2,967,284
Telephone	1,699,341	2,876,941
Electricity, Gas & Water	2,574,467	2,132,551
	112,956,042	72,842,633

(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, Actual Production in 2009

Unit	Production Capacity		Actual Production		Excess/(Shortfall)	
	2009	2008	2009	2008	2009	2008
Tablet & Capsule (in million pcs)	1,742	1,742	2,203	2,371	461	629
Bottle, Tube & Cans (in million pcs)	39	39	45	34	6	(5)
Bottle-IV (in million pcs)	14	14	8	6	(6)	(8)

39. Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for at 31 December 2009.

40. Finance Lease Commitment

At 31 December, 2009, the company had annual commitment under finance leases as set out below :

	Amount in Taka
Leases expiring within 1 year	43,420,933
Leases expiring within 2-5 years (inclusive)	120,515,594
	163,936,527

41. Claim not Acknowledged as Debt

There was no claim against the company not acknowledged as debt as on 31 December 2009.

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 2009.

43. Payments Made in Foreign Currency

	Amount in	
	Foreign currency - Equivalent US\$	Taka
Import of Machinery, Equipments & Spares	3,772,845	262,313,623
Import of Raw & Packing material	26,016,629	1,808,155,702
Regulatory fees & other expenses	985,015	67,721,708

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. Dividend Paid to the Non-resident Shareholders in 2009

(i) Dividend for 2008 was approved on 16 June, 2009 and therefore, dividend for 2008 was paid in 2009.

(ii) Dividend of Tk. 28,330,217.70 was paid to 6 non-resident shareholders against 35,340,930 shares held by them.

45. Foreign Exchange Earned

- (a) Export Sales of US\$ 3,979,426 (in 2008 US\$ 25,01,084).
- (b) No other income including royalty, technical assistance and professional advisory fee, interest and dividend was earned or received in foreign currency.

46. 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.

47. Contingent Liability

The Company has a contingent liability aggregating Tk. 87,914,610 against disputed income tax claim for the year 1999 & 2007. The company has appealed against such claim. If any liability arises on disposal of the final appeal, the company shall provide for such liability with year of final disposal.

48. Events after The Reporting Period

Following events have occurred since the Balance Sheet date:

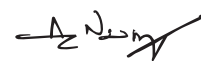
- (a) As of February 1, 2010, 20,500,000 number of Preference Shares representing 50% of the total issue has been converted into 16,169,191 Ordinary Shares at an exchange rate of Tk. 126.66 per Ordinary Shares. The exchange rate was arrived at taking into account 25% discount to the weighted average market price of the Dhaka Stock Exchange during the three months ending on 31 January 2010. Due to this conversion, paid up capital has been increased by Tk. 161,691,910 (16,169,191 Ordinary Shares of Tk. 10 each). The excess of the converted value of the Preference Shares over the face value of the Ordinary Share issued shall be considered as Share Premium.
- (b) An aggregate amount of interim dividend on preference share of Tk.102,500,000 was paid on 01 February 2010.
- (c) The directors recommended 15% Stock dividend (Bonus Share). The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting.
- (d) Except the fact stated above, no circumstances have arisen since the balance sheet date which would require adjustment to, or disclosure in, the financial statements or notes thereto.



Salman F Rahman
Vice Chairman



Nazmul Hassan
Managing Director



Ali Nawaz
Chief Financial Officer

Dhaka
29 April, 2010