# BEAGON

N B E A C O N B E

# **ANNUAL REPORT**

2014





Bonding together . . .





# MISSION VISION VISION VALUES GOALS

#### **OUR MISSION**

To improve the quality of human life by providing innovative pharmaceutical products through continuous research and development ensuring stakeholders satisfaction.

#### **OUR VISION**

To be regarded and recognized as one of the most value -driven Pharmaceuticals Companies in the

#### **OUR VALUES**

Quality in everything we do

Live up to our commitment

Trust & respect for each other

Transparent & fair in all our dealings

Take initiative to exceed standard

Work as a team

Share social responsibilities





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#### CORPORATE MANAGEMENT

#### **Corporate Directory**

#### **Board of Directors**

Mrs. Nurun Nahar Karim, Chairman

Mr. Md. Ebadul Karim, Managing Director

Mr. Md. Niazul Karim, Director

Mr. Abdul Qader Siddiqui, Independent Director

Mr. Prof. Dr. Sayed Modasser Ali, Independent Director

#### **Board Audit Committee**

Mr. Abdul Qader Siddigui, Chairman

Mr. Md. Ebadul Karim, Member

Mrs. Nurun Nahar Karim, Member

Mr. Giash Uddin Ahmed FCMA, Secretary

#### Management Team

Mr. A. K. M. Anwarul Hoq Executive Vice President, Marketing

Mr. Md. Shahidur Rahman

Senior Vice President, Factory Operation

Mr. Giash Uddin Ahmed FCMA

Senior Vice President (Finance & Accounts) and Company Secretary

Mr. Monjurul Alam

Vice President, International Business Development

Mr. Mohammad Anisur Rahman Khan

Senior Manager, HR & Admin

Mr. Md. Safiul Islam

Senior Manager, MIS & Market Audit

Mr. Sujit Kumar Kundo

Senior Manager, Product Development

Mr. Saiful Islam

Senior Manager, Production

#### **Company Secretary**

Mr. Giash Uddin Ahmed, FCMA

#### Auditors

M/S. Habib Sarwar Bhuiyan & Company Chartered Accountants Eastern Commercial Complex, 73 Kakrail, 7th Floor, Dhaka -1000.

#### CORPORATE MANAGEMENT

#### **Corporate Directory**

#### Legal advisor

Abul Khayer & Associates 25/A Indira Road, Farmgate, Dhaka.

#### Listing

Dhaka Stock Exchange Ltd. Chittagong Stock Exchange Ltd.

#### Registered Office

153 -154 Tejgaon I/A., Dhaka-1208, Bangladesh. Tel: +880-2-8870133,8870134, Fax: +880-2-8870109

E-mail: beacon@beacon-pharma.com Website: www.beacon-pharma.com

#### Factory

Kathali, Bhaluka, Mymensingh

#### Main Banker

Janata Bank Limited Janata Bhaban Corporate Branch, Motijheel C/A, Dhaka

Sonali Bank Limited Corporate Branch, Motijheel C/A, Dhaka

Agrani Bank Limited Principal Branch, Motijheel C/A, Dhaka

Rupali Bank Limited Local Office Branch, Motijheel C/A, Dhaka

Dutch Bangla Bank Limited Motijheel Foreign Exchange Branch, Motijheel C/A, Dhaka

Bank Asia Limited Tejgoan Link Road Branch, Dhaka

Frist Security Islami Bank Limited Gulshan Branch, Dhaka



#### BOARD of DIRECTORS



Mrs. Nurun Nahar Karim Chairman

Mrs. Nurun Nahar Karim is an MA. She is the wife of Mr. Md. Ebadul Karim. Mrs. Nurun Naher Karim is associated with a number of business and Industrial ventures which includes among others Beacon Pharmaceuticals Limited, Beacon Development Ltd., Kohinoor Chemicals Co. (BD) Ltd. and Beacon Point Ltd. She is the Director of the above three Companies.



Mr. Md. Ebadul Karim Managing Director

Mr. Md. Ebadul Karim, a Arts Graduate entered into the realm of business horizon after completion of his graduation. By virtue of his entrepreneurial skill and sound management capability accompanied with vast experience and farsighted vision he has been running a number of enterprises very successfully. He is the Managing Director of Beacon Pharmaceuticals Limited and also the Managing Director of Beacon Development Ltd., a reputed Real Estate Development Company. He is also the Director of Kohinoor Chemicals Co. (BD) Ltd., one of the largest and leading soaps, cosmetics and toiletries manufacturing company in the Country. Mr. Karim is also the Chairman of Beacon Point Ltd. He has travelled many countries of the world for business purposes.

#### BOARD of DIRECTORS

Mr. Md. Niazul Karim, S/O. Mr. Md. Ebadul Karim is a BBA completed from the Independent University of Bangladesh. Just after completing his BBA he has actively involved in the business and presently he is acting as the Director of Beacon Pharmaceuticals Ltd., Beacon Development Ltd. and the Managing Director of Beacon Point Ltd.



Mr. Md.Niazul Karim Director

Mr. Abdul Quader Siddiqui is an M.A in Economics from the University of Dhaka. He did his Diploma from the Institute of Bankers in Pakistan. He is a fellow of UNADI and IBB and also a Council member of IBB. Mr. Siddiqui is the Chairman of Bangladesh Commerce Bank Ltd., He is also the Country Chief Representative of Habib Bank AG Zurich an International Bank incorporated in Switzerland. He was the Managing Director of Sonali Bank Ltd., Agrani Bank Ltd. and also the Dy. Managing Director of Janata Bank Ltd. He has been acting as one of the Independent Directors of BEACON Pharmaceuticals Limited.



Mr. Abdul Quader Siddiqui Independent Director

#### BOARD of DIRECTORS



Prof. Dr. Syed Modasser Ali Independent Director

Prof. Dr. Syed Modasser Ali FRCS, FRCOpth is an ophthalmic surgeon from Bangladesh and was the Health and Family Welfare and Social Welfare adviser to the Govt. of the Peoples Republic of Bangladeh Prime Minister, from 2009 to 2013. He is the founder of Mojibunnessa Eye Hospital, the first registered eye hospital in Bangladesh. He is regarded as one of the pioneers of Community Ophthalmology (public eye health) and his book titled Community Ophthalmology, published in 1985, is considered by the British Journal of Ophthalmology as the first textbook on the subject. He is a recipient of Bangladesh National Personality Research Centre's Freedom Fighter Award for his contrebution during the Bangladesh Liberation War. He was also an Executive Board member of the World Health Organisation. Mr. Ali was named as one of the 20 most innovative surgeons alive in 2013 by healthcare education website Healthcare-Administration-Degree.net.

Prof. Ali was the Health and Family Welfare and Social Welfare adviser to the Govt. of Peoples Republic of Bangladeh, Prime Minister, from 2009 to 2013, with the full rank and status of a senior cabinet minister. He was one of seven advisers (one of only five with a portfolio) to the government providing the prime minister and the cabinet adviser on various national and international issues. He was also a member of the Executive Committee of the National Economic Council, the highest political authority for consideration of development projects in Bangladesh, during this time.

He was the Director-General of Health Services for the Bangladesh government in 2001, Dean of the Faculty of Postgraduate Medicine and Research at Dhaka University from 1998 to 2001, Chairman of the Bangladesh Medical Research Council (BMRC) from 1998 to 2003 and Director and Professor Emeritus of the National Institute of Ophthalmology in Dhaka, Bangladesh from 1997 to 2001. He was also the president of the Ophthalmic Society of Bangladesh. Under his chairmanship BMRC was awarded the prestigious WHO 50th Anniversary Primary Healthcare Development Award in 1998.

Prof. Ali has been a lifelong anti-smoking campaigner and played a central role in the banning of smoking in public places in the country where nearly 50% of adults use tobacco for recreational purposes. In his capacity as the health and family welfare adviser to the Prime Minister of Bangladesh he oversaw changes in legislation to fully comply with the provisions of the WHO Framework Convention on Tobacco Control. He was awarded the WHO World No Tobacco Day Award 2010 for his work on tobacco control. He was also the Vice-President of the WHO Framework Convention on Tobacco Control (FCTC) representing the WHO South-East Asia Region from 2010 to 2012. He has been acting as one of the Independent Directors of BEACON Pharmaceuticals Limited.

# **The Management** BEACON Pharmaceuticals Limited Annual Report 2014

#### **Management Team**



Mr. A. K. M. Anwarul Hoq Executive Vice President Marketing



Mr. Giash Uddin Ahmed FCMA
Senior Vice President
Finance & Accounts and
Company Secretary



Mr. Md. Shahidur Rahman Senior Vice President Factory Operation



Mr. Monjurul Alam Vice President International Business Development

#### **Management Team**



Mr. Mohammad Anisur Rahman Khan Senior Manager HR & Admin



Mr. Md. Safiul Islam Senior Manager MIS & Market Audit



Mr. Sujit Kumar Kundo Senior Manager Product Development



Mr. Saiful Islam Senior Manager Production

# CORPORATE MANAGEMENT





#### Corporate Office:

153-154 Teigaon I/A, Dhaka-1208, Bangladesh Tel :+880-2-8870133, +882-2-8870134

Fax : +880-2-8870109

E-mail : beacon@beacon-pharma.com Website : www.beacon-pharma.com

#### NOTICE OF THE 13th ANNUAL GENERAL MEETING

Notice is hereby given that the 13<sup>th</sup> Annual General Meeting of the shareholders of Beacon Pharmaceuticals Limited will be held on Wednesday, 10<sup>th</sup> December, 2014 at 10.00 a.m at its Factory Premises at Kathali, Bhaluka, Mymensingh to transact the following business:

#### Agenda:

- To receive, consider and adopt the Directors' and Auditors' Report and the Audited Accounts of the Company for the year ended 30<sup>th</sup> June, 2014.
- To declare dividend for the year ended 30<sup>th</sup> June, 2014.
- 3. To elect / re-elect Directors.
- To appoint Auditors and fix their remuneration.
- To approve the appointment / re-appointment of Independent Director.
- 6. To transact any other business with the permission of the Chair.

By the order of the Board

GiashUddin Ahmed FCMA Company Secretary

10th November, 2014

Registered Office 153-154 Tejgaon I/A., Dhaka -1208, Bangladesh

#### Notes:

- Shareholders whose names appeared at the record date i.e 16<sup>th</sup> November, 2014 in the share register of the Company or in the depository register on that date will be eligible to attend and vote in the Annual General Meeting.
- Member entitled to attend vote at the Annual General Meeting may appoint a proxy to attend and vote on his / her behalf. The proxy form must be affixed with requisite revenue stamp and must be submitted to the registered office of the Company not later than 48 hours before the time fixed for the Annual General Meeting.
- 3. Admission in the meeting venue will be allowed on production of the attendance slip attached with the proxy form.

# Message from the Chairman



#### Message from the Chairman

It is my great pleasure to place before you the Annual Report along with the Audited Financial Statements of the Company for the year ended 30th June, 2014. Financial year 2013-2014 was a very challenging year for Bangladesh in respect of political as well as economical issues. During the second half of the financial year, the political turmoil directly affected the operations of the company. Procurement, production and Sales were hampered as a result of which the growth was slowed down unexpectedly.

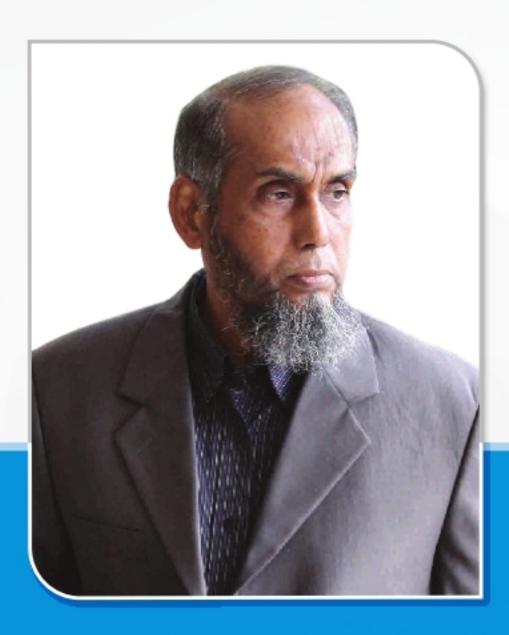
Despite of these unfavorable events we were able to maintain revenue at a reasonable level and our loyal and dedicated workers and employees overcome most of the adverse situations taken place through their relentless effort and strong belongingness with the Company and presented a growth result with a commitment for the better in the future.

There is also a good news for the valued shareholders that the development works of the BMRE project is going on in a full sewing. We are very much optimistic that these will bring you an outstanding result for the years to come.

Finally, on behalf of the Board and on my own behalf I congratulate and thanks to the valued shareholders, outside stakeholders, customers and employees at all levels for their heartfelt co-operation for the development of the Company.

Neven Nahar Karim

Nurun Nahar Karim Chairman



#### Dear Shareholders.

Assalamualikum warahmatullah

I feel proud to welcome you in the 13th Annual General Metting of the company. The year 2013-2014 was obviously a very challenging year considering the political and economical issues. During the second half of the year, the political turmoil directly affected the operations of the company. Procurement, production and sales were seriosly hampered resulting of which the growth was slowed down unexpectedly.

Despite of these unfavorable events we were able to maintain revenue at a reasonable level and we have touched about Tk. 169 crore. We have given special emphasis on cost control, resource optimization and R & D capabilities in order to face these economic challenges. Despite of facing a number of challenges, we have achieved the targeted sales growth and result of operation.

#### Operating Result:

- Turnover has been increased by 37.78% over last year.
- 2. Gross Profit has been increased by 29.06% over last year.
- Operating Profit has been increased by 16.96% over last year.
- Net Profit after tax has been increased by 165.33% over last year.
- Net Asset value per share has been increased by 3.33% over last year.

