

Half Yearly Report 2009

**BEXIMCO
PHARMA**

BEXIMCO PHARMACEUTICALS LTD.



Winner

TGA
Therapeutic Goods
Administration,
Australia

Certified





Our

Mission



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

BEXIMCO PHARMACEUTICALS LTD.
Statement of the Managing Director

Dear Shareholders,

We are pleased to announce the interim financial results for the half year ended 30th June 2009.

During this first half, BPL had firm performance across all financial and operational areas. The Company has achieved net sales of Tk. 2,314.71 million- an impressive 39.50% up over Tk 1,659.34 million of comparable period of preceding financial year. Our export sales during the period was Tk. 106.81 million which is 47.81% higher on comparable basis. This half, the company earned a pre-tax profit of Tk. 381.51 million against Tk. 201.10 million of last year. EPS stood at Tk.2.06 after the issue of stock dividend for the year 2008.

Our existing brands have continued to show strong growth and contributed as main sales drivers for the company. In the overseas business we have registered thirty two new products in eight different markets including one in Australia. We have introduced three new products in the domestic markets during the period under review. Our facility to manufacture Small Volume Parenterals (SVP), Ophthalmic and Nebulizer Solutions has commenced operation. Two nebulizer products manufactured in this facility have already rolled over in the market. A number of other products including the Ophthalmic and SVP brands are expected to be launched shortly.

We are pleased to inform that, BPL has received GMP certificate for its facility from National Health Surveillance Agency (Anvisa) of Brazil. Once again we are the first company in Bangladesh to receive this regulatory approval from Anvisa through a stringent facility audit.

We are happy with the progress achieved in the first half and are confident that we will be able to deliver on our growth target for the year 2009.

Your continued support and co-operation is always a source of our inspiration.



Nazmul Hassan
Managing Director

BEXIMCO PHARMACEUTICALS LTD.

Balance Sheet (Unaudited)

As at 30th June, 2009

Amount in '000 BDT

	Notes	As at 30th June 2009	As at 31st December 2008	Growth %
ASSETS				
Non-Current Assets				
Property, Plant and Equipment- Carrying Value	3	12,129,280	11,921,073	1.75
Investment in Shares		19,739	36,701	(46.22)
		12,149,019	11,957,774	1.60
Current Assets				
Inventories	4	1,648,628	1,505,288	9.52
Spares & Supplies		235,625	234,530	0.47
Accounts Receivable		657,010	503,917	3.38
Loans, Advances and Deposits	5	637,262	544,509	17.03
Cash and Cash Equivalents	6	61,689	73,648	(16.24)
		3,240,214	2,861,892	13.22
TOTAL ASSETS	Tk.	15,389,233	14,819,666	3.84
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' Equity				
Issued Share Capital		1,511,493	1,259,577	20.00
Reserves	7	5,185,513	5,185,513	--
Retained Earnings		3,938,262	4,005,112	(1.67)
		10,635,268	10,450,202	1.77
Non-Current Liabilities				
Long Term Borrowing-Net off Current Maturity (Secured)	8 A	1,881,702	1,446,601	30.08
Liability for Gratuity & WPPF		287,917	274,419	4.92
Deferred Tax Liability		70,124	46,411	51.09
		2,239,743	1,767,431	26.72
Current Liabilities and Provisions				
Short Term Borrowing		1,628,770	1,461,666	11.43
Long Term Borrowing-Current Maturity	8 B	212,039	648,166	(67.29)
Creditors and other Payables		280,515	263,177	6.59
Accrued Expenses		107,274	81,777	31.18
Dividend Payable		127,930	3,170	3,935.65
Income Tax Payable		157,694	144,077	9.45
		2,514,222	2,602,033	(3.37)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	Tk.	15,389,233	14,819,666	3.84

Nazmul Hassan

Nazmul Hassan
Managing Director

Ali Nawaz

Ali Nawaz
Chief Financial Officer

BEXIMCO PHARMACEUTICALS LTD.
Profit and Loss Account (Unaudited)
For the Half-year ended 30th June, 2009
Amount in '000 BDT

	Notes	Half-year ended 30 th June, 2009	Half-year ended 30 th June, 2008	Growth %
Net Sales Revenue		2,314,712	1,659,337	39.50
Cost of Goods Sold	9	(1,228,278)	(886,772)	38.51
Gross Profit		1,086,434	772,565	40.63
Operating Expenses :		(660,348)	(455,800)	44.88
Administrative Expenses	10	(97,949)	(69,211)	41.52
Selling and Distribution Expenses	11	(562,399)	(386,589)	45.48
Profit from Operations		426,086	316,765	34.51
Other Income	12	113,392	686	16,429.44
Finance Cost		(138,888)	(106,298)	30.66
Profit Before Contribution to WPPF		400,590	211,153	89.72
Contribution to Workers' Profit Participation/ Welfare Funds		(19,076)	(10,055)	89.72
Profit Before Tax		381,514	201,098	89.72
Income Tax		(70,490)	(49,653)	41.97
Profit After Tax		311,024	151,445	105.37
Earnings Per Share (Taka)		2.06	1.32	56.06
Number of Shares Used to Compute EPS		151,149,296	114,507,043	32.00

