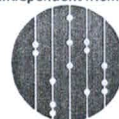


**INDEPENDENT AUDITORS' REPORT  
AND AUDITED FINANCIAL STATEMENTS**

**OF**

**BEACON PHARMACEUTICALS LIMITED**

**AS AT AND FOR THE YEAR ENDED 30 JUNE 2019**



**INDEPENDENT AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF BEACON PHARMACEUTICALS LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Beacon Pharmaceuticals Limited (hereinafter referred to as "the Company"), which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws & regulations.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Valuation of inventories</b>	
See Note 7.00 to the financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2.	Our audit procedures were designed to verify the management's assumptions applied in calculating the value of inventory included:
Cost of inventories are determined on weighted average cost basis. Physical verification of inventories was carried out by inventory team (Internal Audit Team) consisting management staff.	We were supplied inventory certificate showing the quantity & value of the inventory as on 30-6-2019.
	We are to depend on the valuation certificate on the basis of physical inventory carried out by the inventory team formed by the management.

## Independent Auditor's Report (continued)

<b>Recognition of deferred tax assets</b>	
See Note 11.00 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Company has recognized deferred tax assets for deductible temporary differences that it believes are recoverable.</p> <p>The recoverability of recognized deferred tax assets is in part dependent on the Company's ability to generate future taxable profits sufficient to utilize deductible temporary differences.</p> <p>We have determined this to be a key audit matter, due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences.</p>	<p>Our audit procedures in this area included, among others:</p> <p>Using our own tax specialists to evaluate the tax strategies that the Company expects will enable the successful recovery of the recognized deferred tax assets taking into account the Company's tax position and our knowledge and experience of the application of relevant tax legislation;</p> <p>Assessing and evaluating the prospective profits by evaluating historical and projected growth rates to assume that it will be sufficient to recover deductible temporary differences; and</p> <p>We also assessed the appropriateness of presentation of disclosures against IAS 12 - Income Tax.</p>
<b>Workers Profit Participation Fund:</b>	
See Note 24.00 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Contribution to workers' profit participation fund:</p> <p>As per section 234(1)(b) of Bangladesh Labour Act 2006 (as amended in 2013) 5% of the net profit of each year, not later than nine (9) months from the close of that period, is required to be transferred to the Fund, the proportion of the payment to the Participation Fund and the Welfare Fund being 80:10. The remaining 10% of the amount of net profit shall be paid by the Company to the Workers' Welfare Foundation Fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act, 2006. Of the 80% being transferred to the participation fund, two-third has to be distributed in equal proportions to all the members (beneficiary) of the fund in cash and one-third has to be invested in accordance with the manner as stated in section 242 of that Act.</p>	<p>We have checked the adequacy of WPPF fund provision and distribution there of and observed that, the requirement of the Labour Act 2006 (as amended in 2013) not followed properly.</p> <p>After distribution of some amount, balance of the fund has been transferred to a separate account meant for WPPF for future distribution with out any interest payable on the undistributed amount.</p>

## Independent Auditor's Report (continued)

Revenue recognition – Net Turnover	
See Note 29.00 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>At year end the company reported total revenue of BDT 4,646,865,410 (net)</p> <p>Revenue is measured net of discounts, incentives and rebates earned by customers on the company's sales. Within a number of the company's markets, the estimation of discounts, incentives and rebates recognised based on sales made during the year is material and considered to be complex and judgemental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.</p> <p>The sales of the company are derived from 22 depots owned by the company which are located over the country and accounted for on the basis of monthly statements sent by the depots. As a result, to obtain sufficient audit evidence, magnitude audit work and evidence is required. The revenue consists of local sales and export earning of BDT 234,731,880.</p> <p>We identified the revenue recognition in key audit matter because sales revenue is the only key performance indicator of the company and there remains an inherent risk for recognition of by management to meet specific targets or expectations.</p>	<p>We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the sales statements received from depots which have been accounted for through journal entries.</p> <p>In addition, some confirmation letters were circulated to certain customers &amp; depots to confirm their balances directly to us at the balance sheet date, selected on a sample basis by considering the amounts outstanding with those customers. Out of 14 request letter circulated to customers, only 8 confirmed their balances and confirmation from 18 depots out of 22 depots has been received till to this report.</p>

### Other Information

Management is responsible for the other information. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified when it becomes available to us and include the same in our report if those are received before preparation of this report.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRSs 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. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

## **Independent Auditor's Report (continued)**

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Independent Auditor's Report (continued)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- 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 accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Place: Dhaka

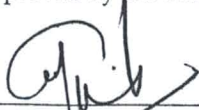
Dated: 24<sup>th</sup> October, 2019


  
(Shafiq Basak & Co.)  
Chartered Accountants  
Signed by:  
Sarwar Mahmood FCA  
Senior Partner

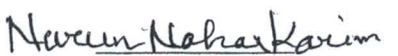
BEACON PHARMACEUTICALS LIMITED  
Statement of Financial Position  
As at 30 June 2019

Particulars	Notes	Amount in Taka	
		30 June 2019	30 June 2018
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>		<b>2,202,361,371</b>	<b>2,508,372,310</b>
Property, Plant & Equipments	4.00	1,881,926,590	2,216,498,633
Capital Work in Progress	5.00	319,334,190	290,111,576
Investment in Shares	6.00	1,100,591	1,762,101
<b>Current Assets:</b>		<b>2,668,641,600</b>	<b>2,400,038,430</b>
Inventories	7.00	1,004,257,489	1,021,536,717
Accounts Receivable	8.00	702,432,429	436,836,128
Advance, Deposit & Pre-payments	9.00	623,568,041	458,120,316
Short Term Investment	10.00	-	339,209,477
Deferred Tax Assets	11.00	41,883,317	46,733,455
Investment in FDR	12.00	13,845,783	12,933,556
Cash & Cash Equivalents	13.00	282,654,541	84,668,781
<b>TOTAL ASSETS</b>		<b>4,871,002,971</b>	<b>4,908,410,740</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Equity:</b>		<b>2,979,182,991</b>	<b>3,000,743,908</b>
Share Capital	14.00	2,310,000,000	2,310,000,000
Reserve and Surplus	15.00	266,264,834	285,215,467
Available for Sale Reserve		(1,576,833)	(915,323)
Retained Earnings	16.00	404,494,990	406,443,764
<b>Non-Current Liabilities:</b>		<b>574,419,259</b>	<b>575,000,582</b>
Long Term Loan	17.00	574,419,259	575,000,582
<b>Current Liabilities:</b>		<b>1,317,400,721</b>	<b>1,332,666,250</b>
Current Portion of Long Term Loan	18.00	149,170,236	308,193,645
Short Term Loan	19.00	1,061,396,505	903,370,275
Share Application Money Refundable	20.00	4,323,613	4,323,613
Accounts Payables	21.00	40,896,364	51,206,139
Accrued Expenses	22.00	60,878,822	50,069,081
VAT Payable	23.00	10,861,489	13,243,674
Liabilities for EWF & WPPF	24.00	21,077,144	22,779,094
Provision for Employee's Provident Fund	25.00	6,028,011	6,352,182
Provision for Gratuity	26.00	33,028,942	28,336,371
Tax Payable/ (Refundable)	27.00	(125,266,081)	(89,671,334)
Dividend Payable	28.00	55,005,676	34,463,510
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>4,871,002,971</b>	<b>4,908,410,740</b>
<b>Net Asset Value (NAV)/Share</b>		<b>12.90</b>	<b>12.99</b>
<b>Par Value (Tk.)</b>		<b>10.00</b>	<b>10.00</b>

The annexed notes 01 to 45 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 24-10-2019 and signed on its behalf by:

  
Company Secretary

  
Managing Director

  
Chairman

Signed in terms of our separate report of even date annexed

Place: Dhaka  
Dated: 24 October, 2019


  
Shafiq Basak & Co.  
Chartered Accountants

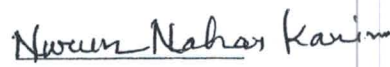
**BEACON PHARMACEUTICALS LIMITED**  
**Statement of Profit & Loss and Other Comprehensive Income**  
**For the year ended 30 June 2019**

Particulars	Notes	Amount in Taka	
		30 June 2019	30 June 2018
Net Turnover	29.00	4,646,865,410	3,760,786,106
Less: Cost of Goods Sold	30.00	2,364,808,809	1,927,331,673
<b>Gross Profit</b>		<b>2,282,056,601</b>	<b>1,833,454,433</b>
Less: Operating Expenses:			
Administrative Expenses	31.00	286,081,646	239,590,025
Marketing, Selling & Distribution	32.00	1,673,366,718	1,324,256,067
<b>Total Operating Expenses</b>		<b>1,959,448,364</b>	<b>1,563,846,092</b>
<b>Operating Profit</b>		<b>322,608,236</b>	<b>269,608,341</b>
Less: Financial Expenses	33.00	153,524,466	138,082,326
<b>Net Profit after Financial Expenses</b>		<b>169,083,770</b>	<b>131,526,015</b>
Income from Other Sources	34.00	2,487,251	811,526
<b>Net Profit before contribution to WPPF</b>		<b>171,571,021</b>	<b>132,337,541</b>
Less: Contribution to WPPF	35.00	8,170,049	6,301,788
<b>Net Profit before Tax</b>		<b>163,400,973</b>	<b>126,035,753</b>
Less: Provision for Income Tax		40,850,243	31,508,938
Add: Deferred Tax Income/(Expense)		(4,850,138)	31,576,193
<b>Net profit after tax for the year</b>		<b>117,700,592</b>	<b>126,103,008</b>
Other Comprehensive Income		-	-
<b>Net profit after tax for the year</b>		<b>117,700,592</b>	<b>126,103,008</b>
Item that may be reclassified to profit or loss:			
Unrealized Profit (loss) on quoted shares	36.00	(661,510)	(1,159,389)
<b>Total comprehensive income for the year</b>		<b>117,039,082</b>	<b>124,943,619</b>
<b>No. of Shares</b>		<b>231,000,000</b>	<b>231,000,000</b>
<b>Earning Per Share</b>		<b>0.51</b>	<b>0.55</b>

The annexed notes 01 to 45 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 24-10-2019 and signed on its behalf by:

  
Company Secretary

  
Managing Director

  
Chairman

Signed in terms of our separate report of even date annexed

Place: Dhaka  
Dated: 24 October, 2019

  
Shafiq Basak & Co.  
Chartered Accountants

BEACON PHARMACEUTICALS LIMITED  
Statement of Changes in Equity  
For the year ended 30 June 2019