#### New Products:

Beacon Pharma's goal is to introduce newer products in the market that will improve human health nationwide. Consistent to our committed efforts to cater to the healthcare needs for our people in 2014, we had successfully launched 17 new products which are going to contribute in revenue earning in 2015. There are 14 general products & 3 onco-products introduced in Bangladesh Pharma market of which 12 are new molecules (introduced for the first time in Bangladesh).

As a sophisticated pharmaceutical company, we focus our efforts where we can have the most impact. Our products are of different therapeutic segments like Duratocin (Carbetocin) for the prevention & treatment of post-partum hemorrhage, Protebon-P (Calcium orotate) as calcium supplement, Safoxol (Ambroxol) for cough, Sixvit (Vitamin B6) as supplement, Dapotin (Dapoxetine) for Premature ejaculation, Traxef (Ceftriaxone) as antibiotic, CoQ (Co-enzyme Q10) as cardiac tonic, Ilodon (Iloperidone) for schizophrenia, Xalcort (Deflazacort) as anti-inflammatory agent etc.



#### International Business in 2013-2014:

In 2014 Beacon's export business has successfully crossed the benchmark of One Million Dollar, in just 4 years of time. Our sales growth is 51% over the last year. This Million dollar business has been mainly contributed by Philippines, Nepal, Myanmar, Sri Lanka & Ghana. Among all our export countries, we performed well in Philippines and Nepal in this year. Almost 50% of the International sales of 2014 is contributed by Philippines. However, in terms of growth Nepal's business has grown 6 times over last year. Our Oncology products Gemoxen, Folinex, Imanix are doing very well in Philippines, Nepal and Sri Lanka.

Rapid expansion of Beacon's business are also going on in different countries. We have already filed our product registration dossiers in Hong Kong, Puerto Rico, Paraguay etc. More dossiers are already submitted in our existing countries. So addition of these countries and products will help us to touch another new milestone in the coming year.

For better marketing, we have already recruited first overseas employee of Beacon in Nepal. We are hoping to engage one more employee in Sri Lanka. Addition of these foreign employees will definitely boost our sales in both the countries. Our local marketing team is now capable enough to give training to our overseas employees and also arranging Continuous Medical Educational (CME) program in different countries.

Beside the business, I am really happy to inform that Beacon is going to participate in a CSR project along with the Delmege group (One of the biggest Conglomerate group of Sri Lanka) for the breast cancer patients. The patients will be treated with 3 of our anti-cancer drugs free of cost. Not only this, we will also do the awareness program for the Sri Lankan people.

#### Project Expansion:

We have a good news that Rupali Bank Limited has sanctioned us our long thirsted BMRE Project for a new syrup line of children, enhancement of oncology capacity and Hormone Products. The implementation works on all areas are going on in a full sewing. We are very much optimistic that its result will start coming from the end of the financial year 2014-2015.







#### Conclusion:

Whatever we have achieved so far is the reflection of outstanding contribution of the employees of Beacon Pharma. I would like to thank all of them for their utmost co-operation, dedication and commitment. Before I conclude I like to take the opportunity to express my sincere thanks with gratitude to all of our valued customers, bankers, financial institutions, suppliers, healthcare professionals, government agencies, regulatory bodies and everyone who has interaction with Beacon Pharma and its continuous progress.

Finally, I like to thank to our valued shareholders who continue demonstrate their belief in the potential of the Company.

I also look forward to having continuous support from you all.

Thank you all,

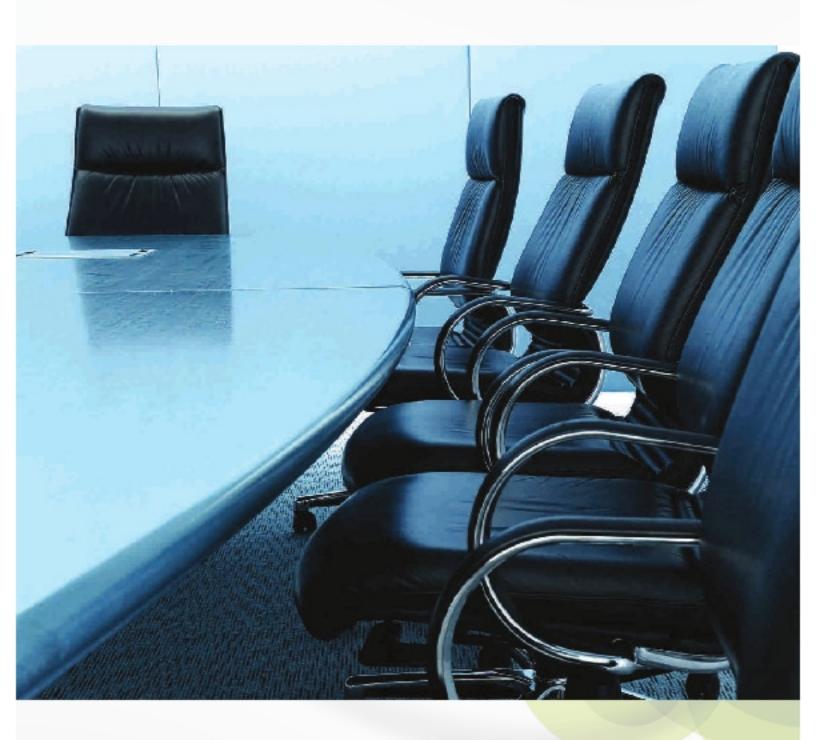
Dear Shareholders,

lssalenualikum warabmatullah

Managing Director

I feel proud to welcome you in the 13th Annual General Metting of the company. The year 2013-2014 was obviously a very challenging year considering the political and economical issues. During the second half of the year, the political turmoil directly affected the operations of the company. Procurement, production and sales were seriosly hampered resulting of which the growth was slowed down unexpectedly.

# CORPORATE GOVERNANCE



For the year ended 30th June, 2014

#### Dear Shareholders

The Directors have the pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company for the year ended 30th June, 2014. These were approved by the Board of Directors on 27th October, 2014. The Directors' Report has been prepared in compliance with section 184 of the Companies Act. 1994, SEC's notification no. SEC/CMRRCD/2006-158/134/Admin/44, dated 7th August 2012, the Listing Regulations of Dhaka and Chittagong Stock Exchange and other applicable rules and regulations. In addition, the Directors explained and disclosed certain issues, which they deemed relevant and important to ensure transparency and good governance practice.

#### Industry outlook and possible future development in the industry

The principal activities of the Company are to manufacturing and marketing of pharmaceuticals and lifesaving medicine in the local and international markets. Beacon is the first manufacturer of anti-cancer drugs in Bangladesh and proud introducer of isolator technology for processing anti-cancer products and Lyophilized Technology. Beacon is the second in world to manufacturing and marketing peginterferon medicine for hepatitis. Beacon is the first to introduce sophisticated biotech products streptokinase and Urokinase injections for Acute MI disease. This year Beacon has launched 17 nos, of new products, out of which 14 general products, 3 oncology products.

During the second half of the year, the political turmoil directly affected the operations of the company. Procurement, production and sales were seriosly hampered resulting of which the growth was slowed down unexpectedly.

In-spite of having these dangers our loyal and dedicated workers and employees overcome all the adverse situation taken place through their relentless effort and out of a sense of belongingness with the Company presented a very small result with a commitment for the better in the future.

#### Segment wise- or product-wise performance:

Our products can be segmented as General, Oncology and Bio-tech products. In terms of volume of sale General Product is the best performer followed by Oncology and Bio-tech. In the sales performance General Product has contibuted more than 68%, Oncology 25% and rest 7% contibuted by Bio-tech Products. In respect of profit margin Oncology Product is the best achiever than that of others.

#### Risk and Concerns:

The Company has a strong base to address the risk of future uncertainties with the change of industry and global economy. The company is always keen to identify the key business risks and ensures the mitigation plans are in place. It has reviewed and adopted best practices of the industry that are articulated to enable the company to achieve its objectives effectively.

Risks are defined as uncertainties resulting in adverse variations of profitability or losses in financial or otherwise. The risk management of the company covers core risk areas of the business operation viz, financial risk, operational risk, receivable risk, liquidity risk, market risk that includes foreign exchange risk, interest rate risk etc. Besides above risks, the Company considers credit management risks, strategic risks.

For the year ended 30th June, 2014

The objective of risk management is that the Company evaluates and takes well calculative business risks thereby safeguarding the asset, its financial resources and profitability from various business risks through its own measures and through implementing corporate guidelines.

#### Margin Analysis:

Cost of Goods Sold for the year stands at Tk. 894,119,555.00 which is 46.58% higher than that of the previous year. This has been occurred due to increase of sales by 37.78% compare to the previous year and Gross Margin has been increased by 29.06% over the last year. Due to strong control over the operating expense net margin has been increased substantially by 165.33% over the last year.

#### Extra-Ordinary Gain or Loss:

No extra ordinary gain or loss occurred during the year which would require adjustment or disclosure in the financial statements.

#### Related Party Transaction:

Related Party Transactions are disclosed in the notes 34 to the Financial Statements for the year ended 30th June, 2014.

#### Utilization of Proceeds from Public Issue / Right Issue and /or through any instruments:

During the financial year 2014-2015 no such proceeds are collected that would require for adjustment or disclose in the annual report.

#### Financial Results Deteriorate after the Company goes for Initial Public Offering, Repeat Public Offering, Right Issue and Direct Listing:

Beacon Pharmaceuticals Limited went for initial public offering in the year 2010 and did not go for any further offering since then. So, no such explanation is required for Beacon Pharmaceuticals Limited.

#### Significance variance occurs between Quarterly Financial Performance and Annual Financial Statements:

There was no significant variance occurred between the quarterly financial performance and annual financial statements.

#### Fair Presentation of Financial Statements:

The financial statements together with the notes thereon have been drawn up inconformity with the Company's Act 1994 and the Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the result of operation, cash flow and changes in equity.

#### Books of accounts:

Books of Accounts of the Company have been maintained properly.

For the year ended 30th June, 2014

#### Accounting Policies:

Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

#### Application of IAS/BAS/IFRS/BFRS as applicable in Bangladesh:

International Accounting Standard (IAS)/ Bangladesh Accounting Standard (BAS)/ International Financial Reporting Standard (IFRS)/ Bangladesh Financial reporting Standards (BFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.

#### The System of Internal Control:

The systems of internal controls are sound and have been implemented and monitored effectively. The Board has the ultimate responsibility for Beacon Pharma's system of internal control and for reviewing its effectiveness. It has been designed to manage the risk of failure to achieve the objectives of the Company and to provide reasonable assurance that Company's assets are safe guarded against unauthorized use of material loss and that transactions are properly authorized and recorded.

#### Going Concern:

There are no significant doubts about the Company's ability to continue as a going concern. The Board of Directors has reviewed the Company's business plan and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly the financial statements are prepared based on the Going Concern concept.

#### Deviation from the last year's operating result:

Significant variations over the last year's operation of the Company have been made due to tremendous sales growth and control over factory overhead, general & admin overhead and selling and distribution overhead. Hopefully the growth of turnover will dramatically change in the coming years also.

#### Key operating and financial data preceding 5 (four) years:

The key operating and financial data for the last 5 (five ) years have been presented as follows:

#### Directors' Report to the Shareholders

For the year ended 30th June, 2014

#### Dear Shareholders

The Directors have the pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company for the year ended 30th June, 2014. These were approved by the Board of Directors on 27th October, 2014. The Directors' Report has been prepared in compliance with section 184 of the Companies Act. 1994, SEC's notification no. SEC/CMRRCD/2006-158/134/Admin/44, dated 7th August 2012, the Listing Regulations of Dhaka and Chittagong Stock Exchange and other applicable rules and regulations. In addition, the Directors explained and disclosed certain issues, which they deemed relevant and important to ensure transparency and good governance practice.

## Directors' Report to the Shareholders For the year ended 30th June, 2014

#### 5 (Five) Years Financial Highlights

Particulars	Year				
Financial Performance	2014	2013	2012	2011	2010
Total Assets	4,589,825,300.00	4,251,619,886.00	4,511,424,780.00	4,332,423,471.00	3,652,158,383.00
Total Liabilities	1,722,443,291.00	1,478,361,558.00	1,747,297,518.00	1,643,557,370.00	1,365,305,530.00
Current Assets	2,157,357,740.00	1,526,460,823.00	1,558,681,879.00	1,404,708,549.00	1,120,732,011.00
Current Liabilities	1,062,083,274.00	702,348,389.00	897,220,836.00	739,138,766.00	426,521,195.00
Non-Current Assets	2,432,467,559.00	2,565,178,873.00	2,952,742,901.00	2,929,714,922.00	2,531,426,272.00
Non-Current Liabilities	660,360,017	776,013,169.00	850,076,683.00	904,418,604.00	938,784,335.00
Shareholders' Equity	2,867,382,009.00	2,773,258,328,00	2,764,127,262.00	2,688,866,101.00	2,286,852,753.00
Operational Performance					
Revenue	1,690,363,446.00	1,226,906,195.00	979,436,050.00	734,972,610.00	554,265,199.00
Cost of Goods Sold	894,119,555.00	609,987,995.00	452,583,791.00	334,079,394.00	255,198,994.00
Operating Expense	553,676,280.00	409,526,225.00	187,064,433.00	134,377,825.00	109,825,711.00
Financial Expense	221,684,367.00	196,958,236.00	212,120,046.00	174,047,807.00	169,096,748.00
Gross Profit	796,243,891.00	616,918,200.00	526,852,259.00	400,893,216.00	299,066,205.00
Operating Profit	242,567,610.00	207,391,975.00	339,787,826.00	266,515,391.00	189,240,494.00
Net Profit before tax	37,274,146.00	14,609,706.00	120,417,857.00	137,968,721.00	24,114,850.00
Net Profit after tax	24,228,195.00	9,131,066.00	75,261,161.00	111,601,475.00	24,114,850.00
Financial Ratio					
Current ratio	2.03:1	2.17:1	1.73:1	1.90:1	2.62:1
Debt Equity Ratio	1:1.66	1:1.88	1:1.58	1-1 63	1:1.67
Financial Expense Coverage Ratio (Times)	1.09	1.05	1.60	1.53	1.12
Return on Equity	0.85%	0.33%	2.72%	4.15%	1.05%
Return on Assets	0.53%	0.21%	1.67%	2.58%	0.66%
Equity Parameters					
Authorized Capital	3,000,000,000.00	3,000,000,000.00	3,000,000,000.00	2,500,000,000.00	2,500,000,000.00
Paid-up Capital	2,310,000,000.00	2,310,000,000.00	2,310,000,000.00	2,200,000,000.00	1,900,000,000.00
Shareholders' Equity	2,867,382,009.00	2,773,258,328,00	2,764,127,262.00	2,688,866,101.00	2,286,852,753.00
No. of Shares Outstanding	231,000,000.00	231,000,000.00	231,000,000.00	220,000,000.00	190,000,000.00
Net Assets Value (NAV) Per Share	12.41	12.01	11.97	12.22	12.04
Earnings Per Share (EPS)	0.10	0.04	0.33	0.51	0.13
Market Price Per Share (Closing)	14.80	14.10	19.10	32.10	N/A
Price Earnings Ratio (Times)	148.00	352.50	57.88	62.94	N/A

For the year ended 30th June, 2014

#### Dividend:

The Board of Directors of the Company has not recommended any dividend for the year ended 30th June, 2014 since the Company does not make such profit to pay dividend for the year.

