



DIRECTORS' REPORT

Directors' Report

TO THE MEMBERS

The Directors of the Company are pleased to present their Report together with the Audited Accounts of the Company for the year ended December 31, 2008

BUSINESS ACTIVITIES

Turnover during 2008 was Taka 3,089.7 million registering a growth of 21.9% over last year's turnover of Taka 2,534.2 million. Profit after tax was Taka 433.1 million – a growth of 28.9%. Earnings per Share (EPS) stood at Taka.374.4 against Taka 290.4 of 2007.

Gross Sales Contribution by Business Units in 2008



Fig. in million

	2008	2007
Pharmaceutical	2,635	2,119
Animal Health	418	408
Animal Nutrition	307	248
Contract Manufacturing	28	22
Potent Products	149	87

The following products were introduced during the year 2008:

Pharmaceutical Products

Trade name	Therapeutic Class
1. Xanita 500 mg. F.C Tablet	Anti-Protozoal
2. GABA 300 mg. Tablet	CNS
3. Calciferol Injection 1 ML	Vitamin Supplement
4. MEZ IV Injection 100 ML	Antibiotic
5. Rapidol IM/IV Injection	Non Narcotic Analgesic
6. KIDDI Syrup 200 ML	Vitamin
7. Sperid 1 mg & 2 mg. Tablet	CNS
8. Cabretol 200 mg. Tablet & Susp.	CNS
9. Levoking 750 mg. Tablet	Antibiotic
10. Gestrenol 5 mg. Tablet	Progesterone
11. Rolac 60mg. Injection 2ML	NSAID
12. Orcef 200mg. Capsule	Antibiotic
13. Flontin 10mg. F.C Tablet	Antibiotic
14. Fenadin Suspension 50ML	Antihistamine
15. Tiramin 10 mg. F.C Tablet	Antihistamine



FINANCIAL RESULTS

The Directors take pleasure in reporting the following financial results of the Company for the year 2008:

	2008 Taka	2007 Taka
Profit before tax	609,919,968	466,618,826
Less: Provision for tax	176,774,164	130,695,719
Net Profit after tax	433,145,804	335,923,107
Add: Un-appropriated profit brought forward	911,310,878	642,278,182
Less : Tax holiday reserve	(6,000,000)	588,839
	1,338,456,682	978,790,128
APPROPRIATION RECOMMENDED:		
Dividend proposed:		
a) Cash dividend @ Taka 50/- per Share of Taka 100 each	57,839,350	48,199,450
b) Stock dividend (Bonus Share) in the ratio of one bonus share for every four (4:1B) Shares held	28,919,700	19,279,800
	86,759,050	67,479,250
Balance Un-appropriated profit carried forward	1,251,697,632	911,310,878
	1,338,456,682	978,790,128

DIVIDEND

Renata continues have a very aggressive investment strategy. During 2008 investments made for upgrading the General Facility at Mirpur, and Cephalosporin and Penicillin Facilities at Rajendrapur amounted to Taka 549.5 million. The entire amount was financed through internal cash generation. Investments of this magnitude are to be expected every year for the foreseeable future. Hence the Directors deem it necessary to retain adequate funds for financing capital expenditures.

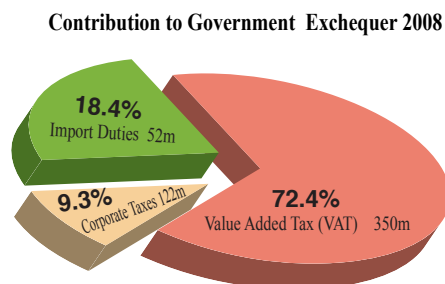
The Board of Directors is pleased to recommend a cash dividend of Taka 50 per ordinary share of Taka 100. This dividend will entail a payment of Taka 57,839,350. The Board of Directors also recommend for declaration of Stock Dividend (Bonus Shares) in the ratio of one Bonus Share for every four shares held (4:1B) for which an amount of Taka 28,919,700 will have to be transferred to Share Capital Account. The appropriation, if approved by the shareholders at the Annual General Meeting.

DIRECTORS

The Directors retiring by rotation under Articles 109, 115 and 116 of the Articles of Association of the Company are Mr. A. Hasanat Khan, Mrs. Sajida Humayun Kabir and Mr. Manzoor Hasan will retire during the year. All of them being eligible, offer themselves for re-election.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year under review your Company paid Taka 617.6 million to the National Exchequer in the form of Corporate Income Tax, Import Duties and Value Added Tax (VAT)



AUDITORS

The Company's Auditors Messrs Rahman Rahman Huq Chartered Accountants retire at the thirty sixth Annual General Meeting and being eligible offer themselves for reappointment as Auditors for the year 2009 with re-fixation of their remuneration.

CAPITAL EXPENDITURE

The following capital expenditure made by the Company during the year amounted to Tk.549.50 million.

	<u>Taka in Millions</u>
Freehold Land	16.49
Factory Building	67.30
Plant and Machinery	159.03
Office Equipment, Furniture & Fixture	8.70
Automobile	33.60
Cephalosporin & Penicillin Facilities	264.38
	<u>549.50</u>

The entire investment was made from internally generated funds.

CONSOLIDATION OF ACCOUNTS

The Company is consistently following the code of International Accounting Standard as adopted by the Institute of Chartered Accountants of Bangladesh. According to Bangladesh Accounting Standard-27, (BAS-27) the Company has presented all the relevant consolidated financial statements with those of its subsidiaries.

ADDITIONAL STATEMENT

The Directors are pleased to recount on the following additional statements in respect of Report prepared under section 184 of the companies Act 1994.

In our opinion,

- a) The financial statements prepared by the management for the year 2008 give a true and fair view of the state of company about the results of its operations, cash flows and changes in equity.
- b) Proper books of accounts have been maintained by the company as required by applicable Laws, Rules and Standard.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that accounting estimates are based on reasonable and prudent judgement.
- d) In preparation of the financial statement, the International Accounting Standards, as applicable in Bangladesh has been followed and there has been no departure from the policies.
- e) The system of internal control and internal check are in effect and monitored properly.
- f) The company has sound and strong operational strengths and ability to continue as a going concern. As such, there is no doubt of its continuity.

- g) There is no significant deviation from last year in operating results.
- h) The key operating and financial data for preceding five years have been shown in the Financial Highlights. (Annexure-I)
- i) The Directors, have recommended a cash dividend of TK. 50 per share of TK. 100 each and Stock dividend (bonus share) in the ratio of one share for every four shares are held (4:1B).
- j) During the year four Board Meetings were held and attendance by each Director are given below:

1. Mr. Syed Humayan Kabir	Chairman of the Board	4 times
2. Mr. Syed S. Kaiser Kabir	CEO & Managing Director	4 times
3. Mrs. Sajida Humayun Kabir	Director	4 times
4. Dr. Sarwar Ali	Director	4 times
5. Mr. Md. Ziaul Haque Khondker	Director	4 times
6. Mr. A. Hasanat Khan	Director	4 times
7. Mr. Manzoor Hasan	Independent Director	4 times

- k) The pattern of Shareholding

- (i) Parent/ Subsidiary / Associated companies:

The Shareholding information as on 31 December 2008 and other related information are set out in note- 12.

- (ii) Directors:

1. Mr. Syed Humayun Kabir	507 Shares
2. Mr. Syed S. Kaiser Kabir	907 Shares
3. Mrs. Sajida Humayun Kabir	0 Share
4. Dr. Sarwar Ali	64 Shares
5. Mr. Md. Ziaul Haque Khondker	0 Share
6. Mr. A. Hasanat Khan	0 Share
7. Mr. Manzoor Hasan	0 Share

Chief Financial Officer & Company Secretary

Mr. Md. Shafiul Alam 2,829 Shares

(iii) Head of Internal Audit 0 Share

- (iv) Executives:

1. Mr. M. Alamgir Hossain	26 Shares
2. Dr. Manzur Aziz	110 Shares
3. Dr. Sayma Ali	0 Share
4. Mr. Khalil Musaddeq	0 Share
5. Dr. Md. Iqbal Hossain	0 Share

- (vi) Shareholders holding 10% or more voting interest :

1. Sajida Foundation	589,958 Shares
2. Business Research International Corp.Inc.	292,977 Shares

STATUS OF COMPLIANCE :

Status of compliance as stated in SEC order dated 20th February 2006 annexed. (Annexure-II)

PERSONNEL

The Directors record their appreciation for the contribution made by the employees to the operation of the Company.

ACKNOWLEDGEMENT:

The Board wishes to thank the Shareholders, Officials of the Drug Administration and other Government officials, Doctors, Chemists, Medical Institutions, Bankers, the Securities and Exchange Commission, the Dhaka Stock Exchange Limited and all well-wishers for their continued support. The year 2009 is expected to be challenging for the Company. By the grace of Almighty, we hope to successfully counter the difficulties that lie ahead.

On behalf of the Board of Directors



Syed S. Kaiser Kabir
Managing Director
April 28, 2009

Auditors' Report to the shareholders of Renata Limited

We have audited the accompanying balance sheet of Renata Limited as of 31 December 2008 and the related profit and loss account, cash flow statement, statement of changes in equity and notes to the financial statements for the year then ended. We have also audited the attached consolidated balance sheet, profit and loss account, cash flow statement, statement of changes in equity and notes to the financial statements of Renata Limited and its subsidiaries viz Renata Agro Industries Limited and Purnava Limited, not audited by us, (collectively referred to as "Renata group") as of 31 December 2008. The preparation of these financial statements is the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The financial statements of the company's subsidiaries-Renata Agro Industries Limited and Purnava Limited, reflect total assets of Tk. 218,533,700 and Tk 28,232,445 respectively as at 31 December 2008 and total revenue of Renata Agro Industries Limited of Tk 113,482,663 for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the company's subsidiaries, is based solely on the reports of the other auditors.

In our opinion, the financial statements of the company along with the notes thereon and the consolidated financial statements, drawn up on the consideration of the separate audit reports of the subsidiaries as of 31 December 2008, prepared in accordance with Bangladesh Accounting Standards (BAS), and Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs and of its subsidiaries, and of the results of their 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 purpose 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 company's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purposes of the company's business.

Without qualifying our opinion we draw attention to Note 27.2 to the financial statements. The company applied for tax holiday for Unit-4 (Potent Product Facility) for a period of four years from September 2006, which is under review by NBR.



Rahman Rahman Huq
Chartered Accountants

Dhaka, 28 April 2009

Renata Limited
Balance Sheet as at 31 December 2008

Assets		2008	2007
Non-current assets	Notes	Taka	Taka
Property, plant and equipment	4	1,014,435,834	796,846,754
Capital work-in-progress	5	570,277,998	305,983,441
Investment in subsidiary	6	63,070,376	63,070,376
Other investment	7	8,377,754	1,000,000
Total non-current assets		<u>1,656,161,962</u>	<u>1,166,900,571</u>
Current assets			
Inventories	8	959,414,590	662,012,145
Trade and other receivables	9	344,226,933	194,727,875
Advance, deposits and prepayments	10	79,281,411	83,095,822
Cash and cash equivalent	11	123,148,038	48,256,978
Total current assets		<u>1,506,070,972</u>	<u>988,092,820</u>
Total assets		<u>3,162,232,934</u>	<u>2,154,993,391</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the company			
Share capital	12	115,678,700	96,398,900
Revaluation surplus	13	155,075,461	155,553,964
Tax holiday reserve		52,862,514	46,862,514
Retained earnings	14	1,338,456,682	978,790,128
Total equity attributable to equity holders of the company		<u>1,662,073,357</u>	<u>1,277,605,506</u>
Non-current liabilities			
Deferred liability-staff gratuity	15	105,224,160	88,948,500
Deferred tax liability	16	81,542,581	71,370,735
Total non-current liabilities		<u>186,766,741</u>	<u>160,319,235</u>
Current liabilities			
Bank overdraft	17	823,163,615	361,475,015
Creditors for goods		127,107,689	37,929,106
Accrued expenses		133,013,604	98,063,196
Other payables	18	79,902,838	123,160,097
Unclaimed dividend		3,173,467	2,485,448
Provision for taxation	19	147,031,623	93,955,788
Total current liabilities		<u>1,313,392,836</u>	<u>717,068,650</u>
Total liabilities		<u>1,500,159,577</u>	<u>877,387,885</u>
Total equity and liabilities		<u>3,162,232,934</u>	<u>2,154,993,391</u>

The accompanying notes 1 to 34 form an integral part of these financial statements.