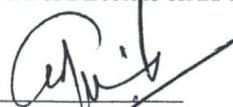
Amount in Taka

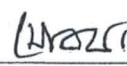
Particulars	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Available for sale reserve	Retained Earning	Total Equity
Balance at the beginning of the year	2,310,000,000	279,712,368	5,503,099	(915,323)	406,443,764	3,000,743,909
Net Profit transferred from Income Statement	-	-	-	-	117,700,592	117,700,592
Unrealized gain on quoted shares	-	-	-	(661,510)	-	(661,510)
Revaluation Reserve adjustment	-	(25,267,512)	-	-	25,267,512	-
Deferred Tax on Revaluation Adj.	-	6,316,878	-	-	(6,316,878)	-
Cash Dividend	-	-	-	-	(138,600,000)	(138,600,000)
Balance at the end of the year	2,310,000,000	260,761,735	5,503,099	(1,576,833)	404,494,990	2,979,182,991

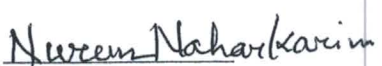
Statement of Changes in Equity  
For the year ended 30 June 2018

Particulars	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Available for sale reserve	Retained Earning	Total Equity
Balance at the beginning of the year	2,310,000,000	298,663,002	5,503,099	244,066	376,890,123	2,991,300,290
Net Profit transferred from Income Statement	-	-	-	-	126,103,008	126,103,008
Unrealized gain on quoted shares	-	-	-	(1,159,389)	-	(1,159,389)
Revaluation Reserve adjustment	-	(25,267,512)	-	-	25,267,512	-
Deferred Tax on Revaluation Adj.	-	6,316,878	-	-	(6,316,878)	-
Cash Dividend	-	-	-	-	(115,500,000)	(115,500,000)
Balance at the end of the year	2,310,000,000	279,712,368	5,503,099	(915,323)	406,443,764	3,000,743,908

The annexed notes 01 to 45 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 24-10-2019 and signed on its behalf by:

  
Company Secretary

  
Managing Director

  
Chairman

Signed in terms of our separate report of even date annexed

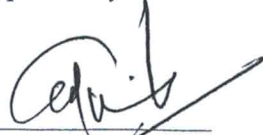
Place: Dhaka  
Dated: 24 October, 2019

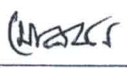
  
Shafiq Basak & Co.  
Chartered Accountants

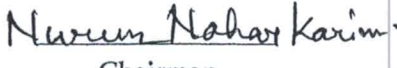
**BEACON PHARMACEUTICALS LIMITED**  
**Statement of Cash Flows**  
**For the year ended 30 June 2019**

Particulars	Amount in Taka	
	30 June 2019	30 June 2018
<b>A. Cash Flows from Operating Activities</b>		
Collection from Customers	4,381,269,109	3,622,552,366
Cash paid to Suppliers & others	(3,983,850,235)	(3,159,436,202)
Interest paid	(153,524,466)	(136,411,113)
Income tax paid	(23,472,184)	(27,000,000)
<b>Net Cash Generated from Operations</b>	<b>220,422,224</b>	<b>299,705,051</b>
<b>B. Cash Flows from Investing Activities</b>		
Acquisition of Property, Plant and Equipment	(243,584,629)	(323,663,936)
Short term Investment Received	339,209,477	105,440,868
Investment in FDR	(912,227)	(12,825,800)
Interest and Other Received	2,487,251	811,526
<b>Net Cash used in Investing Activities</b>	<b>97,199,872</b>	<b>(230,237,342)</b>
<b>C. Cash Flows from Financing Activities</b>		
Dividend paid	(118,057,834)	(83,140,078)
Long term Loan Received/(Paid)	(159,604,732)	(119,267,147)
Short term loan Paid	158,026,230	(16,034,780)
<b>Net Cash from/(used in) Financing Activities</b>	<b>(119,636,336)</b>	<b>(218,442,005)</b>
<b>D. Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>197,985,760</b>	<b>(148,974,297)</b>
<b>E. Opening Cash and Cash Equivalents</b>	<b>84,668,781</b>	<b>233,643,078</b>
<b>F. Closing Cash and Cash Equivalents (D+E)</b>	<b>282,654,541</b>	<b>84,668,781</b>
<b>Net Operating Cash Flows</b>	<b>0.95</b>	<b>1.30</b>

The annexed notes 01 to 45 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 24-10-2019 and signed on its behalf by:


  
Company Secretary

  
Managing Director

  
Chairman

Signed in terms of our separate report of even date annexed

Place: Dhaka  
Dated: 24 October, 2019

  
Shafiq Basak & Co.  
Chartered Accountants

**BEACON PHARMACEUTICALS LIMITED**

**Notes to the Financial Statements**

**For the year ended 30 June 2019**

**1.00 BACKGROUND AND ACTIVITIES OF THE COMPANY:**

**1.01 Background of the Company:**

The company was incorporated on 12 September 2001 as a Private Limited Company and subsequently converted into Public Limited Company on February 25, 2008 under the Companies Act, 1994 vide registration No. C-43991(531)/2001 dated 12 September 2001. The Company went for Initial Public Offering (IPO) in 2010. The company is a publicly traded company and is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited since the year 2010.

**1.02 Address of the Registered and Corporate Office:**

The registered office of the company is located at its factory premises at Kathali, Bhaluka, Mymensingh and corporate office address is located at 9/B/2, Toyenbee Circular Road, Motijheel C/A, Dhaka-1223.

**1.03 Nature of Business Activities:**

The company is engaged in manufacture and marketing of pharmaceutical finished formulation products and lifesaving Intravenous (I.V) Fluids, Active Pharmaceuticals Ingredients (APLs), 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.

**1.04 Production Unit:**

Production unit of the company is situated at Kathali, Bhaluka, Mymensingh.

**2.00 SIGNIFICANT ACCOUNTING POLICIES:**

**2.01 Basis of Preparation and Presentation of the Financial Statements:**

The Financial Statements have been prepared and the disclosures of information made in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange as applicable and IASs adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), International Financial Reporting Standard (IFRS) as applicable to the company. The Statement of Profit or Loss And Other Comprehensive Income have been prepared according to IAS 1 'Presentation of Financial Statements' based on accrual basis of accounting consistently applied following going concern assumption under generally accepted accounting principles and practices in Bangladesh. Statement of Cash Flows has been prepared on direct method in accordance with IAS 7.

**2.02 Accounting Convention and Assumption:**

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of certain fixed assets which are stated at revalued amount. Accordingly, historical cost is employed to determine the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and statement of profit or loss and other comprehensive income.

## 2.03 Principle of Accounting Policies:

The specific accounting policies have been selected and applied by the company's management for significant transactions and events that have a material effect within the Framework for the preparation and presentation of Financial Statements. Financial Statements have been prepared and presented in compliance with applicable IASs. Previous year's figures were re-arranged where necessary to conform current years' presentation. There were no significant changes in the accounting policies and valuation policies affecting the financial position and performance of the company. However, changes (as applicable) made to the presentation are explained into the note for the respective items.

## 2.04 Application of accounting Standards

The following IASs and IFRSs are applicable to the financial statements for the year under review:

- IAS 1 Presentation of Financial Statements
- IAS 2 Inventories
- IAS 7 Cash Flow Statements
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 10 Events after the Balance Sheet Date
- IAS 12 Income Tax
- IAS 16 Properties, Plant and Equipment
- IAS 19 Employee Benefits
- IAS 21 The Effects of Changes of Foreign Exchange Rates
- IAS 23 Borrowing Costs
- IAS 24 Related Parties Disclosure
- IAS 33 Earnings Per Share
- IAS 36 Impairment of Assets
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- IAS 39 Financial Instruments: Recognition and Measurement
- IFRS 15 Revenue from Contracts with Customers
- IFRS 9 Financial Instruments
- IFRS 13 Fair Value Measurements

## 2.05 Valuation of Inventories:

Inventories are stated at the lower of cost or net realizable value in compliance with the requirements of Para 21 and 25 of IAS 2.

### Category of Stocks

### Basis of Valuation

Raw Materials and Packing Materials	: Moving average (weighted) cost
Work in Process	: Actual Cost
Finished Goods	: Actual Cost
Others	: Actual Cost

Cost comprises of the value of materials and attributable direct labor, depreciation and production overheads. The management has conducted annual physical verification of inventories on the closing date of business as on 30 June 2019 made valuation thereof on the basis stated above.

## 2.06 Statement of Cash Flows:

Statement of Cash Flows is prepared principally in accordance with IAS 7 'Statement of Cash Flows' and the cash flows from operating activities have been presented under direct method as required by the Securities and Exchange Rules 1987 and Considering the provisions that "Enterprises are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method".

**2.07 Accounting Policies, Changes in Accounting Estimates and Errors:**

As per IAS 8 The preparation of financial Statements in conformity with the International Accounting Standards requires management to make judgment to estimates and assumptions that affect the application of accounting policies and 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 statement.

During the year under review no remarkable change were made that make judgment to estimates and assumptions that affect the application of accounting policies reported amounts of assets, liabilities, income and expenses.

**2.08 Taxation:**

**2.08.01 Current Tax:**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The company makes provision for income tax as per requirement of the Income Tax Ordinance 1984. The applicable tax rate of the Company is 25% or 0.60 percent of Gross Receipt whichever is higher as per provision of section 82C of the Income Tax Ordinance 1984. Income tax return of the company for the assessment year 2018-2019 has been completed but necessary provision for unpaid taxes has not been made.

**Deferred Tax:**

During the year provision for Deferred Tax as per requirement by IAS 12 has been accounted for in the financial statements. Deferred tax is recognized using the balance sheet method. Deferred tax arises due to temporary difference deductible or taxable for the events or transactions recognized in the statement of profit or loss and other comprehensive income. A temporary difference is the difference between the carrying amounts of assets and liabilities and its tax base amount in the statement of financial position. Deferred tax asset or liability is the amount of income tax recoverable or payable in future period(s) recognized in the current period. The deferred tax asset/income or liability/expense do not create a legal liability/recoverability to and from the income tax authority. Deferred tax also arises due to revaluation of property, plant and equipment. The resulting impact of deferred tax assets/liabilities on revaluation surplus is included in the statement of changes in equity.

**2.09 Property, Plant and Equipment:**

Item of property, plant & equipment is recognized in accordance with IAS 16 Property, Plant and Equipment where it is probable that future economic benefits will flow to the entity and their cost can be measured reliably.

**2.09.01 Measurement and recognition:**

An item of property, plant & equipment qualifying for recognition is initially measured at its cost. Cost comprises: Purchase price, including all non recoverable duties and taxes but net off discount; and costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

**2.09.02 Subsequent costs:**

Repairs and maintenance expenditure is recognized as expenditure when incurred. Replacement parts are capitalized, provided that the original cost of the items they replace is derecognized.

#### 2.09.03 Disposal of property, plant and equipment:

An item of property, plant and equipment is removed from the statement of financial position when it is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal of an item of property, plant and equipment is included in the statement of income of the period in which the assets are disposed off. There were no disposals of property, plant and equipment in 2019.

