

ANNUAL REPORT 2011

BEXIMCO PHARMACEUTICALS LTD.



**BEXIMCO
PHARMA**

here's to life



It is only when you are healthy,
you enjoy fully the joy of life.
The joy of emotions and experiences.
The journey among friends and families.
The miracle we live every day.
Life.

It is that health we strive to sustain.
To nurture.
A healthy life for all.

ANNUAL REPORT 2011



BEXIMCO PHARMACEUTICALS LTD.

Our Mission

We are committed to enhancing human health and well being by providing contemporary and affordable medicines, manufactured in full compliance with global quality standards. We continually strive to improve our core capabilities to address the unmet medical needs of patients and to deliver outstanding results for our shareholders.

Our Vision

We will be one of the most trusted, admired and successful pharmaceutical companies in the region with a focus on strengthening research and development capabilities, creating partnerships and building presence across the globe.

Core Values

Our core values define who we are; they guide us to take decisions and help realize our individual and corporate aspirations.

- Commitment to quality** We adopt industry best practices in all our operations to ensure highest quality standards of our products.
- Customer satisfaction** We are committed to satisfying the needs of our customers, both internal and external.
- People focus** We give high priority on building capabilities of our employees and empower them to realize their full potential.
- Accountability** We encourage transparency in everything we do and strictly adhere to the highest ethical standards. We are accountable for our own actions and responsible for sustaining corporate reputation.
- Corporate social responsibility** We actively take part in initiatives that benefit our society and contribute to the welfare of our people. We take great care in managing our operations with high concern for safety and environment.

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Who We Are

Beximco Pharmaceuticals Ltd. belongs to Beximco Group, the largest private sector business conglomerate in Bangladesh. Incorporated in the late 70s, Beximco Pharma began as a distributor, importing products from global MNCs like Bayer, Germany and Upjohn Inc., USA and selling them in the local market, which were later manufactured and distributed under licensing arrangements. The Company introduced its own branded generic products in 1983. Since then, the journey continued, and today, Beximco Pharma is a leading manufacturer and exporter of pharmaceuticals in the country, winning National Export Trophy (Gold) a record four times. Beximco Pharma's manufacturing facilities have been accredited by major global regulatory bodies, and it has expanded its geographic footprint across four continents.

Beximco Pharma is the only Bangladeshi company listed on the AIM of London Stock Exchange through issuance of GDRs.

Having a broad portfolio of more than 500 products and a dedicated team of around 2,700 employees, Beximco Pharma is committed to providing access to medicines which are affordable and manufactured in strict compliance with global standards.



At Beximco Pharma, we dare to dream

...of access to health solutions for everyone

We strive to cater to the masses with a diverse portfolio of products covering therapeutic groups such as anti-infectives, gastrointestinal, cardiovascular, ARVs, anti-diabetic, NSAIDs, respiratory, and so on.

...of delivering globally trusted quality to our people

We secured GMP accreditations from the EU, Australia, Gulf Central Committee, South Africa and Brazil, among others. At the moment, we have the highest number of international accreditations among all the Bangladeshi pharma companies.

...of progress; not just of ours, but of the entire community

We strive to conduct our business in a responsible manner and respond to the evolving needs of the society through various programs and initiatives.

...of a society with no outcasts

We do not believe in discriminations. We stand by the HIV positive of our country, well knowing that serving this niche is not commercially feasible.

...of a beautiful, breath-taking tomorrow

We were among the first in the world who proactively made the transition from the use of ozone-depleting to ozone-benign propellants for our medical inhalers.

.....because we work to see you live the life we see in our dreams.

We are Beximco Pharma
We are here for you, for life.
So here's to life!



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
Executive Director

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 Statement

Beximco Pharma has completed yet another successful year delivering robust growth in revenues and profit. In 2011, the Company achieved sales turnover of BDT 7.89 billion registering y-o-y growth of 21.56%. According to IMS, Beximco Pharma achieved the highest growth among all the leading pharmaceutical companies in the country. This outstanding performance is a clear indication that all our initiatives were planned and accordingly executed to meet the strategic goals we set for ourselves.

Bangladesh has a vibrant pharmaceutical industry. The country is almost self-sufficient in this sector with 97% of the country's needs being met by the local manufacturers. Currently valued at BDT 84 billion (USD 1 billion), the pharmaceutical market has been growing steadily over the last few years. This industry has been consistently performing well with a CAGR of 20% in the last 3 years. From the positive trends in this sector, including increased healthcare spending on medicine and medical coverage, enhanced healthcare system, and rising government expenditure, we expect the industry to continue to register healthy growths in the foreseeable future. The sector is highly fragmented with 246 manufacturers: top 10 companies enjoy more than 67% while top 20 companies have 85% of the market share. All of the top 10 players are local manufacturers. We predict that domestic players will continue to dominate and become more competitive with further backward integration in the near future and at the same time go up the value chain with increasing focus on technology driven products.

In the year under review we have introduced 40 new generics in 55 presentations, many of which have high growth potential. In the domestic market the Company maintains leading position in key therapeutic segments like analgesics and gastrointestinal; we have also performed very well with our respiratory, cardiovascular, musculoskeletal and anti-infective range registering much better growth than in the previous year.

We are confident that your company will continue to outperform industry growth in the coming years led by market share gains in key therapeutic segments along

with continuous and successful expansion of our product portfolio. Our major restructuring in the sales division, with the aim of focusing on specialty and chronic care products, will result in considerable growth in these categories.

We remain committed to creating value for all our shareholders and customers. A well defined, value-creating strategy is a must for any business to achieve sustained growth and this must take into consideration the company's immediate and long term growth objectives. With over 30 years of operation, we have achieved many milestones, successfully expanded our business and created significant shareholders' value, yet sustaining growth and profitability has been a major challenge in today's changing business environment. This is why we have given special emphasis on improving cost efficiency, resource optimization and R&D capabilities. To achieve sustained growth over the next five years and beyond, the Company has prepared a roadmap for making business strategies actionable. We will further invest in upgrading the existing facilities and expanding capacity which will translate into potentially higher growth.

Beximco Pharma has delivered strong results in the domestic market; it also continues to perform well in exports and achieved a growth of 18.08% over the previous year. During the year we have successfully registered 48 products in overseas markets. The Company has the distinction of being the only pharmaceutical company in the country to win National Export Trophy (Gold) a record four times. We are well aware of opportunities in global generic drug space and your Company is formulating strategies and aligning resources to capitalize on these opportunities. Today Beximco Pharma has products registered in Asia, Africa, Latin America, Gulf region, Australia and New Zealand while it enters into generic markets of EU soon. As mentioned earlier we recently entered the US market through acquisition of an ANDA and the response with that product has been encouraging; and we are hopeful that we will be able to complete the site transfer to Beximco Pharma and subsequent USFDA inspection soon.

Key drug patent expirations by the year 2015 have been estimated to be worth more than USD 150 billion in annual drug sales, which present lucrative opportunities for generic drug manufacturers like Beximco Pharma. We are well aware of this and aligning our resources to capitalize on these opportunities. We believe our ability to choose the right products, efficiently develop them, secure regulatory approvals, and achieve economies of scale in production are all critical for our success in the global generics market. We continue to make substantial investment in research and development to create differentiation and enable us to compete in the global marketplace. A number of initiatives aligned with our objectives are currently underway. We have further strengthened our Regulatory Affairs, R&D, and Supply Chain with the appointment of top class people with long experience working in leading generic drug companies in the world.

On a different note, taka has been devalued to a record low against dollar in the said period which may have significant impact on the cost of imports of raw materials and thereby profitability. The industry is still heavily dependent on such imports and this will remain so unless the country's proposed API Technology Park is completed.

The generic drug industry is undergoing changes and in such a competitive environment leading companies are now focusing on products where profit levels come with a degree of innovation. Our current portfolio comprising Metered Dose Inhalers, Dry Powder Inhalers, Ophthalmics, Pre-Filled Syringes, etc. offers both innovation and profitability. Particularly, inhalers and eye drops can potentially provide a lucrative niche for us as we have pioneered MDI manufacturing and are the sole company to have both EU and TGA accredited MDI and Ophthalmic facilities in the country. We will pursue growth in the specialized products and accordingly our new projects reflect our strategic focus.

As we continue to focus on specialty niche products, a number of new delivery systems are planned to be

launched which will enrich our hi-tech portfolio and at the same time help build our image as a technology-driven company.

While MNCs are increasingly looking for cost effective sources beyond China and India as these countries are losing cost advantages, Beximco Pharma has differentiated itself by offering generic drugs at the most affordable price. The Company is ideally positioned as a contract manufacturing partner for clients from developed markets with its cost and skill advantages along with a long track record of working with global MNCs. Amid all the challenges, Bangladesh economy is growing satisfactorily, consistently maintaining GDP growth over 6%. Positive credit rating by global credit rating agencies and an impressive ranking by major investment firms have helped Bangladesh attract huge global attention in recent times; particularly the pharmaceutical industry has been highly publicized as the next big sector owing to its significant export potential. While our major focus remains on development of international markets, particularly for building presence in the developed and emerging markets, our investment in expanding capacity will provide the necessary impetus for sustainable growth. We continue to pursue global accreditations, collaborations and alliances as a part of our global expansion strategy. Our Oral Solid Dosage and Ophthalmic facilities have received GMP accreditation from European Union while the Ophthalmic facility also received the same from TGA, Australia.

We are committed to providing safe and effective medicines to enhance health and well being of our people. We do not measure our success only by our ability to provide affordable medicines: we have given high priority on social responsibilities and always promote activities that contribute to the betterment of our society. During the year we have made significant contribution to several major initiatives; notable among them are joining of USAID-led Mobile Alliance for Maternal Action (MAMA) as the founding corporate partner, and supporting ASHIC Foundation, an organization for children with cancer.

The year 2011 also witnessed a series of rebranding initiatives taken by the management. Corporate brand equity is the most valuable asset of a company as it engages all the stakeholders in a relationship that drives future growth. This is critical for sustaining competitive advantage in light of changing corporate priorities. We have felt an increasing need to convey a strong and distinct identity, with renewed focus and commitment, to reflect Beximco Pharma's rising prominence. The Company now has a new tagline 'Here's to Life', corporate identity programs and a new website including the online knowledge center – all to reflect our commitment and vision and convey to our customers who we are and what we do.

As we continue to evolve into a stronger company, our strategy for growth is to build a strong and diverse product portfolio; to expand our geographic reach; and to develop and leverage our generic drug capabilities. All these will drive us to build a future for our employees, to create value for shareholders and to focus on the reason for being in this business – to enhance the health and wellbeing of people.

We are confident that your Company will continue to deliver strong financial results and achieve sustained growth in the coming days. It's a privilege for me to work with the exceptionally talented team of Beximco Pharma management and the wonderful people who have diligently worked towards building this remarkable company. I would like to thank all our employees and shareholders for your unwavering confidence and trust in us, and look forward to your continued support.

Nazmul Hassan

Nazmul Hassan MP
Managing Director



- 1976
Company incorporated
- 1980
Started manufacturing products of Bayer AG, Germany and Upjohn Inc., USA, under license agreements
- 1983
Launched own formulation brands
- 1985
Listed on Dhaka Stock Exchange
- 1992
Export operation started with APIs

ONE GIANT STRIDE AFTER ANOTHER

2011

Received GMP accreditation from AGES, Austria (for European Union)
Received GMP approval from INVIMA, Colombia
Only pharmaceutical company to win 'National Export Trophy (Gold)' for the fourth time

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

2009

Only Bangladeshi company to receive GMP approval from ANVISA, Brazil

2008

First Bangladeshi company to receive GMP accreditation 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

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 company to introduce anti-retroviral (ARV) drugs in Bangladesh

1993

Russia became the first export destination for formulation products



2011 Highlights

- Achieved the highest sales growth among the top ten pharmaceutical companies (IMS 2011)
- Received EU GMP accreditation for OSD and Ophthalmic facilities
- Registered 48 new products in 8 countries including New Zealand, Azerbaijan, Kuwait, Singapore and Colombia
- Became the only pharmaceutical company to win National Export Trophy (Gold) for the fourth time
- Introduced 40 new generics in 55 different dosage forms and strengths
- Launched combination therapies: NapaDol (Paracetamol+tramadol), Dinovo (Naproxen+Esomeprazole) & Glipita M (Sitagliptin+Metformin) for the first time in Bangladesh
- Launched operation of Dry Powder Inhaler (DPI) and Prefilled Syringe (PFS) units
- Took up a major corporate rebranding initiative



We offer our customers a comprehensive and high-quality product portfolio encompassing all major therapeutic categories, available in various dosage forms including tablets, capsules, syrup, suspension, sterile eye drops, injectables, nasal sprays, creams, ointments, suppositories, IV fluids, metered dose inhalers, dry powder inhalers, prefilled syringes etc.

Our therapeutic groups host quality solutions for treating cardiovascular, musculoskeletal, endocrine, gastrointestinal, metabolic, allergic, respiratory and other disorders. Currently, Beximco Pharma produces 284 generics in 508 strengths and dosage forms. Time after time, our pharmaceutical brands are found in the top ranks in their respective therapeutic categories. In the domestic market, Beximco Pharma maintained its leadership position in key therapeutic segments such as gastrointestinal and analgesic.

2011 was a year of restructuring and renewed spirits for our Marketing and Sales teams. The sales division was restructured to pay particular attention to specialty and chronic care products, with the goal of registering considerable growth in these categories in the near future. To add to the momentum, the teams were also more aggressive than before in the race to the top. In the year under review, the Company experienced a significantly more extended doctor reach as well as enhanced distribution reach. This is very important for us because, today's efforts at brand building will help us create a stronger platform for tomorrow's blockbuster products to carry on with high performance in keeping with the likes of our emerging brands such as Amdocal Plus, Atova, Azmasol etc.

In the domestic market, our product brand equity remained respectably strong. When it comes to the generic pharmaceutical markets, it is rightly said that prescription generation is key to a pharmaceutical company's health. On a bright note, Beximco Pharma's prescription (Rx) share in terms of both product and value crossed the double digits Rx share benchmark during the year.

To keep the impetus flowing, the Company shall continue to strengthen market penetration beyond urban areas through our wholly-owned distribution network and further augment our value added services for doctors.

At Beximco Pharma, it is not just about how many products we sell, but rather, it is about the lives we save

One of the major components for the long-term health of any generic and specialty pharmaceutical company is its ability to continually introduce new products while building its pipeline for future launches. The Company delivered exceptionally on both fronts during the year under review. We have a robust generic product pipeline based on market needs and we are set to venture into a number of new delivery systems such as lyophilized products very soon.



In 2011, we introduced 40 new generics in 55 presentations, five of which were launched for the first time in Bangladesh



A Glimpse of Products Introduced in 2011

NapaDol

NapaDol, a fixed dose combination of Paracetamol and Tramadol, is indicated in moderate to severe pain such as osteoarthritis flare, post-surgery pain management, traumatic pain and low back pain. Moderate to severe pain is an emergency condition that needs to be addressed immediately. The launching of NapaDol offers patients a breakthrough approach to managing pain because of its superior efficacy and safety.

Dinovo

Dinovo, the combination of Naproxen and Esomeprazole, was launched in the final quarter of 2011. The drug is indicated for the relief of signs and symptoms of osteoarthritis, rheumatoid arthritis and ankylosing spondylitis. Dinovo helps relieve the sufferings of arthritic pain with exceptional GI safety. The excellent quality and safety profile of this combination has established this brand as the preferred weapon in arthritic pain management among doctors.