CEO & Managing Director




Director



Company Secretary

As per our annexed report of same date.



Auditors

Dhaka, 28 April 2009

Renata Limited
Profit and Loss Account for the year ended 31 December 2008

	Notes	2008		2007	
		Non-tax holiday	Tax holiday	Total	
		Unit 1 2 & 3 Taka	Unit 4 Taka	Total Taka	
Turnover	20	2,958,193,401	131,553,016	3,089,746,417	2,534,174,981
Cost of sales	21	(1,484,654,507)	(41,860,178)	(1,526,514,685)	(1,298,911,334)
Gross profit		1,473,538,894	89,692,838	1,563,231,732	1,235,263,647
Other income	22	15,420,344	-	15,420,344	11,734,434
		1,488,959,238	89,692,838	1,578,652,076	1,246,998,081
Operating expenses:					
Administrative, selling and distribution expenses	23	(806,225,823)	(38,944,100)	(845,169,923)	(696,781,673)
Operating profit		682,733,415	50,748,738	733,482,153	550,216,408
Gain on disposal of property, plant and equipment	4.5	118,000	-	118,000	496,800
Interest on over draft		(83,554,917)	(3,715,748)	(87,270,665)	(57,480,494)
Other expenses		(5,661,740)	(251,780)	(5,913,520)	(3,272,447)
Contribution to WPPF		(28,268,320)	(2,227,680)	(30,496,000)	(23,341,441)
Profit before tax		565,366,438	44,553,530	609,919,968	466,618,826
Tax expenses					
Current tax	19	(166,444,936)	-	(166,444,936)	(121,815,058)
Deferred tax	16	(10,329,228)	-	(10,329,228)	(8,880,661)
		(176,774,164)	-	(176,774,164)	(130,695,719)
Net Profit after tax for the year		388,592,274	44,553,530	433,145,804	335,923,107
Basic earnings per share (par value of Tk 100)	24			374.44	290.39

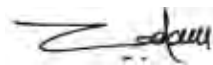
The accompanying notes 1 to 34 form an integral part of these financial statements.



CEO & Managing Director




Director



Company Secretary

As per our annexed report of same date.



Auditors

Dhaka, 28 April 2009

Renata Limited

Statement of changes in equity for the year ended 31 December 2008

	Share capital Taka	Revaluation surplus Taka	Tax holiday reserve Taka	Retained earnings Taka	Total Taka
Balance at 31 December 2006	80,332,400	156,018,160	47,451,353	698,510,882	982,312,795
Stock dividend issued	16,066,500	-	-	(16,066,500)	-
Cash dividend paid	-	-	-	(40,166,200)	(40,166,200)
Deferred tax on revaluation surplus	-	171,689	-	-	171,689
Depreciation adjustment on revaluation surplus	-	(635,885)	-	-	(635,885)
Net profit after tax for the year	-	-	-	335,923,107	335,923,107
Tax holiday reserve reversed	-	-	(588,839)	588,839	-
Balance at 31 December 2007	96,398,900	155,553,964	46,862,514	978,790,128	1,277,605,506
Balance at 31 December 2007	96,398,900	155,553,964	46,862,514	978,790,128	1,277,605,506
Stock dividend issued	19,279,800	-	-	(19,279,800)	-
Cash dividend paid	-	-	-	(48,199,450)	(48,199,450)
Deferred tax on revaluation surplus	-	157,382	-	-	157,382
Depreciation adjustment on revaluation surplus	-	(635,885)	-	-	(635,885)
Net profit after tax for the year	-	-	-	433,145,804	433,145,804
Tax holiday reserve	-	-	6,000,000	(6,000,000)	-
Balance at 31 December 2008	115,678,700	155,075,461	52,862,514	1,338,456,682	1,662,073,357

Renata Limited

Cash flow statement for the year ended 31 December 2008

	2008 <u>Taka</u>	2007 <u>Taka</u>
A. Cash flow from operating activities:		
Collection from customers and other income	3,464,026,571	2,885,087,954
Payment of VAT	(446,920,865)	(349,947,277)
Payment to suppliers and employees	(2,598,987,823)	(1,922,429,087)
<i>Cash generated from operation</i>	418,117,883	612,711,590
Financing cost	(87,270,665)	(57,480,494)
Payment of tax	(113,369,101)	(122,081,499)
<i>Net cash inflow from operating activities</i>	217,478,117	433,149,597
B. Cash flows from investing activities:		
Purchase of property, plant and equipment	(549,504,472)	(417,615,371)
Investment in shares	(7,377,754)	-
Sale proceeds of property, plant and equipment	118,000	534,000
<i>Net cash inflow (outflow) from investing activities</i>	(556,764,226)	(417,081,371)
C. Cash flows from financing activities:		
Medium term loan (repaid)/received (net)	461,688,600	(10,373,668)
Dividend paid	(47,511,431)	(39,472,951)
<i>Net cash inflow (outflow) from financing activities</i>	414,177,169	(49,846,619)
D. Net cash increase (decrease) for the year (A+B+C)	74,891,060	(33,778,393)
E. Opening cash and cash equivalent	48,256,978	82,035,371
F. Closing cash and cash equivalent (D+E)	<u>123,148,038</u>	<u>48,256,978</u>

Renata Limited

Notes to the financial statements for the year ended 31 December 2008

1. The reporting entity and its nature of business

Renata Limited is a public limited company incorporated in Bangladesh under the Companies Act 1913 with an authorized capital of Tk 500,000,000 divided into 5,000,000 ordinary shares of Tk 100 each with a paid up capital of Tk 115,678,700 divided into 1,156,787 ordinary shares of taka 100 each. The address of the registered office of the company is Road No. 31, House No. 450, Mohakhali DOHS, Dhaka. The shares of the company are publicly traded on the floor of Dhaka Stock Exchange Limited.

The company manufactures and sells various pharmaceutical, animal health, animal nutritional, oral saline, hormone and other medical products in the local and some pharmaceutical products in foreign markets.

2. Basis of preparation of the financial statements

2.1 Statement of compliance

These financial statements have been prepared in accordance with applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994, the Securities & Exchange Rules 1987 and other laws and regulations applicable in Bangladesh.

2.2 Date of authorization for issue of the financial statements

On 28 April 2009, the Board of Directors reviewed the financial statements and authorized them for issue.

2.3 Basis of Measurement

The financial statements have been prepared under the historical cost convention as modified to include revaluation of certain property, plant and equipment.

2.4 Functional and presentational currency

These financial statements are prepared in Bangladesh Taka (Taka/Tk), which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest taka.

2.5 Use of estimates and judgements

The Preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.6 Going concern

The company has adequate resources to continue in operation for foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provide sufficient fund to meet the present requirements of its existing businesses and operations.

3. Significant accounting policies

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

3.1 Foreign currency

Transactions in foreign currencies are translated to Bangladesh Taka at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities are converted at the rates prevailing at the balance sheet date. Non-monetary assets and liabilities are reported using the exchange rate at the date of transaction. Differences arising on conversion are charged or credited to the profit and loss account.

3.2 Financial instrument

Non-derivative financial instrument comprising accounts and other receivables, cash and cash equivalent, loans and borrowings, and other payables are shown at transaction costs.

3.3 Property Plant and equipment

3.3.1 Recognition and measurement

Property, plant and equipments are stated at cost or revaluation less accumulated depreciation. Freehold land and buildings were revalued during the year ended 31 December 1995 by a firm of professional valuers.

Costs include expenditure that are directly attributable to the acquisition of the property, plant and equipment.

3.3.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the profit and loss account as incurred.

3.3.3 Depreciation

Depreciation is charged on all fixed assets on straight-line basis and over the following periods except freehold land:

Building	33.03 years	Machinery and equipment	5-20 years
Automobiles and trucks	04 years	Office equipment	8-10 years
Furniture and fixtures	20 years		

Gains and losses on disposal or retirement of assets are credited or charged to the results of operation.

3.3.4 Capital work-in-progress

Property, plant and equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is complete and measured at cost.

3.4 Inventories

Stocks are valued at lower of cost and net realizable value except for goods in transit which are valued at cost.

Cost of active materials, raw materials and packing materials are valued by using FIFO formula.

Cost of work-in-progress and finished stocks are arrived at by using FIFO cost formula including allocation of manufacturing overheads related to bringing the inventories to their present condition. The company uses standard cost method for measurement of cost of finished goods.

3.5 Impairment

The carrying amount of the non-financial assets, other than inventories is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the property, plant and equipment recoverable amount is estimated. For tangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

3.6 Taxation

The company qualifies as a "Publicly Traded Company" and accordingly the rate of income tax applied for the year is 27.5% with applicable rebate on dividend declared. The applicable tax rate will be confirmed by the Finance Act/Ordinance 2009.

3.7 Employee benefits obligation

3.7.1 Defined contribution plan

The Company operates a contributory provident fund scheme for its permanent employees. Provident fund is administered by a Board of Trustees and is funded by equal contributions both by the employees and the Company at a predetermined rate.

3.7.2 Defined benefit plan

The Company also operates an unfunded gratuity scheme. Employees are entitled to gratuity benefit after completion of minimum seven years of service with the Company. The gratuity is calculated on the last basic pay and is payable at the rate of one month's basic pay for every completed year of service upto ten years of service, one and half months basic pay for more than ten years of service. Provision for which has been made as per gratuity rules of the company.

3.7.3 Other employees benefit obligation

The Company operates a group insurance scheme for its permanent employees.

3.8 Provisions

Provisions are made where an obligation exists for future liability in respect of past event and where the amount of the obligation can be reliably measured.

3.9 Revenue

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from sale of goods is recognized when the significant risks and rewards of ownership has been transferred to the buyer, the company has no managerial involvement of ownership of the goods, the amount of revenue and the cost of the transaction can be measured reliably and it is probable that the economic benefit associated with the transactions will flow to the company.

3.10 Consolidation of financial statements

The company prepared the consolidated financial statements for 2008 applying Bangladesh Accounting Standards 27. Figures used in the consolidated financial statements are based on the audited financial statements of Renata Agro Industries Ltd. and Purnava Limited audited by other auditors. Intra group balances and unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.11 Deferred tax

The company has adopted deferred tax accounting policy as per Bangladesh Accounting Standards 12. Accordingly deferred tax asset/ liability is accounted for all the temporary timing differences arising between the tax base of the assets and liabilities and their carrying value for financial reporting purposes.

3.12 General

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

3.13 Events after the balance sheet date

Events after balance sheet date that provide additional information about the company's positions at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are non-adjusting events are disclosed in note-33 when material.

4. Property, plant and equipment

Particulars	Cost/revaluations				Rate	Depreciation				Written down value at 31 December 2008
	At 1 January 2008	Additions during the year	Disposal/ adjustment during the year	At 31 December 2008		At 1 January 2008	Charge during the year	Disposal/ adjustment during the year	At 31 December 2008	
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka	Taka
Freehold land:										
At cost	62,711,912	16,493,527	-	79,205,439		-	-	-	-	79,205,439
On revaluation	179,132,078	-	-	179,132,078		-	-	-	-	179,132,078
	241,843,990	16,493,527	-	258,337,517	-	-	-	-	-	258,337,517
Building:										
At cost	124,674,465	67,303,050	-	191,977,515	1.33-4	18,344,278	5,652,658	-	23,996,936	167,980,579
On revaluation	41,291,251	-	-	41,291,251	1.33-4	7,335,708	635,885	-	7,971,593	33,319,658
	165,965,716	67,303,050	-	233,268,766		25,679,986	6,288,543	-	31,968,529	201,300,237
Plant and machinery	553,047,651	159,028,765	-	712,076,416	5-20	206,832,450	42,983,496	-	249,815,946	462,260,470
Automobile and trucks	55,592,570	33,674,000	500,000	88,766,570	25	24,092,569	11,956,187	500,000	35,548,756	53,217,814
Office equipments	55,109,575	7,607,583	28,000	62,689,158	10-12.5	27,448,563	5,691,602	28,000	33,112,165	29,576,993
Furniture and fixture	15,671,651	1,102,989	-	16,774,640	5	6,330,831	701,006	-	7,031,837	9,742,803
Total 2008	1,087,231,153	285,209,914	528,000	1,371,913,067		290,384,399	67,620,834	528,000	357,477,233	1,014,435,834
Total 2007	933,335,359	155,752,967	1,857,173	1,087,231,153		244,268,890	47,935,482	1,819,973	290,384,399	796,846,754

4.1 Value of fully depreciated assets included in property, plant and equipment are as follows:

	Cost Taka
Building	3,555,587
Plant and machinery	114,733,104
Automobile and trucks	21,492,570
Office equipments	14,216,362
Furniture and fixture	2,326,305
Total	156,323,928

4.2 The freehold land of the company measuring 38.25 acres are located at:

Mirpur, Dhaka	12.00 acres
Lakshimipur, Rajshahi City Corporation	0.15 acres
Dogri Rajendrapur, Gazipur	15.10 acres
Kashor Gore, Bhaluka, Mymensingh	11.00 acres
Total	38.25 acres

Out of 12 acres of land at Mirpur, Dhaka, 4.75 acres has been kept as registered mortgage against the short-term bank loans.