#### 2.09.04 Impairment of Assets:

In compliance with the requirements of IAS 36, Impairment of Assets, the carrying amount of non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the 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.

#### 2.09.05 Depreciation of Fixed Assets:

Depreciation is providing on Straight-line method. Depreciation is charged on additions according to para 55 of IAS 16.

The depreciation /amortization rate(s) are as follows which are in conformity with previous year:

Category of Fixed Assets	Rate %
Land & Land Development	0
Building	5
Vehicles	20
Electrical Installations	10
Office Equipment	10
Production Machinery & Equipment	15
Furniture & Fixture	10

#### 2.10 Leases:

In compliance with the requirements of IAS 17 no financial and operating leases is accounted for during the year under review.

#### 2.11 Revenue Recognition:

In compliance with the requirements of IFRS 15 Revenue, Revenue is recognized only when; Revenue receipts from customers against sales are recognized when products are dispatched to the 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 cost and possible return of goods can be estimated reliable and there is no continuing management involvement with the goods. Interest income is accounted for on accrual basis as per bank statement received from bank. Income is derived this year from export of finished products.

#### 2.12 Employee Benefits (IAS 19):

The Company maintains both defined contribution plan (Provident Fund) and a retirement benefit obligation (Gratuity Fund) for its eligible permanent employees.

**2.13 Benefit Plans:**

**2.13.01 Defined Benefit Plans (Provident Fund):**

Defined contribution plan is a post-employment benefit plan under which the Company provides benefits for all of its permanent employees. The recognized Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10% of their basic salary to the provident fund and the Company also makes equal contribution. This fund is recognized by the National Board of Revenue (NBR), under the First Schedule, Part B of Income Tax Ordinance 1984.

**2.13.02 Retirement Benefit Obligation (Gratuity Fund):**

The Company has a gratuity scheme, which covers all of its permanent employees. The gratuity is payable when the employees have completed minimum five years of service. Employees, leaving the employments after five completed years shall receive one month's terminal basic for each completed year.

**2.13.03 Contribution to workers' profit participation fund:**

As per section 234(1)(b) of Bangladesh Labor Act 2006 (as amended in 2013) 5% of the net profit of each year, not later than nine (9) months from the close of that period, is required to be transferred to the Fund, the proportion of the payment to the Participation Fund and the Welfare Fund being 80:10. The remaining 10% of the amount of net profit shall be paid by the Company to the Workers' Welfare Foundation Fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act, 2006. Of the 80% being transferred to the participation fund, two-third has to be distributed in equal proportions to all the members (beneficiary) of the fund in cash and one-third has to be invested in accordance with the manner as stated in section 242 of that Act.

**2.14 Financial Instruments:**

**2.14.01 Initial recognition and subsequent measurement:**

A financial instrument is any contract that gives rise to financial assets of one entity and a financial liability or equity instrument of another entity. Financial assets include available for sale assets, held to maturity assets, held for trading, loans and receivable and cash and cash equivalent. Financial Liabilities include borrowings, others financing and bank loans and accounts payables.

**2.14.02 Recognition:**

An entity recognizes financial assets or liabilities in its statement of financial position when and only when the entity becomes a party to the contractual provision of the instrument.

**2.14.03 Subsequent Measurement:**

Asset Category	Description	Measurement after initial recognition	Recognition
Available for sale Financial assets: 1) Investment in marketable securities	Financial assets that are either electively designated into the category or do not fall into any other category	Fair Value	1) realized gain loss/ dividend income/ Interest income to statements of comprehensive income 2) Unrealized gain-loss to Statement of Comprehensive Income.
Loans and Receivables, 1) Trade Receivables 2) Others receivables	unquoted financial assets with fixed or determinable payments.	Authorized Cost	Realized gain loss/ interest income foreign currency gain loss to statement of Comprehensive Income
Financial liabilities at cost / amortized cost . 1)Short term loan , 2)Trade creditors , 3) Others payable	All financial liabilities other than those at fair value though profit and loss	Authorized Cost	Realized gain loss/ interest income foreign currency gain loss to statement of Comprehensive Income

**2.15 The Effects of Changes of Foreign Exchange Rates:**

Foreign currency transactions are recorded at the rates applicable on the date of transaction in accordance with IAS-21 (The Effects of Changes in Foreign Exchange Rates). Gains or losses out of foreign currency transactions are charged/credited to the profit and loss account whenever arises. This year the company made transactions in foreign currency for import of machineries which has been accounted for properly.

**2.16 Credit Risk:**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The senior management of Beacon Pharmaceuticals Limited carefully manages its exposure to credit risk. Credit exposures arise principally in receivables from customers into Beacon Pharmaceuticals Limited asset portfolio. The credit risk management and control are controlled through the credit policies of Beacon Pharmaceuticals Limited which are updated regularly. The company is also exposed to other credit risks arising from balances with banks which are controlled through board approved counterparty limits.

**2.17 Liquidity Risk:**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's approach toward managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

**2.18 Interest Rate Risk:**

Interest rate risk is the risk that company faces due to unfavorable movement in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

**2.19 Exchange Rate Risk:**

Exchange rate risk occurs due to changes in exchange rates. As the company imports equipment from abroad, unfavorable volatility or currency fluctuation may affect the profitability of the Company. When exchange rate increase against local currency, opportunity arises for generating more profit.

**2.2 Market Risks:**

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

**2.21 Borrowing Costs:**

In compliance with the requirements of IAS-23 'Borrowing Costs' borrowing costs of operational period on short-term loan and overdraft facilities from Banks was charged off as revenue expenditure as those were incurred.

**2.22 Related Parties disclosure**

In compliance with the requirements of IAS 24, the company carried out a number of transactions with related parties in the normal course of business. Related party disclosures have been made in a separate note to the accounts.

**2.23 Earning per Shares:**

**2.23.01 Basic Earnings Per Share**

The company calculates Basic earning of share (EPS) in according with IAS 33 'Earning per Shares' which has been shown on the face of Income Statement. The same has been calculated dividing surplus available for ordinary shareholders by weighted number of ordinary shares outstanding at the end of the year.

**2.23.02 Diluted Earnings Per Share:**

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the affects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no potential dilutive ordinary share during the relevant periods.

**2.24 Provision:**

The preparation of financial statements in conformity with International Accounting Standards (IAS) 37 provides that, Provisions, Contingent Liabilities and Contingent Assets requires management to make estimates and assumption that affect the reported amounts of revenues and expense, assets and liabilities, and the disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

In accordance with the guidelines as prescribed by IAS 37 provisions were recognized in the following situations. When the company has represent obligation as a result of past event. When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation ; and realizable estimate can be made of the amount of the obligation.

Provisions in the financial statements at an appropriate level are not done with regard to an adequate provision of risks and uncertainties. An amount recorded as a provision represents the best estimate of the probable expenditure required fulfilling the current obligation on the balance sheet date.

**2.25 Intangible Assets:**

In compliance with requirements of IAS 38 intangible assets are usually absorbed as revenue charges as and when incurred. The Company has no intangible assets written off during the year under review.

**2.26 Cash and Cash Equivalents:**

Cash and Cash Equivalents include cash in hand, cash at banks, etc. which are available for use by the company without any restrictions. There is an insignificant risk of change in value of the same.

**2.27 Trade and Other Payable:**

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

**2.28 Repairs and Maintenance Charges:**

These are usually charged out as revenue expenditure in the period in which it is incurred.

**2.29 Bad and doubtful debts:**

No provision for bad and doubtful debts has been made since sales/export are realizable.

**2.30 Promotional Expenses:**

All costs associated with promotional activities are charged in the year those were incurred like sample issued.

**2.31 Insurance Coverage:**

Fixed Assets and Inventories of the company are covered by general insurance policies.

**3.00 COMPLIANCE AND OTHERS:**

**3.01 Compliance with Local Laws:**

The Financial Statements have been prepared in compliance with requirements of the Companies Act 1994, the Securities and Exchange Rules 1987 and other relevant local laws and rules.

**3.02 Compliance with International Accounting Standards (IAS):**

The Financial Statements have been prepared in compliance with requirements of IAS/IFRS as adopted in Bangladesh.

**3.03 Reporting Currency and Level of Precision:**

The figures in the Financial Statements represent Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except where indicated otherwise.

**3.04 Comparative Information:**

Comparative information have been disclosed in respect of the year 2018 for all numerical information in the Financial Statements and also for the narrative and descriptive information when it is relevant for understanding of the current period's Financial Statements.

**3.05 Events after the reporting period:**

In compliance with the requirements of IAS-10 "Events after the Reporting Period" post statement of financial position events that provide additional information about the Company's position at the statement of financial position date are reflected in the financial statements and events after the statement of financial position date that are not adjusting events are disclosed in the notes when material.

**3.06 Directors' responsibility statement:**

The Board of Directors takes the responsibility for the preparation and fair presentation of these financial statements.

**3.07 Reporting Period:**

The financial period of the company covers one year from 01 July 2018 to 30 June 2019 followed consistently.

**3.08 Approval of Financial Statement:**

The financial statements have been approved by the Board of Directors as on 24 October 2019.

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
<b>04.00</b>	<b>PROPERTY PLANT &amp; EQUIPMENT: TK. 1,881,926,590</b>			
	<b>A) Cost:</b>			
	Opening Balance		4,823,022,495	4,180,593,419
	Add: Addition during the year		214,362,015	642,429,076
	Less: Adjustment during the year		-	-
	<b>Closing Balance (A)</b>		<b>5,037,384,510</b>	<b>4,823,022,495</b>
	<b>B) Accumulated Depreciation</b>			
	Opening Balance		2,606,523,861	2,111,133,581
	Add: Addition during the year		548,934,059	495,390,280
	Less: Adjustment during the year		-	-
	<b>Closing Balance (B)</b>		<b>3,155,457,920</b>	<b>2,606,523,861</b>
	<b>Written Down Value (A-B)</b>		<b>1,881,926,590</b>	<b>2,216,498,633</b>
	Details of Fixed Assets Schedule are given in Annexure-A			
<b>05.00</b>	<b>CAPITAL WORK IN PROGRESS: TK. 319,334,190</b>			
	Opening Balance		290,111,576	608,876,716
	Add: Addition during the year	Notes-5.01	29,222,614	121,564,770
			319,334,190	730,441,486
	Less: Transfer to property plant & equipment	Notes-5.02	-	440,329,910
	<b>Closing Balance</b>		<b>319,334,190</b>	<b>290,111,576</b>
<b>5.01</b>	<b>Breakup of Capital Work in Progress addition during the year: Tk. 29,222,614</b>			
	General Production Building-1		-	9,978,489
	General Production Building-2		-	85,632,681
	VIP Staff Quarter		-	1,985,235
	Staff Dormitory		-	541,237
	R & D Building		2,805,937	1,402,483
	Parenteral Building		26,416,677	22,024,645
			<b>29,222,614</b>	<b>121,564,770</b>
<b>5.02</b>	<b>Breakup of Capital Work in Progress transfer to property plant &amp; equipment during the year: Tk. 0</b>			
	Production Machinery & Equipment		-	65,390,300
	Purified Water Treatment Installation		-	40,508,704
	General Production Building-1		-	27,652,863
	General Production Building-2		-	241,735,131
	Corporate Head Office		-	29,938,877
	VIP Staff Quarter		-	21,669,294
	Staff Dormitory		-	13,434,741
			<b>-</b>	<b>440,329,910</b>
<b>06.00</b>	<b>INVESTMENT IN SHARE: TK. 1,100,591</b>			
	Opening Balance		1,762,101	2,921,490
	Add: Unrealized gain or (Loss)		(661,510)	(1,159,389)
	<b>Closing Balance</b>		<b>1,100,591</b>	<b>1,762,101</b>

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018

Breakup of the above amount is given below:

Particulars	Number of Shares	Market Value		Book Value
		30 June 2019	30 June 2018	
Intech Limited	220	7,128	3,383	2,300
R N Spinning Mills Ltd.	168,225	1,093,463	1,758,718	3,855,040
<b>Total</b>	<b>168,445</b>	<b>1,100,591</b>	<b>1,762,101</b>	<b>3,857,340</b>

The above amount have been classified as "Available for sale" financial assets as per IAS 39 and shown at fair value of TK 1,100,591 derived from Quoted share prices as on 30-06-2019. Unrealized loss of TK 661,510 on the unsold shares has been recognized in the Statement of Profit or Loss and Other Comprehensive Income.