Nazmul Hassan

Nazmul Hassan
 Managing Director

Ali Nawaz

Ali Nawaz
 Chief Financial Officer

BEXIMCO PHARMACEUTICALS LTD.
Statement of Changes in Equity (Unaudited)
For the period ended 30th June, 2009
Amount in '000 BDT

	Half Year ended 30 th June 2009	Half Year ended 30 th June 2008
Opening Share Capital	1,259,577	1,145,070
Stock Dividend	251,916	-
Share Capital on June 30	1,511,493	1,145,070
Retained Earnings & Surpluses		
Opening Balance	9,190,625	7,105,869
Net Profit after tax	311,024	151,445
Dividend	(377,874)	-
	9,123,775	7,257,314
At the end of June 30	Tk. 10,635,268	8,402,384

Nazmul Hassan

Nazmul Hassan
 Managing Director

Ali Nawaz

Ali Nawaz
 Chief Financial Officer

BEXIMCO PHARMACEUTICALS LTD.

Cash Flow Statement (Unaudited)

For the Half-year ended 30th June, 2009

Amount in '000 BDT

Notes	Half Year ended 30 th June 2009	Half Year ended 30 th June 2008	Growth %
Cash Flows from Operating Activities :			
Cash Receipts from Customers and Others	2,167,530	1,668,588	29.90
Cash Paid to Suppliers and Employees	(1,969,896)	(1,469,045)	34.09
Cash Generated from Operations	197,634	199,543	(0.96)
Interest Paid	(138,888)	(106,298)	30.66
Income Tax Paid	(33,160)	(21,961)	51.00
Net cash Generated from Operating Activities	25,586	71,284	(64.11)
Cash Flows from Investing Activities :			
Acquisition of Property, Plant and Equipment (net of IDCP)	(236,890)	(158,324)	49.62
Sale of Shares in Bextex Ltd.	124,000	-	100.00
Disposal of Property, Plant and Equipment	62	-	100.00
Net cash Used in Investing Activities	(112,828)	(158,324)	(28.74)
Cash Flows from Financing Activities :			
Net (Decrease) / Increase in Long Term Borrowings	(90,623)	(155,310)	(41.65)
Net (Decrease) / Increase in Short Term Borrowings	167,104	297,269	(43.79)
Dividend Paid	(1,198)	(2,007)	(40.31)
Net cash Generated from Financing Activities	75,283	139,952	(46.21)
Increase/(Decrease) in Cash and Cash Equivalents	(11,959)	52,912	(122.60)
Cash and Cash Equivalents at Beginning of Period	73,648	85,699	(14.06)
Cash and Cash Equivalents at End of Period	61,689	138,611	(55.49)

Nazmul Hassan

Nazmul Hassan
Managing Director

Ali Nawaz

Ali Nawaz
Chief Financial Officer

BEXIMCO PHARMACEUTICALS LTD.
Selected Notes to the Financial Statements (Unaudited)
For the Period ended 30th June, 2009
Amount in '000 BDT

1. Status and Activities

Beximco Pharmaceuticals Limited (BPL / the Company) is a public company incorporated in Bangladesh in 1976. The company is engaged in manufacturing and marketing of Pharmaceuticals Finished Formulation Products, Active Pharmaceutical Ingredients (APIs) and life saving Intravenous Fluids which it sells in the local as well as international markets. The company also provides contract manufacturing services. The shares of the company are traded in Dhaka and Chittagong Stock Exchanges of Bangladesh and also in the AIM of London Stock Exchange.

2. Principal Accounting Policies

Basis of Preparation of Financial Statements

These interim financial statements should be read in conjunction with the Financial Statements for the year ended December 31, 2008 (hereafter referred to as the "Annual Financial Statements"), as they provide an update to previously reported information.