4.3 Depreciation for the year has been charged to:

	Taka
Cost of goods sold - Non-tax holiday units 1, 2 & 3 (Note 21.1)	39,791,405
Cost of goods sold - Tax holiday unit 4 (Note 21.1)	10,912,030
	50,703,435
Operating expenses (Note 23)	16,281,514
Revaluation surplus (Note 13)	635,885
	67,620,834

4.4 The freehold land and buildings were revalued by a firm of professional valuers in the year 1995 and the increase in net carrying amount as a result of revaluation were shown as additions/revaluations in that year.

4.5 Sale of property, plant and equipment

Particulars	Original cost Taka	Accumulated depreciation Taka	Net book value Taka	Sale proceeds Taka	Profit/(loss) Taka	Mode of disposal	Purchaser
Automobiles:							
Toyota Corolla DX 1300cc Model - 1989	500,000	500,000	-	100,000	100,000	Company policy	Mr. Khalil Mosaddeque
Air Conditioner :							
1 Hitachi Air Conditioner 1.5 Ton	28,000	28,000	-	18,000	18,000	Tender	Homeland Engineering Works
Total	Taka	528,000	528,000	-	118,000	118,000	

5. Capital work in-progress

	2008 Taka	2007 Taka
Opening Balance	305,983,441	44,121,037
Add: Addition during the year	549,504,471	417,615,371
	855,487,912	461,736,408
Less: Capitalised as property, plant and equipment	285,209,914	155,752,967
	<u>570,277,998</u>	<u>305,983,441</u>

This represents mainly construction of building for CEFA plant, installation of plant and machinery, their components and other fixed assets procured from foreign and local vendors.

6. Investment in subsidiaries

This represents investments in share capital of Renata Agro Industries Limited and Purnava Limited. Renata Limited, being the group company, is the owner of 99.99% shares in both the companies.

	Share holding %	2008		2007	
		No. of shares	Value Taka	Value Taka	Value Taka
Renata Agro Industries Limited	99.99	419,949	60,570,476	60,570,476	60,570,476
Purnava Limited	99.99	24,999	2,499,900	2,499,900	2,499,900
		<u>444,948</u>	<u>63,070,376</u>	<u>63,070,376</u>	<u>63,070,376</u>

7. Other investment at cost

Detail of the above amount is given as under:	Market value	Book value	
	2008 Taka	2008 Taka	2007 Taka
1 Ordinary Share of Tk. 1,000,000/- in Central Depository Bangladesh Ltd.	1,000,000	1,000,000	1,000,000
1,200 Ordinary Shares of Tk. 100/- Each in BRAC Bank Limited	993,600	1,111,906	-
2,000 Ordinary Shares of Tk. 100/- each in Estland Insurance Company Ltd.	2,029,000	2,340,103	-
1,170 Ordinary Shares of Tk. 100/-each in Social Investment Bank Ltd.	251,257	348,689	-
3,600 Ordinary Shares of Tk. 100/-each in Al-Arafa Islamic Bank Ltd.	1,599,300	1,397,568	-
2,500 Ordinary Shares of Tk. 100/- each in EXIM Bank Ltd.	808,750	882,717	-
10,000 Ordinary Shares of Tk. 10/- each in Square Textile Ltd.	1,173,000	1,296,771	-
	7,854,907	8,377,754	1,000,000

8. Inventories

	2008 Taka	2007 Taka
Finished goods -Pharmaceutical (Unit-1)	186,994,030	154,350,246
-Premix (Unit-2)	133,221,551	63,579,936
-Contract Manufacturing (Unit-3)	1,114,200	673,330
-Potent Product Facility (Unit-4)	9,085,198	4,096,189
	330,414,979	222,699,701
Work-in-progress	57,946,757	34,031,511
Less: Provision	-	6,060,756
	57,946,757	27,970,755
Raw materials	81,431,767	66,723,792
Bulk materials	120,689,523	96,933,551
Packing materials	74,911,011	64,556,585
Raw and packaging materials-Premix (Unit-2)	37,847,322	36,824,608
Raw and packaging materials-Contract manufacturing (Unit-3)	6,299,092	12,872,533
Raw and packaging materials-Potent Product Facility (Unit-4)	12,527,534	9,026,467
Consumable stores and spares	14,624,527	10,992,173
Stock in transit	222,722,078	113,411,980
	959,414,590	662,012,145

All stocks, present and future, are kept as security against short term bank loans (Note-17).

9. Trade and other receivables

	2008 Taka	2007 Taka
Trade debtors-unsecured (Notes-9.1)	227,769,104	139,708,049
Less: Provision for doubtful debts	7,468,662	7,655,877
Trade debtors considered good	220,300,442	132,052,172
Sundry debtors - unsecured considered good	68,691,213	15,998,224
Value Added Tax (VAT) recoverable	55,235,278	46,677,479
	<u>344,226,933</u>	<u>194,727,875</u>

All present and future debtors are kept as security against short term bank loans (Note-17).

9.1 Trade debtors

Debts due below six months	88,997,255	72,588,000
Debts due over six months	138,771,849	67,120,049
	<u>227,769,104</u>	<u>139,708,049</u>

10. Advances, deposits and prepayments

Advances:		
For inventories	7,285,613	15,674,570
To employees	40,504,505	34,109,616
	47,790,118	49,784,186
Deposits and prepayments:		
Security deposits	9,809,595	11,946,317
Prepaid expenses	21,681,698	21,365,319
	31,491,293	33,311,636
	<u>79,281,411</u>	<u>83,095,822</u>

The following amount included in advances and pre-payments are due for repayment after twelve months from the date of balance sheet.

Advance to employees	13,102,688	4,115,032
Prepaid expenses	4,238,125	6,783,419
	<u>17,340,813</u>	<u>10,898,451</u>

- a) Advance to employees and prepayments includes Tk 47,065,436 and Tk 28,227,354 due from the officers at 31 December 2008 and 2007 respectively.
- b) No amount was due by the Directors (including Managing Director) or associated undertakings.

11. Cash and cash equivalent

	2008 Taka	2007 Taka
Cash on hand	550,000	480,000
Cash at bank	122,598,038	47,776,978
	<u>123,148,038</u>	<u>48,256,978</u>

12. Share capital

	2008 Taka	2007 Taka
Authorised:		
<u>5,000,000</u> Ordinary shares of Taka 100 each	<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid up:		
129,426 Ordinary shares of Taka 100 each issued for cash	12,942,600	12,942,600
172,449 Ordinary shares of Taka 100 each issued for consideration other than cash	17,244,900	17,244,900
854,912 Ordinary shares of Taka 100 each issued as fully paid bonus shares	85,491,200	66,211,400
<u>1,156,787</u>	<u>115,678,700</u>	<u>96,398,900</u>

The shares are listed in the Dhaka Stock Exchange Limited and were quoted at Tk 7,789.25 per share on 31 December 2008.

At 31 December 2008 share holding position of the company was as follows:

	Number of shares	Face value Taka	% of total holding
Sajida Foundation	589,958	58,995,800	51.00
Business Research International Corp. Inc.	292,977	29,297,700	25.33
ICB Unit Fund	28,681	2,868,100	2.48
Investment Corporation of Bangladesh	56,325	5,632,500	4.87
First ICB Mutual Fund	21,097	2,109,700	1.82
Shadharan Bima Corporation	50,610	5,061,000	4.38
Other local shareholders	117,139	11,713,900	10.12
	<u>1,156,787</u>	<u>115,678,700</u>	<u>100.00</u>

Classification of shareholders by holdings:

Holdings	2008				
	No. of holders as per folio	No. of holders as per BOID	Number of total holders	No. of total share holdings	% of total holdings
Less than 500 shares	508	1,094	1,602	51,212	4.43
501 to 5,000 shares	26	19	45	54,742	4.73
5,001 to 10,000 shares	2	-	2	16,156	1.40
10,001 to 20,000 shares	-	2	2	24,373	2.10
20,001 to 30,000 shares	1	2	3	76,759	6.63
30,001 to 40,000 shares	-	-	-	-	-
40,001 to 50,000 shares	-	-	-	-	-
50,001 to 100,000 shares	1	-	1	50,610	4.38
100,001 to 1,000,000 shares	2	-	2	882,935	76.33
Over 1,000,000 shares	-	-	-	-	-
	<u>540</u>	<u>1,117</u>	<u>1,657</u>	<u>1,156,787</u>	<u>100.00</u>

12.1 Share holding position in Renata Agro Industries Limited

	2008			2007	
	Number of shares	Face value Taka	% of total holding	Number of shares	% of total holding
Group company: Renata Limited	419,949	41,994,900	99.99%	419,949	99.99%
Minority/outside group company: Mr. Syed S. Kaiser Kabir	51	5,100	0.01%	51	0.01%
	<u>420,000</u>	<u>42,000,000</u>	<u>100.00%</u>	<u>420,000</u>	<u>100.00%</u>

12.2 Share holding position in Purnava Limited

Group company: Renata Limited	24,999	2,499,900	99.996%	24,999	99.996%
Minority/outside group company: Mr. Syed S. Kaiser Kabir	1	100	0.004%	1	0.004%
	<u>25,000</u>	<u>2,500,000</u>	<u>100.000%</u>	<u>25,000</u>	<u>100.000%</u>

13. Revaluation surplus

The freehold land and buildings have been revalued from an effective date of 31 December 1995 by professional valuers and resulting increase in value of Tk 220,423,329 has been shown as revaluation surplus. The breakup of revaluation is as follows:

	2008 Taka	2007 Taka
Land	179,132,078	179,132,078
Building	33,955,543	34,591,428
	<u>213,087,621</u>	<u>213,723,506</u>
LESS: Depreciation charged during the year on revaluation of building (Note 4)	(635,885)	(635,885)
	212,451,736	213,087,621
LESS: Adjustment of deferred tax thereon (Note 16)	57,376,275	57,533,657
	<u>155,075,461</u>	<u>155,553,964</u>

14. Retained earnings

Details are as under:

Opening balance	978,790,128	698,510,882
Net Profit after tax for the year	433,145,804	335,923,107
Tax holiday reserve	(6,000,000)	588,839
Stock Dividend issued	(19,279,800)	(16,066,500)
Cash Dividend paid	(48,199,450)	(40,166,200)
Closing Balance	<u>1,338,456,682</u>	<u>978,790,128</u>

Previous year's figures have been rearranged to conform to current year's presentation.