#### Number of Board Meeting held:

During the year 12 nos. of Board Meeting were held. The attendance record of the Directors is shown below. The Directors who could not attend the meeting were granted leave of absence.

#### Board Meeting and attendance during the year ended 30th June, 2014

SI. No.	Name of Directors	Meeting held	No. of meeting attended
1.	Mr. Md. Ebadul Karim	12	12
2.	Mrs. Nurun Nahar Karim	12	12
3.	Mr. Niazul Karim	12	12
4.	Mr. Abdul Qader Siddiqui	12	04

#### Pattern of Shareholding:

The pattern of shareholding is furnished below.

#### The pattern of shareholding

#### (i). Parent/ Subsidiary / Associate Companies

SI. No.	Name	Designation with BPL	Entities where they have interest	No. of share held
4	Mr. Md. Chadul Kasin	Managina Diseates	Beacon Development Ltd.	60,000
1.	Mr. Md. Ebadul Karim	Managing Director	Kohinoor Chemical Co.(BD) Ltd.	63,750
11			Beacon Point Ltd.	25,000
2.	Mrs. Nurun Nahar Karim Di	Discort	Beacon Development Ltd.	25,000
4.		Director	Kohinoor Chemical Co.(BD) Ltd.	405
			Beacon Point Ltd.	25,000
3.	Mr. Niazul Karim Director		Beacon Development Ltd.	40,000
			Beacon Point Ltd.	25,000

#### **CORPORATE** GOVERNANCE

### Directors' Report to the Shareholders For the year ended 30th June, 2014

#### (ii). Director, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children

SI. No.	Name	Designation	No. of shares held
1.	Mr. Md. Ebadul Karim	Managing Director	5,82,28,800
2.	Mrs. Nurun Nahar Karim	Director	47,25,000
3.	Mr. Md. Niazul Karim	Director & CFO	63,54,000
4.	Company Secretary		Nil
5.	Head of Internal Auditor		Nil
6.	Spouse & Minor Children of the above personnel		Nil

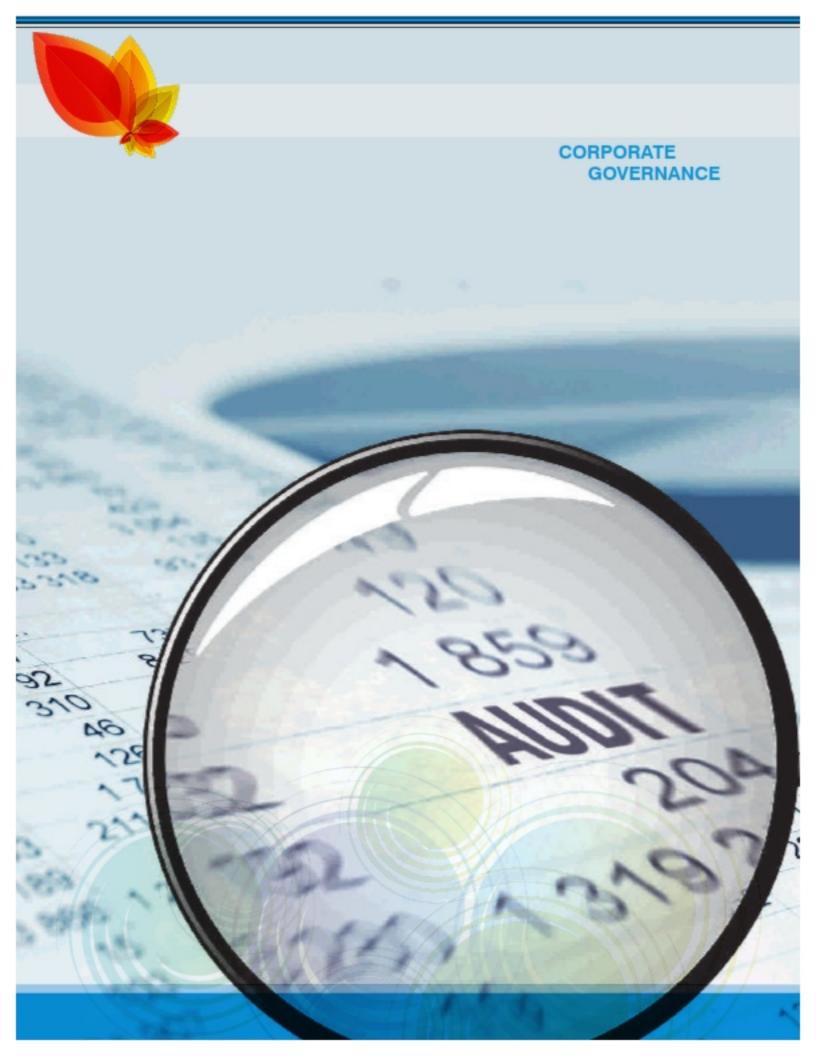
#### (iii) Executive

SI. No.	Name	Designation	No. of shares held
1.	Mr. Md. Ebadul Karim	Managing Director	5,82,28,800
2.	Mr. Md. Niazul Karim	Director & CFO	63,54,000
2.	Mr. Sujit Kumar Kundu	Sr. Manager, PD	21,000

#### (iv). Shareholders holding ten percent (10%) or more voting interest in the Company

SI. No.	Name	Designation	Percentage	No. of share held
1.	Mr. Md. Ebadul Karim	Managing Director	25.21	5,82,28,800

Md. Ebadul Karim Managing Director





#### **Audit Committee Report**

#### Composition of Audit Committee:

The Board of Directors of Beacon Pharmaceuticals Limited has formed an Audit Committee comprising the following three Directors as per Notification No. SEC/CMRRCD/2006-158/134/Admin/44, dated 7th August, 2012 of Bangladesh Securities and Exchange Commission.

SIn.	Name	Desigation	Position
01	Mr. Abdul Qader Siddiqui	Independent Director	Chairman
02	Mr. Md. Ebadul Karim	Managing Director	Member
03	Mrs. Nurun Nahar Karim	Chairman	Member
04	Mr. Giash Uddin Ahmed FCMA	Company Secretary	Secretary

#### Role and Responsibility of the Audit Committee:

The Audit Committee is empowered to consider any matter relating to the financial affairs of the Company and to review all internal and external audit, internal control system, procedures and accounting policies etc of the Company so as to ensure that a sound financial reporting system is in place in order to provide an accurate, appropriate and timely information to the Management, Regulatory Authorities and to the Shareholders.

#### Meetings held of the Audit Committee:

4 (Four) number of meetings were held of the Audit Committee during the year where a detailed discussion was made relating to quarterly and final accounts of the Company.

#### Activities of Audit Committee:

The following activities were carried out by the Audit Committee during the financial year as per terms of reference of the audit committee.

#### Financial Reporting:

Reviewed the quarterly, half yearly and final accounts of the Company prior to submission to the Board of Directors for approval. The review was to ensure that financial reporting and disclosures were in compliance with the Securities Laws, provision of Company's Act 1994, applicable Accounting Standards / IFRS, any conflict of interest and other relevant legal and regulatory requirements.

#### Internal Audit:

Reviewed the annual audit plans including the audit methodology, scope and coverage of audit activities of the Company.

Reviewed the effectiveness of audit process, resource requirements and assess the performance of internal audit department. The competency and performance of the Head of Internal Audit is also reviewed.

Reviewed the internal audit report which encompassed the audit issues, audit recommendations and management's response to these recommendation, actions taken in the area of internal control system and efficiency enhancement suggested by the internal auditors.



#### External Audit:

The Committee reviewed the Final Accounts, auditors' findings and management response. The Committee also reviewed the external auditors report and are as of concern they highlighted in the management letter and management's response to the findings of the external auditors.

#### Internal Control System:

The Committee also reviewed the effectiveness of internal control system of the Company and put their valuable suggestions to develop the system in order to safeguard the Company's assets and outstanding financial performance.

#### Recommendation:

The Audit Committee recommended to the Board of Directors that M/S. A. Matin & Co., Chartered Accountants may be appointed as auditors of the Company for the financial year 2014-15 subject to the approval of the members of the Company at the 13th Annual General Meeting.

On behalf of the Audit Committee

Abdul Qader Siddiqui, Independent Director

Chairman, Audit Committee

#### Composition of Audit Committee:

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SIn.	Name	Desigation	Position
01	Mr. Abdul Qader Siddiqui	Independent Director	Chairman
02	Mr. Md. Ebadul Karim	Managing Director	Member
03	Mrs. Nurun Nahar Karim	Chairman	Member
04	Mr. Giash Uddin Ahmed FCMA	Company Secretary	Secretary

Role and Responsibility of the Audit Committee:

	_	



# CORPORATE GOVERNANCE

#### CEO and CFO's Certification to the Board

Date: 2nd November 2014

#### The Chairman

Board of Directors Beacon Pharmaceuticals Limited 153-154 Tejgaon I/A., Dhaka -1208, Bangladesh

Sub: CEO and CFO's certification to the Board.

Sir / Madam.

Compliance to the condition No. 6 of Bangladesh Securities and Exchange Commission's notification No. SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August 2012,

We are pleased to certify that:-

- We have reviewed financial statements for the year ended 30th June, 2014 and that to the best of our knowledge and helief:-
- a). these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- We are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Thanking you,

Yours truly,

Md. Niazul Karim Director (Finance) Md. Ebadul Karim Managing Director



# Corporate Governance A Guideline of Transparency and Accountability

#### Corporate Governance

Adopting the best practice of Corporate Governance and follows the principles of transparency and accountability that protect the interest of its stakeholders and safeguarding the assets of the shareholders. Corporate Governance ensures the activities that led the Company to its goal through setting strategies, formulating policies and taking prudent decisions. The Board of Directors of Beacon ensures that the activities undertaken by the Company are in accordance with the highest ethical standards in the best interest of all stakeholders.

#### The Board

The Board comprises of five members of executive and non-executive having diverse and professional skill and experience. The non-executive Directors are from different business and background. Their experience enable them to contribute the Company in making strategy, formulating policy and other decision making process for advancement. The Chairman is the head of the Board and Company Secretary is the compliance officer who prepares agenda in consultation with the Chairman of the Board Directors and Chairman of various Committee and Managing Director. The Chairman ensures that all Board members are properly briefed on all issues raise in the Board Meeting. It is the responsibility of the Chairman and the Company Secretary to ensure that the non-executive Directors are provided with timely information to enable them to carryon the duties effectively.

#### **Board Meetings**

The Board of Directors has the supreme authority delegated by the shareholders in making strategy, formulating policy and other decision making process for development of the Company. The Board of Directors considers that it meets regularly to discharge their duties effectively.

#### Board Independence

As per Corporate Governance Guidelines, Mr. Abdul Qader Siddiqui has been re-appointed as an Independent Director of the Company and Prof. Dr. Syed Modasser Ali has newly appointed as another Independent Director of the Company. They are considered by the Board to be independent of the Company and the management and free of any business or other relationship that could interfere with the exercise of their independent judgment. The Board beliefs that their experience and knowledge enable them to provide effective and constructive contribution to the Board.

#### **Board Committee**

The Board of Directors has formed a number of committees to assist in exercising its authority including monitoring of performance.

#### **Board Audit Committee**

The Company's Audit Committee met fourth times in 2014 to consider its Annual Financial Statements for the year ended 30th June, 2014 and the Quarterly Reports in the same financial year. The committee comprises Mr. Abdul Qader Siddiqui, Independent Director, Mr. Md. Ebadul Karim, Managing Director and Mrs. Nurun Nahar Karim, Chairman.

#### Internal Control

The Board has the ultimate responsibility for Beacon Pharma's system of internal control and for reviewing its effectiveness. It has been designed to manage the risk of failure to achieve the objectives of the Company and to provide reasonable assurance that Company's assets are safe guarded against unauthorized use of material loss and that transactions are properly authorized and recorded.