Acifix

Acifix is a preparation of Rabeprazole which is a second generation proton pump inhibitor (PPI). It is mainly indicated for healing of erosive or ulcerative gastroesophageal reflux disease (GERD), maintenance of healing of erosive or ulcerative GERD, treatment of symptomatic GERD and healing of duodenal ulcers. Rabeprazole has a number of unique features. It is a fast acting PPI, can be taken irrespective of meal and having predominant nonenzymatic metabolism. Rabeprazole is quickly establishing itself as the preferred choice of drug in treating the underlying acid disorders.

Glipita M

Glipita-M is a fixed dose combination of Sitagliptin and Metformin. Glipita-M is indicated to treat Type 2 diabetes where Metformin is not enough to improve glycemic control. It is a unique combination to treat three core defects of Type 2 diabetes mellitus: insulin resistance, decreased insulin release, unsuppressed hepatic glucose overproduction. It is more powerful than Metformin alone in reducing HbA1c at goal. Moreover, Glipita-M is a very promising combination therapy with additional benefits. Weight loss and incidence of hypoglycemia for Glipita-M is similar to Metformin alone. We have launched Glipita-M for the first time in Bangladesh in October 2011.

Cleven

Cleven is a ready-to-use sterile aqueous solution containing Enoxaparin Sodium, a low molecular weight heparin with a high anti-Xa activity and with a low anti-IIa or anti-thrombin activity. Cleven is indicated in thromboembolic emergencies like acute coronary syndrome, deep vein thrombosis, and pulmonary embolism.

Xalaprost

Xalaprost is a preparation of Latanoprost, the best selling glaucoma drug worldwide. Xalaprost is a prostaglandin analogue that helps to reduce intraocular pressure (IOP) by increasing the uveoscleral outflow. It is indicated for the reduction of elevated intraocular pressure in patients with primary open-angle glaucoma (POAG) or ocular hypertension (OHT).

55

NEW PRODUCTS LAUNCHED IN 2011

Analgesic

Napa 60 suppository (Paracetamol 60 mg)
NapaDol tablet – *1st Time in Bangladesh* (Paracetamol 325 mg+Tramadol 37.5 mg)

Anti-Infective

Triocim DS suspension (Cefixime 4 gm/50 ml)
Turbocef 1.5 gm inj IV (Cefuroxime 1.5 gm/vial)
Tetracef 500 Inj (Cefepime 500 mg)
Tetracef 1 g Inj (Cefepime 1 gm)
Tetracef 2 g Inj (Cefepime 2 gm)
Azithrocin powder for suspension (Azithromycin 200 mg/5 ml)

Cardiovascular

Thalin tablet (Chlorthalidone 25 mg)
Prasuva 5 tablet (Prasugrel 5 mg)
Prasuva 10 tablet (Prasugrel 10 mg)
Cleven 20 inj (Enoxaparin Sodium 20 mg/0.2 ml)
Cleven 40 inj (Enoxaparin Sodium 40 mg/0.4 ml)
Cleven 60 inj (Enoxaparin Sodium 60 mg/0.6 ml)
Cleven 80 inj (Enoxaparin Sodium 80 mg/0.8 ml)

CNS

Vomec Plus tablet (Meclizine 25 mg+Pyridoxin HCL 50 mg)

Endocrine & Met Disorders

Glipita 100 tablet (Sitagliptin 50 mg)
Glipita 50 tablet (Sitagliptin 100 mg)
Glipita M 50/500 tablet – *1st time in Bangladesh*
(Sitagliptin 50 mg+Metformin Hydrochloride 500 mg)
Glipita M 50/1000 tablet – *1st time in Bangladesh*
(Sitagliptin 50 mg+Metformin Hydrochloride 1000 mg)
Diaryl 3 tablet (Glimepiride 3 mg)

GI System

Misopa 100 tablet (Misoprostol BP 100 mg)
Misopa 200 tablet (Misoprostol BP 200 mg)
Misopa 600 tablet (Misoprostol 600 mg)
Acifix tablet (Rabeprazole 20 mg)

IV Fluid

Nutrimin IV Infusion (5% composite Amino Acid with D-Sorbitol & Electrolytes)
Nutrimin D IV Infusion (7% composite Amino Acid+10% Dextrose+Electrolyte)

Musculo-Skeletal

Lospan 10 tablet (Baclofen 10 mg)
Lospan 20 tablet (Baclofen 20 mg)
Tolmus tablet (Tolperisone Hydrochloride 50 mg)
Ribox 120 tablet (Etoricoxib 120 mg)
Dinovo 375/20 tablet – *1st time in Bangladesh*
(Naproxen USP 375 mg+Esomeprazole USP 20 mg)
Dinovo 500/20 tablet – *1st time in Bangladesh*
(Naproxen USP 500 mg+Esomeprazole USP 20 mg)
Mobicam tablet (Tenoxicam 20 mg)

Ophthalmic

Odycin eye drop (Moxifloxacin 0.5%)
Evo TS eye drop (Levofloxacin INN 1.5%)
Olopan DS eye drop (Olopatadine INN 0.2%)
Hypersol 5 eye drop (Hypromellose 0.3%)
Cinarex eye drop (Tobramycin 0.3%)
Mydrate eye drop (Cyclopentolate Hydrochloride 1%)
Xalanol eye drop (Latanoprost 0.05 mg+Timolol 5 mg)
Xalaprost eye drop (Latanoprost 0.05 mg/ml)
Cinarex D eye drop (Tobramycin 30 mg+Dexamethasone 1 mg/ml)
Neofloxin D eye drop (Ciprofloxacin 3 mg+Dexamethasone 1 mg/ml)

Respiratory

Azmasol Bexicap DPI (Salbutamol 0.20 mg)
Symbion 100 Bexicap DPI (Formoterol fumarate 6 mcg+Budesonide 0.1 mg)
Symbion 200 Bexicap DPI (Formoterol fumarate 6 mcg+Budesonide 0.2 mg)
Bexitrol 50/500 Bexicap DPI (Salmeterol 0.05 mg+Fluticasone propionate 0.1 mg)
Bexitrol 50/250 Bexicap DPI (Salmeterol 0.05 mg+Fluticasone propionate 0.25 mg)
Bexitrol 50/100 Bexicap DPI (Salmeterol 0.05 mg+Fluticasone propionate 0.5 mg)
Olopan nasal spray (Olopatadin 0.6 gm/100 ml-120 metered spray)

Skin

Limogel gel (Lycin Hydrochloride USP 150 mg)
Candoral oral gel (Miconazole 2% w/w)

Vitamins & Minerals

Veniron Inj (Iron-sucrose 20 mg)

Others

Lopidam 370 infusion diagnostic reagent (Lopamidol 37.75 g)



Manufacturing Capabilities

Situated at Tongi, near the capital city Dhaka, 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, sterile ophthalmic drops, prefilled syringes, dry powder inhalers, injectables, nebulizer solutions, creams, ointments, suppositories, etc. The site has its own utility infrastructure to ensure adequate generation and distribution of electricity with an installed capacity of 10MW, in addition to water purifying and liquid nitrogen generation facilities. The bulk drug unit for producing paracetamol is also located within this site. The Company's penicillin API and formulation units are situated at Kaliakoir, 20 km from the main site.



Oral Solid Dosage

The 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. This facility houses a total of five lines with an annual capacity to produce 5 billion tablets.

This facility is already accredited by the regulatory authorities of EU, Australia and the Gulf member states, and is awaiting inspection and approvals from the USFDA, which would give Beximco Pharma access to the most regulated markets in the world.



Metered Dose Inhaler

Beximco Pharma was among the first few companies in the world who made the transition away from CFC-based inhalers to the ozone-benign HFA based formulations, in compliance with the Montreal Protocol. As CFCs are harmful to the earth's protective ozone layer, the Company proactively developed ozone-benign HFA based MDIs which inevitably require very high level of expertise and sophisticated technology. The company is currently the largest producer of MDIs in Bangladesh, and it produces a popular inhaler brand for a reputed MNC under a contract manufacturing agreement.



The MDI units have been designed with technical collaboration from Pamasol, Switzerland which now have an annual production capacity of more than 20 million canisters.

Intravenous Fluid

The Intravenous (IV) fluid unit is ISO 9001: 2010 certified and was designed in collaboration with PharmaPlan, a sister concern of Fresenius AG of Germany.

Absolute sterile manufacturing conditions are rigorously maintained through a series of fully automated manufacturing procedures including robotics. The facility utilizes FFS (Form-Fill-Seal) Bottelpack® aseptic system of PharmaPlan Germany. Plastic bottles are blow molded, filled with the solution and sealed under sterile conditions, in a single working cycle where there is no environmental exposure or

human contact during manufacturing. The whole process is performed in a class 100 environment which ensures the highest standards of quality and purity. The facility produces a broad assortment of large volume parenterals (LVPs). As a line extension of this IV unit, the company has installed an amino acid line to produce a range of parenteral nutrition products such as Nutrimin and Nutrimin D.



Ophthalmic

Beximco Pharma's ophthalmic facility was launched in 2009. Today this facility has been accredited by the regulatory authorities of EU and Australia. There is increasing response from European clients where the demand for generic ophthalmic products is rising due to patent expiration of a number of key products and the positive initiatives taken by the governments to control increasing healthcare cost. Currently 29 ophthalmic products are being manufactured which include high potential products such as Xalaprost (Latanoprost), Xalanol (Latanoprost+Timolol), Odyacin (Moxifloxacin), Olopan (Olopatadine), etc.



Liquid and Semisolid

Beximco Pharma has a broad range of liquid formulations like syrups and semisolid dosage forms including creams, suppositories and ointments. At present the capacity of liquid dosage facility is 37 million units per annum and the Company has taken up expansion program along with further upgradation of the existing unit to meet the growing demand in the marketplace.

Pre-Filled Syringe

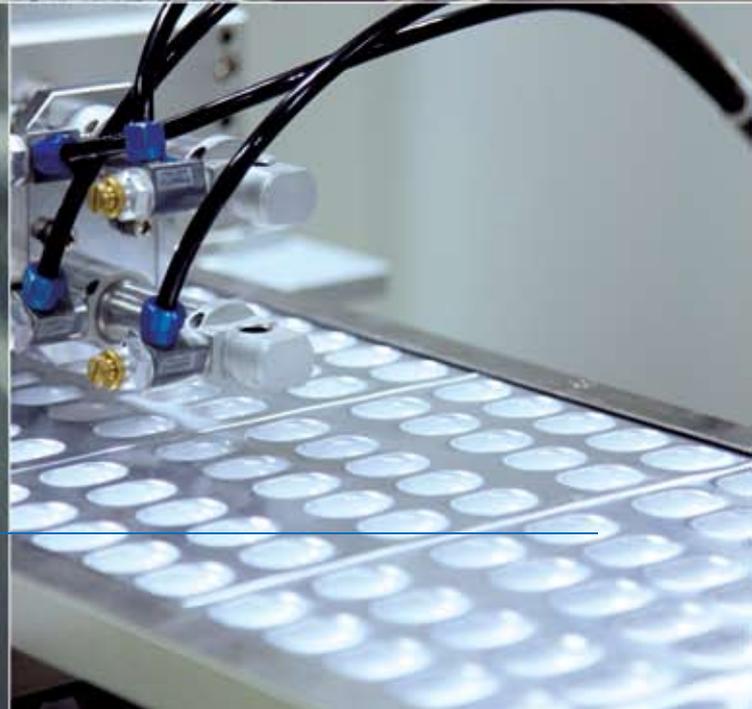
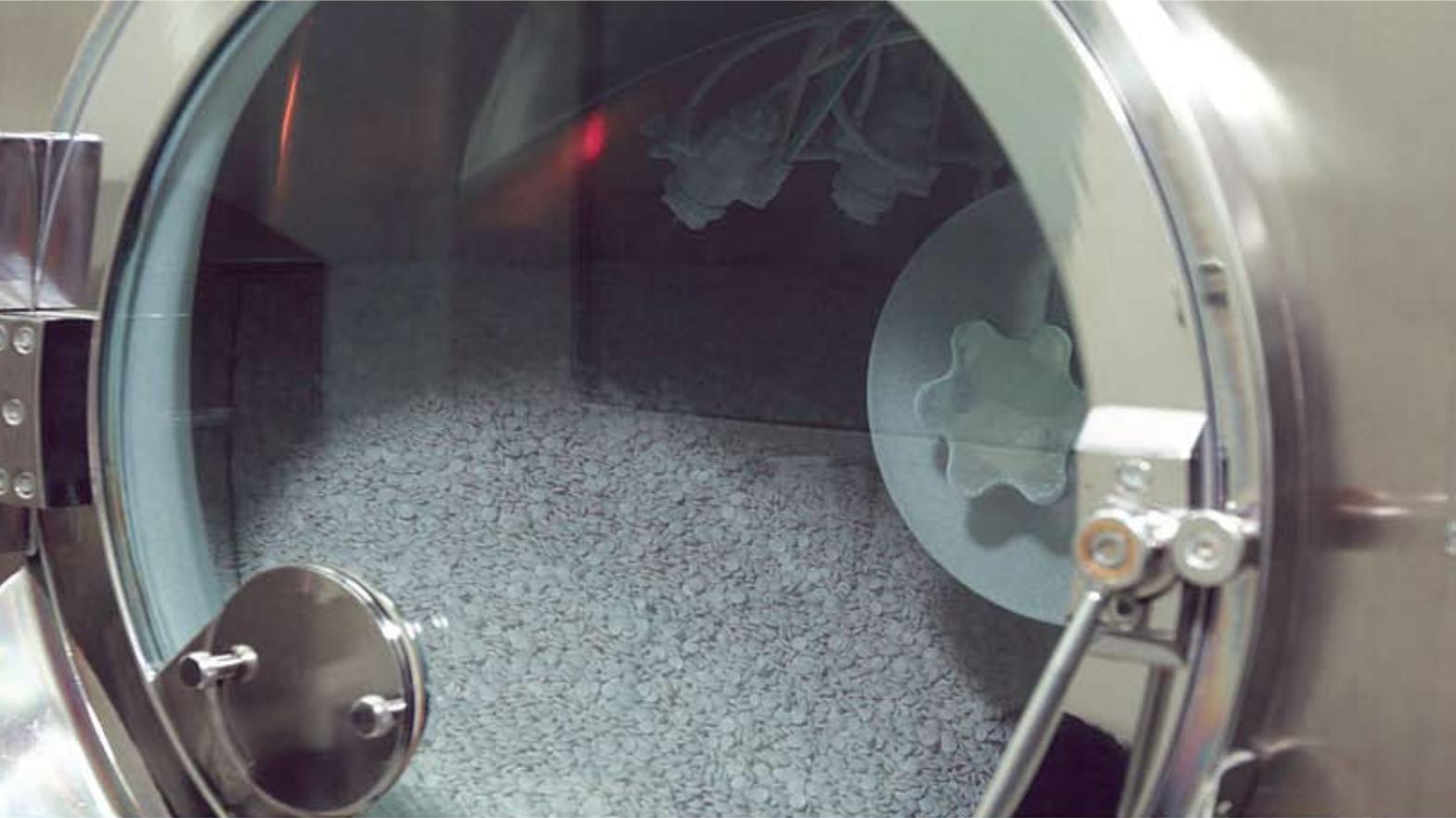
Prefilled syringes (PFS) provide both convenience and accuracy to self-administered drugs. With their ease of use and improved safety features PFS has become one of most widely used drug delivery systems today.