15. Deferred liability-staff gratuity

The company operates an unfunded gratuity scheme for its employees. Provision for gratuity is charged to profits annually to cover obligations under the scheme on the basis of estimate made by the management of the company to maintain full provision at the balance sheet date. The break-up of accumulated provision for gratuity is as follows:

Opening balance	88,948,500	72,656,492
Add: Provision made during the year	26,545,000	23,803,786
	<u>115,493,500</u>	<u>96,460,278</u>
Less: Paid during the year	10,269,340	7,511,778
Closing balance	<u>105,224,160</u>	<u>88,948,500</u>

16. Deferred tax liability

Deferred tax liability is recognized in accordance with the provision of BAS-12, is arrived as follows:

	2008 <u>Taka</u>	2007 <u>Taka</u>
Opening balance	71,370,735	62,661,763
Provision made during the year for deferred tax expense	10,329,228	8,880,661
	<u>81,699,963</u>	<u>71,542,424</u>
Reduction of deferred tax on revaluation surplus (Note 13)	(157,382)	(171,689)
Closing balance	<u>81,542,581</u>	<u>71,370,735</u>

	Carrying amount on balance sheet date <u>Taka</u>	Tax base <u>Taka</u>	Taxable/ (deductible) temporary difference <u>Taka</u>
At 31 December 2008			
Property, plant and equipment (excluding land):			
At cost less accumulated depreciation	568,031,532	338,325,471	229,706,061
Revaluation surplus	212,451,736	-	212,451,736
	<u>780,483,268</u>	<u>338,325,471</u>	<u>442,157,797</u>
Provision for staff gratuity (net of payment)	(105,224,160)	-	(105,224,160)
Provision for doubtful debts	(7,468,662)	-	(7,468,662)
Net temporary difference			<u>329,464,975</u>
Applicable tax rate			24.75%
Deferred tax liability/(asset)			<u>81,542,581</u>
At 31 December 2007			
Property, plant and equipment (excluding land):			
At cost less accumulated depreciation	361,051,740	213,198,930	147,852,810
Revaluation surplus	213,087,621	-	213,087,621
	<u>574,139,361</u>	<u>213,198,930</u>	<u>360,940,431</u>
Provision for staff gratuity (net of payment)	(88,948,500)	-	(88,948,500)
Provision for doubtful debts	(7,655,877)	-	(7,655,877)
Net temporary difference			<u>264,336,054</u>
Applicable tax rate			27%
Deferred tax liability/(asset)			<u>71,370,735</u>

17. Bank overdraft

	Limit <u>Taka</u>	2008 <u>Taka</u>	2007 <u>Taka</u>
Overdraft accounts with:			
Eastern Bank Limited, Dhaka	145,000,000	145,122,154	140,758,521
The Hongkong and Shanghai Banking Corporation Ltd., Dhaka	275,000,000	301,489,000	109,464,628
Standard Chartered Bank, Dhaka	445,000,000	205,473,714	111,074,814
Citibank, N.A., Dhaka	100,000,000	171,078,747	177,052
	<u>965,000,000</u>	<u>823,163,615</u>	<u>361,475,015</u>

Security

- i) First charge over all present and future stocks and book debts of Renata Limited jointly with Eastern Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, Citibank, N.A. and Standard Chartered Bank under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.
- iii) Equitable mortgage over land and building thereon, of the factory premises of Renata Limited at Mirpur measuring 4.75 acres approximately as above.

Others:

	Total facilities available <u>Taka</u>	Not availed of at balance sheet date <u>Taka</u>
Letters of credit	<u>1,000,000,000</u>	<u>742,483,788</u>
(including 180 days revolving time loan for import finance)		

18. Other payables

	2008 <u>Taka</u>	2007 <u>Taka</u>
Workers' profit participation fund	71,096,287	53,852,299
Others	8,806,551	69,307,798
	<u>79,902,838</u>	<u>123,160,097</u>

19. Provision for taxation

	2008 Taka	2007 Taka
Opening balance	93,955,788	94,222,229
Add: Provision for current year	166,444,936	121,815,058
	260,400,724	216,037,287
Less: Tax paid during the year	113,369,101	122,081,499
Closing balance	147,031,623	93,955,788

20. Turnover

	2,008		2,007	
	Gross Turnover Taka	Less: VAT Taka	Turnover (net) Taka	Turno (net) Taka
Non-tax holiday (units-1, 2 & 3):				
Pharmaceutical products	2,635,243,913	361,972,622	2,273,271,291	1,847,657,270
Animal health products	417,727,873	63,861,677	353,866,196	347,906,018
Animal nutritional products	306,703,184	-	306,703,184	247,873,674
Contact manufacturing	28,513,692	4,160,962	24,352,730	18,115,128
	3,388,188,662	429,995,261	2,958,193,401	2,461,552,090
Tax holiday (Unit 4) :				
Potent product facility	148,478,620	16,925,604	131,553,016	72,622,891
	3,536,667,282	446,920,865	3,089,746,417	2,534,174,981

20.1 During the year sale of pharmaceutical products includes export sale of Tk 55,827,252 equivalent to US\$ 815,660.

20.2 Item-wise production/purchases and sale of 350 finished goods formulations consisting of pharmaceutical products, animal health products, premix feed supplement, protein products and other medical products in various forms viz capsules, tablets, vials, ampoules, dry and liquid syrup, ointments, sachets, etc. are stated below by major product group and their total value:

Major product group	Unit	Opening stocks	Production/ purchases	Less: Sales	In '000 Closing stocks
Sterile dry fill (injectable)	Vials	335	4,140	4,023	452
Sterile liquid fill (injectable)	Vials & Ampoules	554	8,156	7,729	981
Ointments and eye/ear drops	Tube	41	1,055	970	126
Capsules and tablets	Capsule & Tablet	63,282	518,382	522,648	59,016
Oral liquid and dry syrup	Bottle	1,417	10,500	10,917	1,000
Rabipur Vaccine	Vials	-	149,826	133,741	16,085
Potent products	Capsules & Tablet	5,267	64,039	60,127	9,179
Premix -Animal nutrition	Kg	531	1,765	1,729	567
Premix -Animal nutrition	Sachets	315	1,878	1,877	316
Oral saline	Sachets	530	34,318	34,799	49
	Taka '000	218,604	1,587,380	1,484,654	321,330

21. Cost of sales

	2008			2007
	Non-tax holiday Unit-1 , 2 & 3 Taka	Tax holiday Unit-4 Taka	Total Taka	Total Taka
	Opening stock of finished goods	218,603,512	4,096,189	222,699,701
Add: Cost of goods manufactured (Note 21.1)	1,532,553,876	46,849,187	1,579,403,063	1,143,909,340
Cost of finished goods purchased	54,826,900	-	54,826,900	118,608,976
	1,805,984,288	50,945,376	1,856,929,664	1,521,611,035
Less: Closing stock of finished goods (Note 8)	321,329,781	9,085,198	330,414,979	222,699,701
	<u>1,484,654,507</u>	<u>41,860,178</u>	<u>1,526,514,685</u>	<u>1,298,911,334</u>

21.1 Cost of goods manufactured

	2008			2007
	Non-tax holiday Unit-1 , 2 & 3 Taka	Tax holiday Unit-4 Taka	Total Taka	Total Taka
	Cost of materials:			
Opening work-in-process	34,031,511	-	34,031,511	39,223,689
Add: Cost of raw materials consumed (Note 21.2)	1,313,991,042	28,064,025	1,342,055,067	919,313,553
	1,348,022,553	28,064,025	1,376,086,578	958,537,242
Less: Closing work-in-process	57,946,757	-	57,946,757	34,031,511
Total cost of materials	1,290,075,796	28,064,025	1,318,139,821	924,505,731
Manufacturing overhead:				
Salaries, wages and other benefits	83,036,739	4,838,998	87,875,737	79,977,880
Company's contribution to provident fund	1,065,505	175,605	1,241,110	1,101,025
Net periodic cost for gratuity	12,476,880	388,120	12,865,000	10,830,000
Electricity and fuel	17,794,028	1,600,985	19,395,013	16,488,453
Consumable stores, supplies and manufacturing expenses	28,027,622	103,250	28,130,872	20,042,421
Insurance	2,224,225	81,000	2,305,225	2,585,120
Land revenue and taxes	417,700	-	417,700	386,844
Rental and leases	1,751,379	-	1,751,379	1,900,545
Automobile expenses	3,140,867	120,000	3,260,867	1,963,700
Postage and telephone	1,286,231	18,975	1,305,206	1,201,866
Printing and stationery	1,984,588	11,411	1,995,999	1,218,381
Uniform to workers	2,117,978	30,938	2,148,916	2,551,324
Travelling, moving and entertainment	11,643,460	-	11,643,460	7,848,650
Repair and maintenance	14,296,073	39,750	14,335,823	13,494,944
Lunch, Snacks and Tea expenses	20,080,261	464,100	20,544,361	16,030,777
Depreciation	39,791,405	10,912,030	50,703,435	41,458,597
Other overhead expenses	1,343,139	-	1,343,139	323,082
	242,478,080	18,785,162	261,263,242	219,403,609
Total cost of goods manufactured	<u>1,532,553,876</u>	<u>46,849,187</u>	<u>1,579,403,063</u>	<u>1,143,909,340</u>

21.2 Cost of raw materials consumed

Opening stock	277,911,069	9,026,467	286,937,536	244,653,874
Add: Purchase	1,357,258,688	31,565,092	1,388,823,780	961,597,215
	1,635,169,757	40,591,559	1,675,761,316	1,206,251,089
Less: Closing stock (Note 21.3)	321,178,715	12,527,534	333,706,249	286,937,536
	<u>1,313,991,042</u>	<u>28,064,025</u>	<u>1,342,055,067</u>	<u>919,313,553</u>

21.3 Purchases, issues and stocks of raw materials

Purchases, issues and stocks of raw materials are of over 1750 items involving production of 365 finished goods formulation. The measurement are expressed in different units viz. kilogram, activity, liter, pieces etc. In view of different units in use, the following table has been presented in value only.

Major material group	Opening stocks Taka	Purchases Taka	Consumtion Taka	Closing stocks Taka
Active materials (Note 21.4)	96,933,551	637,059,004	613,303,032	120,689,523
Raw materials (Note 21.4)	66,723,792	253,992,612	239,284,637	81,431,767
Packaging materials (Note 21.4)	64,556,585	229,481,737	219,127,311	74,911,011
Premix - Raw and packaging materials	36,824,608	197,214,363	196,191,649	37,847,322
Contract manufacturing	12,872,533	39,510,972	46,084,413	6,299,092
	<u>277,911,069</u>	<u>1,357,258,688</u>	<u>1,313,991,042</u>	<u>321,178,715</u>
Potent Product (Tax holiday unit-4)	9,026,467	31,565,092	28,064,025	12,527,534
	<u>286,937,536</u>	<u>1,388,823,780</u>	<u>1,342,055,067</u>	<u>333,706,249</u>
Consumable stores	9,493,680	3,608,896	540,000	12,562,576
Maintenance stores and spares	1,498,493	1,193,458	630,000	2,061,951
	<u>10,992,173</u>	<u>4,802,354</u>	<u>1,170,000</u>	<u>14,624,527</u>
	<u>297,929,709</u>	<u>1,393,626,134</u>	<u>1,343,225,067</u>	<u>348,330,776</u>

21.4 Summarised quantity of purchases, issues and stocks of raw materials

Summarised quantity of purchases, issues and stocks of raw materials are stated below by their major product group and their total value.

Active materials:

Major product group	Unit	Opening stocks	Purchases	Issues	Closing stocks
Local	KG/KGA	2,851	8,650	10,771	730
Imported	KG/KGA/BU	25,489	157,708	147,069	36,128
	Taka	<u>96,933,551</u>	<u>637,059,004</u>	<u>613,303,032</u>	<u>120,689,523</u>

Procurement of Active materials consist of 180 items of which 95.3% of the total value were imported during the year.

Raw materials

Major product group	Unit	Opening stocks	Purchases	Issues	Closing stocks
Excepients	KG	636,500	630,300	624,275	642,525
Colour	KG	499	943	717	725
Empty gelatin capsules (000's)	PCS	31,133	84,315	58,140	57,308
Flavour	KG	2,950	3,385	3,376	2,959
Sugar	KG	27,445	491,250	346,987	171,708
Sorbitol	KG	1,546	40,770	41,276	1,040
Glucose	KG	3,370	98,700	53,701	48,369
Lactose	KG	19,049	48,550	50,871	16,728
	Taka	<u>66,723,792</u>	<u>253,992,612</u>	<u>239,284,637</u>	<u>81,431,767</u>

Purchase of raw materials involve 325 items of which 93.3% in value were imported during the year.