# Status of Compliance with the Corporate Gevernance Guideline (CGC)

For the year ended 30 June 2014

Status of compliance with the condition imposed by the Commission's Notification No. letter SEC/CMRRCD/2006-158/134/Admin/44, dated

07 August, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969

Condition No.	Title	Complied	Not Complied	Remarks (if any)
1	Board of Directors			
1.1	Boards size			
	The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty).		•	Board comprises 04 Directors including 01 Managing Director and 01 Independent Director. However, company has appointed 01 more Independent Director on 25.09.2014
1.2	Independent Directors			
(i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	/		01 Independent Director available
(ii)	For the purpose of this clause 'Independent directors' means a director			
a)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	/		Independennt Director has declared his compliance
b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company.	,		Do
c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies.			Do
d)	Who is not a member, director, or officer of any stock exchange;	1	-	Do
e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	1		Do
f)	Who is not a partner or an executive or was not a Partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	11		Do



Condition No.	Title	Complied	Not Complied	Remarks (if any)
g)	Who shall not be an independent director in more than 3 (three) listed companies;	/		Do
h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	1		Do
i)	Who has not been convicted for a criminal offence involving moral turpitude.	1		Do
(ii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	1		The apponments is duly approved at AGM
(iv)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days.	/		No vacancy occurred
(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.			In Practice
(vi)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	/		The Independent Director is in his first term of office
1.3	Qualification of Independent Director (ID)			
(i)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	/		The qualification and background justify
(ii)	The person should be a Business Leader/ Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have a least 12 (twelve) years of corporate management /professional experiences.	,		Do
(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	Y		Not applicable
1.4	Chairman of the Board and Chief Executive Officer	X		
0	The position of the chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the chairman and the chief executive officer.	y different elected and of		Different persons hold the positions with specific responsibilities set by the Board



Condition No.	Title	Complied	Not Complied	Remarks (if any)
1.5	Directors Report to the Shareholders			
i)	Industry outlook and possible future developments in the industry.	/		The Directors Report complies with the guideline
(ii)	Segment-wise or product-wise performance.	1		Do
(iii)	Risks and concerns.	1		Do
(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	/		Do
(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	1		Do
(vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report.	1		Do
(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.			Not Applicable
(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO). Rights Offer, Direct Listing, etc.			Not Applicable
(xi)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			Not Applicable
(x)	Remuneration to directors including independent directors.			Not Applicable
(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	1		
(xii)	Proper books of account of the issuer company have been maintained.	1		
(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.			
(xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standard (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.			
(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	1		



Condition No.	Title	Complied	Not Complied	Remarks (if any)
(xvi)	There are no significant doudts upon the issuer company's ability to continue as a going concern. If the issuer company is not considerer to be a going concern, the fact along with reasons thereof should be disclosed.	/		
(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	/		
(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	/		
(xix)	if the issuer company has not declared dividend(cash or stock) for the year, the reasons thereof shall be given.	1		
(xox)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	1		
(iooi)	The Pattern of shareholding shall be reported to disclose theaggregate number of shares (along with name wise details wherestated below) held by:			
(xxi) a)	Parent/Subsidiary/Associated Companies and other related parties(name wise details);	1		
(xxi) b)	<ul> <li>Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);</li> </ul>			
(xxxi) c)	Executives;	1		
(xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	1		
(xxxii)	In case of the appointment/re-appointment of a director thecompany shall disclose the following information to theshareholders:			
(xocii) a)	a brief resume of the director;	1/		
(boxii) b)	nature of his/her expertise in specific functional areas;	-		
(xxii).c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	X.		
2.0	Chief Financial Officer (CFO), Head of Internal Audit and CompanySecretary (CS)	XA.		
2.1 Appoint men t	The company shall Appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of internal Audit and the CS.	M		



Condition No.	Title	Complied	Not Complied	Remarks (if any)
2.2 Requirem ent to attend the Board Meetings	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	/		7,
3.0	Audit Committee			
(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	1		
(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring	/		
(ii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall he clearly set forth in writing	1		
3.1	Constitution of the Audit Committee			
(i)	The Audit Committee shall be composed of at least 3 (three) members.	1		
(ii)	The Board of Directors shall appoint members of the audit committee who shall be directors of the company and shall include at least 1 (one) independent director.	1		
(ii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience,	1		
(iv)	When the term of service of the Committee members expires or there is any circumstanc causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.			
(v)	The company secretary shall act as the secretary of the Committee.			
(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	16		
3.2	Chairman of the Audit Committee			
(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	1		

# CORPORATE GOVERNANCE

Canditian No.	Title	Complied	Not Complied	Remarks (if any)
(ii)	Chairman of the Audit Committee shall remain present in the AnnualGeneral Meeting (AGM).	1		
(3.3)	Role of Audit Committee			
(i)	Oversee the financial reporting process.	1		
(ii)	Monitor choice of accounting policies and principles.	/		
(iii)	Monitor Internal Control Risk management process.	/		
(iv)	Oversee hiring and performance of external auditors.	1		
(v)	Review along with the management, the annual financial, statements before submission to the board for approval.	/		
(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	1		
(vii)	Review the adequacy of internal audit function.	1		
(viii)	Review statement of significant 'related party transactions submitted by the management.	/		
(bt)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.	/		
(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	,		
(3.4)	Reporting of Audit Committee			
(i)	The Audit Committee shall report on its activities to the Board of Directors.	1		
(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
3.4.1 (ii) a)	Report on conflicts of interests;			
b)	suspected or presumed fraud or irregularity or material defect in the internal control system;	1		
c)	suspected infringement of laws, including securities related laws, rules and regulations;:	1		
d)	any other matter which shall be disclosed to the Board of Directors immediately.	1		



Condition No.	Title	Complied	Not Complied	Remarks (if any)
3.4.2 Reporting to the Authorities	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that anyrectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	•	Complete	(ii daiyy
3.5	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the	1		
4.0	External/ Statutory Auditors			
The issue	er company should not engage its external/statutory auditors to pe	rform the follo	wing services	of the company; namely:
(i)	Appraisal or valuation services or fairness opinions.	/		
(ii)	Financial information system design and implementation	/		
(iii)	Book-keeping or other services related to the accounting records or financial statement	1		
(iv)	Broker -dealer services	<b>✓</b>		
(v)	Actuarial services	/		
(vi)	Internal audit services	1		
(vii)	Any other services that the audit committee determines.	1		
(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	V.		
(ix)	Audit/ Certifiaction services on compliance of corporate governance as required under clause (i) of condition o. &			
(5.0)	Subsidiary Company	A52		Not Applicable
(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	XXX		



Condition No.	Title	Complied	Not Complied	Remarks (if any)
(ii)	At least 1 (one) independent director of the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			
(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.			
(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.			
(v)	The. Audit Committee of the holding company shall also review the financial statements, in particular, the investments made by the subsidiary company.			
(6.0)	Duties of Chief Executive Officer (CEO) and Chief FinancialOfficer (CFO)	/		
The CEC	and CFO shall certify to the Board that:-			
(i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	/		
(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	/		
(b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	/		
(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company diving the year which are fraudulent illegal or violation of the company's code of conduct.	/		
(7)	Reporting and Compliance of Corporate Governance			
(i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.			
(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with			



As per SEC rules (forter SEC/OMRRCD/2006-128/104/warmth/64, dated 07 August, 2012), all the companies fisted with any stock excitation to 7. The contribution requires that the directors of the company shall slake, in eccenteror with the Americus attached, in the directors' report whether the

shall state, in econologic with the America attorned, in the directors' report whether the positions and proceedable set by SEC to their letter.

company has complied with these



### PODDER & ASSOCIATES

Cost and Management Accountants

#### Compliance Certificate

On

#### CORPORATE GOVERNANCE

To the Shaneholders of

#### Beacon Pharmaceuticals Limited

"Podder & Associates", being one of the firm of "Professional Accountants" in Bangladesh, takes the gradification to study and opine in attainment of Compliance on Corporate Governance by Beacon Pharmaceuticals Limited for the period encod 30 June 2014. This study is completed in accordance with the quideline set by Bangladesh Securities and Exchange Commission (BSEC) through the notification SEC/CMRRCD/2006-158/134/Admiry44, dated 07 August, 2012.

Accomplishment of compliance on curporate governance is the conscientiousness of the management of the Company. Our study is imperfect to the measures and execution of such as per guideline set by BSEC. It is neither an audit nor expression of opinion on the financial attairs of the Company.

As per our study and observation on the best of information & explanations provided. Beacon Pharmaceuticals Limited has complied with the conditions of Corporate Governance set by Bangladesh Sepurities & Exchange Commission except appointment of necessary number of directors. As per guideline there has to be at least 05 (five) directors in the board, but, company has only 04 (four) during the period ended 30 June 2014. To comply such another 01 Independent director has been appointed on 25 September 2014.

On the above note, we would also like to state that such compliance is neither an assurance as to the future capability of the Company nor the efficiency or effectiveness by which management has conducted the affairs of the Company.

For Podder & Associates

Jayanta Kumer Phocor

Chief Executive Officer

Date: 0.3 XOV 2014

Place: Dhaka, Bangladesh

223-7 New 3/11 Segun Bagkha (2nd & 2nd Fouri, Dhaka 1991, Phaha 1991, Phaha 1992, Phaha 1993, Phaha 19





#### INDEPENDENT AUDITORS' REPORT

TC

THE SHAREHOLDERS OF

#### BEACON PHARMACEUTICALS LIMITED

We have audited the accompanying financial statements of BEACON PHARMACEUTICALS LTD. consisting of the statement of financial position as at June 30, 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### INDEPENDENT AUDITORS' REPORT

TO

THE SHAREHOLDERS OF

#### BEACON PHARMACEUTICALS LIMITED

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BEACON Pharmaceuticals Limited. as at June 30, 2014, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

#### We also report that:

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

Habib Sarwar Bhuiyan & Co

Chartered Accountants

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2014

Particulars	Notes	Amount in Taka 30.06.2014	Amount in Taka 30.06.2013
ASSETS		55.55.25.7	55.55.25.5
Non-Current Assets:			
Property, Plant & Equipments	3	2,218,349,300	2,550,094,661
Capital Work In Progress	4	202,471,300	880,923
Investment in Shares	5	11,646,959	159,980,190
Deferred IPO Expense	6	- 1,040,000	14,203,289
Total Non-Current Assets		2,432,467,559	2,725,159,063
Current Assets:		2,102,107,000	2,120,100,000
Inventories	7	1,064,947,942	920,497,475
Accounts Receivable	8	264,808,362	157,859,545
Advance, Deposit & Pre-payments	9	526,214,829	440,430,105
Short Term Investment	10	272,766,267	-
Cash & Cash Equivalents	11	28,620,341	7,673,698
Total Current Assets		2,157,357,740	1,526,460,823
TOTAL ASSETS		4,589,825,300	4,251,619,886
SHAREHOLDERS' EQUITY & LIABILITIES		4,000,020,000	4,201,010,000
Shareholders' Equity:			
Share Capital	12	2,310,000,000	2,310,000,000
Reserve and Surplus	13	318,828,331	336,552,059
Retained Earning	14	238,553,678	126,706,269
Total Shareholders' Equity	1-4	2,867,382,009	2,773,258,328
Non-Current Liabilities:		2,007,002,000	2,770,230,020
Long Term Loan	15	660,360,017	776,013,169
Current Liabilities:	10	000,000,011	770,010,100
Short Term Loan	16	947,034,749	512,496,894
Current Portion of Long Term Loan	17	31,386,351	63,684,240
Share Application Money Refundable	18	4,656,093	4,956,614
Accounts Payables	19	31,109,038	20,837,254
Tax Payable/Refundable	20	(11,313,361)	60,362,027
Accrued Expenses	21	46,865,131	24,512,591
VAT Payable	22	565,044	629,057
Liabilities for EWF & WPPF	23	11,780,229	14,869,712
Total Current Liabilities		1,062,083,274	702,348,389
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		4,589,825,300	4,251,619,886
Net Asset value (NAV) / Share		12.41	
Par Value(Tk.)		10	10
The standard of the standard o			

The annexed notes 1 to 36 form an integral part of these financial statements. The financial statements were approved by the Board of Directors on 27.10.2014 and were signed on its behalf by.

Company Secretary

Nurun Nahar Karim

Managing Director

Signed as per our report of even date

Habib Sarwar Bhuiyan & Co. Chartered Accountants

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2014

Particulars	Notes	Amount in Taka 30.06.2014	Amount in Taka 30.06.2013
Turnover (Net of VAT)	24	1,690,363,446	1,226,906,195
Less: Cost of Goods Sold	25	894,119,555	609,987,995
Gross Profit		796,243,891	616,918,200
Less: Operating Expenses			
Administrative Expenses	26	76,103,360	69,015,856
Marketing, Selling & Distribution Expenses	27	477,572,920	340,510,369
Total Operating Expenses		553,676,280	409,526,225
Operating Profit		242,567,610	207,391,975
Less: Financial Expenses	28	221,684,367	196,958,236
Net Profit after Financial Expenses		20,883,244	10,433,739
Income from Other Sources	29	32,457,898	9,640,884
Net Profit before IPO Expenses		53,341,142	20,074,623
Less: Amortization of Deferred IPO expenses	30	14,203,289	4,734,432
Net Profit before Contribution to WPPF		39,137,853	15,340,191
Less: Contribution to WPPF	31	1,863,707	730,485
Net Profit before Tax		37,274,146	14,609,706
Less: Income Tax		13,045,951	5,478,640
Net Profit after Tax		24,228,195	9,131,066
No. of Shares		231,000,000	231,000,000
Earning Per Share		0.10	0.04

The annex notes 1 to 36 form an integral part of these financial statements. The financial statements were approved by the Board of Directors as on 27.10.2014 and were signed on its behalf by.