#### 07.00 INVENTORIES: TK. 1,004,257,489

Raw and Packing Materials	484,933,599	635,310,539
Work-in-Process	165,399,943	135,588,281
Finished Goods	275,871,969	226,034,317
Laboratory Chemicals	78,051,978	24,603,580
<b>Closing Balance</b>	<b>1,004,257,489</b>	<b>1,021,536,717</b>

Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2. Cost of inventories are determined on weighted average cost basis. Physical verification of inventories was carried out by inventory team consisting management staff.

Sl. No.	Materials/Product	Unit	Quantity	Amount in Tk.
01	Raw Materials (Active)	GM	95,697	113,382,241
		KG	38,186	251,705,645
		Ltr	4	3,891,002
		MG	20	12,851
		ML	13,000	5,412,644
		Pcs	200	2,633,537
Sub-Total				377,037,920
02	Raw Materials (Excipient)	GM	15,952	44,216
		KG	64,869	23,228,537
		Ltr	1,526	2,043,642
		ML	16,987	118,886
		Pcs	36,845,863	7,916,693
Sub-Total				33,351,974
03	Primary Packaging	KG	48,012	21,979,429
		Pcs	8,429,601	28,964,568
Sub-Total				50,943,997
04	Secondary Packaging	Pcs	15,503,293	23,599,707
Sub-Total				23,599,707
05	Work in Process (WIP)	Pcs	1,400,144	165,399,943
Sub-Total				165,399,943
06	Finished Goods	Pack	1,996,770	275,871,969
Sub-Total				275,871,969
07	Laboratory Chemicals (Reagent)	GM	75,221	58,197,007
		KG	350	900,704
		Ltr	1,289	3,257,812
		ML	34,933	15,687,809
		Pack	2	846
		Pcs	3	7,800
Sub-Total				78,051,979
Grand-Total				1,004,257,489

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
<b>08.00</b>	<b>ACCOUNTS RECEIVABLE: TK. 702,432,429</b>			
	Barisal Sales Center		9,738,541	18,567,901
	Bogura Sales Center		7,234,555	9,202,142
	Chittagong Sales Centre		14,924,356	15,941,568
	Maizdee/Chowmuhony Sales Centre		6,796,844	6,565,456
	Cumilla Sales Centre		14,647,322	12,846,502
	Dhaka Sales Centre/Dhaka North		53,256,810	61,753,152
	Faridpur Sales Centre		3,475,070	2,044,829
	Khulna Sales Centre		5,430,637	6,570,578
	Mymensingh Sales Centre		5,835,214	24,631,029
	Narayangonj Sales Centre		7,589,826	10,696,799
	Rajshahi Sales Centre		11,629,964	13,178,058
	Rangpur Sales Centre		15,738,385	15,841,480
	Sylhet Sales Centre		16,721,794	27,903,497
	Cox's Bazar Sales Center		9,397,166	8,060,345
	Dhaka Sales Center-Mohd. Pur Kakrail/Dhaka South		37,420,124	46,602,335
	Brahman Baria Sales Centre		15,689,979	12,156,142
	Feni Sales Centre		13,215,576	14,136,802
	Beacon Privilege Point		39,849,858	56,259,060
	Jessore Sales Centre		6,828,604	7,270,437
	Dinajpur Sales Centre		10,385,476	10,093,356
	Tangail Sales Centre		951,012	2,174,686
	Beacon Medicare Ltd		387,011,987	-
	Receivable from Export Sales	Note-8.01	8,663,329	54,339,974
			<b>702,432,429</b>	<b>436,836,128</b>
<b>8.01</b>	<b>Receivable from Export Sales: Tk. 8,663,329</b>			
	Nepal		-	9,750,457
	Srilanka		1,289,065	29,176,961
	Philippine		3,484,449	5,834,953
	Thailand		2,893,814	9,577,603
	Myanmar		996,000	-
			<b>8,663,329</b>	<b>54,339,974</b>
	<b>Aging of the above balance is given below:</b>			
	Below 30 days		643,963,146	327,757,587
	Below 90 days		8,663,328	54,339,974
	Below 180 days		49,805,955	54,738,567
			<b>702,432,429</b>	<b>436,836,128</b>
	i) The above receivables are considered good by the management.			
	ii) The above amount is receivable from customers against credit sales.			
	iii) 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.			
	iv) The Accounts Receivables have no securities except their personal securities.			
<b>09.00</b>	<b>ADVANCE, DEPOSITS &amp; PREMENTS: TK. 623,568,041</b>			
	Advance against VAT	Note-9.01	331	53,908,992
	Advance to employees	Note-9.02	12,001,297	6,485,238
	Advance for Earnest Money & Security Deposit	Note-9.03	53,086,363	41,473,750
	Advance against Import	Note-9.04	387,503,858	188,982,632
	Other Advance	Note-9.05	170,976,192	167,269,704
			<b>623,568,041</b>	<b>458,120,316</b>

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
09.01	Advance against VAT: Tk. 331			
	VAT		331	53,908,992
			<u>331</u>	<u>53,908,992</u>
09.02	Advance to employees: Tk. 12,001,297			
	Salary		258,538	189,313
	Marketing expense		(120,451)	4,412,890
	Advance against Motorcycle		11,723,075	-
	Mobile Set		140,135	1,883,035
			<u>12,001,297</u>	<u>6,485,238</u>
09.03	Advance for Earnest Money & Security Deposit: Tk. 53,086,363			
	Earnest Money & Security Deposit - Tender		42,072,005	30,459,392
	Security Deposit - Titas Gas		10,428,218	10,428,218
	Security Deposit - Electricity		56,140	56,140
	Security Deposit - T & T Board		30,000	30,000
	Security Deposit - CDBL		500,000	500,000
			<u>53,086,363</u>	<u>41,473,750</u>
09.04	Advance against Import: Tk. 387,503,858			
	Advance Against L/C		387,503,858	188,982,632
			<u>387,503,858</u>	<u>188,982,632</u>
09.05	Other Advance: Tk. 170,976,192			
	Advance against Office Space		98,621,933	119,399,480
	Advance against Land		42,421,036	42,421,036
	Advance against Depot Rent		4,640,223	5,449,188
	Advance against WPPF		25,293,000	-
			<u>170,976,192</u>	<u>167,269,704</u>
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.				
10.00	SHORT TERM INVESTMENT: TK. 0			
	Beacon Glass Industries Ltd.(Renamed as MEK Auto Bricks Ltd.)		-	103,005,125
	Mujibunnesa Medical College & Hospital Ltd.		-	94,809,180
	Beacon Cephalosporin Ltd.		-	72,200,000
	Beacon Power Systems Ltd.		-	69,195,172
	Closing Balance		<u>-</u>	<u>339,209,477</u>

Above investments have duly been realised from the parties/concerns through banking channel.

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
<b>11.00</b>	<b>DEFERRED TAX ASSETS: TK. 41,883,317</b>			
	Opening Balance		46,733,455	15,157,262
	Deferred tax (income)/ expenses		4,850,138	(31,576,193)
	<b>Closing Balance</b>		<b>41,883,317</b>	<b>46,733,455</b>
	<b>Deferred Tax (Income)/Expenses</b>			
	The break up is given below:			
	<b>Carrying amount</b>			
	Fixed Assets (Excluding Land & Land Development)		1,378,836,016	1,713,408,059
	Provision for Gratuity		(33,028,942)	(28,336,371)
	Provision for Provident Fund		(6,028,011)	
			<b>1,339,779,063</b>	<b>1,685,071,688</b>
	<b>Tax Base</b>			
	Fixed Assets (Excluding Land & Land Development)		1,172,245,796	1,872,005,506
	Provision for Gratuity		-	-
			<b>1,172,245,796</b>	<b>1,872,005,506</b>
	<b>Taxable /(deductible) temporary difference</b>		<b>167,533,267</b>	<b>(186,933,817)</b>
	Tax rate		25%	25%
	Deferred tax (assets )/liabilities		<b>41,883,317</b>	<b>(46,733,454)</b>
	Less: Opening Balance		46,733,455	15,157,262
	<b>Deferred tax( income)/expenses</b>		<b>4,850,138</b>	<b>(31,576,193)</b>
<b>12.00</b>	<b>Investment in FDR: Tk. 13,845,783</b>			
	Rupali Bank Limited A/C: 0014140007281		5,350,877	5,107,756
	One Bank Limited A/C:0018035004648		8,494,906	7,825,800
			<b>13,845,783</b>	<b>12,933,556</b>
<b>13.00</b>	<b>CASH &amp; CASH EQUIVALENTS: TK. 282,654,541</b>			
	Cash in Hand	Note-13.01	23,248,517	34,901,339
	Cash at Bank	Note-13.02	259,406,024	49,767,442
			<b>282,654,541</b>	<b>84,668,781</b>
<b>13.01</b>	<b>Cash in Hand: Tk. 23,248,517</b>			
	Head Office		16,002,046	12,186,433
	Factory Office		823,389	2,931,310
	Chattagram Sales Office		404,004	1,653,302
	Mymensingh Sales Office		315,557	622,688
	Sylhet Sales Office		497,864	1,276,231
	Cumilla Sales Office		51,615	263,261
	Barishal Sales Office		43,115	1,011,574
	Faridpur Sales office		16,910	550,675
	Rangpur Sales Office		86,229	1,643,899
	Rajshahi Sales Office		398,457	1,563,097
	Narayanganj Sales Office		94,596	1,010,202
	Maizdee Sales Office		102,645	123,071

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
	Khulna Sales Office		471,727	505,426
	Bogura Sales Office		165,148	1,254,808
	Coxs's Bazar Sales Office		384,154	2,283,142
	Dinajpur Depot		77,724	846,648
	Mohammadpur from Dhaka North Depot		2,013,811	2,370,793
	Kakrail from Dhaka South Depot		430,473	254,478
	Feni Depot		360,304	598,477
	B. Baria Depot		133,840	133,183
	Beacon Privilege Point Depot		59,561	52,689
	Jessore Depot		272,806	463,708
	Tangail Depot		22,309	1,255,975
	CDC		20,233	46,269
			<b>23,248,517</b>	<b>34,901,339</b>

Cash in hand is supported by cash custody certificate from the management.