The accounting policies used are consistent with those used in the Annual Financial Statements. The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) including International Accounting Standards (IASs). The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. Where necessary, the comparatives have been reclassified or extended from the half yearly report of 2008 to take into account any presentational changes made in the Annual Financial Statements or in the half yearly report 2009. The preparation of the Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the Interim Financial Statements, deviate from the actual, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

3. Property, Plant and Equipment

Cost

	As at 30 th June 2009	As at 31 st Dec. 2008
Land	3,277,506	3,277,506
Building and Other Constructions	1,325,276	1,320,242
Plant & Machinery	3,043,550	2,976,774
Furniture & Fixture	71,862	71,442
Transport & Vehicle	132,970	125,902
Office Equipment	242,515	238,328
	8,093,679	8,010,194
Less :Accumulated Depreciation	(2,489,058)	(2,370,777)
Written Down Value	5,604,621	5,639,417
Capital Work in Progress	6,524,659	6,281,656

Carring Value

Tk. 12,129,280 11,921,073

	As at 30 th June 2009	As at 31 st Dec. 2008
4. Inventories		
Finished Goods	401,020	358,010
Raw and Packing Material (Including Work in Process and Transit)	1,213,023	1,120,521
Sample & Others	34,585	26,757
Tk.	<u>1,648,628</u>	<u>1,505,288</u>
5. Loans, Advances and Deposits		
Motor Cycle Loan	71,648	56,936
Security and Other Deposits	35,297	31,337
Prepaid VAT	154,138	130,500
Advance for Capital Expenditure	78,422	79,536
Advance for Expense	42,704	26,844
Salary Advance	47,082	44,928
Advance to material Suppliers including C & F Agents	115,362	88,661
Others	92,609	85,767
Tk.	<u>637,262</u>	<u>544,509</u>
6. Cash and Cash Equivalents		
Cash In Hand	60,701	72,657
Cash At Banks	988	991
Tk.	<u>61,689</u>	<u>73,648</u>
7. Reserves		
Share Premium	1,489,750	1,489,750
Excess of Issue Price over Face Value of GDRs	1,689,637	1,689,637
Capital Reserve	294,951	294,951
Revaluation Surplus	1,711,175	1,711,175
Tk.	<u>5,185,513</u>	<u>5,185,513</u>
8. Long Term Borrowing		
A. Non Current Maturity		
Project Loan	1,753,059	1,292,230
Interest and PAD Block	96,402	143,152
Obligation Under Finance lease	32,241	11,219
Tk.	<u>1,881,702</u>	<u>1,446,601</u>
B. Current Maturity		
Project Loan	62,500	479,021
Interest and PAD Block	122,470	143,658
Obligation Under Finance lease	27,069	25,487
Tk.	<u>212,039</u>	<u>648,166</u>

	Half-year ended 30 th June, 2009	Half-year ended 30 th June, 2008
9. Cost of Goods Sold		
Raw and Packing Material	946,153	698,057
Factory Overhead	176,183	126,008
Depreciation	105,942	62,707
Tk.	1,228,278	886,772
10. Administrative Expenses		
Salary & Allowances	48,711	40,221
Fuel, Repairs & Office Maintenance	6,670	4,726
Traveling & Conveyance	3,546	4,770
AGM and Company Secretarial Exp.	17,927	6,247
Other Expenses	16,334	10,429
Depreciation	4,761	2,818
Tk.	97,949	69,211
11. Selling, Marketing and Distribution Expenses		
Salary & Allowances	164,630	136,280
Traveling & Conveyance	84,976	69,749
Market Research & New Products	9,066	7,526
Promotional Expenses including Sample & Literature	177,060	91,263
Delivery Commission	63,391	47,349
Depreciation	8,333	4,932
Other Expenses	54,943	29,490
Tk.	562,399	386,589
12. Other Income		
Gain on Sale of Shares	107,481	-
Dividend Income and Others	5,911	686
Tk.	113,392	686

13. Dividend for 2008

The Board of Directors of the company has approved 10% cash and 20% stock dividend for the year 2008 in the Annual General Meeting held on June 16, 2009. The company consistently follows the policy of recognising proposed dividend after its approval by the shareholders in the Annual General Meeting. Hence the dividend for 2008 has been accounted for in this interim financial statements.

Nazmul Hassan

Nazmul Hassan
Managing Director

Ali Nawaz

Ali Nawaz
Chief Financial Officer



**BEXIMCO
PHARMA**

Operational Headquarter

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Corporate Headquarter

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Dhaka 1205, Bangladesh
Phone: +880-2-8611891
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Email: beximchq@bol-online.com
Website: www.beximco.net

Factory

Tongi Unit
126 Kathaldia, Tongi, Gazipur

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

Legal Advisor

Huq and Company
47/1 Purana Paltan
Dhaka-1000

Auditors

M. J. Abedin & Co.
Chartered Accountants
National Plaza (6th Floor)
109, Bir Uttam C. R. Datta Road
Dhaka - 1205

Banker

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



**BEXIMCO
PHARMA**

We are building a healthier tomorrow