Company Secretary

News Nahar karin

Managing Director

Signed as per our report of even date

Habib Sarwar Bhuiyan & Co. Chartered Accountants

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2014

Amount in Taka

Particulars Total Equity	Share Capital	Revaluation	Tax Holiday	Retained Reserve	
Reserve	Earning			Nescrye	
Balance at the beginning of the year	2,310,000,000	331,048,960	5,503,099	126,706,269	2,773,258,328
Prior year adjustment	-	-	-	69,895,486	69,895,486
Net Profit transferred from Income Statement		_	_	24,228,195	24,228,195
Revaluation Reserve adjustment	-	(17,723,728)	-	17,723,728	
Transferred to Tax Holiday Reserve	-	-	-	-	
Investment from Tax Holiday Reserve	-	-	-	-	-
Shares Issued during the year / Payment of Stock Dividend	-	-	-	-	-

Balance at the end of the year

2,310,000,000 313,325,232

5,503,099 238,553,678 2,867,382,009

#### STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2013

				A	mount in Taka
Particulars	Share Capital	Revaluation	Tax Holiday	Retained	
Total Equity Reserve	Earning			Reserve	
Balance at the beginning of the year	2,310,000,000	348,772,688	5,503,099	99,851,475	2,764,127,262
Prior year adjustment	-		-	-	-
Net Profit transferred from	-	-	-	9,131,066	9,131,066
Income Statement					
Revaluation Reserve adjustment (Note-32)	-	(17,723,728)	-	17,723,728	-
Transferred to Tax Holiday Reserve	-	-	-	-	-
Investment from Tax Holiday Reserve	-	-	-	-	-
Shares Issued during the year /	-	-	-	-	-
Payment of Stock Dividend					

Balance at the end of the year

2,310,000,000 331,048,960

5,503,099 126,706,269 2,773,258,328

sed notes 1 to 36 form an integral part of these financial statements. The financial statements were approved by the Board of Directors on 27.10.14 signed on its behalf by.

Nurun Nahar Karim

Habib Sarwar Bhuiyan & Co.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2014

Particulars	Notes	Amount in Taka 30.06.2014	Amount in Taka 30.06.2013
Cash Flows from Operating Activities: Collection against Sales Payment to Creditors Other Operating Expenses Interest Paid		1,583,414,629 (595,430,905) (696,398,160) (221,684,367)	1,194,723,969 (295,984,793) (493,412,291) (196,574,169)
Net Cash Generated from Operating Activities		69,901,198	208,752,716
Cash Flows from Investing Activities:  Acquisition of Property, Plant & Equipments Investment Interest and Other Receipt		(239,815,710) (127,883,036) 32,457,898	(21,175,355) 76,469,810 8,190,884
Net Cash Generated from Investing Activities		(335,240,848)	63,485,339
Cash Flows from Financing Activities:  Excess Share Application Money Refund Long Term Loan Refund Short Term Loan Received Short Term Loan Refund Current Portion of Long Term Loan		(300,521) (115,653,152) 434,537,855 - (32,297,889)	(224,381) (74,063,514) - (110,595,394) (86,883,652)
Net Cash Generated from Financing Activities:		286,286,293	(271,766,941)
Net Cash Increase / (Decrease)  Cash and Bank Balance at the beginning of the	e year	<b>20,946,643</b> 7,673,698	<b>471,114</b> 7,202,584
Cash and Bank Balance at the end of the ye	ar	28,620,341	7,673,698
Net Operating Cash flow per Share		0.30	0.90

The annex notes 1 to 36 form an integral part of these financial statements. The financial statements were approved by the Board of Directors as on 27.10.2014 and were signed on its behalf by.

Company Secretary

Num Nahar Karim

Aanaging Director

Dhaka: October 30, 2014

Habib Sarwar Bhuiyan & Co. Chartered Accountants

# BEACON PHARMACEUTICALS LIMITED FIXED ASSETS SCHEDULE AS AT JUNE 30, 2014

Schedule-A

		Cost				De	Depreciation		
Particulars	Balance as on 01.07.2013	Addition During the year	Disposal During the year	Balance as on Rate 30.06.2014 (%)	Rate (%)	Depreciation as on 01.07.2013	Charged During the year	Depreciation as on 30.06.2014	Written Down Value as on 30.06.2014
Land	341,388,689			341,388,689	960			-	341,388,689
Building	591,699,893	5,679,480	•	597,379,373	5%	111,371,288	29,689,435	141,080,723	456,318,650
Vehicles	60,237,096	8,145,771		68,382,867	20%	36,690,713	12,740,243	49,430,956	18,951,911
Production Machinery & Equipment	2,105,998,296	19,192,732	,	2,125,191,018	15%	467,404,696	316,976,330	784,381,026	1,340,809,992
Electrical Installations	47,708,135			47,708,135	10%	17,136,623	4,770,814	21,907,437	25,800,699
Office Equipment	31,157,860	4,362,332	,	35,520,192	10%	9,617,445	3,552,019	13,169,464	22,350,728
Furniture & Foture	21,573,521	845,018	,	22,418,539	10%	7,448,053	2,241,854	9,689,907	12,728,632
Total	3,199,763,480	38,225,333		3,237,988,813		649,668,818	369,970,694	369,970,694 1,019,639,512 2,218,349,301	2,218,349,301

Allocation of Depreciation:	Proportion	Amount (Tk.)
Factory Overhead	91%	336,673,331
Administrative Overhead	84	14,798,828
Selling, Marketing & Distribution Exp.	5%	18,498,535
	100%	369,970,694

Newson Nother Karrim

Managing Director

Habib Sarwar Bhuiyan & Co. Charlered Accountants

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# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

#### 1. REPORTING ENTITY AND ITS ACTIVITIES:

#### a) Legal form of the Entity:

Beacon Pharmaceuticals Ltd. was incorporated in Bangladesh in 2001 under the Companies Act, 1994 as a Private Limited Company and subsequently converted into Public Limited Company on February 25, 2008. It commenced its commercial manufacturing operation in September 2006 and has been started to market its products from October 2006.

The registered office of the company is located at 153-154, Tejgaon I/A, Dhaka - 1208. The industrial units are located in Kathali, Bhaluka, Mymansingh.

#### 1.2 Nature of Business Activities:

The Company is engaged in manufacturing and marketing of Pharmaceuticals Finished Formulation Products and life saving intravenous (I.V) Fluids, Active Pharmaceuticals Ingredients (APIs), Bio-tech products and genetic engineering products which the company sales in the local markets as well as international markets.

The company also provides contract manufacturing and tool manufacturing services.

#### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### 2.1 Basis of Measurement of Elements of Financial Statements:

The financial statements have been prepared on the current cost basis and therefore, it takes into consideration the effect of inflation.

#### 2.2 Components of the Financial Statements:

- Statement of Financial Position as at June 30, 2014.
- ii) Statement of Comprehensive Income for the year ended June 30, 2014.
- iii) Statement of Changes in Shareholder's Equity for the year ended June 30, 2014.
- iv) Statement of Cash Flow for the year ended June 30, 2014.
- v) Accounting Policies and Explanatory notes to the Financial Statement for the year ended June 30, 2014.

#### 2.3 Statement on compliance with local laws:

The financial statements have been prepared in compliance with the requirement of the Companies' Act 1994 and other relevant local laws as applicable.

#### 2.4 Statement of Compliance of Bangladesh Accounting Standards:

The financial statements have been prepared in accordance with the applicable Bangladesh Accounting Standards (BAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

#### 2.5 Structure, Content and presentation of Financial Statements:

Being the general purpose of the financial statements, the presentation of these financial statements are in accordance with the guidelines provided by BAS 1: Presentation of the Financial Statements.

#### 2.6 Reporting Period:

The financial period of the company covers one year from July 01 to June 30 consistently.

#### 2.7 Approval of Financial Statements:

The Financial Statements were duly approved by the Board of Directors of the company on 27.10. 2014.

#### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

#### 2.8 Currency:

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

#### 2.9 Risk and Uncertainty for use of Estimates and Judgments:

The preparation of Financial Statements are in conformity with the Bangladesh Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on going basis revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods as required by BAS 8: Accounting policies, changes in accounting estimates and errors.

#### 2.10 Accrued Expenses and other payables:

Liabilities for the goods and services received have been accounted for.

Payables are non interest bearing and stated at their nominal value.

#### 2.11 Going Concern:

The company has adequate resources to continue its operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statement.

#### 2.12 Financial Instrument:

Non-derivative financial instruments comprise accounts and other receivables, cash and cash equivalents, borrowing and other payables and are shown at transaction cost.

#### 2.13 Impairment:

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

#### 2.14 Segment Reporting and Cash Flow Statement:

No segment reporting is applicable for the company as required by BAS 7: Cash Flow Statement. The cash generating from operating activities has been reported using the Direct Method complying BAS 7: Cash Flow Statement.

#### 2.16 Events after the Balance Sheet Date:

In compliance with the requirements of BAS 10: Events after the balance sheet date post balance sheet adjusting events that provide additional information about the company's position as the balance sheet date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

#### 2.15 Accounting Policies for significant Items:

The accounting policies in respect of materiality of items of financial statement set below have been applied consistently to all periods presented in these financial statements.

#### 2.15.01 Revenue Recognition Policy:

In compliance with requirements of BAS 18: Revenue, revenue from receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer recovery of the consideration is probable, the associated costs and

#### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

possible return of goods can be estimated reliably and there is no continuing management involvement with the goods.

#### 2.16 Property, Plant and Equipment:

#### 2.16.01. Recognition and Measurement:

Property, plant and equipment are capitalized at cost less accumulated depreciation in compliance with the requirements of BAS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refunded taxes.

#### 2.16.02 Depreciation on Property, plant & Equipment:

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provision of BAS 16: Property, Plant and Equipment. Depreciation is provided for the period in use of the assets.

#### 2.17 Inventories:

Inventories are carried at the lower of cost and net realizable value as prescribed by BAS 2: Inventories. Cost determined on weighted average cost basis. The cost of inventories comprises of expenditure in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale. Cost formula used for inventory valuation.

reading of illegitories	Nature of	Inventories	Cost	Formula
-------------------------	-----------	-------------	------	---------

Raw Materials Weighted Average Cost Packing Materials Weighted Average Cost

WIP Actual Cost Finished Goods Actual Cost Other Actual Cost

#### 2.18 Cash and Cash Equivalents:

Cash and Cash equivalents includes cash in hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

#### 2.19 Income Tax Expenses:

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

#### 2.20 Tax Holiday Reserve:

The Tax holiday period of the company has expired on September 30, 2010 and company has created tax holiday reserve @ 10% from its profit for the 1st quarter ended September 30, 2010 as required by the Income Tax Ordinance 1984.

#### 2.21 Foreign Currency Transaction:

Foreign currency transactions are recorded at the applicable rates of exchange prevailing at the transaction date in accordance with the provisions of BAS 21: The effects of changes in foreign currency rate. The monetary assets and liabilities, if any, denominated in foreign currencies at the balance sheet date are transacted at the applicable rates of exchanges prevailing on that date.