Beximco Pharma launched its PFS range with Enoxaparin Sodium, a low molecular weight heparin, which is widely used in cardiac emergency. The Company plans to add a few more high value products to its PFS portfolio shortly. The high precision PFS line employs sophisticated technology and the entire filling operation is done under laminar flow in a class 100 environment to provide absolute sterile conditions.



Dry Powder Inhaler

Dry powder inhaler (DPI) is a device that delivers medication to the lungs in the form of a dry powder. DPIs do not require the timing and coordination that are necessary with metered-dose inhaler and they do not contain any propellants. Beximco Pharma offers dry powder inhaler in innovative patient-friendly and DPI-friendly packaging. Instead of bottle pack we provide alu-alu blister pack which protects medicine from moisture. HPMC capsule shell ensures maximum protection against moisture. And our unique and simple Bexihaler device, imported from Europe, consisting of 8 pins ensures optimum dose delivery. Currently the facility has the capacity to produce 36 million units of DPI every year.



Global Accreditations

AGES, Austria (for EU)

Therapeutic Goods Administration (TGA), Australia

Gulf Central Committee (for GCC member states)

ANVISA, Brazil

INVIMA, Colombia



ONE BETTER THAN A HAT-TRICK



Beximco Pharma is the only pharmaceutical company to win the 'National Export Trophy (Gold)' 4 times.



In 2011, we added yet another milestone to our repertoire when Beximco Pharma was awarded the National Export Trophy (Gold) by the Export Promotion Bureau for excellent export performances for the year 2009-2010. This is the highest recognition for the companies in the export sector for significant contribution to Bangladesh's economic growth. We hope to persevere in stride in our service towards the progress of our country.

At the moment, we have the highest number of international accreditations in the country and we aim to leverage our resources as we venture into new territories. Our strategy is to capitalize further on export opportunities. In addition to strengthening our position in current export markets, we are targeting export opportunities in new overseas markets, particularly in the regulated and emerging markets. With the newly received product approvals from New Zealand, Kuwait and Azerbaijan, we plan to enter into these markets soon. We received GMP accreditation from Austrian Agency for Health and Food Safety (AGES), Austria; for European Union and have set our target of market entry into the EU within the shortest possible time.

Our products have been well received in the overseas markets and have been supplied to various reputed institutions such as the Raffles Hospital, Heathway and K K Women's & Children's Hospital in Singapore, MEDS and Kenyatta National Hospital, Kenya. Beximco Pharma is also an enlisted supplier for UNICEF (United Nations International Children's Emergency Fund), Save the Children, WHO (World Health Organization) and ADF (Asthma Drug Facility).





Tablets



Pre-filled Syringes



Sterile Ophthalmics



MDI with Dose Counter



Dry Powder Inhaler



Sterile Injectable



Sublingual Spray



Diagnostic Dye

R&D Capabilities

R&D is the key to success for any pharmaceutical company. We have given it top priority and have made substantial investment in upgrading our generic drug capabilities as we firmly believe R&D plays the most important role in spurring innovation and helps a company go up the value chain. Our research and development activities are closely focused on market needs and driven by technological progress in order to create product differentiation.

Our team comprising top class formulation scientists with extensive experience of working in leading pharmaceutical companies in the world continuously strives to integrate the advanced technological changes to create competitive edge and match international standards. There has been a series of positive developments in the year and our team successfully introduced 40 new generic formulations in 55 different presentations and expanded our dosage delivery portfolio with technology driven products like prefilled syringes, total parenteral nutrition, dry powder inhalers, etc.

Beximco Pharma's well defined organizational structure, policy guidelines and internal controls ensure efficiency of operations, and compliance with applicable regulations. The Company continuously upgrades these systems in line with the best practices in the industry. Other initiatives to keep our team updated with the recent advances in analytical methodology, platform technology, and regulatory affairs include frequent in-house and overseas workshops and training programs. The benefits we derive as a result of these initiatives will only increase in the coming years.



With almost 2,700 hearts beating as one,
miracles are bound to happen.



The Miracle of the Honeybee

“Build dwellings in the mountains and the trees, and also in the structures which men erect. Then eat from every kind of fruit and travel the paths of your Lord, which have been made easy for you to follow...From inside them comes a drink of varying colors, containing healing for humanity. There is certainly a sign in that for people who reflect.”

Our People

We recognize it is our people's unwavering values that molded us into who we are today. It is their tireless contributions that have propelled us to greater heights over the years. They are indeed our greatest assets in the way they create meaningful difference. Every product, every experience, and every breakthrough we ever presented for the betterment of human health and well-being have been made possible by our people. We are prouder than ever of the collective intentions and determination we have witnessed time and time again. The shared vision and values, reflected in our leadership and execution, help us attract the very best.

Currently, the Company employs almost 2,700 people including around 400 white-collar professionals such as Pharmacists, MBAs, Doctors, Chemists, Engineers, Microbiologists etc. In 2011, we welcomed into the Beximco Pharma family highly experienced expatriates in key positions to deliver a fresh take on strategic direction as we steadily progress towards our aspirations of becoming a global pharmaceutical company.

We are strong advocates of the notion that learning never really ends simply with the completion of formal education. One of the best perks of being a part of the Beximco Pharma family is that the people undergo continuous training and development programs to further develop their skills. In 2011 alone, over 30 such workshops and training, covering various departments, were conducted. Within Beximco Pharma, we support employees interested in reaching out to others. In 2011, we launched our very own internal Knowledge Center as a platform for continuous learning and interconnectivity; an initiative that is still quite a novel concept in Bangladesh. However, we know that competence alone is not enough; it is the intricate threads of connectivity, binding us as one family, which makes our organizational culture truly coveted and one of a kind. We have also undertaken a major corporate branding initiative as a reflection of our rejuvenated drive and aspirations.





Beximco Pharma & the Medical Community

Over the years, we have nurtured and developed a special bond with the medical community. We stand by healthcare providers and appreciate their valiant services to the community at large.

Knowledge-based professional services

In 2011, we served the medical community with complementary knowledge-based professional services such as the following:

- conducted around 300 clinical meetings nationwide
- responded to over 1100 doctors by providing assistance according to their requests
- responded to approximately 1000 doctors by sending latest clinical and medical journals on a regular basis as per interest
- prepared over 50 slide presentations on behalf of doctors on various occasions
- prepared several poster presentations on behalf of doctors for both national and international occasions
- published 4 quarterly Medical Newsletter
- published 12 online monthly E-Newsletter on Ophthalmology
- published Cardiovascular Therapeutic Index



CRM through E-detailing

In the spirit of reinvention, stemming from our rebranding initiative, we decided to be the first to introduce e-detailing in Bangladesh. This is a step towards solidifying our commitment for strengthening our relationship with the medical community. The Vision team task force would be the first to be equipped with Tablets (mobile computers with touch-screen and pen-enabled interface), for the purpose of “electronic pharmaceutical detailing”. This digital communication is greener than paper based communication, and will enhance the quality of service in building one-to-one relationship with the doctors. The Tablets will be enriched with data, not only of our products, but also other valuable information. For instance, the medical representatives can instantly pull up whatever references or research findings a doctor may wish to study.

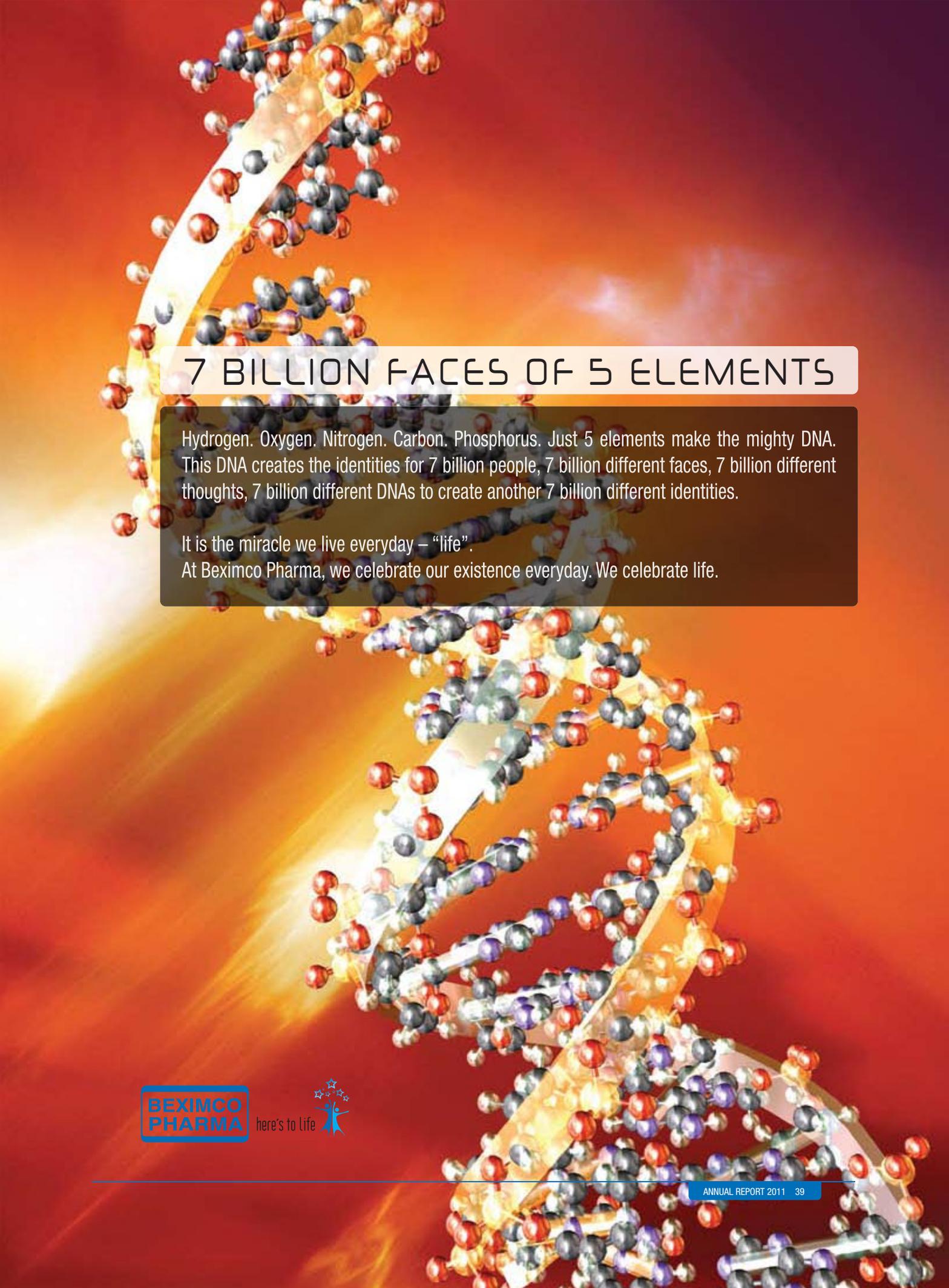
Our medical representatives will be able to offer multi-brand detailing within shortest possible time with individual-doctor or group-specific detailing aids, thus enhancing our services to doctors. It will also allow doctors to know us better e.g. from the comfort of their own desks, doctors will then have the option of taking a virtual tour in our facility. We hope to capitalize on first-movers advantage and set the benchmark for the competition.

We hope to establish ourselves as the premier source of reliable and relevant medical information

Partnerships & Alliances

We, at Beximco Pharma, acknowledge and appreciate the value of collaborations with our strategic alliances and partnerships. We believe that mutually beneficial partnerships are key to accomplishing our goals. We have had a sound track record of working with global partners as early as 1980 when we commenced manufacturing operations with products under licenses of Bayer AG of Germany and Upjohn Inc of USA. Moreover, we have been producing asthma inhalers under contract manufacturing for a global MNC. We have a co-development agreement with a pharmaceutical company in the USA. We also provided technical support to Johns Hopkins University for a WHO funded vaccine study in Bangladesh. Furthermore, we actively look forward to working with MNCs in the area of biopharmaceuticals and new drug delivery systems. We also extend our support to various initiatives from global development agencies such as USAID, Save the Children etc. as well as reputed research institutes; in the year we joined a USAID-led major initiative Mobile Alliance for Maternal Action (MAMA) in Bangladesh.





7 BILLION FACES OF 5 ELEMENTS

Hydrogen. Oxygen. Nitrogen. Carbon. Phosphorus. Just 5 elements make the mighty DNA. This DNA creates the identities for 7 billion people, 7 billion different faces, 7 billion different thoughts, 7 billion different DNAs to create another 7 billion different identities.

It is the miracle we live everyday – “life”.
At Beximco Pharma, we celebrate our existence everyday. We celebrate life.

**BEXIMCO
PHARMA**

here's to life





MAMA
Mobile Alliance for Maternal Action

The power of health in every mama's hand...

Aponjon

Health information for expecting and new mothers through mobile phone



The Founding Corporate Partner of MAMA in Bangladesh



Every successful corporation has a responsibility to use its resources and influence to make a positive impact on the world and its people. Economically, Environmentally and Socially Responsible, Beximco Pharma endeavors to achieving success in ways that respect ethical values, people in need, their communities and the environment. The Company's key strategies always aim to provide a strong return for shareholders, while creating social and economic value in the communities where it operates.

Responsibility to the Community at Large

Our vision is to make significant contribution to humanity by improving health. This vision guides our Company's operations, including its commitment to corporate responsibility.

Trusted Partner in Health

We work together with non-profit organizations who work to improve people's lives through research, information, and advocacy. As the Company writes its success story as an emerging leader in the pharmaceutical industry, we also realize that responsibility towards all our stakeholders increases in tandem. We remain committed to being a good corporate citizen.

In the year under review, we joined Mobile Alliance for Maternal Action (MAMA) in Bangladesh. MAMA is a country-owned, country-led initiative managed by an alliance of stakeholders. Through a core group of founding partners, MAMA Bangladesh is designing and testing a platform to provide both audio and text health messages to pregnant women and new mothers linked to their delivery date. The service also includes family gatekeepers for inspiring healthcare seeking behavior. The commercial brand name to be tested is Aponjon.

As part of the new United States Global Health Initiative, the United States Agency for International Development (USAID) catalyzed the creation of a public-private coalition in Bangladesh to support the execution of the service. The Ministry of Health and Family Welfare (MoHFW) and Access to Information (A2I) Program at Prime Minister's Office are official partners of the initiative. Global partners

include Johnson & Johnson and United Nations Foundation, among others.

The Objectives of the initiative are as follows:

- Reach 500,000 pregnant women and new mothers within three years
- Deliver critical life-saving health messages, leading to sustained improvements in health knowledge, behaviors and outcomes
- Build upon USAID and Government of Bangladesh maternal child health and family planning programs.

MAMA coalition activities are being organized by D.Net, a leading social enterprise working for integration of ICTs in education, health, livelihood and social accountability.

Awareness Campaigns

Prevention is the best cure and the first step is to create awareness. Every year, we launch campaigns touching on different forms of health impediments ranging from asthma, diabetes, hypertension and many more. Campaign activities include rallies in addition to organizing and sponsoring scientific seminars and conferences for various associations and societies in medical disciplines.



Employee Volunteering Program

In this program, we sent employee volunteers to devote their time and energy in spreading smiles across the faces of children battling the ultimate battle of survival against cancer. The children are currently being treated at the ASHIC Foundation. We arranged an outing at an amusement park in the capital city where the children were accompanied by their parents and representatives from the not-for-profit organization. We had a wonderful day together packed with fun rides and great food. Later on we donated hospital equipment to the palliative care unit where the children at the terminal stage of cancer are being treated.