#### 13.02 Cash at Bank: Tk. 259,406,024

HSBC - CD A/C. No. 001143379011	96,054	96,054
First Security Islamic Bank Ltd. CD A/C No. 1110001246	3,060,589	715,378
Janata Bank Ltd. CD A/C. No. - 1014203	(6,792,852)	1,371,411
Shahjalal Islami Bank Ltd. AWA A/C. No. 10078	12,508	13,888
The City Bank Ltd., Dinajpur Br. CD A/C. No. 1102358521001	5,696	5,696
The City Bank Ltd., Sylhet Br. CD A/C. No. 1102193550001	26,568	26,568
ICB Islami Bank Ltd. Principal Br., CD A/C.No.001000200071157	83,626	85,006
Dutch Bangla Bank Ltd. CD A/C. No. 0105110000016107	89,028,120	16,430,617
Dutch Bangla Bank Ltd. STD A/C. No. 010511000001641	77,590,358	(1,113,330)
Rupali Bank Ltd., Local Office Branch, Motijheel, Dhaka. CD A/C. 89649	1,518,497	1,459,538
Sonali Bank Ltd., Dilkusha Corporate Branch, Motijheel, Dhaka. CD A/C. 33028459	13,651	14,917
Janata Bank Ltd., Bhaluka Branch. STD A/C. 0000131	2,103	979,393
Janata Bank Ltd. FC A/C. 402000449	11,922,403	7,981,797
Bank Asia Ltd. CD A/C. 004433010401	5,851	8,151
Social Islami Bank Ltd. Cd A/C. No. 21330052331	1,011	2,161
Dutch Bangla Bank Ltd., CD A/C No. 105.110.28382	15,869,487	5,135,422
FSIB Ltd. Gulshan Br., FCA US Dollar, A/C-112 1650000001	56,467	56,467
Eastern Bank Ltd., Credit Card. A/C. No. 4698210304985413	(114,453)	(183,179)
Bank Asia Ltd. CD A/C. 04633000196	362,619	365,277
Commercial Bank of Ceylon PLC. A/C. # 1817000818	2,326,767	(629,283)
Commercial Bank of Ceylon, ERQ A/C. # 1802011076	14,285,775	1,962,231
Modhumoti Bank Ltd., CD A/C No: 110111100000174	4,250	5,400
Janata Bank Sundry A/Cs -70104001	2,358,050	(1,988,680)
Rupali Bank Ltd. Sundry A/Cs	10,687,937	10,687,937
Dutch Bangla Bank-STD-00000340	2,921,050	3,071,985
Dutch Bangla Bank-CD-105-120-0003909	2,543,325	2,166,284
Brac Bank Ltd. CD-150-520-1786608001	1,322,198	1,040,337
Shimanto Bank Ltd. A/C: 410000140	98,620	-
Dutch Bangla Bank-CD-105-120-0004082	5,330,409	-
Dutch Bangla Bank-CD-281-110-0003384	4,398,576	-
Dutch Bangla Bank (WPPF)-CD-1051200004098	20,380,764	-
<b>Total</b>	<b>259,406,024</b>	<b>49,767,442</b>

Bank balances are either reconciled or agreed with the bank statements but directly not confirmed by the banks except 3 nos. bank.

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018

**14.00 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 fully paid up 2,310,000,000      2,310,000,000

**Shareholding Position was as follows:**

Category of Shareholder	30 June 2019			30 June 2018		
	No. of Share	No. of Shareholders	% of Total Shares	No. of Share	No. of Shareholders	% of Total Shares
Sponsors/Directors	69,312,000	7	30%	69,312,000	3	30%
Institutions	55,794,764	210	23%	54,259,590	231	23%
Public	105,893,236	19,241	47%	107,428,410	22,459	47%
<b>Total</b>	<b>231,000,000</b>	<b>19,458</b>	<b>100%</b>	<b>231,000,000</b>	<b>22,693</b>	<b>100%</b>

The Sponsors/Directors Shareholding positions of the company are as under

Name of Sponsors/Directors	Numbers of Shares	Amount in Taka	
		30 June 2019	30 June 2018
Mr. Md. Ebadul Karim	58,228,800	582,288,000	582,288,000
Mrs. Nurun Nahar Karim	4,725,000	47,250,000	47,250,000
Mr. Md Niazul Karim	6,354,000	63,540,000	63,540,000
Mrs. Rabeya Khatun	1,050	10,500	-
Mrs. Farzana Amin	1,050	10,500	-
Mr. Md. Akter Hossain	1,050	10,500	-
Mr. Md. Abul Khayer	1,050	10,500	-
<b>Total</b>	<b>69,312,000</b>	<b>693,120,000</b>	<b>693,078,000</b>

**Classification of shareholders by holding**

Range of Holdings	Numbers of Shareholders	No. of Shares	% of holding 2019
Less than 501 Shares	5,635	1,222,159	1%
501 to 5,000 Shares	11,606	14,281,186	6%
5001 to 10,000 Shares	993	7,622,159	3%
10,001 to 20,000 Shares	556	8,063,060	3%
20,001 to 30,000 Shares	222	5,539,772	2%
30,001 to 40,000 Shares	95	3,326,667	1%
40,001 to 50,000 Shares	54	2,535,260	1%
50,001 to 100,000 Shares	141	9,826,817	4%
100,001 to 1,000,000 Shares	133	35,052,078	15%
Above 1,000,000 Shares	23	143,530,842	62%
<b>Total</b>	<b>19,458</b>	<b>231,000,000</b>	<b>100%</b>

**15.00 RESERVE & SURPLUS: TK. 266,264,834**

Revaluation Reserve	Note-15.01	260,761,735	279,712,368
Tax Holiday Reserve	Note-15.02	5,503,099	5,503,099
<b>Closing Balance</b>		<b>266,264,834</b>	<b>285,215,467</b>

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018

15.01 Revaluation Reserve: Tk. 260,761,735

Revaluation reserve has been created out by the amount of revaluation surplus of fixed assets. Details are shown below:

Particulars	Revaluation Surplus as on 01.07.2018	Deferred tax on Revaluation Surplus	Depreciation adjustment	Deferred tax on Depreciation Adjustment	Revaluation Reserve as on 30 June 2019
Land & Land Development	168,084,972	-	-	-	168,084,972
Building	12,592,753	-	1,072,484	268,121	11,788,390
Vehicles	17,740,452	-	9,461,575	2,365,394	10,644,271
Electrical Installation	1,293,935	-	742,928	185,732	736,739
Office Equipments	(7,787,386)	-	-	-	(7,787,386)
Machineries	94,319,453	-	13,990,525	3,497,631	83,826,559
Furniture & Fixtures	(6,531,810)	-	-	-	(6,531,810)
<b>Total</b>	<b>279,712,368</b>	<b>-</b>	<b>25,267,512</b>	<b>6,316,878</b>	<b>260,761,735</b>

Fixed assets were revalued by a firm of professional valuer in 2009 and the resulting increase of value has been shown as revaluation reserve. Depreciation charged on revaluation surplus against Building, Vehicles, Electrical Installation and Machineries for TK. 25,267,512 has been adjusted between revaluation reserve and retained earnings.

15.02 Tax Holiday Reserve is being carried forward from 2010.

5,503,099 5,503,099

15.03 Revaluation Reserve Adjustment: Tk. 25,267,512

Range of Holdings	Revaluation Surplus	Useful Life (Years)	Depreciation on Revaluation Surplus
Land & Land Development	168,084,972	-	-
Building	21,449,683	20	1,072,484
Vehicles	47,307,873	5	9,461,575
Electrical Installation	7,429,282	10	742,928
Office Equipment's	(7,787,386)	10	-
Machineries	209,857,872	15	13,990,525
Furniture & Fixture	(6,531,810)	10	-
<b>Total</b>	<b>439,810,486</b>	<b>-</b>	<b>25,267,512</b>

16.00 RETAINED EARNINGS: TK. 404,494,990

Opening Balance	406,443,764	376,890,123
Add: Net Profit during the year	117,700,592	126,103,008
Add: Revaluation Reserve adjustment	25,267,512	25,267,512
	<b>549,411,868</b>	<b>528,260,642</b>
Less: Dividend	138,600,000	115,500,000
Less: Deferred Tax Adjustment	6,316,878	6,316,878
<b>Closing Balance</b>	<b>404,494,990</b>	<b>406,443,764</b>

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
17.00	LONG TERM LOAN: TK. 574,419,259			
	Janata Bank Ltd.	Note-17.01	-	-
	Janata Bank Ltd. (Take Over Loan)	Note-17.02	-	-
	Agrani Bank Ltd.	Note-17.03	-	-
	Sonali Bank Ltd.	Note-17.04	-	-
	Rupali Bank Ltd.	Note-17.05	554,619,020	515,251,218
	Prime Finance & Investment Ltd.	Note-17.06	-	5,728,719
	Bangladesh Finance and Investment Company Ltd.	Note-17.07	-	27,446,899
	BRAC Bank Ltd.	Note-17.08	19,800,239	26,573,746
	Closing Balance		574,419,259	575,000,582

**17.01 Janata Bank Limited: Tk. 0**

Opening balance with current portion	43,814,935	57,404,198
Add: Received during the year	212,498	-
Add: Interest during the year	2,744,384	5,910,737
Less: Paid during the year	46,771,817	19,500,000
Less: Transfer to current portion of long term loan	-	43,814,935
<b>Total</b>	<b>-</b>	<b>-</b>

Details are as under:

Limit Amount	: Tk. 177,500,000
Purpose	: Factory Construction & Machineries
Security	: Land & Buildings
Interest Rate	: 11% per annum
Mode of Payment	: From own sources
Type of Facility	: Project loan
Validity	: Up to 2018