# BEACON PHARMACEUTICALS LIMITED NOTES TO THE FINANCIAL STATEMENTS

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

Notes	Particulars	Amount in Taka 30.06.2014	Amount in Taka 30.06.2013
3.00	PROPERTY, PLANT & EQUIPMENT: Tk. 2,218,349,300	)	
	Balance as on 01.07.2013	3,199,763,480	3,179,469,048
	Add: Addition during the year	38,225,333	20,294,432
		3,237,988,813	3,199,763,480
	Less: Disposal during the year		
	Depreciable Value as on 30.06.2014	3,237,988,813	3,199,763,480
	Accumulated Depreciation as at 01.07. 2013	649,668,819	480,663,868
	Depreciation charged during the year	369,970,694	169,004,951
		1,019,639,513	649,668,819
	Less: Accumulated depreciation on disposal of assets	-	-
	Accumulated Depreciation as on 30.06.2014	1,019,639,513	649,668,819
	Written Down Value as on 30.06.2014	2,218,349,300	2,550,094,661
	Details has been shown in Schedule - A  The Management should follow the purchase policy and procedure	for purchase of all the fixed	l assets, local & foreign
4.00	The Management should follow the purchase policy and procedure purchases.  CAPITAL WORK IN PROGRESS: Tk. 202,471,300		
4.00	The Management should follow the purchase policy and procedure purchases.  CAPITAL WORK IN PROGRESS: Tk. 202,471,300  Construction and Civil Works	202,471,300	880,923
4.00	The Management should follow the purchase policy and procedure purchases.  CAPITAL WORK IN PROGRESS: Tk. 202,471,300		
4.00	The Management should follow the purchase policy and procedure purchases.  CAPITAL WORK IN PROGRESS: Tk. 202,471,300  Construction and Civil Works	202,471,300 202,471,300 ad by Tk. 201,590,377. This ses. The amount was incurred	880,923 880,923
4.00	The Management should follow the purchase policy and procedure purchases.  CAPITAL WORK IN PROGRESS: Tk. 202,471,300  Construction and Civil Works  Balance as on 30.06.2014  During the year under audit the capital work in progress increase attributable to several new Construction Works within the factory premis	202,471,300 202,471,300 ad by Tk. 201,590,377. This ses. The amount was incurred	880,923 880,923 s expenditure has been to construct new factory
	The Management should follow the purchase policy and procedure purchases.  CAPITAL WORK IN PROGRESS: Tk. 202,471,300  Construction and Civil Works  Balance as on 30.06.2014  During the year under audit the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and expense.	202,471,300 202,471,300 ad by Tk. 201,590,377. This ses. The amount was incurred	880,923 880,923 s expenditure has been to construct new factory 3,450,000
	The Management should follow the purchase policy and procedure purchases.  CAPITAL WORK IN PROGRESS: Tk. 202,471,300  Construction and Civil Works  Balance as on 30.06.2014  During the year under audit the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and experience.  INVESTMENT IN SHARES: Tk. 11,646,959	202,471,300 202,471,300 ad by Tk. 201,590,377. This ses. The amount was incurred	880,923 880,923 s expenditure has been to construct new factory
	The Management should follow the purchase policy and procedure purchases.  CAPITAL WORK IN PROGRESS: Tk. 202,471,300  Construction and Civil Works  Balance as on 30.06.2014  During the year under audit the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and expenses.  INVESTMENT IN SHARES: Tk. 11,646,959  Active Fine Chemicals Ltd.	202,471,300 202,471,300 ad by Tk. 201,590,377. This ses. The amount was incurred ansion of oncology products.	880,923 880,923 s expenditure has been to construct new factory 3,450,000
	The Management should follow the purchase policy and procedure purchases.  CAPITAL WORK IN PROGRESS: Tk. 202,471,300  Construction and Civil Works  Balance as on 30.06.2014  During the year under audit the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and experimental in the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and experimental in the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and experimental in the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and experimental in the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and experimental in the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and experimental in the capital work in progress increase attributable to several new Construction Works within the factory premise building and to manufacture hormone product, new syrup line and experimental in the capital work in progress in the capital work in progre	202,471,300 202,471,300 and by Tk. 201,590,377. This ies. The amount was incurred ansion of oncology products.	880,923 880,923 s expenditure has been to construct new factory 3,450,000
	The Management should follow the purchase policy and procedure purchases.  CAPITAL WORK IN PROGRESS: Tk. 202,471,300  Construction and Civil Works  Balance as on 30.06.2014  During the year under audit the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and expaint in the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and expaint in the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and expaint in the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and expaint in the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and expaint in the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and expaint in the capital work in progress increase attributable to several new Construction Works within the factory premise building and to manufacture hormone product, new syrup line and expaint in the capital work in progress increase attributable to several new Construction Works within the factory premise building and to manufacture hormone product, new syrup line and expaint in the capital work in progress increase attributable to several new Construction Works within the factory premise building and to manufacture hormone product, new syrup line and expaint in the capital work in progress increase attributable to several new Construction work in progress in the capital work in progress in the capital work in progress in the	202,471,300 202,471,300 202,471,300 and by Tik. 201,590,377. This ses. The amount was incurred shiston of oncology products.	880,923 880,923 s expenditure has been to construct new factory 3,450,000
	The Management should follow the purchase policy and procedure purchases.  CAPITAL WORK IN PROGRESS: Tk. 202,471,300  Construction and Civil Works  Balance as on 30.06.2014  During the year under audit the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and expensions. INVESTMENT IN SHARES: Tk. 11,646,959  Active Fine Chemicals Ltd.  Beacon Glass Industries Ltd.  BD Thai Aluminum Ltd.  Daffodil Computers Ltd.	202,471,300 202,471,300 and by Tk. 201,590,377. This ies. The amount was incurred shalon of oncology products.  2,366,679 1,309,800 1,121,100 457,380	880,923 880,923 s expenditure has been to construct new factory 3,450,000
	The Management should follow the purchase policy and procedure purchases.  CAPITAL WORK IN PROGRESS: Tk. 202,471,300 Construction and Civil Works Balance as on 30.06.2014  During the year under audit the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and experience of the Chemicals Ltd.  Beacon Glass Industries Ltd.  BD Thai Aluminum Ltd.  Daffodil Computers Ltd.  Exim Bank Ltd.  Intech Limited	202,471,300 202,471,300 202,471,300 and by Tk. 201,590,377. This less. The amount was incurred shiston of oncology products.  2,366,679 1,309,800 1,121,100 457,380 4,572,000	880,923 880,923 s expenditure has been to construct new factory 3,450,000
	The Management should follow the purchase policy and procedure purchases.  CAPITAL WORK IN PROGRESS: Tk. 202,471,300  Construction and Civil Works  Balance as on 30.06.2014  During the year under audit the capital work in progress increase attributable to several new Construction Works within the factory premis building and to manufacture hormone product, new syrup line and experimental states. Tk. 11,646,959  Active Fine Chemicals Ltd.  Beacon Glass Industries Ltd.  BD Thai Aluminum Ltd.  Daffodil Computers Ltd.  Exim Bank Ltd.	202,471,300 202,471,300 and by Tk. 201,590,377. This ies. The amount was incurred shalon of oncology products.  2,366,679 1,309,800 1,121,100 457,380	880,923 880,923 s expenditure has been to construct new factory 3,450,000

During the year under audit the company has invested in shares of different companies amounting to Tk.13,109,026. As on 30.06.2014 the cost of the shares were Tk. 15,036,235 and Market value of the same as on 30.06.2014 was Tk. 11,646,959. The market value of the shares was considered in the financial statements.

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

Notes	Particulars	Amount in Taka 30.06.2014	Amount in Taka 30.06.2013
6.00	DEFERRED IPO EXPENSES: Tk. Nil		
	Balance as on 01.07.2013	14,203,289	18,937,721
	Less: Amortization during the year	14,203,289	4,734,432
	Balance as on 30.06.2014		14,203,289

These expenses comprised all sorts of expenditures related to Initial Public Offering of the Company.

The balance of IPO expenditure has fully written off during the year under audit for which copy of Minutes of the Board of

#### 07.00 INVENTORIES: Tk. 1,064,947,942

Balance as on 30.06.2014	1,064,947,942	920,497,475
Spares & Accessories	6,133,076	5,477,076
Printing & Stationery	7,375,473	5,747,779
Laboratory Chemicals	24,150,736	23,491,726
Promotional Materials	17,260,202	19,972,199
Finished Goods (Note - 25.03.03)	525,087,926	480,030,127
Work-in-Process (Note - 25.03.02)	24,579,994	23,090,823
Packing Materials	52,156,153	60,631,646
Raw Materials (Note - 25.03.01)	408,204,382	302,056,099

Inventories are carried at the lower of cost and net realizable value as prescribed by BAS 2. Cost of inventories are determined on weighted average cost basis. The said inventories are charged with Janata Bank Ltd., Corporate Branch, Motijheel C/A., Dhaka as security of C.C. Hypo loan.

Physical verification of inventories was carried out by inventory team consisting of management staff.

The inventories are collateralized against Short Term Loan.

The company management has furnish us the copy of physical inventory statement. The management has also furnish us the copy of excess, shortage, damaged and date expired items of their inventory.

#### 8.00 ACCOUNTS RECEIVABLE: Tk. 264,808,362

Barishal Sales Centre	5,828,823	4,443,867
Bogra Sales Centre	2,767,191	1,948,223
Chittagong Sales Centre	14,075,713	8,659,563
Chowmohony Sales Centre	10,998,502	6,634,524
Comilla Sales Centre	8,403,329	6,431,906
Dhaka Sales Centre	66,002,416	70,062,366
Faridpur Sales Centre	3,203,983	1,997,193
Khulna Sales Centre	4,175,495	2,306,775
Mymensingh Sales Centre	10,296,656	5,837,993
Narayangonj Sales Centre	11,193,553	6,716,416
Rajshahi Sales Centre	6,033,262	5,273,400
Rangpur Sales Centre	3,539,924	4,152,623
Sylhet Sales Centre	10,866,539	4,554,161
Dhaka Sales Centre - Palton		2,578,454

#### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

Notes	Particulars	Amount in Taka 30.06.2014	Amount in Taka 30.06.2013
	Moulavi Bazar Sales Center	1,267,841	1,275,911
	Cox's Bazar Sales Center	3,747,777	1,280,924
	Dhaka Sales Center-Mohd. Pur Kakril	36,330,155	20,814,853
	Beacon Privilege Point	31,870,095	-
	Receivable - Toll Manufacturing	2,278,698	2,890,393
	Receivable from Export Sales	31.928,410	
	Balance as on 30.06.2014	264,808,362	157,859,545

The above receivables amount are considered good and secured by the management.

The above amount is receivable from customers against credit sales.

No amount was due from the Directors, Managing Director and other officers of the Company and any of them or jointly with any other person.

The Accounts Receivables have no securities except their personal securities.

#### 09.00 ADVANCE, DEPOSIT & PREPAYMENTS: Tk. 526,214,829 Advance to Suppliers and Creditor

Security Deposit - T &T

Security Deposit - Other

Sub-Total

Advance to Suppliers and Creditors:		
Advance VAT	14,078,404	11,215,394
Advance to Printing and Packing Material Suppliers	-	840,237
Advance against office space purchase	195,186,138	95,141,868
Advance to Clearing & Forwarding Agent	-	4,530,450
Advance to other parties	52,058	47,016,190
Advance to Ms. Risana Karim	45,800,000	-
Advance to construction materials suppliers	_	104.110.660
Sub-Total	255,116,600	262,854,799
Advance to Employees:		
Salary	-	212,052
Traveling Expenses	953,259	953,259
Motor Cycle	-	(5,068,000)
Advance for misc. purposes	323,731	281,731
Advance Against Marketing Expense	697,023	710,218
Other		14,979,880
Sub-Total	1,974,013	12,069,140
L/C Margin, Earnest Money & Security		
Deposit:	259,524,911	157,184,196
LIC Marria and Immateral LICa	4,045,391	3,153,537
L/C Margin and Immatured L/Cs	385,481	-
Earnest Money to Tender	3,518,378	3,518,378
Security Money - Tender	56,140	56,140
Security Deposit - Titas Gas	30,000	30,000
Security Deposit - Electricity	1,563,915	1,563,915
Security Deposit - T &T		

Crand Total nount of loans and advances which are due for more than one year. There is no aggregate amount due from Directors. There is no claim against the Company, which can be acknowledged as bad debt. No amount is due by the associated undertakings. An amount of TK. 45,800,000 was paid to Ms. Risana Karlm during the year under audit as Short Term Loan.

269,124,216

526,214,829

165,506,166

440,430,105

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

Notes	Particulars	Amount in Taka 30.06.2014	Amount in Taka 30.06.2013
10.00	SHORT TERM INVESTMENT: Tk. 272,766,267		
	Beacon Glass Industries Ltd.	156,530,190	-
	MEK Auto Bricks Ltd.	27,717,700	
	Beacon Point Ltd.	16,020,002	
	Beacon Medical College & Hospital	10,577,375	
	Mujibunnesa Medical College & Hospital Ltd.	61.921.000	
	Balance as on 30.06.2014	272,766,267	-
	The above amount represents temporary investment made by the company of	with its associated comp	anles.
	During the year under audit the company has made total investment of management has furnish us copy of MAAA of the above company's.	TK. 272,766,267 With 0	different company's. The
11.00	CASH & CASH EQUIVALANTS: Tk. 28,620,341		
11.01	Cash in Hand: Tk. 8,256,542		
	Cash in hand (Including all depots)	8.256.542	3.197.832
	Balance as on 30.06.2014	8,256,542	3,197,832
11.02	Cash at Bank: Tk. 20,363,799		
11.02	HSBC - CD A/C. No. 001143379011	96,054	96,404
	First Security Islami Bank Ltd. CD A/C. No. 1110001246	756,571	28,367
	Janata Bank Ltd. CD A/C. No 1014203	(1,433,142)	(3,504,294)
	Janata Bank Ltd. CD A/C. No 001016781	3,127	4,277
	Shahjalal Islami Bank Ltd. AWA A/C. No. 10078	19,063	21,563
	The City Bank Ltd. CD A/C. No. 1102358521001	5.696	5,696
	The City Bank Ltd. CD A/C. No. 11026990	37	727
	The City Bank Ltd. CD A/C. No. 1102193550001	27,378	28,188
	Standard Chartered Bank, CD A/C. No. 02535409901	539	927,501
	ICB Islami Bank Ltd. Principal Br., CD A/C.No.200001361	37,220	37,220
	Dutch Bangla Bank Ltd. CD A/C. No. 0105110000016107	6,820,197	(5,485,414)
	Dutch Bangla Bank Ltd. STD A/C. No. 010511000001641	1,424,183	2,758,104
	Eastern Bank Ltd. STD A/C. No. 1011230071 (IPO Proceeds - BDT)	1,716,367	1,700,328
	Eastern Bank Ltd. STD A/C. No. 1013150120364 (IPO Proceeds - Euro	615,069	586,660
	Eastern Bank Ltd. STD A/C. No. 1013110120344 ( IPO Proceeds - USI	0) 3,603,922	3,736,694
	Eastern Bank Ltd. STD A/C. No. 1013120120354 ( IPO Proceeds - GBI		1,125,215
	Rupali Bank Ltd., Local Office Branch, Motijheel C/A., Dhaka. CD A/C. 8964	9 1,590	3,910
	Sonali Bank Ltd., Dilkusha Corporate Branch, Motijheel, Dhaka. CD A/C. 330284	59 7,700	8,275
	Janata Bank Ltd., Bhaluka Branch. STD A/C. 0000131	2,077,461	1,400,294
	Janata Bank Ltd., Sundry Deposit A/C. 70104001	-	521,460
	Janata Bank Ltd. FC A/C. 402000449	1,663,994	60,505
	Bank Asia Ltd. CD A/C. 004433010401	4,025	8,175
	Social Islami Bank Ltd. Cd A/C. No. 21330052331	6,262	6,952
	The City Bank Ltd. CD A/C. No. 1101029459001	451	1,141
	Dutch Bangla Bank Ltd., CD A/C No. 105.110.28382	543,956	397,919
	FSIB Ltd., Gulshan Br., FCA US Dollar, A/c-112 1650000001	867,052	-
	Estern Bank Ltd., Credit Card. A/C. No. 4698210304985413	(640)	-
	Bank Asia Ltd. CD A/C. 04633000196	270,106	4 475 000
	Balance as on 30.06.2014	20,363,799	4,475,866
	Grand Total	28,620,341	7,673,698

#### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

No.		Amount in Taka	Amount in Taka
Notes	Particulars	30.06.2014	30.06.2013

The company has cash in hand balance with its head office and sales centers in different location. We have counted the cash in hand balance of the head office on 16.09.2014 and factory offices on 28.09.2014 in the period of our audit. The management has issued cash custody certificate confirming the balances held by them on the closing date.

The company has 28 Bank accounts with different banks and we have received bank statement of all the bank accounts which agreed with the book balances. We have received bank reconciliation statement of few bank accounts which agreed with the book balances after reconciliation. The company management has furnished us copy of the Bank Balance Confirmation Certificate as per our request.