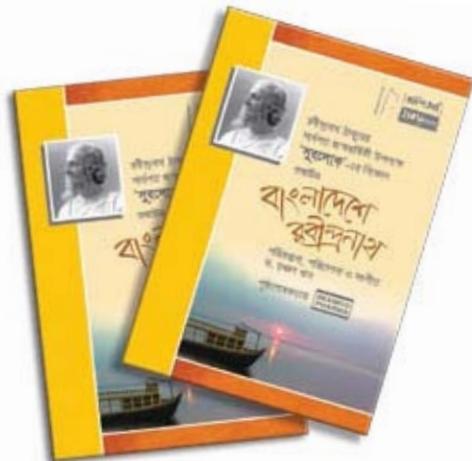
The ASHIC foundation is a full member of International Confederation of Childhood Cancer Parents Organization (ICCCPO), which is an international forum to increase awareness and action on childhood cancer related issues. This small Foundation strives to improve the quality of life for children living with cancer in Bangladesh by providing hope, physical and emotional support, and raising public awareness for early detection, improved treatment and social acceptance. We appreciate their noble cause and extended our support.

We believe that a genuine spirit of giving itself is credential enough and therefore we stand by the unsung heroes who dedicate their lives for the betterment but do not get the recognition or enough support to carry out their intentions with optimized efficiency and impact.

Preserving Cultural Heritage

Preservation and promotion of cultural heritage are linked to economic welfare of any country. We at Beximco Pharma hope to preserve and promote our country's vibrant heritage in a way that would imprint its immortal beauty in the hearts of our today's modern demography and the generations to come.

In 2011, we sponsored and organized the grand cultural event, at the National Museum, marking the 150th birth anniversary of Rabindranath Tagore; the legend who had irrefutable contribution towards the heritage and identity of Bengali culture. We also sponsored the making and distribution of a comprehensive documentary, highlighting Rabindranath Tagore's intermittent stay in Bangladesh. It was premiered on 7th May at the National Museum, Dhaka. The documentary, based on research by the eminent Tagore researcher Ahmed Rafique, was directed by Dr. Chanchal Khan, better known as a Tagore singer and exponent. Elements of the documentary include nine songs that were penned by the Nobel laureate poet during his stay in Bangladesh. The film also features glimpses from a play based on a Tagore short story; interviews of distinguished personalities and recitals. The rich content lends it historical, archival and educational value.



Children's Education is a Right, not a Privilege

Beximco Pharma, being in a knowledge based industry, fully understands the crucial role that education plays in the building of a nation. We offer financial assistance to the children, of our employees, who are brilliant and possess a thirst for knowledge; and yet may not be able to actualize their dreams due to unfavorable financial circumstances. In the year 2011, Beximco Pharma offered assistance to a total of 36 meritorious students coming from diverse academic backgrounds.

Responsibility to the Environment

We are always aware of environmental compliance and adopt policy to preserve the environment by practically minimizing emission and waste, thereby reducing our carbon footprint. The premise that drives us is we always put the needs of people before anything else in every chapter of our success story. Our Safety, Health and Environment (SHE) program is also based on a framework of consistent standards.

Our Path to Protecting the Ozone Layer

Inhaled therapy is essential for the treatment of patients with asthma and COPD. Unfortunately, CFC gases used in inhalers as propellants have ozone-depleting properties. The "Montreal Protocol on Substances that Deplete the Ozone Layer", the international agreement that established measures to control ozone-depleting substances, made it mandatory for Bangladesh and many other countries to implement and complete the phase-out of CFC based MDIs by December 31, 2009.

It was a challenge for Bangladesh to make the transition from ozone-depleting CFC to ozone-benign HFA-based inhalers to save the environment and to ensure availability of inhalers for the patients. In 2006, we were the first Bangladeshi company to proactively and successfully make the shift to HFA inhalers to ensure that no patient in Bangladesh suffers from a lack of availability of MDIs when CFC would become scarce in the future. This was an enormous feat not only for a developing country like Bangladesh but also for the world at large. In addition to proactively adopting ozone-benign HFAs, Beximco

Pharma actively advocated so that others would also do the same. As a follow-up to UNEP's Langkawi Declaration on Public-Private Partnership, Beximco Pharmaceuticals Ltd. and Bangladesh Lung Foundation, designed an effective awareness raising strategy for CFC-free MDIs for asthma and COPD patients.

Today, we are the single largest producer of ozone-benign MDI in Bangladesh, and as a responsible company we conduct well thought-out multi-stakeholder campaigns when we launch a product. Such partnerships are now regarded as a successful role model of public-private partnership involving government, pharmaceutical industries, doctors, environmental agencies and others stakeholders that could be replicated in other developing countries.

Responsibility to the Stakeholders

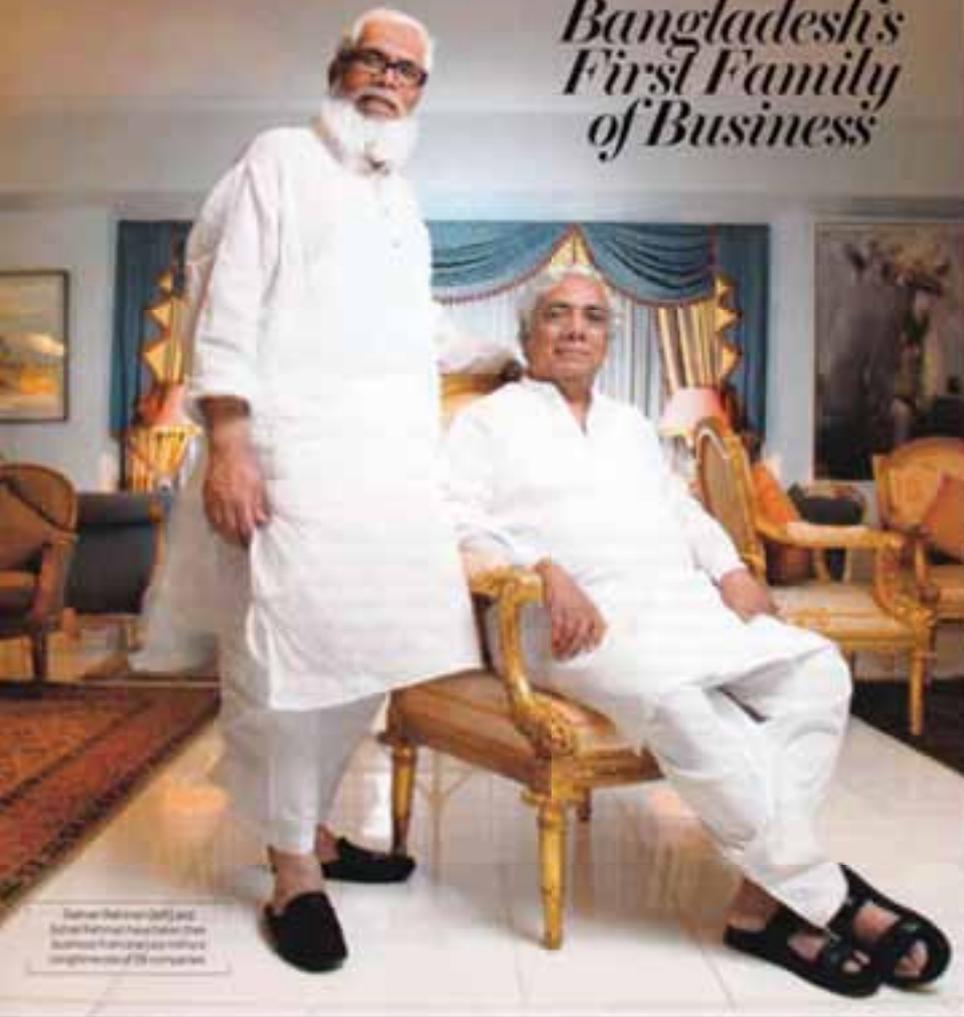
Even though at the core of any business is the aim to maximize profit, we actively look out for our stakeholders' best interest and ensure that our growth is "sustainable" in the long run. Once again, this year we achieved substantial growth and surpassed the industry average. From the handsome revenues earned, we always make it a point to invest in the future. We are committed to ensure the optimal utilization of resources in order to create and sustainably maintain our shareholders' wealth.

Every day we are mindful of our responsibilities to create value for our community, for instance, our support for Save the Children's program on human rights; nourishing employee relations through the creation and maintenance of employment; creating change through environmental stewardship and progressing into the future with excellence in financial performance. In our everyday interactions with our stakeholders including employees, customers, suppliers, competitors and so on, we do our utmost to maintain integrity and fairness in all dealings.

In the final analysis, the basic premise behind it all is the Company's same old firm determination, which is to give people the confidence to live life without fear and reach their highest potential.

FORTUNE

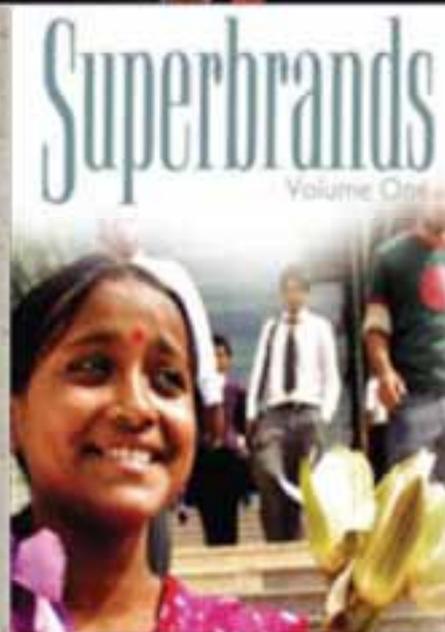
Bangladesh's First Family of Business



Shaher Rahman (left) and
Richard Khatun (right) have taken their
business from a small company to a
conglomerate of 20 companies.

PLIMSOLL
GLOBAL
SMALL FUND

PHARMACEUTICALS MANUFACTURES, INDUSTRY
(Global)



Our Aspirations

We bid farewell to the year 2011 with a sense of accomplishment and high spirits. 2011 will be warmly remembered as a year of many high notes including resounding octaves such as achieving outstanding growth in revenue, receiving GMP certification from EU regulatory authority and winning the National Export Trophy (Gold). On that note, we look forward to push further and broaden our horizons so that we may supersede our previous accomplishments. With almost 2,700 people on board, inevitably our collective aspirations are countless; however the following are ones we hope to achieve in the near future:

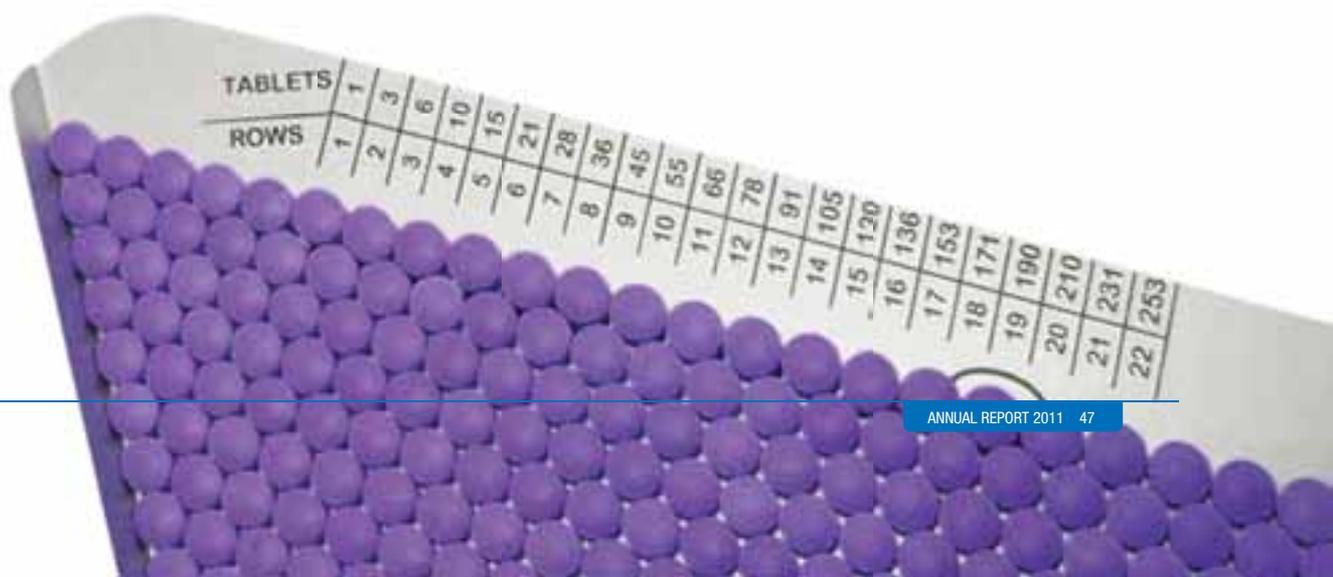
- *Making significant investment in R&D*
- *Product diversification*
- *Targeted global expansion; building presence in regulated markets*
- *Partnership with global pharmaceutical and research companies*
- *To become a leading contract manufacturer in the region*





Post Balance Sheet Highlights

- Launched 10 new products during the first quarter of 2012
- Sterile ophthalmic facility was accredited by Therapeutic Goods Administration (TGA) Australia
- Received approval from MCC, South Africa for metered dose inhalers
- Formal shut down of the chlorofluorocarbon (CFC) based MDI plant in the presence of Health Minister of Bangladesh and high profile representatives from UNDP and UNEP
- Director General of World Trade Organization (WTO) Pascal Lamy visited our state-of-the-art manufacturing facilities and expressed high satisfaction over the operations
- Launched 9 new products in overseas markets





BEXIMCO PHARMACEUTICALS LIMITED

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

Notice of the Thirty-Sixth Annual General Meeting

Notice is hereby given that the Thirty-Sixth Annual General Meeting of the Shareholders of Beximco Pharmaceuticals Limited will be held on Saturday the 30th June, 2012 at 10.30 a.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, 2011 together with reports of the Auditors and the Directors thereon.
2. To elect Directors.
3. To declare 21% Stock Dividend.
4. To appoint Auditors for the year 2012 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,



(MOHAMMAD ASAD ULLAH, FCS)
Executive Director & Company Secretary

Dated : May 17, 2012

NOTES :

- (1) The Shareholders whose names appear in the Share Register of the Company or in the Depository Register on the record date i.e. 21 May, 2012, 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.



Dear Shareholders,

On behalf of the Board, I am pleased to report another year of continued success for Beximco Pharma despite a very challenging business environment. The Bangladesh economy experienced a turbulent year marked by a hefty devaluation of Taka against the US Dollar. This weakening commenced in the 4th quarter of 2010 and continued throughout 2011 resulting in an exchange rate of Tk.81.98 to the Dollar at the end of December 2011 against a rate of Tk. 70.90 a year earlier. Additionally, high domestic inflation and a resulting increase in prices of local materials, coupled to a shortage of liquidity available for the private sector (due to increased government borrowings) as well as an increase in interest rates made 2011 exceptionally challenging - especially given the backdrop of a struggling global economy.

I am very pleased to report that we successfully countered these challenges delivering solid growth in all key business areas and making significant progress towards accomplishing our strategic goal of building shareholder value.