**17.02 Janata Bank Ltd. (Take Over Loan): Tk. 0**

Opening balance with current portion	(3,810,813)	106,033,143
Add: Received during the year	7,676,085	-
Add: Interest during the year	183,247	7,032,129
Less: Paid during the year	4,048,519	116,876,085
Less: Transfer to current portion of long term loan	-	(3,810,813)
<b>Total</b>	<b>-</b>	<b>-</b>

Details are as under:

Limit Amount	: Tk. 368,621,000
Purpose	: Factory Construction & Machineries
Security	: Land & Buildings
Interest Rate	: 14% per annum
Mode of Payment	: From own sources
Type of Facility	: Project Loan
Validity	: Up to 30th June 2018

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
<b>17.03</b>	<b>Agrani Bank Ltd: Tk. 0</b>			
	Opening balance		14,531,633	31,388,797
	Add: Received during the year		13,200	-
	Add: Interest & bank charge during the year		902,143	2,642,836
	Less: Paid during the year		15,446,976	19,500,000
	Less: Transfer to current portion of long term loan		-	14,531,633
	<b>Total</b>		<b>-</b>	<b>-</b>
	Details are as under:			
	Limit Amount	: Tk. 197,500,000		
	Purpose	: Factory Construction & Machineries		
	Security	: Land & Buildings		
	Interest Rate	: 13% per annum		
	Mode of Payment	: From own sources		
	Type of Facility	: Project Loan		
	Validity	: Up to 2018		
<b>17.04</b>	<b>Sonali Bank Ltd: Tk. 0</b>			
	Opening balance		58,171,884	93,058,482
	Add: Received during the year		37,060	-
	Add: Interest during the year		3,812,630	9,313,402
	Less: Paid during the year		62,021,574	44,200,000
	Less: Transfer to current portion of long term loan		-	58,171,884
	<b>Total</b>		<b>-</b>	<b>-</b>
	Details are as under:			
	Limit Amount	: Tk. 220,000,000		
	Purpose	: Factory Construction & Machineries		
	Security	: Land & Buildings		
	Interest Rate	: 12.5% per annum		
	Mode of Payment	: From own sources		
	Type of Facility	: Project Loan		
	Validity	: Up to 2018		
<b>17.05</b>	<b>Rupali Bank Ltd: Tk. 554,619,020</b>			
	Opening balance		687,001,624	687,588,104
	Add: Received during the year		90,712,874	41,881,062
	Add: Interest during the year		507,894,777	75,460,146
	Less: Paid during the year		134,380,719	117,927,688
	Less: Transfer to current portion of long term loan		139,504,236	171,750,406
	<b>Total</b>		<b>554,619,020</b>	<b>515,251,218</b>
	Details are as under:			
	Limit Amount	: Tk. 700,000,000		
	Purpose	: Land & Land Development		
	Security	: Land & Buildings		
	Interest Rate	: 14.5% per annum		
	Mode of Payment	: From own sources		
	Validity	: UP to 2022		
	Nature of Security	: Mortgage of Land, Buildings & Machineries		

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018

**17.06 Prime Finance & Investment Ltd: Tk. 0**

Opening balance	11,457,438	14,233,470
Add: Received during the year	524,230	-
Add: Interest during the year	767,169	3,514,728
Less: Paid during the year	12,748,837	6,290,760
Less: Transfer to current portion of long term loan	-	5,728,719
<b>Total</b>	<b>-</b>	<b>5,728,719</b>

Details are as under:

Limit Amount	: Tk. 20,000,000
Purpose	: Procurement of fixed assets
Security	: Vehicles
Interest Rate	: 11.75% per annum
Mode of Payment	: Through post dated cheque
Type of Facility	: Term finance
Validity	: Up to 2019

**17.07 Bangladesh Finance and Investment Company Ltd: Tk. 0**

Opening balance	36,595,865	12,755,180
Add: Received during the year	843,405	31,131,000
Add: Interest during the year	3,899,389	4,684,267
Less: Paid during the year	41,338,659	11,974,582
Less: Transfer to current portion of long term loan	-	9,148,966
<b>Total</b>	<b>-</b>	<b>27,446,899</b>

Details are as under:

Limit Amount	: Tk. 45,000,000
Purpose	: Procurement of vehicles
Security	: Vehicles
Interest Rate	: 10.90% per annum
Mode of Payment	: From own sources
Type of Facility	: Lease finance
Validity	: Up to 2022

**17.08 BRAC Bank Ltd: Tk. 19,800,239**

Opening balance	35,431,661	-
Add: Adjustment/Received during the year	78,256	36,760,000
Add: Interest during the year	3,660,322	906,119
Less: Paid during the year	9,704,000	2,234,458
Less: Transfer to current portion of long term loan	9,666,000	8,857,915
<b>Total</b>	<b>19,800,239</b>	<b>26,573,746</b>

Details are as under:

Limit Amount	: Tk. 40,000,000
Purpose	: To procure total 22 nos. of vehicles
Security	: Vehicles
Interest Rate	: 9.90% per annum
Mode of Payment	: From own sources
Type of Facility	: Lease Finance
Validity	: Up to 2022
Nature of Securities	: Joint registration of Vehicles

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
18.00	CURRENT PORTION OF LONG TERM LOAN: TK. 149,170,236			
	Janata Bank Ltd.		-	43,814,935
	Janata Bank Ltd. (Take Over Loan)		-	(3,810,813)
	Agrani Bank Ltd.		-	14,531,633
	Sonali Bank Ltd.		-	58,171,884
	Rupali Bank Ltd.		139,504,236	171,750,406
	Prime Finance & Investment Ltd.		-	5,728,719
	Bangladesh Finance and Investment Company Ltd.		-	9,148,966
	BRAC Bank Ltd.		9,666,000	8,857,915
	Closing Balance		149,170,236	308,193,645

**19.00 SHORT TERM LOAN: TK. 1,061,396,505**

PAD - Rupali Bank Ltd., Dhaka.	<b>Note-19.01</b>	-	-
LC/TR - First Security Bank Ltd., Gulshan Branch, Dhaka	<b>Note-19.02</b>	60,756,059	6,604,515
LC-Janata Bank Ltd., Janata Bhaban Branch, Motijheel, Dhaka	<b>Note-19.03</b>	-	-
CC (Hypo)- Janata Bank Ltd., Corporate Bhaban Branch	<b>Note-19.04</b>	1,000,640,446	896,765,760
<b>Closing Balance</b>		<b>1,061,396,505</b>	<b>903,370,275</b>

Short term loan has been taken to meet up the working capital requirement and is secured by Inventories.

**19.01 PAD - Rupali Bank Ltd., Dhaka: Tk. Nil**

Opening balance	-	6,946,140
Add: Received during the year	-	-
Add: Interest during the year	-	-
Less: Paid during the year	-	6,946,140
<b>Total</b>	<b>-</b>	<b>-</b>

**19.02 LC/TR - First Security Bank Ltd., Gulshan Branch, Dhaka: Tk. 60,756,059**

Opening balance	6,604,515	24,995,796
Add: Received & interest during the year	1,209,776,041	65,415,500
Less: Paid during the year	66,824,497	83,806,781
<b>Total</b>	<b>60,756,059</b>	<b>6,604,515</b>

Details are as under:

Limit Amount	: Tk. 100,000,000
Purpose	: Import of Materials Packing materials, Spares and others items
Security	: Land & Buildings
Interest Rate	: 16% per annum
Mode of Payment	: From own sources
Nature of Securities	: Mortgage of Land & Building

**19.03 LC - Janata Bank Ltd., Janata Bhaban Branch, Motijheel, Dhaka: Tk. Nil**

Opening balance	-	3,115,822
Add: Received during the year	-	1,180,378
Add: Interest during the year	-	-
Less: Paid during the year	-	4,296,200
<b>Total</b>	<b>-</b>	<b>-</b>

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
19.04	CC (Hypo)- Janata Bank Ltd., Corporate Bhaban Branch: Tk. 1,000,640,446			
	Opening balance		896,765,760	884,347,297
	Add: Received during the year		210,780,558	249,867,088
	Add: Interest during the year		45,330,232	91,669,877
	Less: Paid during the year		152,236,104	329,118,502
	Total		1,000,640,446	896,765,760

Details are as under:

Limit Amount	: Tk. 1,400,000,000
Purpose	: Meeting the requirement of working capital of the company
Security	: Inventory & Land
Interest Rate	: 12% per annum
Mode of Payment	: From own sources
Type of Facility	: CC Hypo
Nature of Security	: Mortgage of Inventory & Land

**20.00 SHARE APPLICATION MONEY REFUNDABLE: TK. 4,323,613**

Opening balance	4,323,613	4,333,613
Payment made during the year	-	10,000
<b>Closing Balance</b>	<b>4,323,613</b>	<b>4,323,613</b>

Share application money refundable amount as on 30.06.2019 was Tk. 4,323,613. The company has not paid or refund any amount during the year under audit and the balance amount remain unpaid as no claim was received during the year.

**21.00 ACCOUNTS PAYABLE: TK. 40,896,364**

Payable to Suppliers	Note-21.01	18,991,082	30,054,621
Depot Expenses Payable	Note-21.02	8,616,262	2,935,521
Others Payable	Note-21.03	13,289,020	18,215,997
		<b>40,896,364</b>	<b>51,206,139</b>

**21.01 Payable to Suppliers: Tk. 18,991,082**

Against Raw Materials	4,294,450	1,991,431
Against Laboratory Chemicals	11,197,602	1,923,860
Against Computer & Accessories	1,433,283	1,385,962
Against Plastic Items	3,750,996	1,811,584
Against Machinery & Equipment	(7,605,535)	8,907,529
Against Printing & Packaging Materials	38,820,482	8,023,546
Against PVC & Foil suppliers	2,421,635	1,617,870
Against Clearing & Forwarding	(7,753,559)	8,903,467
Against Maintenance & Service	(3,318,299)	(4,227,778)
Against Vehicles suppliers	-	(27,129,602)
Against Construction Materials Suppliers	(11,886,947)	27,998,348
Against Advertising	(1,707,605)	(687,885)
Against Promotional Items	(12,933,888)	(11,624,796)
Against Travel Agencies	(1,743,596)	(508,784)
Against Transport & Courier	2,739,922	(355,461)
Against Glass Item - Suppliers	(156,653)	(1,348,889)
Against Furniture & Fixture	(511,220)	(368,384)
Against Insurance Premium	29,258,876	13,742,520
Against Misc. Suppliers	(26,964,581)	183,623
Against Spare Parts	(183,540)	(183,540)
Against Training & Developments	(736,667)	-
Against Stationeries & Suppliers	575,926	-
<b>Closing Balance</b>	<b>18,991,082</b>	<b>30,054,621</b>