Packaging materials:					
Major product group	Unit	Opening stocks	Purchases	Issues	Closing stocks
Cartons	PC	6,084,639	20,238,857	18,921,824	7,401,672
Labels	PC	6,233,753	13,684,880	14,060,476	5,858,157
Direction slips	PC	6,832,812	18,071,850	17,200,986	7,703,676
Catch covers	PC	5,091,669	9,474,315	8,649,950	5,916,034
Vials	PC	4,141,874	7,280,855	7,512,629	3,910,100
Bottles	PC	614,698	4,201,462	930,624	3,885,536
Ampoules	PC	477,565	8,641,845	8,054,458	1,064,952
Alluminium tubes	PC	48,702	1,111,171	1,025,115	134,758
Plastic spoons/droppers	PC	1,731,000	9,933,410	10,220,430	1,443,980
PP caps/Al seals	PC	6,001,382	23,962,990	28,654,755	1,309,617
Rubber plucks	PC	1,410,938	8,943,000	6,029,806	4,324,132
Alluminium foil	KG	43,135	80,040	85,739	37,436
PVC hard	KG	45,878	76,625	71,188	51,315
	Taka	<u>64,556,585</u>	<u>229,481,737</u>	<u>219,127,311</u>	<u>74,911,011</u>

Packaging materials involve about 1250 items of which 47.2% in value were imported during the year.

Materials available locally were procured from their local manufacturers. Materials were imported from the following countries either directly from the manufacturers or suppliers approved by the Drug Administration:

India	Japan	Italy	New Zealand
China	Thailand	Denmark	Indonesia
Hong Kong	South Korea	Spain	Argentina
Singapore	Germany	USA	Brazil
Malaysia	UK	Austria	Czech Republic

22. Other income

	2008 Taka	2007 Taka
Manufacturing charges received for manufacturing Eskayef products	15,013,244	10,855,950
Dividend income	-	-
Interest income	407,100	878,484
	<u>15,420,344</u>	<u>11,734,434</u>

23. Administrative, selling and distribution expenses

	2008			2007
	Non-tax holiday	Tax holiday	Total	Total
	Unit-1, 2 & 3	Unit-4		
Taka	Taka	Taka	Taka	
Salaries, wages and allowances	296,108,260	7,519,068	303,627,328	256,746,334
Contribution to Provident Fund	6,584,107	242,895	6,827,002	6,062,841
Net Periodic cost for gratuity	13,482,000	198,000	13,680,000	12,973,786
Fuel and power	12,388,270	1,004,112	13,392,382	11,285,269
Rent, rates and taxes	21,653,501	839,612	22,493,113	26,222,732
Insurance	8,532,951	325,090	8,858,041	4,000,196
Travelling, moving and entertainment expenses	136,216,081	13,019,557	149,235,638	115,377,436
Repairs and maintenances	9,153,684	250,058	9,403,742	9,602,896
Legal and professional expense	300,301	-	300,301	310,000
Audit fee	300,000	-	300,000	200,000
Directors' fee	270,000	-	270,000	138,000
Membership fees and subscription	4,319,637	-	4,319,637	3,009,519
Meeting and corporate expenses	20,564,200	783,459	21,347,659	19,204,010
Advertising and sales promotion	71,312,298	6,159,540	77,471,838	67,878,599
Field expenses	55,601,538	3,026,571	58,628,109	45,163,940
Depreciation	16,281,514	-	16,281,514	5,841,000
Printing and stationery	9,910,247	290,383	10,200,630	9,808,446
Postage, telex, fax and telephone	14,226,724	446,677	14,673,401	16,520,476
Distribution freight	72,887,744	3,262,000	76,149,744	61,119,007
Lunch, Snacks, Tea and welfare expenses	22,277,774	848,743	23,126,517	17,316,952
Other overhead expense*	13,854,992	728,335	14,583,327	8,000,234
	<u>806,225,823</u>	<u>38,944,100</u>	<u>845,169,923</u>	<u>696,781,673</u>

*Other overhead expense does not exceed 1% of total revenue.

23.1 The company engaged 2,213 employees of which 1,877 permanent employees and 336 Casual and Temporary Workers as required. All employees receive total remuneration above Tk 36,000/- p.a.

24. Basic earnings per share (EPS)

	2008	2007
	Taka	Taka
The computation of EPS is given below:		
Earnings attributable to the ordinary shareholders (net profit after tax)	433,145,804	335,923,107
Weighted average number of ordinary shares outstanding during the year (Note 24.1)	1,156,787	1,156,787
Basic Earning Per Share (EPS)	<u>374.44</u>	<u>290.39</u>

24.1 Weighted average number of share outstanding during the year

Opening number of share	963,989
Bonus share issued in June 2008	192,798
	<u>1,156,787</u>

*Previous year's EPS has been adjusted as per the requirement of BAS-33.

25. Payments to directors and officers

The aggregate amount paid during the year to directors and officers of the Company are disclosed below as required by the Securities and Exchange Rules 1987.

	Directors Taka	Officers Taka
Remuneration	2,176,875	86,848,407
House rent	1,510,500	103,898,624
Bonus	970,312	17,222,088
Contribution to provident fund	217,688	7,568,676
Gratuity	326,531	18,193,469
Medical expenses	382,310	10,755,809
Conveyance allowance and transport	241,000	59,602,651
Other welfare expenses	347,550	18,427,253
	6,172,766	322,516,977

25.1 During the year no payment has been made to any non-executive Director for any special services rendered.

26. Capacity utilisation - single shift basis

The company operates multi-products plant. As a result plant utilisation are not comparable with capacity due to variation of product mix. However, actual production and utilisation for major products group are as follows:

Major product group	Unit (In '000)	Capacity (In '000)	2008		2007	
			Actual production %	Utilisation (In '000)	Actual production %	Utilisation
Sterile dry fill (injectable)	Vials	9,000	4,140	46.00%	3,715	41.28%
Sterile liquid (injectable)	Vials & ampoules	8,000	8,156	101.95%	6,389	79.86%
Ointments	Tubes	1,440	1,055	73.26%	1,007	69.93%
Capsules and tablets	Cap/Tab	350,000	518,382	148.11%	353,499	101.00%
Oral liquid & dry syrup	Bottles	6,840	10,500	153.51%	11,450	167.40%
Water for injection	Ampoules	2,000	1,200	60.00%	1,445	72.25%
Premix feed supplement	Kg	2,000	1,765	88.25%	3,806	190.30%
Premix feed supplement	Sachet	1,200	1,878	156.50%	1,488	124.00%
ORAL saline	Sachet	24,400	34,318	140.65%	46,463	190.42%
Potent Products	Tablets	250,000	64,039	25.62%	35,785	14.31%

26.1 Capacity for Sterile dry fill (injectable) was built on the basis of high volume of Pronapen injection. The demand for Pronapen is declining. The company is planning to introduce other injectable to utilise the excess capacity.

27. Contingent liabilities

- 27.1** There are contingent liabilities on account of unresolved disputed corporate income tax assessments involving tax claims by the tax authority amounting to Tk 25,266,780, for which appeals are pending with the High Court. However, tax paid and provided for the relevant years are adequate to meet the demanded tax, in the event the High Court maintains the decision of the Appellate Tribunal.
- 27.2** The company applied on 18 February 2007 to the National Board of Revenue (NBR), for tax holiday for its Unit-4 (Potent Product Facility) under section 46A of the Income Tax Ordinance (ITO) 1984. After statutory proceedings as per ITO 1984, the NBR rejected the tax holiday application on 27 March 2007 on certain grounds. The company filed appeal on 22 April 2007 to review the application but after statutory proceedings the NBR kept its previous order intact on 11 February 2009. The company again filed appeal on 23 March 2009 for fresh review of the application. The ultimate outcome of the matter cannot presently be determined. However, adequate provision for any tax liability that may arise due to the rejection has been made in the financial statements from September 2006 as the company has shown Unit-4 as tax holiday unit in the financial statements from the year 2006

- 27.3** Additional contingent liabilities exist in respect of the following:

	2008 Taka	2007 Taka
Outstanding letters of credit (Note 27.4)	257,516,212	285,178,481
Outstanding guarantees issued by the banks	13,400,524	2,857,364

- 27.4** Outstanding letters of credit

	Limit Taka	2008 Taka	2007 Taka
The Hongkong and Shanghai Banking Corporation Ltd.	400,000,000	93,641,417	131,288,444
Standard Chartered Bank	400,000,000	28,359,814	124,917,904
Eastern Bank Limited	120,000,000	55,623,818	28,972,133
Citibank, N.A	80,000,000	79,891,163	-
	<u>1,000,000,000</u>	<u>257,516,212</u>	<u>285,178,481</u>

28. Capital expenditure commitment

There was no unprovided committed capital expenditure as at 31 December 2008.

29. Dividend paid to non-resident shareholders

Dividend paid to non-resident shareholder, Business Research International Corp. Inc. during the year 2008 was Tk 9,765,920 equivalent to US\$ 140,719.31 against their 244,148 shares.

30. Claims against the company not acknowledged as debt

None as at 31 December 2008

31. Payments/receipts in foreign currency

31.1 During the year the following payments were made in foreign currency for imports calculated on CIF basis of:

	Foreign currency US\$	Local currency Taka
Active, raw and packaging materials	14,695,842	1,021,361,019
Machinery and spares	3,569,750	248,097,625
	<u>18,265,592</u>	<u>1,269,458,644</u>

31.2 The following expenses were incurred during the year in foreign exchange on account of:

Professional consultation fee for ISO 9001	US\$	1,760.00
Export promotional expenses	US\$	92,659.83
Subscription for IMS and Medical Journal	US\$	18,553.00
Products registration	US\$	1,500.00
Conference and Trade Show	US\$	14,082.11

31.3 Foreign exchange was earned in respect of the following:

Export of goods on FOB	US\$	815,660
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32. Related party disclosure:

During the year the company carried out a number of transactions with related parties in the normal course of business on an arm's length basis except selling of two cars to Sajida Foundation which were not within normal business transaction. Name of those related parties, nature of those transactions and their total value has been shown in annexure-A in accordance with the provisions of BAS-24 "Related Party Disclosure".

33. Subsequent events (disclosures under BAS-10 "Events after the balance sheet date")

The Board of Directors at the 154th Board Meeting held on 28 April 2009, recommended to the shareholders a cash dividend of Tk. 50 per share of Tk. 100 each (amounting Tk. 57,839,350) and a stock dividend (bonus shares) in the ratio of one bonus share for every four fully paid shares (4:1) of Tk. 100 each (amounting Tk. 28,919,700). This will be considered for approval by the shareholders at the 36th Annual General Meeting (AGM).

34. General

34.1 All the figures in the Financial Statements represent Bangladeshi Taka currency (BDT) rounded off to the nearest BDT

Annexure-A

Related Party Disclosure:

Name of the party	Relationship	Nature of transaction	Transaction			Closing balance Taka
			Opening balance Taka	Addition Taka	Adjustment Taka	
Renata Agro Industries Ltd.	Subsidiary	Sale of goods	1,557,581	6,746,902	6,129,341	2,175,142
		Dividend received	12,598,470	-	12,598,470	-
		Advance payment	17,095,134	-	17,095,134	-
		Total	31,251,185	6,746,902	35,822,945	2,175,142
Purnava Ltd.	Subsidiary	Advance payment	15,674,570	35,840,490	25,782,615	25,732,445



Renata Agro Industries Limited

Report and Financial Statements

Board of Directors

Mr. Syed S. Kaiser Kabir	Chairman
Mr. Md. Shafiul Alam	Director
Dr. Manzur Aziz	Director



Directors' Report

The poultry industry went through terrible times in 2008. Avian Influenza ravaged through commercial farms forcing closures and plummeting demand for day-old-chicks (DOCs). Although almost all the outbreaks were at commercial layer farms, broiler farms also suffered because of zoning policies as well as understandable risk aversion among farmers in placing new flocks during an AI epidemic.

Breeder farms were faced with hundreds of thousands of unsold DOCs each week that were invariably culled. The market-clearing price fell to Taka five per DOC on several occasions.