Sales and Profitability

We maintained our record of uninterrupted growth, achieving a 21.6% increase in sales to Tk. 7,890.24 million (2010: Tk. 6,490.85 million). In 2011 we

significantly enhanced our prescription share in sales of the formulation products and maintained, as expected, growth in all our key therapeutic segments. Sales of our Active Pharmaceutical Ingredients (APIs) also recorded a significant 37.1% growth to reach Tk. 486.91 million (2010: Tk. 355.24 million). However, its impact on the overall profitability of the company is currently low because of a low gross margin predominantly due to the high cost of import of intermediate materials to manufacture these APIs. In 2011 export sales grew by 18.1% to Tk. 390.32 million (2010: Tk. 330.54 million).

Along with sales growth, Beximco Pharma also achieved a marked growth in profit in 2011. Our pre-tax profit increased 23.2% to Tk. 1,677.85 million (2010: Tk. 1,361.53 million). Gross margin as percentage of sales however, slightly declined to 48% as against 48.9% for the prior period. This was due principally to a depreciation in the value of the Taka against the Dollar and the high level of domestic inflation. However, with our constant drive to contain costs and effective profit optimization strategies, the negative impact of rising cost on profit has been kept to the practicable minimum.

Overseas Business

Certification of the relevant manufacturing facility by the duly accredited authorities is the first step of the enduring process of the export of pharmaceutical products. Our manufacturing facilities have been approved by a number of major regulatory authorities. In 2011 we received GMP (Good Manufacturing Practice) accreditation from the Austrian Agency for Health and Food Safety (AGES) for our oral solid dosage and ophthalmic manufacturing facilities. This is another testimony of our manufacturing excellence and important progress towards achieving targeted exports into the regulated European markets.

During the year under review we registered 48 products in 8 countries including New Zealand, Azerbaijan, Kuwait, Singapore and Colombia.

At home we have received the prestigious National Export Trophy (Gold) for excellence in pharmaceutical export for the record fourth time. This is an endorsement of our commitment towards strengthening our presence in overseas market.

Research & Development (R&D) and New Products

We are continuously focused on strengthening our R&D capabilities. There have been a series of positive developments in the year under review. We have inducted in our existing pool of talent two highly experienced professionals from overseas.

Consistent to our continued drive to deliver quality products at affordable prices our R&D team successfully introduced 40 new generic formulations in 55 different dosage forms and strengths. During the year Beximco Pharma launched combination therapies such as NapaDol® (Paracetamol+Tramadol), Dinovo® (Naproxen+Esomeprazole) and Glipitia®M (Sitagliptin+Metformin). We also outsourced some R&D services to develop certain specialized products for regulated markets.

Investments for Sustainable Growth

A number of projects initiated in earlier years were completed and became commercially operational in 2011. Expansion of our state-of-the-art metered dose inhaler (MDI) plant has added significant further capacity raising the total manufacturing capacity to 20 million canisters. Two other projects, namely facilities for dry powder inhalers (DPI) and pre-filled syringe products were also successfully completed and became operational. Amino acid unit also started commercial operation in 2011. Facilities for liquid lyophilized products and powder for suspensions and sachets are nearing completion. Other projects are progressing as planned.

Beximco Pharma has always been a pioneer in adopting innovative technologies. This brings both sophistication and the potential to sustain growth to our business. Over the past couple of years we have made considerable investments in facilities and processes to improve productivity, drive growth and achieve excellence in operations. The results that we have achieved today was possible due to these farsighted investments in the past. There are avenues for further acceleration of our growth through diversification of our product portfolio into as yet

un-explored therapeutic segments. A number of such projects that can drive future growth are in our investment plan. We are taking up projects to expand capacities and upgrade some of our existing facilities to meet the growing demand in the marketplace. We also need significant investment in R&D and overseas market development to realize the full potential of generic drug opportunities.

Alongside investment in manufacturing facilities, we are equally focused on investing in products, markets and most importantly our human resource to ensure both the sustainable growth of our business and a meaningful return for our valued shareholders.

Whatever we have achieved so far is the reflection of the exceptional efforts by the employees Beximco Pharma. I would like to thank them all for their outstanding contribution and support in helping to deliver a very successful 2011 and creating the new opportunities for growth and performance in 2012 and beyond.

Before I conclude, I express my gratitude for your constant support over the years. I also take this opportunity to acknowledge, with appreciation, the support and co-operation that we have received from our stakeholders. I am confident that we are investing in the right areas, taking the right actions and building the right kind of culture. I firmly believe Beximco Pharma has an enduring role to play in meeting humanity's most important priority-better health.

I look forward with great enthusiasm to our future.

Thank You All



A S F Rahman
Chairman



প্রিয় শেয়ারহোল্ডারবন্দ,

বেঞ্জমিনকো ফার্মাসিউটিক্যালস লিমিটেড এর ধারাবাহিক সাফল্যের আরও একটি বছর অতিক্রান্ত হয়েছে। পরিচালকমন্ডলীর পক্ষ থেকে কোম্পানীর ২০১১ সালের কার্যক্রমের একটি সংক্ষিপ্ত প্রতিবেদন আপনাদের সামনে উপস্থাপন করতে পেরে আমি অত্যন্ত আনন্দিত ও গর্বিত।

২০১১ সাল বাংলাদেশের অর্থনীতির জন্য একটি ঘটনাবহুল বছর। এ বছর ডলারের বিপরীতে টাকার রেকর্ড পরিমাণ অবমূল্যায়ন ঘটে। ২০১০ সালের শেষ প্রান্ত থেকে টাকা যে অবমূল্যায়ন শুরু হয়েছিল ২০১১ সালের পুরো বছর জুড়ে তা অব্যাহত থাকে এবং বছর শেষে ডলার টাকার বিনিময় হার দাড়ায় ৮১.৯৮ টাকা যা ২০১০ সালে ডিসেম্বর মাসে ছিল ৭০.৯০ টাকা। উপরন্তু উচ্চ মুদ্রাস্ফীতি জনিত কারণে উপকরণের মূল্যবৃদ্ধি, সরকারের অতিরিক্ত ঋণ গ্রহণের ফলে ব্যক্তিখাতে তারল্য সংকট, সুদের হার বৃদ্ধি এবং সর্বোপরি আন্তর্জাতিক অর্থনীতির ক্রমাগত মন্দাভাব, ইত্যাদির কারণে ২০১১ সাল প্রকৃতপক্ষে একটি চ্যালেঞ্জিং বছর হিসেবে অবির্ভূত হয়।

আমি আনন্দের সাথে জানাতে চাই আমরা এ চ্যালেঞ্জ অত্যন্ত সাফল্যের সাথে মোকাবেলা করে ব্যবসায়ের সকল গুরুত্বপূর্ণ ক্ষেত্রে উল্লেখযোগ্য পরিমাণ প্রবৃদ্ধি অর্জন করেছি। কৌশলগত লক্ষ্যসমূহ অর্জনের মাধ্যমে বিনিয়োগকারীদের স্বার্থ সংরক্ষণ ও বৃদ্ধির নিরন্তর লক্ষ্যে আমরা যথাযথভাবে অগ্রসর হয়েছি।

বিক্রয় ও মুনাফা পর্যালোচনা

আমাদের বিক্রয় প্রবৃদ্ধির ধারাবাহিকতা বরাবরের মত এ বছরও অব্যাহত ছিল। ২০১১ সালে আমাদের বিক্রয় পূর্ববর্তী বছরের তুলনায় ২১.৬% বৃদ্ধি পেয়েছে। এ প্রশংসনীয় প্রবৃদ্ধির প্রেক্ষিতে ২০১১ সালে আমাদের বিক্রয়ের পরিমাণ দাড়ায় ৭,৮৯০.২৪ মিলিয়ন টাকা যা পূর্ববর্তী বছরে ছিল ৬,৪৯০.৮৫ মিলিয়ন টাকা। আলোচ্য বছরে আমাদের প্রবৃদ্ধির প্রধান চালক ফরমুলেশন পণ্যের প্রেসক্রিপশন শেয়ার উল্লেখযোগ্য হারে বৃদ্ধি পেয়েছে। এছাড়া প্রতিটি প্রধান থেরাপিউটিক শ্রেণীতে আমরা আমাদের কাজিত প্রবৃদ্ধি অর্জনে সক্ষম হয়েছি। আলোচ্য বছরে আমাদের উৎপাদিত এ.পি.আই পণ্যসমূহের বিক্রয় এর পরিমাণ দাড়িয়েছে ৪৮৬.৯১ মিলিয়ন টাকা যা পূর্ববর্তী বছরের বিক্রয় ৩৫৫.২৪ মিলিয়ন টাকা অপেক্ষা ৩৭.১% বেশী। অবশ্য এসমস্ত এ.পি.আই উৎপাদনে ব্যবহৃত আমদানীকৃত কাঁচামালের অতি মূল্যের কারণে এ খাতে মুনাফার পরিমাণ খুবই সামান্য যার ফলে কোম্পানীর সার্বিক মুনাফায় এ খাতের অবদান ততটা উল্লেখযোগ্য নয়। ২০১১ সালে আমাদের রপ্তানীর পরিমাণ দাড়িয়েছে ৩৯০.৩২ মিলিয়ন টাকা যা পূর্ববর্তী বছরের ৩৩০.৫৪ মিলিয়ন টাকা অপেক্ষা ১৮.১% বেশী।

বিক্রয়ের মত মুনাফার ক্ষেত্রেও আমাদের প্রবৃদ্ধি ঘটেছে। আলোচ্য বছরে আমাদের কর-পূর্ব মুনাফার পরিমাণ ১,৬৭৭.৮৫ মিলিয়ন টাকা যা পূর্ববর্তী বছরে ছিল ১,৩৬১.৫৩ মিলিয়ন টাকা - প্রবৃদ্ধির হার ২৩.২%। অবশ্য আমাদের গ্রস মুনাফার হার ৪৮.৯% থেকে কিছুটা হ্রাস পেয়ে ৪৮% হয়েছে। ডলার এর বিপরীতে টাকার অবমূল্যায়ন এবং অভ্যন্তরীণ মূল্যস্ফীতি এজন্য মুখ্যত দায়ী। তবে খরচ নিয়ন্ত্রনে রাখার জন্য আমাদের নিরন্তর প্রচেষ্টা এবং মুনাফা সর্বোচ্চকরণের লক্ষ্যে গৃহীত বিভিন্ন কার্যকর কৌশলের কারণে মুনাফার উপর ব্যয় বৃদ্ধির ঋণাত্মক প্রভাবকে ন্যূনতম পর্যায়ে রাখা সম্ভব হয়েছে।

আন্তর্জাতিক বাজার

আপনারা অবগত আছেন যে, ঔষধ রপ্তানির ক্ষেত্রে আন্তর্জাতিকভাবে স্বীকৃত প্রতিষ্ঠানসমূহ থেকে কারখানা প্রত্যয়নের প্রয়োজন হয়। এটি ঔষধ রপ্তানির সুদীর্ঘ প্রক্রিয়ার প্রাথমিক পদক্ষেপ। এর আলোকে ইতিমধ্যে আমাদের কোম্পানী বেশ কয়েকটি আন্তর্জাতিক প্রতিষ্ঠানের অনুমোদন লাভ করেছে। সর্বশেষ আমরা Austrian Agency for Health and Food Safety - AGES কর্তৃক সনদপ্রাপ্ত হয়েছি। এটি একদিকে যেমন আমাদের উৎপাদন ও উৎকর্ষতার স্বীকৃতি, অন্যদিকে এর ফলে ইউরোপীয়ান বাজারে আমাদের রপ্তানির লক্ষ্য অর্জনে আরও এক ধাপ অগ্রগতি সাধিত হল।

আলোচ্য বছরে আমরা নিউজিল্যান্ড, আজারবাইজান, কুয়েত ও কলম্বিয়াসহ ৮টি দেশে ৪৮টি পণ্য নিবন্ধিত করেছি।

এ বছর আন্তর্জাতিক স্বীকৃতির পাশাপাশি আমরা জাতীয় স্বীকৃতি অর্জনেও সক্ষম হয়েছি। রপ্তানির ক্ষেত্রে উল্লেখযোগ্য অবদানের স্বীকৃতিস্বরূপ আমরা রেকর্ড চতুর্থ বারের মত জাতীয় রপ্তানি ট্রফি লাভ করেছি। এটি আমাদের জন্য একটি বিশাল সম্মান। এর ফলে আমাদের রপ্তানির উদ্যোগ আরও প্রসারিত হবে।

R&D এবং নতুন পণ্য

উদ্ভাবন ও গবেষণা কার্যক্রমকে সমৃদ্ধকরণের প্রচেষ্টা অন্যান্য বছরের মত এবছরও অব্যাহত ছিল। এরই ধারাবাহিকতায় এবছর আমরা আমাদের R&D টিমকে আরও শক্তিশালী করেছি। দুইজন বিশেষজ্ঞ বিদেশী গবেষক ইতিমধ্যে আমাদের গবেষণা বিভাগে যোগ দিয়েছেন।

নিবিড় গবেষণা কার্যক্রমের মাধ্যমে উচ্চ গুণগতমানসম্পন্ন পণ্য উদ্ভাবন এবং তা সকলের জন্যে সহজলভ্য করার লক্ষ্যে আমাদের সর্বাঙ্গিক প্রচেষ্টা বরাবরের মত এ বছরেও অব্যাহত ছিল। ফলশ্রুতিতে এবছর ৫৫টি শ্রেণীবিন্যাসে ৪০টি নতুন পণ্য আমাদের পণ্যসম্ভারে সংযোজিত হয়েছে। আলোচ্য বছরে আমরা বেশ কয়েকটি Combination পণ্য যেমন - NapaDol® (Paracetamol+Tramadol), Dinovo® (Naproxen+Esomeprazole) এবং Glipita® M (Sitagliptin+Metformin) সর্বপ্রথম আমরাই বাংলাদেশের বাজারে নিয়ে এসেছি। উন্নত দেশসমূহের বাজারকে সামনে রেখে কিছু কিছু বিশেষ পণ্যকে সে দেশের নিয়ন্ত্রণকারী প্রতিষ্ঠানসমূহের চাহিদা মোতাবেক সামঞ্জস্যপূর্ণ করে তোলার জন্য আমরা গবেষণাসেবা আউটসোর্স কার্যক্রমেও বিনিয়োগ করেছি।

টেকসই উন্নয়নের জন্য বিনিয়োগ

বিগত বছরসমূহে গৃহীত বেশ কিছু প্রকল্প এ বছর সম্পন্ন হয়েছে এবং বাণিজ্যিকভাবে কার্যক্রম শুরু করেছে। আমাদের সর্বাধুনিক প্রযুক্তিসম্পন্ন Metered Dose Inhaler(MDI) প্ল্যান্ট এর উৎপাদন ক্ষমতা বর্ধিতকরণের কাজ সম্পন্ন হয়েছে। ফলে এ প্ল্যান্টের মোট উৎপাদন ক্ষমতা হয়েছে ২০ মিলিয়ন ক্যানিস্টার। এছাড়া Dry Powder Inhaler (DPI) এবং Pre-filled Syringe প্রকল্পসমূহও সফলভাবে সম্পন্ন হয়েছে। Amino Acid ইউনিট এর উৎপাদনও ২০১১ সালে শুরু হয়েছে। Liquid Lyophilized Products এবং Powder for Suspension and Sachet এর জন্য প্রয়োজনীয় অবকাঠামো নির্মাণ প্রকল্পসমূহের কাজসমাপ্তির পথে; অন্যান্য প্রকল্পসমূহও পরিকল্পনামাফিক অগ্রসর হচ্ছে।