#### 12.00 SHARE CAPITAL: Tk. 2,310,000,000

Authorized Capital:

300,000,000 ordinary shares of Tk. 10 each 3,000,000,000 3,000,000,000 Issued, Subscribed and Paid-up Capital: 231,000,000 ordinary shares of Tk. 10 each 2.310,000,000 2.310,000,000

#### Shareholding Composition:

Shareholders Group	No. of shares held	No. of Shareholders	% of total shares
1. Sponsors & Directors	69,312,000	7	30.01
2. Corporate Bodies	51,556,225	425	22.32
3. General Investors	110,131,765	36,409	47.67
Total	231,000,000	36,841	100

#### 13.00 RESERVE & SURPLUS: Tk. 318,828,331

Revaluation Reserve (Note-13.01) 313,325,232 331,048,960 Tax Holiday Reserve @10% of Net Profit 5,503,099 5,503,099 Balance as on 30.06.2014 318,828,331 336,552,059

Tax Holiday Reserve is being carried forward from 2010.

#### 13.01 REVALUATION RESERVE: Tk. 313,325,232

Revaluation Reserve has been created out by the amount of revaluation surplus of Fixed Assets. Details are shown below:

Particulars	Revaluation Surplus as on 01.07.2013	Depreciation adjustment	Revaluation Reserve as on 30.06.2014
Land & Land Development	168,084,972		168,084,972
Building	17,150,810	1,072,484	16,078,326
Vehicles	1,901,811	1,917,791	(15,980)
Electrical Installation	4,451,379	742,928	3,708,451
Office Equipments	(7,787,386)	-	(7,787,386)
Machineries	153,779,184	13,990,525	139,788,659
Furniture & Fixtures	(6,531,810)	-	(6,531,810)
Total	331,048,960	17,723,728	313,325,232

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

Notes	Particulars	Amount in Taka 30.06.2014	Amount in Taka 30.06.2013
14.00	RETAINED EARNING: Tk. 238,553,678		
	Balance as on 01.07.2013	126.706.269	99.851,475
	Add: Net Profit during the year	24,228,195	9,131,066
	Revaluation Reserve adjustment	17,723,728	17,723,728
	Prior year's adjustment	69,895,486	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	Balance as on 30.06.2014	238,553,678	126,706,269
	The management has informed us that they will distribute the above arreperiod for which approval from shareholders will be obtained.	ount to the shareholders as	dividend at a subsequent
15.00	LONG TERM LOAN:Tk. 660,360,017		
	Janata Bank Ltd.	91,063,715	113,975,087
	Agrani Bank Ltd.	95,390,121	120,191,793
	Sonali Bank Ltd.	167,829,855	189,734,566
	Janata Bank Ltd. (Takeover)	306,076,326	352,111,723
	Balance as on 30.06.2014	660,360,017	776,013,169
	During the year under audit we observed that the company had against Tk. 776,013,169 of last year.	Long Term Loan balance	of Tk. 660,360,017 as
16.00	SHORT TERM LOAN:Tk. 947,034,749		
	PAD - First Security Bank Ltd., Gulshan Branch, Dhaka	-	35,148,753
	PAD - Janata Bank Ltd.	26,379,792	35,783,462
	CC (Hypo)- Janata Bank Ltd., Corporate Bhaban Branch	920,654,957	415,206,314
	BM(Hypo)-ICB Islami Bank Ltd., Principal Branch		26,358,365
	Balance as on 30.06.2014	947,034,749	512,496,894
	During the year under audit we observed that the short term loan of 512,496,894 of last year resulting an increase of Tix. 434,537,855.	of the company was Tk.947	7,034,749 as against Tk.
	Short term loan was taken for meeting the requirement of working capital	of the Company against the	e security of Inventory.
17.00	CURRENT PORTION OF LONG TERM LOAN: Tk. 31,386,351	L	
	Janata Bank Ltd.	6,755,245	12,062,295
	Agrani Bank Ltd.	6,072,117	26,542,230
	Janata Bank Ltd. (Takeover)	18,558,989	25,079,715
	Balance as on 30.06.2014	31,386,351	63,684,240
18.00	SHARE APPLICATION MONEY REFUNDABLE: Tk. 4,656,093 Balance as on 30.06.2014		

Share application money refundable amount as on 30.06.2014 was Tk. 4,656,093. The company has paid Tk. 300,521 only during the year under audit and the balance amount remain unpaid, Although the company has received the amount during July 21, 2010.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

Notes	Particulars	Amount in Taka 30.06.2014	Amount in Taka 30.06.2013
19.00	ACCOUNTS PAYABLE: Tk. 31,109,038		
19.01	Payable Against Suppliers: Tk. 18,009,817		
	Against Raw Materials	2,068,809	1,813,719
	Against Laboratory Chemicals	4,161,134	2,079,462
	Against Computer	180,475	191,027
	Against Plastic Items	2,905,562	731,986
	Against Machinery & Equipment	213,911	1,362,684
	Against Printing & Packaging Materials	17,136,324	7,877,448
	Against PVC & Foil suppliers	1,299,962	414,592
	Against to Clearing & Forwarding Agent	(6,058,241)	1,373,485
	Against maintenance & Service	25,000	25,000
	Against vehicles suppliers	(4,046,840)	(871,215)
	Against to construction materials suppliers	(2,703,614)	3,300,681
	Against to advertising agencies	598,474	397,202
	Against to the promotional suppliers	2,126,670	(1,462,220)
	Against to travel agencies	(1,970,328)	29,200
	Against Transport & Courier	818,493	200,688
	Against Fuel Supplier	27,260	27,260
	Against Glass Item - Suppliers	(92,334)	(565,809)
	Against Furniture & Fixture	(309,177)	201,939
	Against Insurance Premium	1,840,786	1,909,117
	Against Misc. Suppliers	(212,509)	1,144,293
	Balance as on 30.06.2014	18,009,817	20,180,539
19.02	Deport Expenses Payable: Tk. 2,379,438		
	Rangpur Depot	691,636	(74,288)
	Bogra Depot	66,490	(16,180)
	Rajshahi Depot	(81,735)	(30,636)
	Khulna Depot	16,702	41,516
	Barisal Depot	65,395	106,568
	Faridpur Depot	49,073	30,351
	Mymensingh Depot	147,054	42,816
	Narayangonj Depot	34,920	125,796
	Comilla Depot	140,772	92,793
	Sylhet Depot Maizdhee Depot	134,233 217,892	16,814 78,030
	Chittagong Depot	23,810	18,464
	Depot Expenses Payable-CDC	248,922	48,374
	Dhaka (Mohammadpur) Depot	551,545	239,022
	Narayangonj / Kakrail Depot	201,010	(62,725)
	Cox's Bazar	72,729	
	Balance as on 30.06.2014	2,379,438	656,715

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

Martin	Destinutes		Amount in Taka	Amount in Taka
Notes	Particulars		30.06.2014	30.06.2013
19.03	Others Payable: Tk. 10,719,783			
	Received against Motor Cycle		10,281,478	
	Salary Payable to Employees		438,305	
	Balance as on 30.06.2014		10,719,783	
	Grand Total		31,109,038	20,837,254
	Accounts payable for supply of raw materials, p Company and the amount are due on account.	acking materials & other	er promotional items are the	regular suppliers of the
	We were informed by the management that most	of the bills are paid with	in a period of 90 days.	
20.00	TAX PAYABLE: Tk. (11,313,361)			
	Corporate Tax Liability (Note-20.01)		(15,595,563)	58,757,879
	TDS from Salary & Allowances		519,115	1,375,067
	TDS from Gas Bills		105,512	84,511
	TDS from Audit Fee		10,000	10,000
	TDS from Trade Creditors		2,472,322	65,652
	TDS from Office Rent		77,453	68,918
	TDS from Director's Remuneration		1,097,800	
	Balance as on 30.06.2014		(11,313,361)	60,362,027
20.01	CORPORATE TAX LIABILITY : Tk. (1	5 595 563)		
	Tax Liability on Previous Years	3,333,300)	58,757,879	63,719,475
	Add: AIT adjustment		00,707,075	00,710,470
	Assessment year 2011-12	6,277,473		
	Assessment year 2012-13	7.804,467		
	Podedanient year Edit-10	7.004,407	14,081,940	
	Less: Tax rebate for		72,839,819	
	Assessment year 2010-11	(252,602)	12,000,010	
	Assessment year 2011-12	29,888,572		
	Assessment year 2012-13	40,259,516		
	Total tax rebate	40,200,010	69,895,486	
	Tax liability as on 01.07.2013		2,944,333	
	Tax on current year's Profit		13,045,951	5,478,640
	Total tax liabilities		15,990,284	69,198,115
	Less: AIT adjustment		10,000,201	55,155,115
	Assessment year 2011-12	6,277,473		
	Assessment year 2012-13	7,804,467		
	Assessment year 2014-15	17,503,908		
	Total AIT adjustment	11  000 000	31,585,848	10,440,236
	Total		(15,595,563)	58,757,879
			(10,000,000)	55,151,010

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

Notes	Particulars	Amount in Taka 30.06.2014	Amount in Taka 30.06.2013
21.00	ACCRUED EXPENSES: Tk. 46,865,131		
	Salary & Allowances	44,178,357	23,317,860
	Gas Bills	2,532,476	1,052,897
	Electric Bill	53,100	38,927
	Telephone Bill	1,198	2,907
	Audit Fees	100,000	100,000
	Balance as on 30.06.2014	46,865,131	24,512,591
22.00	VAT PAYABLE: Tk. 565,044		
	Trade Creditors		135,000
	House rent	139,415	83,147
	Audit Fees	15,000	15,000
	Advertisement & Publicity	410,629	395,910
	Balance as on 30.06.2014	565,044	629,057
23.00	LIABILITY FOR EWF & WPPF: Tk. 11,780,229		
	Employees Welfare Fund (EWF) - (Note 23.01)	1,669,494	1,219,898
	Workers Profit Participation Fund (WPPF) - (Note 23.02)	10,110,735	13,649,814
	Balance as on 30.06.2014	11,780,229	14,869,712
23.01	Employees Welfare Fund (EWF): Tk. 1,669,494		
20.01	Balance as on 01.07.2013	1,219,898	891,762
	Add: Contribution during the year	575.963	485.557
	Total Contribution	1,795,861	1,377,319
	Less: Paid to the employees	126,367	157,421
	Balance as on 30.06.2014	1,669,494	1,219,898
23.02	Workers Profit Participation Fund (WPPF): Tk. 10,110,735		
20.02	Balance as on 01.07.2013	13,649,814	12,919,329
	Add: Contribution during the period	1,863,707	730,485
	Total Contribution	15,513,521	13,649,814
	Less: Paid to the employees	5,402,786	10,010,011
	Balance as on 30.06.2014	10,110,735	13,649,814
	Separate bank account for the above two funds have to be operated.		
24.00	TURNOVER: Tk. 1,690,363,446		
	Total Sales	1,991,553,373	1,465,790,709
	Less: Sales Discount	111,630,106	105,283,413
	Turnover Net of Discount	1,879,923,267	1,360,507,296
	Less: Value Added Tax	189,559,821	133,601,101
	Turnover (Net of discount and VAT)	1,690,363,446	1,226,906,195
		-,,,	, , , , , , , , , , , , , , , , , , , ,

During the year, we observed that the company's foreign sales is Tk. 134,270,228 and local sales Tk. 1,857,283,145.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

		Amount in Taka	Amount in Taka
Notes	Particulars -	30.06.2014	30.06.2013
25.00	COST OF GOODS SOLD: Tk. 894,119,555		
	Materials Consumed (Note-25.01)	502,523,594	269,946,198
	Factory Overhead (Note-25.02)	438.142.932	247.941.060
	Total Manufacturing Cost	940,666,525	517,887,258
	Add: Opening Work-in-Process	23.090,823	38.679.311
	Total Work-in-Process	963,757,348	556,566,569
	Less: Closing Work-in-Process (Note-25.03.02)	24,579,994	23,090,823
	Cost of Production	939,177,354	533,475,746
	Add: Opening Finished Goods	480.030,127	556,542,376
	Finished Goods available for Sale	1,419,207,481	1,090,018,122
	Less: Closing Finished Goods (Note-25.03.03)	525,087,926	480,030,127
	Cost of Goods Sold	894,119,555	609,987,995
25.01	M-1		
25.01	Materials Consumed: Tk. 502,523,594		
	Opening Inventory (Raw & Packing Material)	362,687,745	337,489,093
	Add: Purchase	600,196,384	295,144,850
	Materials available for use	962,884,129	632,633,943
	Less: Closing Raw & Packing Material (Note - 25.03.01)	460,360,535	362,687,745
	Total	502,523,594	269,946,198
25.02	Factory Overhead: Tk. 438,142,932		
	Salaries & Allowances	61,122,083	45,941,679
	Travelling & Conveyance	978,688	304,332
	Entertainment	1,080,146	800,279
	Welfare & Recreation	5,882,780	5,500,588
	Transportation	2,627,555	2,486,074
	Office Communication	1,213,046	1,258,695
	Utilities	11,956,002	10,324,181
	Fees & Taxes	204,446	344,331
	Books, News Paper & Periodicals	264,334	3,858
	Printing & Stationery	2,955,986	2,488,671
	Professional Expense	753,464	-
	Handling & Carrying Expense	81,550	5,600
	Research & Development Expense	2,017,053	3,987,595
	Repairs & Maintenance	3,926,917	19,005,478
	Training Expense	4,734,632	-
	Advertisement & Publicity	219,448	-
	Other Expense	91,302	67,701
	Fire Insurance	1,360,168	1,627,493
	Depreciation	336.673,331	94,146,555
	Total	438,142,932	247,941,060
25.03.01	Closing Raw & Packing Materials: Tk. 460,360,535		
	Total	460,360,535	362,687,745

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

Notes	Particulars	Amount in Taka	Amount in Taka
Notes	Particulars	30.06.2014	30.06.2013
25.03.02	Closing Working -in- Process: Tk. 24,579,994		
	Total	24,579,994	23,090,823
		24,010,004	20,000,020
25.03.03	Closing Finished Goods: Tk. 525,087,926		
	Total	525,087,926	480,030,127
26.00	ADMINISTRATIVE EXPENSES: Tk. 76,103,360		
	Salaries & Allowances	29,334,809	23,063,468
	Travelling & Conveyance	1,150,816	1,995,466
	Entertainment	6,570,636	16,557,158
	Welfare & Recreation	1,397,833	1,179,219
	Corporate Social Responsibility	4,868,204	
	Office Rent	1,260,000	1,260,000
	Office Transport	1,141,894	1,536,288
	Utilities	853,282	678,153
	Office Communication	1,931,813	1,802,112
	Fees & Renewals	412,000	667,427
	Books, News Paper & Periodicals	13,995	12,754
	Printing & Stationery	2,042,168	1,468,487
	Audit Fee	125,000	125,000
	Legal & Consultancy Fee	567,500	519,700
	Insurance Premium	2,155,640	1,422,300
	Bank Charge & Other Expense	902,770	737,731
	Renewal & Documentation Expense	2,573,000	1,669,746
	Handling & Carrying Expense	73,712	45,300
	Repairs & Maintenance	682,852	735,024
	Advertisement & Publicity	1,646,318	3,379,635
	Training Expense	17,335	132,680
	Misc. Expense	1,582,955	3,268,010
	Depreciation	14,798,828	6,760,198
	Total	76,103,360	69,015,856

Salaries and allowances increased due to the increase of the numbers of employees and increment as well.