We were less affected compared to other breeder farms. Towards the end of 2007 a variety of factors created a window-of-opportunity to make parent stock placements in such a manner that DOC output varies inversely with the likelihood of AI outbreaks. Thus our output was low during the winter months when the risk of AI is highest, and conversely our output peaked during the summer months when the risk of AI is muted.

This strategy worked well during the first three quarters. However, we had very little flexibility in the last quarter when the fear of AI caused commercial broiler farmers to postpone their placements, resulting in falling prices. As a consequence most of the gains that we had made in the second and third quarters were wiped out.

It is now clear that the future of the poultry industry depends upon the effectiveness of AI containment programmes. To date government policy on AI management prohibits vaccination of flocks --- a key tool in the prevention of the disease. Despite major campaigns by all the poultry associations, the erstwhile caretaker government refused to budge from an unreasonable position. We hope this elected Government shall soon review and repeal the existing prohibition.

The farm restructuring plan outlined in the Directors' Report of 2007 has been completed. The central idea was reduce of the risk of AI by increasing the geographic distance between the breeder farms of the Company, as well reducing the number of parent stock per farm. Thus Renata Agro now has three farms in separate locations, each with floor-space of 64,000 SFT.

While we ended 2008 with a nominal profit, the uncertainty about the future of the poultry industry is far from resolved. Thus the Directors deem it necessary to build-up reserves in favour of declaring dividend.

On Behalf of the Board of Directors



Syed S. Kaiser Kabir
Chairman

**INDEPENDENT AUDITORS' REPORT
OF
RENATA AGRO INDUSTRIES LIMITED**

We have audited the accompanying balance sheet of **RENATA AGRO INDUSTRIES LIMITED** as of 31 December 2008, and the related profit and loss account and the cash flow statement for the year then ended. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

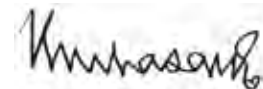
We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting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

In our opinion, the financial statements, prepared in accordance with BAS, give a true and fair view of the state of the company's affairs as of 31 December 2008 and of the results of its operation and its cash flow for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

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

Dated, Dhaka
20 April 2009



K.M. HASAN & CO.
Chartered Accountants

Renata Agro Industries Limited
Balance Sheet
As at 31 December 2008

SOURCES OF FUNDS

	Notes	Amount in Taka	
		2008	2007
Shareholders' Funds:			
Share capital	05	42,000,000	42,000,000
Tax holiday reserve		17,316,066	16,763,993
Unappropriated profit		126,945,282	121,976,623
		186,261,348	180,740,616
Loan Funds:			
Medium term loan		10,546,251	22,446,371
Total		196,807,599	203,186,987

APPLICATION OF FUNDS

Property, Plant & Equipment :	06		
At cost		191,649,594	189,814,924
Less: Accumulated depreciation		70,185,988	58,832,927
Net block		121,463,606	130,981,997
Work-in-progress		31,518,840	2,072,926
Investment at cost		14,364,200	14,662,200

CURRENT ASSETS

Inventories		27,061,177	31,387,941
Accounts receivable		6,175,836	5,757,088
Advances, deposits and prepayments		4,734,239	4,054,634
Cash and bank balances		13,215,802	43,002,373
		51,187,054	84,202,036

LESS: CURRENT LIABILITIES:

Other finance		12,329,875	16,191,912
Accounts payable		2,350,711	4,226,878
Accrued expenses		7,045,515	8,313,382
		21,726,101	28,732,172
		29,460,953	55,469,864

NET WORKING CAPITAL

Total		196,807,599	203,186,987
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(Annexed notes form an integral part of these accounts)



 Director



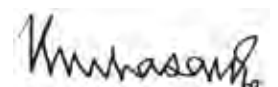
 Manager



 Chairman

Signed in terms of our report of even date annexed.

Dated, Dhaka
 20 April 2009

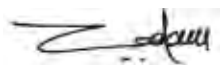


 K.M. HASAN & CO.
 Chartered Accountants

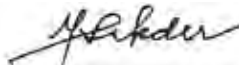
Renata Agro Industries Limited
Profit And Loss Account
For the year ended 31 December 2008

	Notes	Amount in Taka	
		2008	2007
Turnover		113,482,663	195,742,490
Cost of goods sold		(94,993,286)	(157,206,620)
Gross Profit		18,489,377	38,535,870
Other Income		3,896,167	6,495,382
		22,385,544	45,031,252
Operating Expenses:			
Administrative expenses		(5,447,138)	(5,912,228)
Marketing expenses		(3,864,821)	(4,420,905)
Distribution expenses		(5,582,336)	(8,031,061)
		(14,894,295)	(18,364,194)
Operating Profit		7,491,249	26,667,058
Financial expenses		(1,694,480)	(3,469,868)
		5,796,769	23,197,190
Contribution to WPPF		(276,037)	(1,104,628)
Net Profit for the year		5,520,732	22,092,562
Unappropriated profit brought forward		121,976,623	102,093,317
Profit available for appropriation		127,497,355	124,185,879
Appropriation:			
Transfer to tax holiday reserve		552,073	2,209,256
Proposed dividend		-	-
		(552,073)	(2,209,256)
Unappropriated Profit carried forward		126,945,282	121,976,623
Basic earnings per share (Par value Tk. 100)		13.14	52.60

(Annexed notes form an integral part of these accounts)



Director



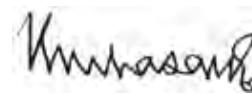
Manager



Chairman

Signed in terms of our report of even date annexed.

Dated, Dhaka
20 April 2009



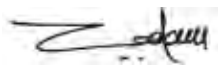
K.M. HASAN & CO.
Chartered Accountants

Renata Agro Industries Limited
Statement of Changes in Equity
for the year ended 31 December 2008

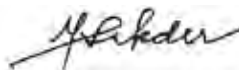
Particulars	Share Capital Taka	Tax holiday Reserve Taka	Unappropriated Profit Taka	Total Taka
Balance at 31 December 2006	42,000,000	14,554,737	102,093,317	158,648,054
Net Profit/(Loss) for the year 2007	-	-	22,092,562	22,092,562
Tax holiday reserve	-	2,209,256	(2,209,256)	-
Balance at 31 December 2007	42,000,000	16,763,993	121,976,623	180,740,616
Net Profit/(Loss) for the year 2008	-	-	5,520,732	5,520,732
Tax holiday reserve	-	552,073	(552,073)	-
Balance at 31 December 2008	42,000,000	17,316,066	126,945,282	186,261,348

Renata Agro Industries Limited
Cash Flow Statement
For the year ended 31 December 2008

	Amount in Taka	
	2008	2007
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Collections from customers and other income	113,053,619	212,147,166
Payment to suppliers and employees	(98,263,006)	(158,258,428)
Cash generated from operation	<u>14,790,613</u>	<u>53,888,738</u>
Financing cost	(1,694,480)	(3,469,868)
Net cash from operating activities	<u>13,096,133</u>	<u>50,418,870</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(31,280,584)	(8,429,785)
Investment in share	298,000	(9,192,200)
Net cash used in investing activities	<u>(30,982,584)</u>	<u>(17,621,985)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Medium term loan received / (Repaid)	(11,900,120)	(11,387,557)
Dividend paid	-	(12,600,000)
Net cash from financing activities	<u>(11,900,120)</u>	<u>(23,987,557)</u>
D. Net cash inflows/(outflows) for the year (A+B+C)	<u>(29,786,571)</u>	<u>8,809,328</u>
Add: Opening cash and cash equivalents	43,002,373	34,193,045
Closing cash and cash equivalents	<u>13,215,802</u>	<u>43,002,373</u>
* CLOSING CASH AND CASH EQUIVALENTS :		
Cash in hand	805,840	1,300,406
Cash at banks	12,409,962	41,701,967
Closing cash and cash equivalents	<u>13,215,802</u>	<u>43,002,373</u>



Director



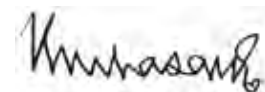
Manager



Chairman

Signed in terms of our report of even date annexed.

Dated, Dhaka
20 April 2009



K.M. HASAN & CO.
Chartered Accountants

Renata Agro Industries Limited
Notes to the Accounts
For the Year Ended 31 December 2008

1. STRUCTURE OF THE COMPANY:

1.1 Renata Agro Industries Limited is a private company limited by shares incorporated on 7 September 1997 in Bangladesh under the Companies Act, 1994. The shares of the company shall be under the control of the Directors of the company.

2. NATURE OF BUSINESS ACTIVITIES:

The principal activities of the company are to carry on business for producing and sale of various agro based products, and poultry breeding & hatching and sale of poultry products. The company commenced its commercial operation from October 1998.

3. PRINCIPAL ACCOUNTING POLICIES:

3.1 Basis of Accounting:

The financial statements are prepared under historical cost convention in accordance with generally accepted accounting principles (GAAP).

4. GENERAL:

4.1 Figures have been rounded off to the nearest taka.

4.2 Previous year's figures have been re-arranged to conform to current year's presentation.

5. SHARE CAPITAL : Tk. 42, 000,000

	Amount in Taka	
	2008	2007
Authorised Capital:		
1,500,000 ordinary share of Tk. 100 each	150,000,000	150,000,000
Issued and paid-up Capital:		
420,000 ordinary shares of Tk. 100 each	42,000,000	42,000,000

At 31 December, 2008 share holding position of the company was as follows:

Shareholders	No of share	Face Value	% of total holdings
Renata Limited	419,949	41,994,900	99.988%
Mr. Syed S. Kaiser Kabir	51	5,100	0.012%
Total	420,000	42,000,000	100.00%

Renata Agro Industries Limited

Fixed Assets as at 31 December 2008

6 Property, plant and equipment : Taka 121,463,606

Particulars	Amount in Taka									
	Cost					Depreciation				Written down value as on 31.12.08
	Balance as on 01.01.08	Addition during the year	Disposal/ adjustment	Balance as on 31.12.08	Rate (%)	Balance as on 01.01.08	Charge during the year	Disposal/ adjustment	Balance as on 31.12.08	
Freehold Land & Land development : - At cost	10,039,290	11,000	-	10,050,290	-	-	-	-	-	10,050,290
Buildings at cost :										
Building on freehold land	65,820,996	-	-	65,820,996	5.07-6.59	18,206,653	4,015,268	-	22,221,921	43,599,075
Semi pucca building on freehold land	1,741,817	-	-	1,741,817	12.5	671,084	217,728	-	888,812	853,005
	67,562,813	-	-	67,562,813	-	18,877,737	4,232,996	-	23,110,733	44,452,080
Plant and Machinery	100,867,281	9,400	-	100,876,681	5	35,638,469	5,043,836	-	40,682,305	60,194,376
Office Equipments	1,360,200	270,270	-	1,630,470	20	288,203	1,784,342	-	2,072,545	(442,075)
Automobiles and Trucks	7,930,719	1,544,000	-	9,474,719	12.5	3,292,212	189,155	-	3,481,367	5,993,352
Furniture and Fixture	2,054,621	-	-	2,054,621	5	736,306	102,732	-	839,038	1,215,583
Total	189,814,924	1,834,670	-	191,649,594		58,832,927	11,353,061	-	70,185,988	121,463,606



PURNAVA

Directors' Report

A new Company named Purnava Limited was incorporated in August 2004 to explore the prospects of entering into Fast Moving Consumer Goods (FMCG). There has been no development in the FMCG area; however, the Company imported certain animal health and nutrition products during the latter part of 2008.

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'Syed S. Kaiser Kabir'.

Syed S. Kaiser Kabir
Chairman

Independent Auditors' Report of Purnava Limited

We have audited the accompanying balance sheet of PURNAVA LIMITED as at 31 December 2008 and the related cash flow statement for the year then ended. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

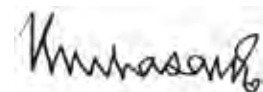
We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence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

In our opinion, the financial statements, prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the company's affairs as at 31 December 2008 and its cash flow statement for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

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

Dated, Dhaka
20 April 2009



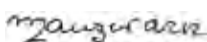
K.M. HASAN & CO.
Chartered Accountants

Purnava Limited
Balance Sheet
As at 31 December 2008

	<u>Notes</u>	<u>2008 Taka</u>	<u>2007 Taka</u>
SOURCES OF FUNDS			
Shareholders' Fund:			
Share capital	3	2,500,000	2,500,000
	Total	2,500,000	2,500,000
APPLICATION OF FUNDS			
Current Assets:			
Stocks and stores		21,806,568	13,642,429
Cash and bank balance		6,425,877	4,532,141
		28,232,445	18,174,570
Less: Current Liabilities:			
Other finance (Renata Limited)		25,732,445	15,674,570
	Total	2,500,000	2,500,000

(The annexed notes form an integral part of these accounts.)