বেস্কিমকো সবসময়ে সর্বাধুনিক টেকসই প্রযুক্তিতে বিনিয়োগে অগ্রণী ভূমিকা পালন করে আসছে। এসব বিনিয়োগের মাধ্যমে ব্যবসায়িক কার্যক্রম সহজীকরণের পাশাপাশি দীর্ঘমেয়াদী প্রবৃদ্ধিকেও সুনিশ্চিত করা হয়েছে। বিগত কয়েক বছরে উৎপাদন-

উৎকর্ষতা, উৎপাদনশীলতা এবং প্রবৃদ্ধির লক্ষ্যে আমরা অবকাঠামো নির্মাণসহ অন্যান্য খাতে উল্লেখযোগ্য পরিমাণ বিনিয়োগ করেছি। এ সমস্ত দূরদর্শী বিনিয়োগের কারণে আজকের অর্জন সম্ভব হয়েছে। তবে পণ্যসম্ভারের বিস্তৃতিকরণের মাধ্যমে উৎপাদন প্রবৃদ্ধিকে আরও ত্বরান্বিত করার জন্য নতুন নতুন সম্ভাবনাময় Therapeutic খাতে বিনিয়োগ জরুরী। আমাদের ভবিষ্যত প্রবৃদ্ধির কথা মাথায় রেখে আরও বেশ কিছু প্রকল্প আমাদের পরিকল্পনায় আছে। কিছু কিছু ক্ষেত্রে ক্রমবর্ধমান চাহিদার তুলনায় আমাদের উৎপাদন ক্ষমতার সীমাবদ্ধতা রয়েছে এবং কোন কোন ক্ষেত্রে আমাদের উৎপাদন অবকাঠামোর আধুনিকায়ন ও প্রতিস্থাপন প্রয়োজন। এ সংক্রান্ত কিছু প্রকল্প আমাদের সক্রিয় বিবেচনায় রয়েছে। এছাড়া উদ্ভাবন ও গবেষণা কার্যক্রম এবং রপ্তানি বাজার উন্নয়ন সংশ্লিষ্ট খাতে উল্লেখযোগ্য পরিমাণ বিনিয়োগ দরকার। উৎপাদন অবকাঠামোর পাশাপাশি পণ্য, বাজার এবং সর্বোপরি মানবসম্পদ উন্নয়ন খাতে বিনিয়োগকেও আমরা সমভাবে প্রাধান্য দিচ্ছি। ব্যবসায়ের ক্রমাগত প্রবৃদ্ধির মাধ্যমে আমাদের সম্মানিত শেয়ারহোল্ডারদের সম্পদ বৃদ্ধি সুনিশ্চিত করাই আমাদের লক্ষ্য।

আমাদের অর্জিত সাফল্যের পিছনে রয়েছে আমাদের সুদক্ষ কর্মী বাহিনীর অসাধারণ শ্রম ও প্রচেষ্টা। সাফল্যের সাথে ২০১১ সালের লক্ষ্য সমূহ অর্জন করে আমাদের ভবিষ্যত সম্ভাবনাকে আরও উজ্জ্বলতর করার ক্ষেত্রে অসামান্য অবদান রাখার জন্যে আমি বেস্কিমকো ফার্মাসিউটিক্যালস এর সকল কর্মীকে আমার আন্তরিক ধন্যবাদ জ্ঞাপন করছি।

পরিশেষে, সম্মানিত শেয়ারহোল্ডারগণ, কোম্পানী পরিচালনায় নিরন্তর সহযোগিতার জন্যে আমি আপনাদের কাছে কৃতজ্ঞতা জ্ঞাপন করছি। একইসাথে আমি আমাদের কোম্পানীর সাথে সংশ্লিষ্ট সকলকে তাদের সার্বিক সমর্থন ও পৃষ্ঠপোষকতার জন্য ধন্যবাদ জানাচ্ছি। আমি আস্থার সাথে বলতে পারি যে, কার্যকর বিনিয়োগ কৌশল গ্রহণ, সঠিক কর্মপন্থা অবলম্বন এবং যথোপযুক্ত ব্যবসায়িক পরিবেশ গড়ে তোলার ক্ষেত্রে আমরা সঠিক পথে এগুচ্ছি। আমি দৃঢ়ভাবে বিশ্বাস করি যে, সকল মানুষের সুস্বাস্থ্য নিশ্চিত করার ক্ষেত্রে বেস্কিমকো ফার্মার গুরুত্বপূর্ণ অবদান রয়েছে।

আমি বেস্কিমকো ফার্মার একটি সফল ভবিষ্যত কামনা করছি।

X. L. P. Lalued.

এ এস এফ রহমান
চেয়ারম্যান

Report of the Directors to the Shareholders

For the year ended 31 December 2011

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, 2011 along with Auditors' Report thereon.

Financial Results and Appropriation of Profit

Taka in Thousand

	2011	2010
Net Profit After Tax	1,198,525	1,051,649
Adjustment for depreciation on revalued assets	23,560	26,811
Profit brought forward from previous year	4,667,699	4,008,852
Profit Available for Appropriation	5,889,784	5,087,312
Proposed dividend	(528,712)	(419,613)
Profit Carried Forward	5,361,072	4,667,699

Dividend

The Board of Directors has recommended 21% stock dividend for approval of the shareholders for the year ended 31 December, 2011.

Directors

Mr. A S F Rahman, Director, Dr. Abdul Alim Khan, Independent Director and Advocate Ahsanul Karim, Director (Nominated by different Associated Companies combinedly) 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 2011 to consider Annual Financial Statements for the year ended 31 December 2010, Quarterly Report for the period ended 31 March 2011, Half-Yearly Report for the period ended 30 June 2011 and Quarterly Report for the period ended 30 September 2011. 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-fifth Annual General Meeting of the Company has carried out the audit for the year ended 31 December 2011.

M. J. Abedin & Co., Chartered Accountants, National Plaza, 109, Bir Uttam C. R. Datta Road, Dhaka-1205, the Auditors of the Company retires at this meeting and has expressed their willingness to continue in office for the year 2012.

Board Meetings and Attendance

During the year 18 (Eighteen) Board Meetings were held. The attendance record of the Directors is as follows:

Name of Directors	Meetings attended
Mr. A S F Rahman	18
Mr. Salman F Rahman	16
Mr. Nazmul Hassan	17
Mr. Iqbal Ahmed	13
Mr. M. A. Qasem	18
Mr. O. K. Chowdhury	18
Dr. Abdul Alim Khan	18
Mr. A. B. Siddiqur Rahman	18
Advocate Ahsanul Karim	5

Statement of Directors on Financial Reports

- a) The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994 and Securities and Exchange Rules, 1987. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements except those referred to in the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d) The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- e) Internal Control System is sound in design and has been effectively implemented and monitored.
- f) There is no significant doubts about the ability of the Company to continue as a going concern.

The pattern of shareholding

	Name-wise details	Number of Shares held
(i)	Parent/Subsidiary/Associate companies and other related parties :	
	Beximco Holdings Ltd.	14,038,029
	Bangladesh Export Import Company Ltd.	1,772,968
	New Dacca Industries Ltd.	6,582,729
	Beximco Engineering Ltd.	1,380,000
	National Investment & Finance Company Ltd.	923,437
(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	3,312,476
	Mr. Salman F Rahman, Vice Chairman	2,454,444
	Mr. Nazmul Hassan, Managing Director	8,274
	Dr. Abdul Alim Khan, Independent Director	1,053,361
	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:	Nil

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

Date: April 28, 2012

Corporate Governance Compliance Report

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

(Report under Condition No.5.00)

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

Key Operating and Financial Data

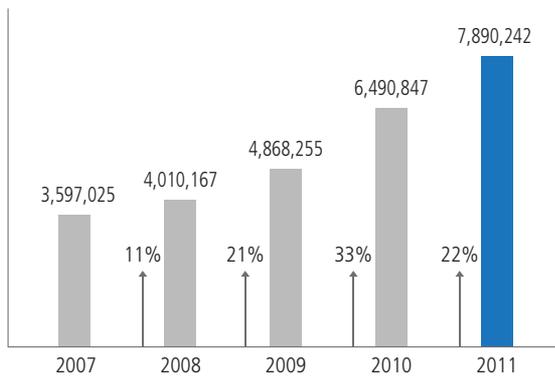
Taka in thousand

	2011	2010	2009	2008	2007
Authorized Capital	9,100,000	9,100,000	9,100,000	2,000,000	2,000,000
Paid up Capital	2,517,678	2,098,065	1,511,493	1,259,577	1,145,070
Total Sales	7,890,242	6,490,847	4,868,255	4,010,167	3,597,025
Export Sales	390,315	330,541	272,126	170,604	122,752
Gross Profit	3,786,533	3,173,207	2,302,048	2,007,296	1,629,515
Profit Before Tax	1,677,849	1,361,532	867,467	714,121	399,678
Net Profit	1,198,525	1,051,649	624,740	545,341	353,068
Fixed Assets (Gross)	19,289,344	18,191,956	15,621,366	14,291,850	10,516,030
Shareholders' Equity	17,128,128	15,974,086	10,885,707	10,450,202	8,250,940

Dividend	21%	20%	15%	30%	15%
Net Asset Value (NAV) Per Share	68	79	72	83	72
EPS/Restated EPS	4.76	4.18	3.5	3.61	2.80
Market Price Per Share (at end of the year)	93.60	135.1	155.8	167.7	58.9
Price Earning Ratio (Times)	19.66	32.32	44.51	46.45	21.04
Number of shareholders	88,697	93,371	80,189	65,556	53,892
Foreign Investors	58	57	54	54	60
ICB including ICB Investors Account	896	899	890	885	879
Sponsors, General Public & Other Institutions	87,743	92,415	79,245	64,617	52,953
Number of Employees	2,670	2,507	2511	2,310	2,384

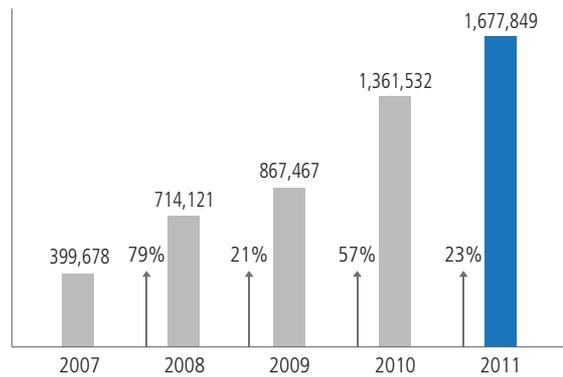
Total Sales

Taka in thousand



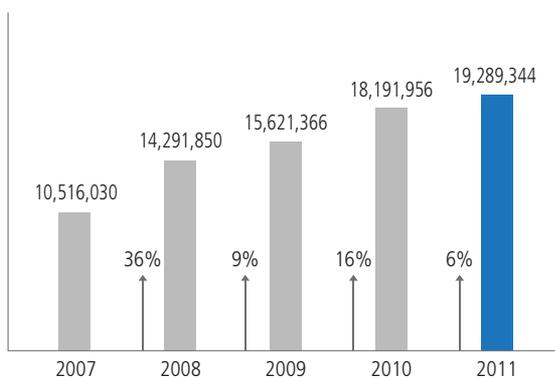
Profit Before Tax

Taka in thousand



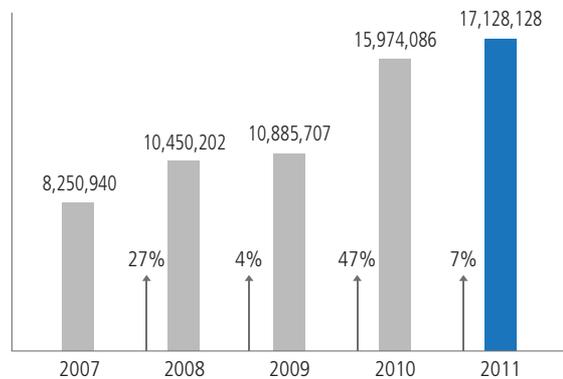
Fixed Assets (Gross)

Taka in thousand



Shareholders' Equity

Taka in thousand



Shareholders' Meeting



The 35th Annual General Meeting (AGM) of the shareholders of Beximco Pharmaceuticals Limited was held on July 2, 2011. Mr. Salman F Rahman, Vice Chairman of the Company presided over the meeting. The performance of the company in 2010 and the future strategies were discussed in the meeting. The meeting among other agenda approved 20% stock dividend for the year 2010. The Chairman thanked the shareholders for their keen interest in and continued support for the company.



গর্মাসিউটিক্যালস্ লিঃ
ক সাধারণ সভা, ২০১১
PHARMACEUTICALS LIMITED
GENERAL MEETING, 2011

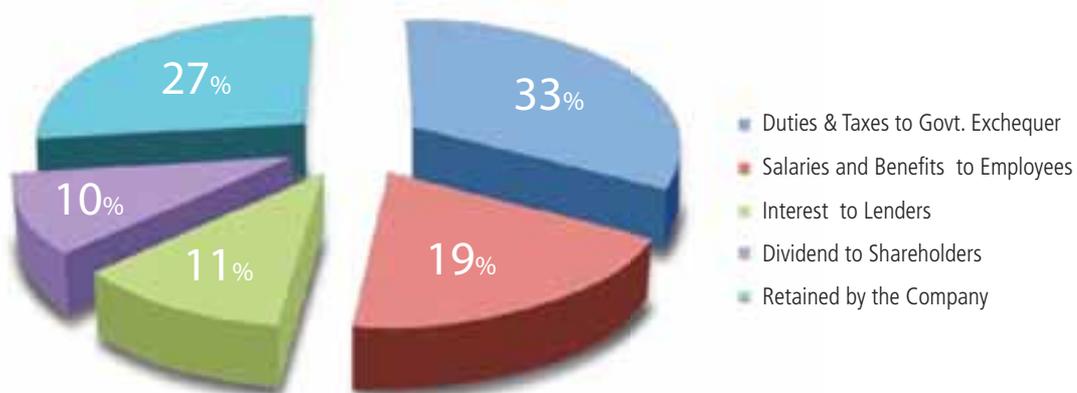


Value Added Statement

For the year ended 31 December 2011

Amount in Thousand Taka

	Tk.	%
Value Added:		
Sales & Other Income	9,493,946	
Bought-in-Materials & Services	(4,165,702)	
	5,328,244	100
Applications		
Duties & Taxes to Govt. Exchequer	1,750,552	33
Salaries and Benefits to Employees	1,041,757	19
Interest to Lenders	567,646	11
Dividend to Shareholders	528,712	10
Retained by the Company	1,439,577	27
	5,328,244	100



Introduction

We have audited the accompanying financial statements of Beximco Pharmaceuticals Limited, which comprise of the Statement of Financial Position as at 31 December 2011, 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 preparation 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 2011 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, 2012



M. J. ABEDIN & CO.
Chartered Accountants

BEXIMCO PHARMACEUTICALS LIMITED
Statement of Financial Position
As at 31 December 2011

		Amount in Taka	
		2011	2010
ASSETS			
Non-Current Assets			
	Notes	15,884,877,780	15,180,731,678
Property, Plant and Equipment- Carrying Value	4 (a)	15,745,492,625	15,123,306,298
Intangible Assets	3.3 & 5	135,933,879	51,126,854
Investment in Shares	6	3,451,276	6,298,526
Current Assets			
		7,148,462,753	6,191,667,831
Inventories	7	2,291,844,631	1,983,809,444
Spares & Supplies	8	325,881,244	276,520,188
Accounts Receivable	9	978,224,317	821,356,439
Loans, Advances and Deposits	10	840,320,705	779,129,620
Short Term Investment	11	2,193,423,560	859,403,704
Cash and Cash Equivalents	12	518,768,296	1,471,448,436
TOTAL ASSETS		23,033,340,533	21,372,399,509
EQUITY AND LIABILITIES			
Shareholders' Equity			
		17,128,128,177	15,974,086,451
Issued Share Capital	13	2,517,678,100	2,098,065,090
Share Premium	14	5,269,474,690	5,269,474,690
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)	1,466,602,600	1,534,645,820
Retained Earnings		5,889,784,879	5,087,312,943
Non-Current Liabilities			
		3,257,050,368	2,885,155,826
Long Term Borrowings-Net off Current Maturity (Secured)	16	1,890,074,651	1,902,150,733
Liability for Gratuity & WPPF	17	403,598,795	335,885,792
Deferred Tax Liability	18	963,376,922	647,119,301
Current Liabilities and Provisions			
		2,648,161,988	2,513,157,232
Short Term Borrowings	19	1,642,216,008	1,639,961,052
Long Term Borrowings-Current Maturity	20	363,744,181	348,860,443
Creditors and Other Payables	21	523,798,136	432,315,660
Accrued Expenses	22	101,559,917	90,512,178
Dividend Payable		1,361,452	1,507,899
Income Tax Payable	23	15,482,294	-
TOTAL EQUITY AND LIABILITIES		23,033,340,533	21,372,399,509

The Notes are integral part of the Financial Statements.