#### 27.00 MARKETING, SELLING & DISTRIBUTION EXPENSES: Tk. 477,572,920

Salaries & Allowances	232,070,853	195,215,539
Travelling & Conveyance	19,667,721	11,184,340
Entertainment	8,035,496	8,779,975
Welfare & Recreation	2,563,240	2,527,513
Depot Rent	6,036,320	4,017,007
Transportation	1,293,252	1,231,603
Utilities	1,025,864	877,502
Office Communication	4,873,773	5,172,913

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

		Amount in Taka	Amount in Taka
Notes	Particulars	30.06.2014	30.06.2013
	Fees & Taxes	275,239	1,477,889
	Books, News Paper & Periodicals	2,310	16,960
	Printing & Stationery	5,983,765	7,276,482
	Professional Expense	2,190,000	
	Insurance Premium	1,438,433	1,531,417
	Bank Charges	1,074,706	436,079
	Handling & Carrying	348,910	520,033
	Repairs & Maintenance	535,295	551,038
	Market Research & Product Development	4,112,259	4,363,918
	Field Force Market Coverage Expenses	35,364,211	18,474,124
	Sales Incentive	4,278,523	-
	Training Expense	1,779,300	1,983,689
	Conference, Fair & product Launch	6,056,099	7,738,620
	Promotional Expense	85,917,122	50,492,147
	Advertisement & Publicity	1,454,829	708,039
	Distribution Expense	10,944,318	6,964,135
	Delivery and Collection	20,271,510	-
	Misc. Expense	1,481,038	493,961
	Corporate Social Responsibilities	-	25,200
	Depreciation	18,498,535	8,450,248
	Total	477,572,920	340,510,369
28.00	FINANCIAL EXPENSES: Tk. 221,684,367		
	Interest on Consortium Loan :		
	Janata Bank Ltd.	12,966,578	24,428,453
	Janata Bank Ltd. (Takeover)	54,182,877	-
	Agrani Bank Ltd.	12.514,066	18,710,105
	Sonali Bank Ltd.	26,206,289	28,971,786
	Social Islami Bank Ltd.		12,598,301
	The City Bank Ltd.		24,253,711
	Dhaka Bank Ltd.		4,623,197
	Shahajalal Islami Bank Ltd.		7,014,568
	Southeast Bank Ltd.	_	5,273,592
	Sub-Total	105,869,810	125,873,713
	Interest on Short Term Loan:		
	CC(Hypo) - Janata Bank Ltd., Corporate Bhaban, Motijheel	113,864,413	65,387,740
	LTR - First Security Bank Ltd., Gulshan Branch, Dhaka		2,375,000
	BM(Hypo)- ICB Islami Bank Ltd., Principal Branch.	1,164,023	2,937,716
	Bank Charge Other	786,121	384,067
	Sub-Total	115,814,557	71,084,523
	Grand Total	221,684,367	196,958,236

### BEACON PHARMACEUTICALS LIMITED

#### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

14 30.06.2013
3 271,816
7,919,068
- 1,450,000
7
9,640,884
9 4,734,432
730,485
199

This represents 5% of net profit before tax after charging contribution as per provision of the Bangladesh Labor Law 2006.

#### 32.00 REVALUATION RESERVE ADJUSTMENT: Tk. 17,723,728

Particulars	Revaluation Surplus	Useful Life (Years)	Depreciation on Revaluation Surplus
Land & Land Development	168,084,972	-	-
Building	19,295,778	20	1,072,484
Vehicles	5,737,393	5	1,917,791
Electrical Installation	5,937,235	10	742,928
Office Equipments	(7,787,386)	10	-
Machineries	181,760,234	15	13,990,525
Furniture & Fixture	(6,531,810)	10	-
Total	366,496,416		17,723,728

#### 33.00 Total number of employees drawing remuneration are as follows:

Salary Range	No. of Employees.
No. of employees Having Salary Between Tk.4,000 to Tk. 5,000	302
No. of employees Having Salary Between Tk.5,000 to Tk. 10,000	683
No. of employees Having Salary Between Tk.10,000 to Tk. 15,000	349
No. of employees Having Salary Between Tk.15,000 to Tk. 25,000	151
No. of employees Having Salary Between Tk.25,000 to Tk. 50,000	67
No. of employees Having Salary Between Tk. 50,000 and Above	49
Total	1,601

#### BEACON PHARMACEUTICALS LIMITED

#### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

-		B .: . 1	Amount in Taka	Amount in Taka	
1	Notes	Notes Particulars	30.06.2014	30.06.2013	

#### 34.00 Transactions with Related Party

#### 34.01 Office Space Purchases

Beacon Pharmaceuticals Limited (BPL) made a purchase agreement on April 20, 2010 with Beacon Developments Ltd. (BDL) to purchase 25000 sft of office space at Motijheel C/A, Dhaka – 1000 @ Tk. 19,500.00 per sft amounting to Tk. 487,500.000.00

According to the agreement BPL paid an amount of Tk. 218,650,000.00 as advance against purchase of the said space but rest of Tk. 268,850,000.00 could not be paid within the stipulated time.

In order to make effective the agreement BPL offered BDL to buy 21,508,000.00 ordinary shares of the company @ Tk. 12.5 per share including 25% premium of the face value to settle the outstanding amount and based on this arrangement the existing vendor's agreement has been revised on July 18, 2011 accordingly.

To rise paid up capital through issue of shares BPL applied to Bangladesh Securities and Exchange Commission (BSEC) on July 26, 2011. After a bunch of correspondences BSEC has finally regret to accord consent to raise paid up capital.

As a consequence BDL start repaying the advance received money to BPL. During the year under audit Beacon Pharmaceuticals Ltd. has paid additional amount of Tk. 100,044,270 instead of receiving the money back from Beacon Developments Ltd. The current year balance is Tk. 195,186,138 as against Tk.95,141,868 of last year. We were informed by the management that the company would like to purchase the floor space subject to the approval of Concerned Authorities.

#### 34.03 Transaction with Beacon Glass Industries Limited

Beacon Pharmaceuticals Limited has invested an amount of Tk. 233,000,000.00 in Beacon Glass Industries Limited in the year 2010-2011 for producing, marketing and selling all types of glasses. Beacon Glass Industries Limited was trying to obtain industrial gas line permission from the government since incorporation of the company but Beacon Glass Industries Limited had failed to obtain permeation for the said industrial gas line. Since Beacon Glass Industries Limited is not in a position to start its operation due to non availability of gas, due to such reason it was decided that the amount invested by Beacon Pharmaceuticals Limited to Beacon Glass Industries Limited will be paid back in full gradually. As a consequence Beacon Glass Industries Limited has returned an amount of Tk. 76,469,810.00 to Beacon Pharmaceuticals Limited during the financial year 2012-2013. The total amount has been transferred to Short Term Investment Account during the year under audit.

#### 35.00 Provision for Gratuity and Provident Fund

The company does not have recognized contributory provident fund scheme for its employees and approval is to be obtain from the income tax authority. Moreover the company does not have any Grafulty Fund scheme and is not provided in the accounts.

#### 36.00 Events after the Statement of Financial Position:

There is no significant event other than normal activities between the financial year closing date and financial statements signing date.

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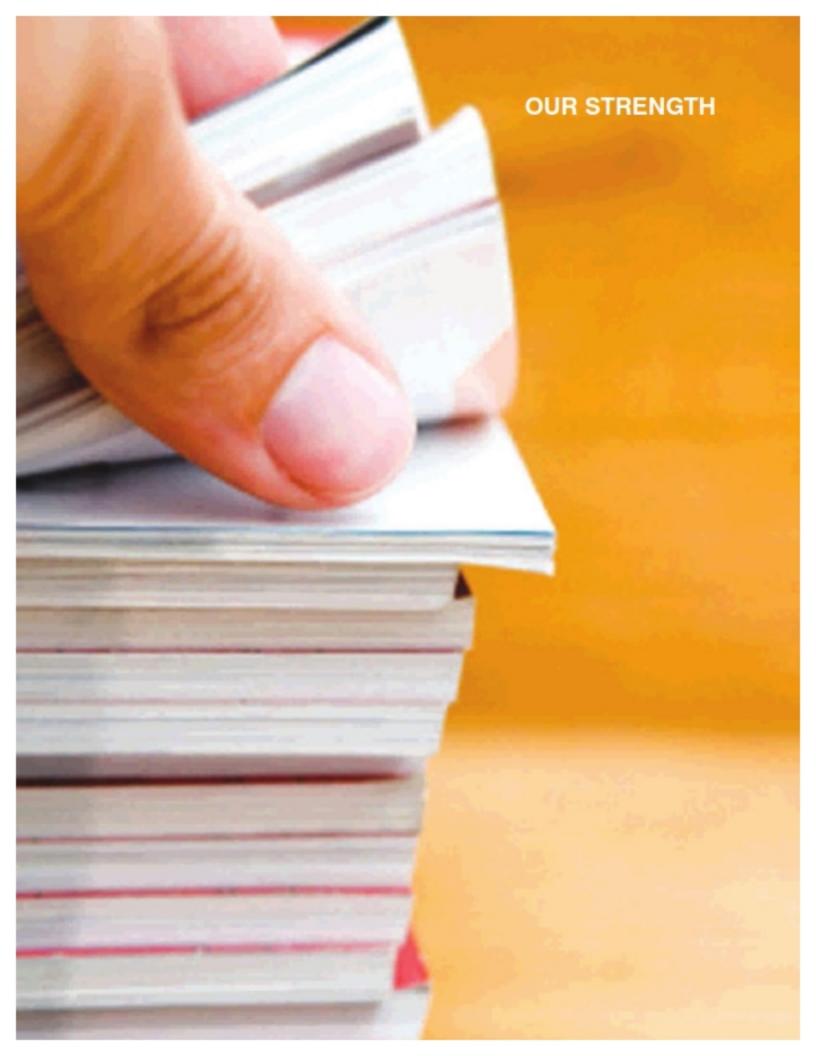


#### **Proxy Card**

This Proxy card is for use at the Annual General Wednesday, December 10, 2014.	al Meeting of BEACON Pharmaceuticals Limited to be held on
I/We	
Having BO ID #	
of	
Being a member of the Company do hereby app	point Mr./Ms.
of	to
	behalf at the 13 <sup>th</sup> Annual General Meeting of the Company to be a.m at the Factory Premises of BEACON Pharmaceuticals Limited urnment thereof.
Signature of Proxy	Revenue Signature of the Shareholder Tk.10/-
	sited at least 48 hours before the meeting at the Company's Share department at adesh. Proxy will be invalid if not signed and stamped as shown above. Signature of ature registered with the Company.
	EACON armaceuticals Limited tendance Slip
	th Annual General Meeting of the Company to be held on at the Factory Premises of BEACON Pharmaceuticals Limited at
Name of the Shareholder :	
Name of the Shareholder :	Nos. of shares held :

Signature of the Shareholder/Proxy

Shareholders attending the meeting in person or by proxy are requested to deposit the attendance slip duly filled in at the entrance of the meeting hall. Seats in the auditorium are reserved only for the shareholders/proxies.









# Some sophisticated life saving products manufactured only by BEACON Pharmaceuticals Limited in Bangladesh



Unique Antiangiogenic Drug in Non - Squamous NSCLC





The new treatment paradigm for NHL & CLL





A Revolutionary
Treatment Option for HER2+ cancers





10 times less Calcomic and Phosphatomic than Calcitriol





...very kind to urinary incontinent patients





Reactivator for life



# ilodon Noperidone 2 mg & 6 mg Tablet

the ultimate solution of Schizophrenia



The blessing of modern drug delivery system



Single dosing solution for active management of third stage of labor



Chloride channel-2 activator for the management of Constipation



## 12th Annual General Meeting 2013

# ১২তম বার্ষিক সাধারণ সভা ২০১৩

# বীকন ফার্মাসিউটিক্যাল্স লিমিটেড

কাঠালী, ভালুকা, ময়মনসিংহ ১৮ ভিসেম্বর ২০১৩ ইং, রোজ বুধবার, সকাল ১০,০০ ঘটিকা





