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
<b>21.02</b>	<b>Depot Expenses Payable: Tk. 8,616,262</b>			
	Rangpur Depot		73,264	847,086
	Bogura Depot		333,985	301,025
	Rajshahi Depot		(91,104)	(234,575)
	Khulna Depot		126,384	(78,757)
	Barisal Depot		(28,934)	(281,176)
	Faridpur Depot		84,291	(79,810)
	Mymensingh Depot		590,281	617,074
	Narayangonj Depot		33,740	5,762
	Cumilla Depot		2,898,395	190,702
	Sylhet Depot		910,871	741,142
	Maizdee Depot		122,836	(116,002)
	Chittagong Depot		224,707	241,600
	Central Distribution Centre		(703,753)	325,279
	Cox's Bazar		6,539	86,761
	Mohammadpur from Dhaka North Depot		366,419	(326,421)
	Kakrail from Dhaka South Depot		26,795	(52,962)
	Privilege Point		75,456	220,894
	B. Baria Depot		1,073,544	316,804
	Feni Depot		134,109	123,956
	Jessore Depot		(82,861)	(50,584)
	Dinajpur Depot		1,186,930	120,872
	Tangail Depot		1,254,368	16,851
	<b>Closing Balance</b>		<b>8,616,262</b>	<b>2,935,521</b>
<b>21.03</b>	<b>Others Payable: Tk. 13,289,020</b>			
	Received against Motor Cycle		-	9,753,810
	Earn leave payable		1,174,956	560,978
	Against Motor Car		12,114,064	7,901,209
	<b>Closing Balance</b>		<b>13,289,020</b>	<b>18,215,997</b>
Accounts payable for supply of raw materials, packing materials & other promotional items are the regular suppliers of the Company and the amount are due on account.				
<b>22.00</b>	<b>ACCRUED EXPENSES: TK. 60,878,822</b>			
	Salary & Allowances		57,703,696	48,340,779
	Gas Bills		2,697,626	1,316,302
	Audit Fees		315,000	237,000
	Credit Rating Fees		140,000	150,000
	Compliance Audit Fees		22,500	25,000
	<b>Closing Balance</b>		<b>60,878,822</b>	<b>50,069,081</b>
<b>23.00</b>	<b>VAT PAYABLE: TK. 10,861,489</b>			
	Trade Creditors		6,053,344	10,015,059
	House rent		4,741,006	3,159,948
	Audit Fees		52,500	39,500
	Credit Rating Fees		10,889	25,000
	Compliance Audit Fees		3,750	4,167
	Advertisement & Publicity		-	-
	<b>Closing Balance</b>		<b>10,861,489</b>	<b>13,243,674</b>

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
<b>24.00</b>	<b>LIABILITY FOR EWF &amp; WPPF: TK. 21,077,144</b>			
	Employees Welfare Fund (EWF)	Note-24.01	-	2,686,246
	Workers Profit Participation Fund (WPPF)	Note-24.02	21,077,144	20,092,848
	Closing Balance		<u>21,077,144</u>	<u>22,779,094</u>
<b>24.01</b>	<b>Employees Welfare Fund (EWF): Tk. 0</b>			
	Opening Balance		2,686,246	2,581,344
	Add: Contribution during the year		202,976	762,972
	Total Contribution		<u>2,889,222</u>	<u>3,344,316</u>
	Less: Paid to the employees		<u>2,889,222</u>	<u>658,070</u>
	Closing Balance		<u>-</u>	<u>2,686,246</u>
<b>24.02</b>	<b>Workers Profit Participation Fund: Tk. 21,077,144</b>			
	Opening Balance		20,092,848	16,771,060
	Add: Contribution during the year		10,535,847	6,301,788
	Total Contribution		<u>30,628,695</u>	<u>23,072,848</u>
	Less: Distributed among the employees		<u>9,551,551</u>	<u>2,980,000</u>
	Closing Balance		<u>21,077,144</u>	<u>20,092,848</u>
<b>25.00</b>	<b>PROVISION FOR EMPLOYEES' PROVIDENT FUND: TK. 6,028,011</b>			
	Opening Balance		6,352,182	10,966,918
	Addition made during the year		37,824,210	31,650,430
	Total		<u>44,176,392</u>	<u>42,617,348</u>
	Less: Paid to the Fund during the year		<u>38,148,381</u>	<u>36,265,166</u>
	Closing Balance		<u>6,028,011</u>	<u>6,352,182</u>
<b>26.00</b>	<b>PROVISION FOR GRATUITY: TK. 33,028,942</b>			
	Opening Balance		28,336,371	16,053,742
	Addition made during the year		19,182,643	16,306,881
	Total		<u>47,519,014</u>	<u>32,360,623</u>
	Less: Gratuity paid during the year		<u>14,490,072</u>	<u>4,024,252</u>
	Closing Balance		<u>33,028,942</u>	<u>28,336,371</u>
<b>27.00</b>	<b>TAX PAYABLE: TK. -125,266,081</b>			
	Corporate Tax Liability	Note-27.01	(139,561,354)	(93,603,174)
	Other Tax Liability	Note-27.02	14,295,273	3,931,840
			<u>(125,266,081)</u>	<u>(89,671,334)</u>
<b>27.01</b>	<b>CORPORATE TAX LIABILITY : TK.-139,561,354</b>			
	Opening Balance		(93,621,734)	(41,819,183)
	Tax on current year's profit		40,850,243	31,508,938
	Total tax liabilities		<u>(52,771,491)</u>	<u>(10,310,245)</u>
	Less: TDS/Advance paid tax			
	For income year 2017-18		86,789,863	83,292,929
	Total Corporate Tax Liability		<u>(139,561,354)</u>	<u>(93,603,174)</u>

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
<b>27.02</b>	<b>OTHER TAX LIABILITY: TK. 14,295,273</b>			
	TDS from Salary & Allowances		1,025,395	473,450
	TDS from Trade Creditors		5,427,189	771,526
	TDS from Office Rent		1,245,318	983,509
	TDS from Managing Director's Remuneration		6,520,276	1,616,875
	TDS from Gas Bills		24,039	40,702
	TDS from Audit Fee		35,000	26,333
	TDS from Compliance Audit Fee		2,500	2,778
	TDS Credit Rating Fee		15,556	16,667
	Closing Balance		<u>14,295,273</u>	<u>3,931,840</u>

**28.00 DIVIDEND PAYABLE: TK. 55,005,676**

Opening Balance	34,463,510	17,042,997
Add: Addition during the Year	138,600,000	100,560,591
	<u>173,063,510</u>	<u>117,603,588</u>
Less: Dividend paid during the year	118,057,834	83,140,078
Closing Balance	<u>55,005,676</u>	<u>34,463,510</u>

**29.00 TURNOVER: TK. 4,646,865,410**

Local Sales	4,412,133,530	3,571,203,459
Export Sales	234,731,880	189,582,647
Net Turnover	<u>4,646,865,410</u>	<u>3,760,786,106</u>

Details of Turnover are as under:

Product Group	Box/Pack	Net Sales	Box/Pack	Net Sales
	30 June 2019		30 June 2018	
Injection	2651913	960,912,187	2,385,575	1,006,979,483
Tablet	7800648	2,259,893,757	7,105,787	1,775,676,951
Pre-Filled Syringe	153723	116,871,977	94,906	106,978,595
Infusion	1626437	774,611,806	560,604	105,416,521
Capsule	2779311	200,841,619	1,589,763	538,622,683
Syrup	697712	176,848,176	2,087,219	136,247,370
PFS	1052883	156,885,888	754,742	90,864,503
<b>Total</b>	<b>16,762,627</b>	<b>4,646,865,410</b>	<b>14,578,596</b>	<b>3,760,786,106</b>

**30.00 COST OF GOODS SOLD: TK. 2,364,808,809**

Materials Consumed	Note-30.01	1,606,776,074	1,131,911,400
Factory Overhead	Note-30.02	837,682,049	733,713,416
<b>Total Manufacturing Cost</b>		<u>2,444,458,123</u>	<u>1,865,624,816</u>
Add: Opening Work-in-Process		135,588,281	85,102,385
<b>Total Work-in-Process</b>		<u>2,580,046,404</u>	<u>1,950,727,201</u>
Less: Closing Work-in-Process		165,399,943	135,588,281
<b>Cost of Production</b>		<u>2,414,646,461</u>	<u>1,815,138,920</u>
Add: Opening Finished Goods		226,034,317	338,227,070
<b>Finished Goods available for Sale</b>		<u>2,640,680,778</u>	<u>2,153,365,990</u>
Less: Closing Finished Goods		275,871,969	226,034,317
<b>Cost of Goods Sold</b>		<u>2,364,808,809</u>	<u>1,927,331,673</u>

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
<b>30.01</b>	<b>Materials Consumed: Tk. 1,606,776,074</b>			
	Opening Inventory (Raw & Packing Material)		635,310,539	659,545,918
	Add: Purchase		1,456,399,134	1,107,676,021
	Materials available for use		2,091,709,673	1,767,221,939
	Less: Closing Raw & Packing Material		484,933,599	635,310,539
	<b>Total</b>		<b>1,606,776,074</b>	<b>1,131,911,400</b>
<b>30.02</b>	<b>Factory Overhead: Tk. 837,682,049</b>			
	Salaries & Allowances		162,654,814	149,744,140
	Co's Contribution to P.F		2,844,614	2,774,311
	Gratuity		3,079,513	2,575,744
	Local Travel & Conveyance		676,508	518,263
	Foreign Travel		1,762,998	1,918,428
	Entertainment		1,356,429	1,325,574
	Employee Fooding		31,219,863	27,281,076
	Employee Pick & Drop		9,448,238	5,850,674
	Telephone, Fax, Internet		28,457,792	2,510,297
	Utilities		3,007,410	25,633,987
	Fees & Renewal		438,658	609,801
	Books, News Paper & Periodicals		816,708	12,268
	Printing & Stationery		12,652,564	10,768,848
	Legal & Consultancy Fees		738,760	1,839,489
	Insurance Premium		3,239,760	591,087
	Handling & Carrying Expense		434,000	259,900
	Research & Development Expense		41,317,970	14,993,744
	Repairs & Maintenance		4,242,850	15,820,810
	Training Expense		4,568,206	1,611,324
	Advertisement & Publicity		75,975	89,762
	Misc. Expense		276,554	129,123
	Tool Manufacturing Expense		24,841,872	16,049,611
	Fire Insurance		-	-
	Depreciation		499,529,993	450,805,155
	<b>Total</b>		<b>837,682,049</b>	<b>733,713,416</b>
<b>31.00</b>	<b>ADMINISTRATIVE EXPENSES: TK. 286,081,646</b>			
	Salaries & Allowances		126,611,978	106,218,037
	Co's Contribution to P.F		2,109,476	1,656,115
	Gratuity		2,206,560	3,897,451
	Local Travel & Conveyance		2,526,650	1,938,982
	Foreign Traveling Expenses		1,767,971	2,761,533
	Entertainment		7,017,781	4,668,745
	Employee Fooding		30,514,860	26,266,500
	Office Rent		19,405,578	19,227,468
	Employee Pick & Drop		22,934,491	16,757,242
	Utilities		6,651,224	5,917,796
	Telephone, Fax, Courier		5,491,084	4,795,305
	Fees & Renewals		2,752,485	4,819,047
	Books, News Paper & Periodicals		62,693	58,457
	Printing & Stationery		6,514,523	4,209,848
	Audit Fee		431,250	382,056