Approved and authorised for issue by the board of directors on 28 April, 2012 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, 2012

BEXIMCO PHARMACEUTICALS LIMITED
Statement of Comprehensive Income
For the year ended 31 December 2011

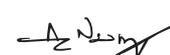
	Notes	Amount in Taka	
		2011	2010
Net Sales Revenue	24	7,890,241,843	6,490,847,353
Cost of Goods Sold	25	(4,103,709,021)	(3,317,640,254)
Gross Profit		3,786,532,822	3,173,207,099
Operating Expenses :		(1,798,053,124)	(1,537,426,907)
Administrative Expenses	28	(275,201,846)	(233,413,980)
Selling, Marketing and Distribution Expenses	29	(1,522,851,278)	(1,304,012,927)
Profit from Operations		1,988,479,698	1,635,780,192
Other Income	30	340,907,774	456,011,134
Finance Cost	31	(567,645,757)	(662,182,384)
Profit Before Contribution to WPPF		1,761,741,715	1,429,608,942
Contribution to Workers' Profit Participation/Welfare Funds	32	(83,892,463)	(68,076,616)
Profit Before Tax		1,677,849,252	1,361,532,326
Income Tax Expenses	33	(479,323,910)	(309,883,518)
Current Tax		(207,549,905)	(71,085,835)
Deferred Tax Expense		(271,774,005)	(238,797,683)
Profit after Tax for the Year		1,198,525,342	1,051,648,808
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		1,198,525,342	1,051,648,808
Earnings Per Share (EPS) / Adjusted EPS (2010)	34	4.76	4.18
Number of Shares used to compute EPS		251,767,810	251,767,810

The Notes are integral part of the Financial Statements.

Approved and authorised for issue by the board of directors on 28 April, 2012 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, 2012

BEXIMCO PHARMACEUTICALS LIMITED
Statement of Changes in Equity
For the year ended 31 December 2011

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, 2011	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
Total Comprehensive Income for 2011:							
Profit for the Year	-	-	-	-	-	1,198,525,342	1,198,525,342
Other Comprehensive Income	-	-	-	-	-	-	-
Transactions with the Shareholders:							
Stock Dividend for 2010	419,613,010	-	-	-	-	(419,613,010)	-
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(23,559,604)	23,559,604	-
Adjustment for Deferred Tax on Revalued Assets	-	-	-	-	(44,483,616)	-	(44,483,616)
Balance as on December 31, 2011	2,517,678,100	5,269,474,690	1,689,636,958	294,950,950	1,466,602,600	5,889,784,879	17,128,128,177
Number of Shares							251,767,810
Net Asset Value (NAV) per Share							68.03

The Notes are integral part of the Financial Statements.

Approved and authorised for issue by the board of directors on 28 April, 2012 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, 2012

BEXIMCO PHARMACEUTICALS LIMITED

Statement of Cash Flows

For the year ended 31 December 2011

Amount in Taka

	2011	2010
Cash Flows from Operating Activities :		
Cash Receipts from Customers and Others	7,741,749,367	6,442,514,780
Cash Paid to Suppliers and Employees	(5,773,745,087)	(4,770,465,029)
Cash Generated from Operations	1,968,004,280	1,672,049,751
Interest Paid	(567,645,757)	(508,432,384)
Interest Received	330,494,566	367,995,851
Income Tax Paid	(154,331,358)	(179,406,569)
Net Cash Generated from Operating Activities	1,576,521,731	1,352,206,649
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(1,112,175,207)	(2,595,098,749)
Intangible Assets	(95,949,037)	(46,545,634)
Investment in Shares	2,847,250	(3,416,700)
Disposal of Property, Plant and Equipment	5,178,814	13,350,073
Short Term Investment	(1,334,019,856)	1,640,596,296
Net Cash Used in Investing Activities	(2,534,118,036)	(991,114,714)
Cash Flows from Financing Activities :		
Net Increase / (Decrease) in Long Term Borrowings	2,807,656	17,258,054
Net Increase / (Decrease) in Short Term Borrowings	2,254,956	188,634,698
Preference Share Dividend	-	(153,750,000)
Ordinary Share Dividend	(146,447)	(219,825)
Net Cash Generated from Financing Activities	4,916,165	51,922,927
Increase / (Decrease) in Cash and Cash Equivalents	(952,680,140)	413,014,862
Cash and Cash Equivalents at Beginning of Year	1,471,448,436	1,058,433,574
Cash and Cash Equivalents at End of Year	518,768,296	1,471,448,436
Net Operating Cash Flow Per Share	6.26	6.65

The Notes are integral part of the Financial Statements.

Approved and authorised for issue by the board of directors on 28 April, 2012 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, 2012

BEXIMCO PHARMACEUTICALS LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2011

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 2011 ;
- (b) a Statement of Comprehensive Income for the year 2011 ;
- (c) a Statement of Changes in Equity for the year 2011 ;
- (d) a Statement of Cash Flows for the year 2011 ; and
- (e) notes, comprising summary of significant accounting policies and explanatory information.

2.4 Reporting Period

The financial statements cover one calendar year from January 01, 2011 to December 31, 2011.

2.5 Authorization for Issue

The financial statements have been authorised for issue by the Board of Directors on April 28, 2012.

2.6 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.

2.7 Comparative Information

Comparative information has been disclosed in respect of the year 2010 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 2010 have been re-arranged wherever considered necessary to ensure better comparability with the current year.

2.8 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% - 10%
Plant and Machinery	5% - 15%
Furniture & Fixtures	10%
Transport & Vehicle	20%
Office Equipment	10% - 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 capitalized.

3.4 Leased Assets

In compliance with the IAS 17 : Leases, cost of assets acquired under finance lease along with related obligation has 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 Liabilities

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. A financial asset is 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 Costs

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 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.

3.14 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.

3.15 Earnings Per Share (EPS)

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

Basic earnings represent the earnings for the year attributable to ordinary shareholders.

Current Year (2011)

The Bonus Shares issued during the year 2011 were treated as if they always had been in issue. Hence, in computing the Basic EPS of 2011, the total number of shares including the said bonus shares has been considered as the Weighted Average Number of Shares outstanding during the year 2011.

Earlier Year (2010)

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 (2010), and accordingly, in calculating the adjusted EPS of 2010, the total number of shares including the subsequent bonus issue in 2011 has been considered as the Weighted Average Number of Shares outstanding during the year 2010.

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

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.

3.16 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. Any gain or loss due to exchange differences are recognized as revenue income/expense in compliance with the provisions of IAS 21 : The Effects of Changes in Foreign Exchange Rates.

3.17 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.

3.18 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							
As on January 01, 2011	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
Additions during the year	22,771,064	54,330,111	337,049,736	19,413,093	79,686,097	16,636,459	529,886,560
Transferred & Capitalized	-	690,853,922	709,159,431	6,079,065	-	-	1,406,092,418
Disposal during the year	-	-	(8,699,295)	(70,000)	(6,017,440)	-	(14,786,735)
Cost as on December 31, 2011	3,300,277,064	6,277,510,803	7,019,944,814	139,429,486	384,509,122	313,797,038	17,435,468,327
Accumulated Depreciation							
As on January 01, 2011	-	565,793,628	2,166,047,990	43,983,781	103,448,241	189,376,258	3,068,649,898
Depreciation during the year	-	143,417,227	279,562,405	6,999,643	40,989,546	15,879,052	486,847,873
Adjustment for assets disposed off	-	-	(8,029,900)	(42,881)	(3,572,947)	-	(11,645,728)
Accumulated Depreciation as on December 31, 2011	-	709,210,855	2,437,580,495	50,940,543	140,864,840	205,255,310	3,543,852,043
Net Book Value as on December 31, 2011	3,300,277,064	5,568,299,948	4,582,364,319	88,488,943	243,644,282	108,541,728	13,891,616,284
Capital Work in Progress							1,853,876,341
Carrying Value as on December 31, 2011							15,745,492,625

Assets include lease hold assets of Tk. 895,091,938 at cost and Tk. 763,492,392 at carrying value.

Capital Work in Progress is arrived at as follows :

Balance as on January 01
Addition during the year

Transferred & Capitalized

Building and Other Constructions
Plant & Machinery
Furniture & Fixtures

Amount in Taka	
2011	2010
2,677,680,112	1,348,945,269
582,288,647	2,079,614,699
3,259,968,759	3,428,559,968
(1,406,092,418)	(750,879,856)
(690,853,922)	-
(709,159,431)	(750,879,856)
(6,079,065)	-
1,853,876,341	2,677,680,112

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

1,534,645,820	1,617,361,714
(23,559,604)	(26,810,763)
(44,483,616)	(55,905,131)
1,466,602,600	1,534,645,820

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

2011	2010
51,126,854	5,726,525
95,949,037	46,545,634
147,075,891	52,272,159
(11,142,012)	(1,145,305)
135,933,879	51,126,854

6. Investment in Shares

This consists of as follows :

- (a) Bangladesh Export Import Co. Ltd. (former Bextex Ltd.)
 (b) Central Depository Bangladesh Ltd. (CDBL)

1,881,826	1,881,826
1,569,450	4,416,700
3,451,276	6,298,526

Share details:

	No. of Share	Amount in Taka
(a) Former Bextex Ltd.		
Balance as on January 01, 2011	302,783	1,881,826
Stock Dividend for 2010	45,417	-
Total number of Bextex's shares	348,200	1,881,826
Conversion in to Bangladesh Export Import Co. Ltd's share @ 5:1 basis	69,640	1,881,826
(b) Central Depository Bangladesh Ltd. (CDBL)		
Balance as on January 01, 2011	256,945	4,416,700
Refund of Share premium against Right issue in 2010	-	(2,847,250)
256,945	1,569,450	

The shares of Bangladesh Export Import Co. Ltd. are listed with Dhaka and Chittagong Stock Exchanges. The market value of each share of Bangladesh Export Import Co. Ltd. on 29 December, 2011 was Tk. 113.00 in Dhaka Stock Exchange Ltd. and Tk. 113.40 in 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

639,241,751	565,049,644
169,345,787	195,111,787
842,081,846	769,883,557
473,502,950	327,253,736
1,026,434	4,076,834
52,126,812	41,239,901
114,519,051	81,193,985
2,291,844,631	1,983,809,444

8. Spares & Supplies

This consists of as follows :

Spares & Accessories
Stock of Stationery
Literature & Promotional Materials

	2011	2010
	228,521,952	198,512,867
	2,161,257	876,990
	95,198,035	77,130,331
	325,881,244	276,520,188

9. Accounts Receivable

This includes receivable of Tk. 67,778,102 equivalent to US\$ 841,964 (on 31-12-2010 Tk. 68,268,464 equivalent to US \$ 976,659) against export sales.

This also includes Tk. 768,912,524 (on 31-12-2010 Tk. 589,633,177) 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. 802,568,012 on 30 November, 2011 (on 30.09.2010 Tk. 618,177,584).

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
Prepaid Expenses
Others

	19,954,936	23,017,468
	229,819,634	209,985,542
	17,726,489	32,870,917
	15,232,730	29,060,383
	15,262,058	13,376,677
	14,725,188	14,893,328
	40,745,505	35,508,812
	221,546	1,331,546
	56,643,777	49,633,854
	4,505,333	3,666,626
	110,196,782	139,475,754
	282,346,315	161,055,013
	-	37,736,253
	1,949,153	-
	30,991,259	27,517,447
	840,320,705	779,129,620

(a) The maximum amount due from the employees during the year was Tk. 58,154,026 on 30.11.2011.

(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 Ltd.), carrying interest 1% above bank interest rate. 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

2011	2010
107,782,912	59,991,354
1,116,149	1,789,149
409,869,235	1,409,667,933
518,768,296	1,471,448,436

13. Issued Share Capital

This represents :

A. Authorized :

- 500,000,000 (2010: 500,000,000) Ordinary Shares of Tk. 10/- each
 41,000,000 (2010: 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
517,757,500	517,757,500
1,627,496,630	1,207,883,620
59,512,500	59,512,500
312,911,470	312,911,470
2,517,678,100	2,098,065,090

B. Issued, Subscribed and Paid-up :

- 51,775,750 shares (2010: 51,775,750) of Tk. 10/- each fully paid-up in cash
 162,749,663 Bonus Shares (2010: 120,788,362) 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 issued on conversion of Preference Shares

The movement of Ordinary Shares during the year 2011 is as follows :

Number of Shares Amount in Taka

Balance as on January 01, 2011	209,806,509	2,098,065,090
Stock Dividend for 2010	41,961,301	419,613,010
Balance as on December 31, 2011	251,767,810	2,517,678,100

C. Composition of Shareholding of Ordinary Shares:

Sponsors:

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

2011		2010	
Number of Shares	%	Number of Shares	%
3,312,476	1.32	2,760,397	1.32
2,454,444	0.97	2,020,370	0.96
23,461,592	9.32	22,437,204	10.69
59,970,526	23.82	48,303,437	23.02
29,135,058	11.57	23,511,271	11.21
133,433,714	53.00	110,773,830	52.80
251,767,810	100.00	209,806,509	100.00

D. Distribution Schedule of Ordinary Shares:

Range of Holdings In number of shares	No. of Shareholders		% of Shareholders		Number of Shares		% of Share Capital	
	2011	2010	2011	2010	2011	2010	2011	2010
1 to 499	69,988	75,349	78.91%	80.70%	8,603,693	8,744,514	3.42%	4.17%
500 to 5,000	16,816	16,420	18.96%	17.58%	22,653,112	21,358,898	9.00%	10.18%
5,001 to 10,000	943	815	1.06%	0.87%	6,614,186	5,856,413	2.63%	2.79%
10,001 to 20,000	441	362	0.50%	0.39%	6,029,631	5,108,823	2.39%	2.44%
20,001 to 30,000	142	102	0.16%	0.11%	3,484,617	2,493,069	1.38%	1.19%
30,001 to 40,000	67	52	0.07%	0.06%	2,312,160	1,812,896	0.92%	0.86%
40,001 to 50,000	33	38	0.04%	0.04%	1,487,163	1,763,174	0.59%	0.84%
50,001 to 100,000	95	82	0.11%	0.09%	6,670,278	6,047,905	2.65%	2.88%
100,001 to 1,000,000	136	122	0.15%	0.13%	39,226,466	36,446,752	15.58%	17.37%
Over 1,000,000	36	29	0.04%	0.03%	154,686,504	120,174,065	61.44%	57.28%
Total	88,697	93,371	100.00%	100.00%	251,767,810	209,806,509	100.00%	100.00%

E. Market Price of Ordinary Shares:

The shares are listed with Dhaka, Chittagong and London Stock Exchanges. On the last working day of the year, each share was quoted at Tk. 93.60 (in 2010 Tk. 135.10) in the Dhaka Stock Exchange Ltd., Tk. 93.60 (in 2010 Tk. 135.70) in the Chittagong Stock Exchange Ltd., and GBP 0.257 in London Stock Exchange (in 2010 GBP 0.47).