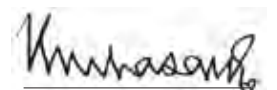

 Director


 Director


 Chairman

(Signed in terms of our report of even date annexed.)

Dated, Dhaka
 20 April 2009

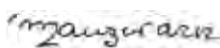

 K.M. HASAN & CO.
 Chartered Accountants

Purnava Limited
Cash Flow Statement
For the year ended 31 December 2008

	<u>Amount in Taka</u>	
	2008	2007
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Collections from customers and other income	-	2,499,900
Payment of VAT (Value Added Tax)	-	-
Payment to suppliers and employees	(8,164,139)	(13,642,429)
Cash generated from operation	(8,164,139)	(11,142,529)
Financing cost	-	-
Payment of tax	-	-
Net cash from operating activities	(8,164,139)	(11,142,529)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	-
Investment in shares	-	-
Sale proceeds of property, plant and equipment	-	-
Net cash used in investing activities	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Medium term loan received / (Repaid)		
Loan received	10,057,875	15,674,570
Dividend paid	-	-
Net cash from financing activities	10,057,875	15,674,570
D. Net cash inflows/(outflows) for the year (A+B+C)		
Add: Opening cash and cash equivalents	1,893,736	4,532,041
Closing cash and cash equivalents	4,532,141	100
	6,425,877	4,532,141
* CLOSING CASH AND CASH EQUIVALENTS :		
Cash in hand	100	100
Cash at banks	6,425,777	4,532,041
Closing cash and cash equivalents	6,425,877	4,532,141



Director

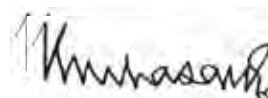


Director



Chairman

Signed in terms of our report of even date annexed.


K.M. HASAN & CO.
Chartered AccountantsDated, Dhaka
20 April 2009



Purnava Limited
Notes to the Accounts
for the year ended 31 December 2008

1 ORGANISATION AND ITS ACTIVITIES:

1.1 Company Profile:

PURNAVA LIMITED is a private limited company incorporated in Bangladesh on 17 August 2004 under the companies Act 1994. The company has started commercial operation during the period.

1.2 Principal Activities:

The principal activities of the company are to carry on the business of manufacturing, marketing and distribution of all kinds of consumer goods, consumer durables, food items, sugar confectioneries, edible oils, beverages etc, raw materials, semi-finished items, producers, goods and various other products of local or foreign origin and to engage in the business as traders, importers, exporters, commission agents of all kinds of goods and services including Pharmaceutical drugs and medicines.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of Preparation of Accounts:

The accounts of the company have been prepared under historical cost convention in accordance with the generally accepted accounting principles.

2.2 Reporting Period:

The accounts have been prepared for the period from 1 January 2008 to 31 December 2008.

2.3 General:

Previous year's figures and phrases have been rearranged where necessary to conform to the current year's presentation.

Figures have been rounded off to the nearest taka.

3 SHARE CAPITAL: TAKA 2,500,000

Amount in Taka
31-Dec-08

Authorised Capital:

2,000,000 ordinary shares of Tk.100 each

200,000,000

Issued, Subscribed, Called up & Paid up Capital

25,000 ordinary shares of Tk.100 each

2,500,000

The paid up capital of the company has been contributed by the following persons:

Name of the shareholders	No.of shares	Face value	
Renata Limited	24,999	100	2,499,900
Mr. Syed S. Kaiser Kabir	1	100	100
	25,000		2,500,000

Renata Limited and its subsidiaries

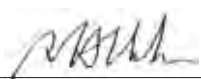
Consolidated Balance Sheet as at 31 December 2008

ASSETS	Notes	2008 <u>Taka</u>	2007 <u>Taka</u>
Non-current assets			
Property, plant and equipment	4.a	1,135,899,440	927,828,751
Capital work-in-progress	5.a	601,796,838	308,056,367
Investment	7.a	22,741,954	15,662,200
Total non-current assets		1,760,438,232	1,251,547,318
Current assets			
Inventories	8.a	1,008,282,335	707,042,515
Trade and other receivables	9.a	322,495,182	200,484,963
Advance, deposits and prepayments	10.a	84,015,650	71,475,886
Cash and cash equivalent	11.a	142,789,717	95,791,492
Total current assets		1,557,582,884	1,074,794,856
Total assets		3,318,021,116	2,326,342,174
EQUITY & LIABILITIES			
Equity attributable to equity holders of the group company			
Share capital	12	115,678,700	96,398,900
Revaluation surplus	13	155,075,461	155,553,964
Capital reserve		535,560	535,560
Tax holiday reserve		70,178,076	63,626,003
Retained earnings		1,446,273,815	1,081,639,272
Total equity attributable to equity holders of the group company		1,787,741,612	1,397,753,699
Minority interest		22,717	22,047
Total equity		1,787,764,329	1,397,775,746
Non-current liabilities			
Loans and borrowings		10,546,251	22,446,371
Deferred liability-staff gratuity	15	105,224,160	88,948,500
Deferred tax liability	16.a	81,542,581	71,370,735
Total non-current liabilities		197,312,992	182,765,606
Current liabilities			
Bank overdraft	17.a	823,163,615	361,475,015
Creditors for goods		127,283,258	42,155,984
Accrued expenses		140,059,119	106,376,578
Other payables	18.a	92,232,713	139,352,009
Unclaimed dividend		3,173,467	2,485,448
Provision for taxation	19.a	147,031,623	93,955,788
Total current liabilities		1,332,943,795	745,800,822
Total liabilities		1,530,256,787	928,566,428
Total equity and liabilities		3,318,021,116	2,326,342,174

The accompanying notes 1 to 34 form an integral part of these financial statements.



CEO & Managing Director

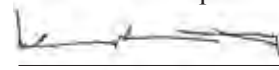


Director



Company Secretary

As per our annexed report of same date.



Auditors

Dhaka, 28 April 2009

Renata Limited and its subsidiaries

Consolidated Profit and Loss Account for the year ended 31 December 2008

	Notes	2008 Taka	2007 Taka
Turnover	20.a	3,203,229,080	2,729,917,471
Cost of sales	21.a	(1,621,507,971)	(1,456,117,954)
Gross profit		1,581,721,109	1,273,799,517
Other income		19,316,511	18,229,816
		1,601,037,620	1,292,029,333
Operating expenses:			
Administrative, selling and distribution expenses	23.a	(860,064,218)	(715,145,867)
Operating profit		740,973,402	576,883,466
Gain on disposal of property, plant and equipment	4.5	118,000	496,800
Interest on overdraft		(88,965,145)	(60,950,362)
Other expenses		(5,913,520)	(3,272,447)
Contribution to WPPF		(30,772,037)	(24,446,069)
Profit before tax		615,440,700	488,711,388
Tax expenses			
Current tax	19	(166,444,936)	(121,815,058)
Deferred tax	16	(10,329,228)	(8,880,661)
		(176,774,164)	(130,695,719)
Net profit after tax for the year		438,666,536	358,015,669
Basic earnings per share (par value of Tk 100)	24.a	379.21	309.49

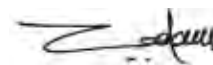
The accompanying notes 1 to 34 form an integral part of these financial statements.



CEO & Managing Director

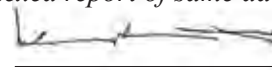


Director



Company Secretary

As per our annexed report of same date.



Auditors

Dhaka, 28 April 2009

Renata Limited and its subsidiaries

Consolidated statement of changes in equity for the year ended 31 December 2008

Particulars	Equity attributable to group company shareholders							Minority interest Taka	Total Taka
	Share capital Taka	Revaluation surplus Taka	Tax holiday reserve Taka	Capital reserve Taka	Retained earnings Taka	Total Taka			
Balance at 31 December 2006	80,332,400	156,018,160	62,005,586	535,560	781,479,403	1,080,371,109	19,364	1,080,390,473	
Stock dividend issued	16,066,500	-	-	-	(16,066,500)	-	-	-	
Cash dividend paid	-	-	-	-	(40,166,200)	(40,166,200)	-	(40,166,200)	
Deferred tax on revaluation surplus	-	171,689	-	-	-	171,689	-	171,689	
Depreciation adjustment	-	(635,885)	-	-	-	(635,885)	-	(635,885)	
Net profit after tax for the year	-	-	-	-	358,012,986	358,012,986	2,683	358,015,669	
Transferred to tax holiday reserve	-	-	2,209,256	-	(2,209,256)	-	-	-	
Tax holiday reserve reversed	-	-	(588,839)	-	588,839	-	-	-	
Balance at 31 December 2007	96,398,900	155,553,964	63,626,003	535,560	1,081,639,272	1,397,753,699	22,047	1,397,775,746	
Stock dividend issued	19,279,800	-	-	-	(19,279,800)	-	-	-	
Cash dividend paid	-	-	-	-	(48,199,450)	(48,199,450)	-	(48,199,450)	
Deferred tax on revaluation surplus	-	157,382	-	-	-	157,382	-	157,382	
Depreciation adjustment	-	(635,885)	-	-	-	(635,885)	-	(635,885)	
Net profit after tax for the year	-	-	-	-	438,665,866	438,665,866	670	438,666,536	
Transferred to tax holiday reserve	-	-	6,552,073	-	(6,552,073)	-	-	-	
Tax holiday reserve	-	-	-	-	-	-	-	-	
Balance at 31 December 2008	115,678,700	155,075,461	70,178,076	535,560	1,446,273,815	1,787,741,612	22,717	1,787,764,329	

Renata Limited and its subsidiaries

Consolidated cash flow statement for the year ended 31 December 2008

	2008 Taka	2007 Taka
A. Cash flow from operating activities:		
Collection from customers and other income	3,577,080,190	3,099,735,020
Payment of VAT	(446,920,865)	(349,947,277)
Payment to suppliers and employees	(2,705,414,968)	(2,094,329,944)
Cash generated from operation	<u>424,744,357</u>	<u>655,457,799</u>
Financing cost	(88,965,145)	(60,950,362)
Payment of tax	(113,369,101)	(122,081,499)
Net cash inflow from operating activities	<u>222,410,111</u>	<u>472,425,938</u>
B. Cash flow from investing activities:		
Purchase of property, plant and equipment	(580,785,056)	(426,045,156)
Investment in shares	(7,079,754)	(9,192,200)
Sale proceeds of property, plant and equipment	118,000	534,000
Net cash inflow (outflow) from investing activities	<u>(587,746,810)</u>	<u>(434,703,356)</u>
C. Cash flow from financing activities:		
Medium term loan (repaid)/ received (net)	459,846,355	(6,086,655)
Dividend paid	(47,511,431)	(52,072,951)
Net cash inflow (outflow)	<u>412,334,924</u>	<u>(58,159,606)</u>
D. Net cash increase (decrease) for the year (A+B+C)	46,998,225	(20,437,024)
E. Opening cash and cash equivalent	95,791,492	116,228,516
F. Closing cash and cash equivalent (D+E)	<u>142,789,717</u>	<u>95,791,492</u>

4.a Consolidated property, plant and equipment

Particulars	Cost/revaluation				Rate %	Depreciation				Written down value at 31 December 2008 Taka
	At 1 January 2008 Taka	Additions during the year Taka	Disposal/ adjustment during the year Taka	At 31 December 2008 Taka		At 1 January 2008 Taka	Charged during the year Taka	Disposal/ adjustment during the year Taka	At 31 December 2008 Taka	
Freehold land:										
At cost	72,751,202	16,504,527	-	89,255,729		-	-	-	-	89,255,729
On revaluation	179,132,078	-	-	179,132,078		-	-	-	-	179,132,078
	251,883,280	16,504,527	-	268,387,807	-	-	-	-	-	268,387,807
Building:										
At cost on freehold land	192,237,278	67,303,050	-	259,540,328	1.33-4	36,372,945	9,885,654	-	46,258,599	213,281,729
At cost on leasehold land	-	-	-	-	33.33	-	-	-	-	-
On revaluation	41,291,251	-	-	41,291,251	1.33-4	8,184,778	635,885	-	8,820,663	32,470,588
	233,528,529	67,303,050	-	300,831,579		44,557,723	10,521,539	-	55,079,262	245,752,317
Plant and machinery	653,914,932	159,038,165	-	812,953,097	5-20	242,470,919	48,027,332	-	290,498,251	522,454,846
Automobiles and trucks	60,928,079	35,218,000	500,000	95,646,079	25-20	26,583,766	12,145,342	500,000	38,229,108	57,416,971
Office equipments	59,064,985	7,877,853	28,000	66,914,838	10-12.5	28,537,781	7,475,944	28,000	35,985,725	30,929,113
Furniture and fixtures	17,726,272	1,102,989	-	18,829,261	5	7,067,137	803,738	-	7,870,875	10,958,386
Total 2008	1,277,046,077	287,044,584	528,000	1,563,562,661		349,217,326	78,973,895	528,000	427,663,221	1,135,899,440
Total 2007	1,116,756,612	162,146,638	1,857,173	1,277,046,077		292,359,350	58,677,949	1,819,973	349,217,326	927,828,751

4.a.1 Value of fully depreciated assets included in property, plant and equipment are as follows:

	Cost Taka
Building	3,555,587
Plant and machinery	114,733,104
Automobiles and trucks	21,492,570
Office equipments	14,216,362
Furniture and fixture	2,326,305
	<u>156,323,928</u>

4.a.2 The land of the company measuring 12 acres freehold is located at Mirpur, Dhaka and 9 feet above highest flood level recorded in 1988. Out of 12 acres of land, 4.75 acres has been kept as security against short-term bank loans by registered mortgage.

4.a.3 Depreciation for the year has been charged to:

	Taka
Cost of sales - Non-tax holiday units 1, 2 & 3 (Note 21.1)	39,919,257
Cost of sales - Tax holiday unit 4 (Note 21.1)	10,784,178
	50,703,435
Renata Agro Industries Limited	11,353,061
Operating expenses (Note 23)	16,281,514
Revaluation surplus (Note 13)	635,885
	<u>78,973,895</u>

4.a.4 The freehold land and buildings have been revalued by a firm of professional valuers and the increase in net carrying amount as a result of revaluation has been shown as additions/revaluations in the year 1995.

5.a Consolidated capital work in-progress

	2008 Taka	2007 Taka
Opening Balance	308,056,367	44,157,849
Add: Addition during the year	580,785,055	426,045,156
	888,841,422	470,203,005
Less: Capitalised as property, plant and equipment	287,044,584	162,146,638
	<u>601,796,838</u>	<u>308,056,367</u>

7.a Consolidated Investment -at cost

Detail of the above amount is given as under:	Market value	Book value	
	2008 Taka	2008 Taka	2007 Taka
1 Ordinary Share of Tk. 1,000,000/- in Central Depository Bangladesh Ltd.	1,000,000	1,000,000	1,000,000
1,200 Ordinary Shares of Tk. 100/- Each in BRAC Bank Limited	993,600	1,111,906	-
2,000 Ordinary Shares of Tk. 100/- each in Estland Insurance Company Ltd.	2,029,000	2,340,103	-
1,170 Ordinary Shares of Tk. 100/-each in Social Investment Bank Ltd.	251,257	348,689	-
3,600 Ordinary Shares of Tk. 100/-each in Al-Arafa Islamic Bank Ltd.	1,599,300	1,397,568	-
2,500 Ordinary Shares of Tk. 100/- each in EXIM Bank Ltd.	808,750	882,717	-
10,000 Ordinary Shares of Tk. 10/- each in Square Textile Ltd.	1,173,000	1,296,771	-
1,100 Ordinary Shares of Tk. 100/- each in United Leasing Company Ltd.	831,600	578,923	578,923
2,000 Ordinary Shares of Tk. 10/- each in Bata Shoe Company Bangladesh Ltd.	641,400	264,500	264,500
2,666 Ordinary Shares of Tk. 10/- each in Atlas Bangladesh Ltd.	793,402	396,529	396,529
9,490 Ordinary Shares of Tk. 100/- each in Square Pharmaceuticals Ltd.	29,905,363	10,917,248	10,917,248
4,350 Ordinary Shares of Tk. 100/- each in Lafarge Surma Cement Ltd.	2,231,550	2,207,000	2,505,000
	<u>42,258,222</u>	<u>22,741,954</u>	<u>15,662,200</u>

8.a Consolidated inventories

	2008 Taka	2007 Taka
Finished goods -Pharmaceutical (Unit-1)	186,994,030	154,350,246
-Premix (Unit-2)	133,221,551	63,579,936
-Contract Manufacturing (Unit-3)	1,114,200	673,330
-Potent Product Facility (Unit-4)	9,085,198	4,096,189
	<u>330,414,979</u>	<u>222,699,701</u>
Work-in-progress	57,946,757	34,031,511
Less: Provision	-	6,060,756
	57,946,757	27,970,755
Raw materials	81,431,767	66,723,792
Bulk materials	120,689,523	96,933,551
Packing materials	74,911,011	64,556,585
Raw and packaging materials-Premix (Unit-2)	37,847,322	36,824,608
Raw and packaging materials-Contract-manufacturing (Unit-3)	6,299,092	12,872,533
Raw and packaging materials-Potent products (Unit-4)	12,527,534	9,026,467
Consumable stores and spares	14,624,527	10,992,173
Stock-in transit	222,722,078	113,411,980
Stock-in transit - Purnava Limited	21,806,568	13,642,429
Raw materials - Renata Agro Industries Limited	27,061,177	31,387,941
	<u>1,008,282,335</u>	<u>707,042,515</u>

All present and future stocks of Renata Limited are kept as security against short term bank loan (Note-17).

9.a Consolidated trade and other receivables

	2008 Taka	2007 Taka
Trade debtors (Notes-9.a.1)	234,544,940	145,465,137
Less: Provision for doubtful debts	8,068,662	7,655,877
Trade debtors considered good	<u>226,476,278</u>	<u>137,809,260</u>
Sundry debtors - considered good	40,783,626	15,998,224
Value Added Tax (VAT) recoverable	55,235,278	46,677,479
	<u>322,495,182</u>	<u>200,484,963</u>

All present and future debtors of Renata Limited are kept as security against short term bank loan (Note-17).

9.a.1 Trade debtors

Debts due below six months	91,300,090	74,890,835
Debts due over six months	143,244,850	70,574,302
	<u>234,544,940</u>	<u>145,465,137</u>

a) Sundry debtors includes Tk. 2,175,142 due from Renata Agro Industries Limited.

b) Sundry debtors includes Tk. 25,732,445 due from Purnava Limited for advance payment.

Details are given in annexure-A "Related Party Disclosure"

10.a Consolidated advances, deposits and prepayments

	2,008 Taka	2,007 Taka
Advances:		
For inventories	7,285,613	-
To employees	41,133,369	34,944,763
	<u>48,418,982</u>	<u>34,944,763</u>
Deposits and prepayments:		
Security deposits	9,809,595	11,946,317
Prepaid expenses	22,098,682	21,794,576
Other advances	3,688,391	2,790,230
	<u>35,596,668</u>	<u>36,531,123</u>
	<u>84,015,650</u>	<u>71,475,886</u>

11.a Consolidated cash and cash equivalent

	2,008 Taka	2,007 Taka
Cash on hand	1,355,840	1,780,406
Cash at bank	141,433,877	89,478,945
	<u>142,789,717</u>	<u>91,259,351</u>

16.a Consolidated deferred tax liability

Renata Agro Industries Limited, subsidiary of Renata limited is enjoying tax exemption as such no deferred tax adjustments have been considered.

As another subsidiary, Purnava Limited yet to started commercial operation, no deferred tax adjustment has been considered.

17.a Consolidated short term bank loans

	Limit Taka	2008 Taka	2007 Taka
Overdraft accounts with:			
Eastern Bank Limited, Dhaka	145,000,000	145,122,154	140,758,521
The Hongkong and Shanghai Banking Corporation Ltd., Dhaka	275,000,000	301,489,000	109,464,628
Standard Chartered Bank, Dhaka	445,000,000	205,473,714	111,074,814
Citibank, N.A., Dhaka	100,000,000	171,078,747	177,052
	<u>965,000,000</u>	<u>823,163,615</u>	<u>361,475,015</u>

18.a Consolidated other payables

	2,008 Taka	2,007 Taka
Workers' profit participation fund	73,983,348	57,294,934
Others	18,249,365	82,057,075
	<u>92,232,713</u>	<u>139,352,009</u>

19.a Consolidated Provision for taxation

Renata Agro Industries Limited, a subsidiary of Renata Limited, is enjoying tax exemption hence no tax provision has been made on its profit.

No provision has been made for Purnava Limited as the company has not yet started commercial operation.

20.a Consolidated turnover

	2,008 <u>Taka</u>	2,007 <u>Taka</u>
Non-tax holiday (unit 1, 2 & 3):		
Pharmaceutical products	2,273,271,291	1,847,657,270
Animal health products	353,866,196	347,906,018
Animal nutritional products (Premix)	306,703,184	247,873,674
Contact manufacturing	24,352,730	18,115,128
	<u>2,958,193,401</u>	<u>2,461,552,090</u>
Tax holiday (Unit-4) : Potent product facility	131,553,016	72,622,891
	<u>3,089,746,417</u>	<u>2,534,174,981</u>
Renata Agro Industries Ltd.-Products	113,482,663	195,742,490
	<u>3,203,229,080</u>	<u>2,729,917,471</u>

21.a Consolidated cost of goods sold

	2008 <u>Taka</u>	2007 <u>Taka</u>
Opening stock of finished goods	222,699,701	259,092,719
Add: Cost of goods manufactured	1,674,396,349	1,301,115,960
Cost of finished goods purchased	54,826,900	118,608,976
	<u>1,951,922,950</u>	<u>1,678,817,655</u>
Less: Closing stock of finished goods	330,414,979	222,699,701
	<u>1,621,507,971</u>	<u>1,456,117,954</u>

23.a Consolidated administrative, selling and distribution expenses

	2008 Taka	2007 Taka
Salaries, wages and allowances	309,137,629	262,707,083
Contribution to Provident Fund	6,827,002	6,062,841
Gratuity	13,680,000	12,973,786
Fuel and power	14,514,843	12,745,711
Rent, rates and taxes	22,786,777	26,598,896
Insurance	8,880,847	4,021,364
Travelling, moving and entertainment expenses	150,494,890	117,182,484
Repairs and maintenances	10,361,902	10,529,536
Legal and professional expenses	321,743	364,865
Audit fee	330,000	245,000
Provision for bad debt	-	1,572,250
Directors' fee	870,000	138,000
Membership fees and subscription	4,870,107	3,080,983
Meeting and corporate expenses	21,524,659	19,630,184
Advertising and sales promotion	77,757,338	67,878,599
Field expenses	58,628,109	45,163,940
Depreciation	18,136,075	7,132,637
Printing and stationery	10,289,978	9,955,220
Postage, telex, fax and telephone	15,018,557	16,957,643
Distribution freight	77,815,719	64,571,257
Lunch, Snacks, Tea and Welfare expenses	23,128,217	17,320,167
Other overhead expenses	14,689,826	8,313,421
	<u>860,064,218</u>	<u>715,145,867</u>

24.a Consolidated basic earnings per share (EPS)

	2008 Taka	2007 Taka
The computation of EPS is given below:		
Earnings attributable to the ordinary shareholders (Group profit for the year)	438,666,536	358,015,669
Weighted average number of ordinary shares outstanding during the year	<u>1,156,787</u>	<u>1,156,787</u>
Basic Earning Per Share (EPS)	<u>379.21</u>	<u>309.49</u>