F. Option on Unissued Ordinary Shares :

There was no option on unissued shares as on 31.12.2011.

14. Share Premium

This is arrived at as follows :

Balance as on January 01
Premium on Conversion of Preference share
Preference Share Issue Expense

Amount in Taka	
2011	2010
5,269,474,690	1,489,750,000
-	3,787,088,530
-	(7,363,840)
5,269,474,690	5,269,474,690

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

1,696,629,049	1,733,509,289
9,205,000	41,526,100
184,240,602	127,115,344
1,890,074,651	1,902,150,733

(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 13% to 15% per annum, is repayable in quarterly installments ending by 2017.

(b) Interest and PAD Block

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

Amount in Taka

2011	2010
------	------

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

156,355,610	129,226,456
38,123,003	33,970,920
194,478,613	163,197,376
(6,977,537)	(6,841,766)
187,501,076	156,355,610
216,097,719	179,530,182
403,598,795	335,885,792

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

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

647,119,301	352,416,487
271,774,005	238,797,683
44,483,616	55,905,131
963,376,922	647,119,301

19. Short Term Borrowings

This represents :

Janata Bank Ltd.: Cash Credit-Hypothecation

1,642,216,008	1,639,961,052
---------------	---------------

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

250,000,000	250,000,000
30,000,000	47,391,326
83,744,181	51,469,117
363,744,181	348,860,443

Amount in Taka

21. Creditors and Other Payables

This consists of :

Goods & Services

Provident Fund

Advance Against Export

Others

	2011	2010
Goods & Services	206,960,545	161,570,971
Provident Fund	309,454,709	263,783,942
Advance Against Export	1,424,747	222,069
Others	5,958,135	6,738,678
	523,798,136	432,315,660

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)

	2011	2010
For Expenses	17,667,454	22,435,562
Workers' Profit Participation/ Welfare Funds - current year's provision (Note : 32)	83,892,463	68,076,616
	101,559,917	90,512,178

23. Income Tax Payable

This is arrived at as follows :

Balance as on January 01

Provision for the year

Short Provision for previous period

Paid during the year

Adjustment with Advance Income Tax

	2011	2010
Balance as on January 01	-	70,584,481
Provision for the year	166,380,262	71,085,835
Short Provision for previous period	41,169,643	-
Paid during the year	(7,518,596)	(66,000,000)
	200,031,309	75,670,316
Adjustment with Advance Income Tax	(184,549,015)	(75,670,316)
	15,482,294	-

24. Net Sales Revenue

This represents net sales and consists of as follows :

Local Sales

Export Sales US \$ 5,255,965 (in 2010 US \$ 4,817,829)

	2011	2010
Local Sales	7,499,926,523	6,160,306,406
Export Sales US \$ 5,255,965 (in 2010 US \$ 4,817,829)	390,315,320	330,540,947
	7,890,241,843	6,490,847,353

Sales represent :

Product Category	Unit	Quantity	
		2011	2010
Tablet, Capsule, Suppository & DPI	Million Pcs	2,789.6	2,379.1
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, injectable & Inhaler	Million Pcs	59.2	56.9
Active Pharmaceutical Ingredients	Kg.	146,626	108,573
Liquid Nitrogen	Liter	102,985	611,731

Amount in Taka

25. Cost of Goods Sold

This is made-up as follows :

Work-in-Process (Opening)
Materials Consumed (Note : 26)
Factory Overhead (Note : 27)
Total Manufacturing Cost
Work-in-Process (Closing)
Cost of Goods Manufactured
Finished Goods (Opening)
Finished Goods available
Cost of Physician Sample transferred to Sample Stock
Finished Goods (Closing)

2011	2010
195,111,787	189,396,879
3,195,829,494	2,537,648,743
1,066,936,836	894,097,750
4,457,878,117	3,621,143,372
(169,345,787)	(195,111,787)
4,288,532,330	3,426,031,585
565,049,644	554,393,259
4,853,581,974	3,980,424,844
(110,631,202)	(97,734,946)
(639,241,751)	(565,049,644)
4,103,709,021	3,317,640,254

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

Stock as on January 01, 2011	Unit	Quantity	Value (Tk.)
Tablet, Capsule, Suppository & DPI	Million Pcs	477.8	355,479,444
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, injectable & Inhaler	Million Pcs	7.4	178,727,151
Active Pharmaceutical Ingredients	Kg	11,920	30,843,049
			565,049,644
Stock as on December 31, 2011			
Tablet, Capsule, Suppository & DPI	Million Pcs	499.8	374,175,104
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, injectable & Inhaler	Million Pcs	8.2	241,774,083
Active Pharmaceutical Ingredients	Kg	8,084	23,292,564
			639,241,751

26. Materials Consumed

This is made-up as follows :

Opening Stock
Purchase
Closing Stock

1,101,214,127	887,971,933
3,411,226,597	2,750,890,937
(1,316,611,230)	(1,101,214,127)
3,195,829,494	2,537,648,743

27. Factory Overhead

This consists of as follows :

	2011	2010
Salary & Allowances	326,562,556	270,910,357
Repairs and Maintenance	79,042,533	66,680,578
Insurance Premium	18,130,033	10,762,989
Municipal Tax & Land Revenue	1,857,310	1,237,290
Advertisement & Subscription	24,771	96,769
Registration & Renewal	7,010,239	715,777
Travelling & Conveyance	2,523,694	2,250,371
Entertainment	783,929	721,850
Research and Development	17,795,956	6,815,379
Printing & Stationery	7,815,198	5,765,044
Telephone, Internet & Postage	2,189,723	2,228,125
Toll Charge/ (Income) - Net	76,878,595	76,281,942
Electricity, Gas & Water	55,852,069	40,587,162
Training & Conference	3,387,122	609,919
Plant Certification and Regulatory Approvals	22,902,482	12,753,618
Depreciation	440,597,325	392,890,096
Other Expenses	3,583,301	2,790,484
	1,066,936,836	894,097,750

(a) Salary and allowances include Company's Contribution to provident fund of Tk. 6,482,519 (in 2010 Tk. 5,739,527).

(b) The value of imported stores and spares consumed is Tk. 39,843,777 (in 2010 Tk. 20,664,179) is included in repairs & maintenance.

This also includes maintenance of office, premises, Vehicles, building, machinery, equipment and other infrastructures.

(c) Other expenses does not include any item exceeding 1% of total revenue.

28. Administrative Expenses

This consists of as follows :

Salary & Allowances	132,468,375	120,635,185
Rent Expenses	9,676,551	9,615,930
Repairs and Maintenance	18,364,907	11,903,815
Registration & Renewals	1,624,597	535,967
Travelling & Conveyance	15,167,565	12,792,422
Entertainment	3,948,638	3,546,181
Printing & Stationery	2,371,399	1,948,640
Audit Fee	850,000	862,500
Telephone, Internet & Postage	3,790,301	4,011,859
Electricity, Gas & Water	7,393,412	7,479,958
Legal & Consultancy Fee	3,099,655	2,920,722
AGM, Company Secretarial Expenses and Regulatory Fees	45,430,058	29,326,959
Training & Conference	3,300,188	2,808,265
Depreciation	17,039,676	15,194,645
Other Expenses	10,676,524	9,830,932
	275,201,846	233,413,980

(a) Salary and allowances include provident fund contribution of Tk. 3,345,556 (in 2010 Tk. 3,318,203).

(b) Repairs & maintenance includes maintenance of office, premises, Vehicles, building, equipment and other infrastructures.

Amount in Taka

29. Selling, Marketing and Distribution Expenses

This consists of as follows :

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

	2011	2010
498,833,494	394,172,411	
16,033,956	14,018,539	
2,148,084	9,884,277	
215,921,654	205,017,107	
13,649,841	12,487,400	
17,635,053	15,300,027	
7,559,384	7,497,939	
4,166,628	3,378,686	
21,380,415	16,256,229	
36,943,909	28,902,890	
7,225,282	4,235,200	
104,526,024	94,019,074	
219,155,686	188,563,588	
72,206,847	63,977,381	
6,132,572	2,372,417	
31,015,418	35,827,506	
199,262,811	169,065,853	
40,352,884	27,193,267	
8,701,336	11,843,136	
1,522,851,278	1,304,012,927	

(a) Salary and allowances include provident fund contribution of Tk. 12,445,850 (in 2010 Tk. 11,378,454).

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

(c) Repairs & maintenance includes maintenance of office, premises, Vehicles, building, equipment and other infrastructures.

30. Other Income

This is arrived at as follows :

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

330,494,566	367,995,851
-	78,812,136
200,000	100,000
2,997,369	-
5,178,032	-
2,037,807	9,103,147
340,907,774	456,011,134

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

504,933,292	463,200,224
62,712,465	45,232,160
-	153,750,000
567,645,757	662,182,384

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 Labor law 2006.

33. Income Tax Expenses

Amount in Taka

This consists of as follows :

	2011	2010
(i) Short provision of earlier year	41,169,643	-
(ii) Tax for the year under review (Note 3.9)	166,380,262	71,085,835
(iii) Deferred Tax Expense (Note 3.9)	271,774,005	238,797,683
	479,323,910	309,883,518

34. Earnings Per Share (EPS) :

(a) Earnings attributable to the Ordinary Shareholders	Tk.	1,198,525,342	1,051,648,808
(b) Weighted average number of Ordinary Shares outstanding during the year	Nos.	251,767,810	251,767,810
Earnings Per Share (EPS)/ Adjusted EPS (2010)		4.76	4.18

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 2011	Balance at year end
(a) I & I Services Ltd.	Local Delivery	8,199,575,911	768,912,524
	Delivery Support Fee	140,204,673	-
(b) Bangladesh Export Import Co. Ltd	Short Term Investment	1,334,019,856	2,193,423,560
	Interest on Short Term Investment	240,314,856	-

Nature of Relationship :

The Companies 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 December 2011:

Particulars of Assets	Cost	Accumulated Depreciation	Written Down Value	Sales Price	Profit / (Loss)	Mode of Disposal	Name of Parties
Furniture	70,000	42,881	27,119	27,119	-	Negotiation	Various Individuals
Transport & Vehicle	6,017,440	3,572,947	2,444,493	4,482,300	2,037,807	Negotiation	Various Individuals
Plant & Machinery	8,699,295	8,029,900	669,395	669,395	-	Negotiation	Various Individuals
Tk.	14,786,735	11,645,728	3,141,007	5,178,814	2,037,807		

37. Salaries and Perquisites to Managers and above :

	2011	2010
Remuneration	100,027,020	86,381,088
Gratuity	3,839,150	3,326,065
Contribution to Provident Fund	4,606,980	3,957,684
Bonus	7,678,300	6,652,130
Medical	3,188,195	3,170,595
Others	27,630,916	24,451,244
Total	146,970,561	127,938,806

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

Remuneration	100,027,020	86,381,088
Gratuity	3,839,150	3,326,065
Contribution to Provident Fund	4,606,980	3,957,684
Bonus	7,678,300	6,652,130
Medical	3,188,195	3,170,595
Others	27,630,916	24,451,244
Total	146,970,561	127,938,806

(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 :

Item	Unit	Production Capacity		Actual Production		Capacity Utilization	
		2011	2010	2011	2010	2011	2010
Tablet, Capsule, Suppository & DPI	Million Pcs	3,891	2,308	2,956	2,490	76%	108%
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, injectable & Inhaler	Million Pcs	82	78	61	55	74%	71%

39. Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for at 31 December 2011.

40. Finance Lease Commitment

At December 31, 2011, the company had annual commitment under finance leases as set out below :

Leases expiring within 1 year	83,744,181
Leases expiring within 2-5 years (inclusive)	184,240,602
	Tk. 267,984,783

41. Claim Not Acknowledged as Debt

There was no claim against the company not acknowledged as debt as on December 31, 2011.

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 December 31, 2011.

43. Payments Made in Foreign Currency :

	Foreign Currency (Equivalent US\$)	Taka
Import of Machinery, Equipments & Spares	6,716,693	483,601,908
Import of Raw & Packing Material	32,631,729	2,420,621,680
Regulatory Fees & Other Expenses	3,247,196	236,538,558

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) Collection from Export Sales of US\$ 5,461,913 (in 2010 US\$ 4,817,829).
- (b) Royalty received US\$ 6,620

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 petitions 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. The company has recently won the verdict of the appellate tribunal in its favour. The concerned authority may now appeal to the honourable High Court against this verdict. Additionally, there are claims of custom duty aggregating Tk. 22,507,358 against the indemnity bond issued by the company in connection with import of certain plant and machinery. The company has filed writ petitions against this 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 21% Stock dividend (i.e. 21 shares for every 100 shares held) for the year 2011. 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 2011 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 obligations and accordingly arrange for sufficient fund to make the expected payments 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, 2012

Corporate Information

Operational Headquarters

19 Dhanmondi R/A, Road # 7
Dhaka 1205, Bangladesh
Phone : +880-2-8619151, +880-2-8619091
Fax : +880-2-8613888
E-mail : info@bpl.net
Website : www.beximcopharma.com

Corporate Headquarters

17 Dhanmondi R/A, Road # 2
Dhaka 1205, Bangladesh
Phone : +880-2-8611891
Fax : +880-2-8613470
E-mail : beximchq@bol-online.com

Factory

Tongi Unit
126 Kathaldia, Tongi, Gazipur
Bangladesh

Kaliakoir Unit
Plot No. 1070/1083, Mouchak
Kaliakoir, Gazipur
Bangladesh

Stock Exchange Listing

Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.
AIM of London Stock Exchange plc (GDRs)

Public Relations

IMPACT PR
Apartment # A-1, House # 17, Road # 4
Gulshan-1, Dhaka-1212, Bangladesh

FTI Consulting Group Limited
Holborn Gate, 26 Southampton Buildings
London WC2A 1PB, UK

Legal Advisor

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

Auditors

M. J. Abedin & Co.
Chartered Accountants
National Plaza (3rd Floor)
109, Bir Uttam C. R. Datta Road
Dhaka-1205
Bangladesh

Banker

Janata Bank Ltd.
Local office
1 Dilkusha C/A
Dhaka-1000
Bangladesh

For GDRs

Nominated Advisor and Broker
Libertas Capital Corporate Finance Limited
17c Curzon Street.
London W1J 5HU

Custodian

HSBC
Anchor Tower, 1/1-B, Sonargaon Road
Dhaka-1205, Bangladesh

Depository Bank

The Bank of New York Mellon
101 Barclay Street
New York, NY 10286



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