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
	Legal & Consultancy Fees		5,142,670	2,170,394
	Insurance Premium		3,199,088	3,109,137
	Bank Charge & Other Expense		2,440,485	1,007,025
	Company Secretarial & Share Exe.		2,585,238	-
	Handling & Carrying Expense		596,793	1,115,634
	Repairs & Maintenance		3,591,596	2,244,230
	Advertisement & Publicity		4,514,860	2,502,034
	Training Expense		631,101	1,484,122
	Misc. Expense		4,423,849	2,567,256
	Depreciation		21,957,362	19,815,611
	<b>Total</b>		<b>286,081,646</b>	<b>239,590,025</b>

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

**32.00 MARKETING, SELLING & DISTRIBUTION EXPENSES: TK. 1,673,366,718**

Salaries & Allowances	596,745,479	517,022,714
Co's Contribution to P.F	13,474,247	11,367,574
Gratuity	13,896,570	9,833,686
Local Travel & Conveyance	28,351,828	25,112,955
Foreign Travel	2,780,928	15,448,497
Entertainment	10,470,305	4,758,265
Employee Fooding	18,771,924	6,641,470
Depot Rent	16,526,403	11,396,575
Employees Pick & Drop	4,170,033	3,500,272
Utilities	2,213,610	1,872,110
Telephone, Fax, Internet	11,366,941	9,809,015
Fees & Renewal	1,712,841	1,883,750
Books, News Paper & Periodicals	-	25,704
Printing & Stationery	14,988,788	14,432,882
Legal & Consultancy Fees	50,000	310,776
Insurance Premium	3,539,062	4,532,846
Bank Charges	3,082,348	2,486,655
Handling & Carrying	137,518	1,087,692
Repairs & Maintenance	5,527,890	1,861,223
Research & Product Development	4,456,147	3,107,270
Field Force Expenses (TA/DA)	119,573,909	91,310,534
Sales Incentive	18,407,044	7,379,190
Training Expense	3,619,102	4,608,659
Conference, fair and product launching	14,457,885	58,799,283
Promotional Expense	634,287,684	403,565,711
Advertisement & Publicity	5,397,168	3,601,389
Distribution & Collection Expenses	89,089,620	81,706,478
Misc. Expense	8,824,741	2,023,378
Depreciation	27,446,703	24,769,514
<b>Total</b>	<b>1,673,366,718</b>	<b>1,324,256,067</b>

**33.00 FINANCIAL EXPENSES: TK. 153,524,466**

Interest on Consortium Loan	Note-33.01	66,758,761	44,766,236
Interest on Short Term Loan	Note-33.02	85,879,465	91,644,877
Bank Charges Other	Note-33.03	886,240	1,671,213
<b>Total</b>		<b>153,524,466</b>	<b>138,082,326</b>

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
33.01	Interest on Consortium Loan : TK. 66,758,761			
	Janata Bank Ltd.		2,744,384	5,910,737
	Janata Bank Ltd. (Takeover)		183,247	(643,956)
	Agrani Bank Ltd.		902,143	2,642,836
	Sonali Bank Ltd.		3,812,630	9,313,402
	BD Finance Ltd.		3,899,389	4,684,267
	BRAC Bank Ltd.		3,660,322	828,162
	Prime Finance Ltd.		767,169	3,514,728
	Rupali Bank Ltd.		50,789,477	18,516,060
	Total		66,758,761	44,766,236
33.02	Interest on Short Term Loan: Tk. 85,879,465			
	CC(Hypo) - Janata Bank Ltd., Corporate Bhaban, Motijheel		85,879,465	91,644,877
	Total		85,879,465	91,644,877
33.03	Bank Charges Other: Tk. 886,240			
	Bank Charge & Others		886,240	1,671,213
	Total		886,240	1,671,213
34.00	INCOME FROM OTHER SOURCES: TK. 2,487,251			
	Interest Received from Bank		249,476	688,477
	Interest on FDR		1,016,363	122,507
	Foreign Exchange Gain/ (Loss)		1,221,412	-
	Capital Gain (Loss)- Realized		-	-
	Dividend Income		-	542
	Total		2,487,251	811,526
	Breakup of the above amount is given below:			
	Nepal		154,994	-
	Srilanka		887,867	-
	Philippine		163,891	-
	Thailand		13,352	-
	Myanmar		(1,850)	-
	Guatemala		3,158	-
			1,221,412	-
35.00	CONTRIBUTION TO WORKERS PROFIT PARTICIPATION FUND: Tk. 8,170,049			
	WPPF Fund contribution during the year		8,170,049	6,301,788
	Total		8,170,049	6,301,788
35.01	As per provision of Section 234 of the Bangladesh Labor Law 2006 as amended, 5% of net profit before tax is contributed to the above fund in the following proportions:			
	Particulars	Proportion	30 June 2019	30 June 2018
	Contribution to Participatory Fund	80%	6,536,039	5,041,430
	Contribution to Welfare Fund	10%	817,005	630,179
	Contribution to WWFF	10%	817,005	630,179
	Total Taka		8,170,049	6,301,788

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
36.00	UNREALIZED (LOSS)/GAIN ON QUOTED SHARES : TK. -661,510			
	Unrealized Gain Realized		-	-
	Unrealized (loss)/gain during the year		(661,510)	(1,159,389)
	Total Taka		(661,510)	(1,159,389)

**37.00 EARNINGS PER SHARE (EPS): TK. 0.51**

**Basic Earnings Per Share**

Breakup of the above amount is given below:

Net Profit After Tax	117,700,592	126,103,008
Ordinary Shares Outstanding During the year	231,000,000	231,000,000
<b>Earnings Per Share:</b>	<b>0.51</b>	<b>0.55</b>

Calculation of weighted average number of share was not required since no shares were issued during the year.

**38.00 PAYMENT TO DIRECTORS: TK. 25,200,000**

The aggregate amount paid (except Directors fees for attending board meetings) during the year to the director of the company is given below as per requirement of Securities and Exchange Rules 1987.

Basic Remuneration	7,200,000	7,200,000
House Rent	3,600,000	3,600,000
Medical allowance	1,800,000	1,800,000
Conveyance	1,800,000	1,800,000
Other allowances	9,600,000	9,600,000
Bonus	1,200,000	1,200,000
<b>Total</b>	<b>25,200,000</b>	<b>25,200,000</b>

**39.00 CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBT:**

None as on 30-06-2019.

**40.00 CREDIT FACILITIES NOT AVAILED:**

There is no credit facility available to the Company that was not availed as on 30-06-2019 under any contract, other than those mentioned in the financial statements arising in the ordinary course of business.

**41.00 DISCLOSURES AS PER REQUIREMENT OF SCHEDULE XI, PART OF THE COMPANIES ACT,1994:**

Total number of Employees Drawing Remuneration is as follows:

Breakup of the above amount is given below:

Salary Range	No. of Employees	
	30 June 2019	30 June 2018
No. of Employees Having Salary Between Tk. 4,000 to Tk. 5,000	-	-
No. of Employees Having Salary Between Tk. 5,000 to Tk. 10,000	488	554
No. of Employees Having Salary Between Tk. 10,000 to Tk. 15,000	439	589
No. of Employees Having Salary Between Tk. 15,000 to Tk. 25,000	1,073	814
No. of Employees Having Salary Between Tk. 25,000 to Tk. 50,000	559	441
No. of Employees Having Salary Between Tk. 50,000 and above	146	120
<b>Total</b>	<b>2,705</b>	<b>2,518</b>

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018

**42.00 Capacity Utilization:**

Production capacity and current utilization as required by the companies Act 1994, Schedule-XI, Para-7. Actual production and utilization for major products groups are as follows.

Major product/Unit	Capacity(In Millions)	30 June 2019		30 June 2018	
		Actual Production (In Millions)	Utilization (%)	Actual Production (In Millions)	Utilization (%)
Tablets	2,520	1764.00	70%	1420.58	68%
Capsules (Filled with Pellets)	760	592.80	78%	298.25	76%
Capsules (Filled with Powder)	850	612.00	72%	591.50	70%
Powder for suspension(Bottles)	15	11.25	75%	11.02	73%
Injection (Ampoules)	10	6.50	65%	3.15	63%
Injection (Lyophilized))	9	7.02	78%	3.80	76%
Large Volume Parenteral	4	2.80	70%	2.78	70%
Pre-filled Syringe	4	3.12	78%	3.11	78%
<b>Total</b>	<b>4,172</b>	<b>2999</b>		<b>2325</b>	

**43.00 RELATED PARTY DISCLOSURES: TK. NIL**

During the year the company carried out a number of transaction with related parties in the normal course of business on an arm's length basis. Name of those related parties, nature of those transaction and their total value has been shown in the below table in accordance with IAS-24 " Related Party disclosures.


Name of the parties	Relationship	nature of transaction	Opening balance	Addition	Adjustment	Closing Balance
Beacon Glass Industries Ltd.	Shareholders	Investment In Shares	103,005,125	-	103,005,125	-
Mujibunnesa Medical College & Hospital Ltd.	Shareholders	Investment In Shares	94,809,180	-	94,809,180	-
Beacon Cephalosporin Ltd.	Shareholders	Investment In Shares	72,200,000	-	72,200,000	-
Beacon Power Systems Ltd.	Shareholders	Investment In Shares	69,195,172	6,734,980	75,930,152	-
<b>Total</b>			<b>339,209,477</b>	<b>6,734,980</b>	<b>345,944,457</b>	<b>-</b>

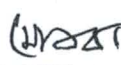
**44.00 EVENT AFTER THE REPORTING PERIOD:**

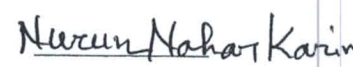
The Board of Directors in its' meeting held on 24 October, 2019 has recommended 5% cash dividend for the year ended June 30, 2019 subject to approval of the shareholders at the ensuing Annual General Meeting (AGM).

**45.00 CONTINGENT LIABILITIES:**

There may arise tax liability on final assessment of tax remain pending with taxation authority. Without the above, there is no known contingent liabilities.

  
Company Secretary

  
Managing Director

  
Chairman

BEACON PHARMACEUTICALS LIMITED

Schedule of Fixed Assets

For the year ended 30 June 2019

Annexure-A

Particulars	COST				Rate of Dep. (%)	DEPRECIATION				Written Down Value as on 30.06.19
	Balance as on 01.07.2018	Addition During the year	Adjustment During the year	Balance as on 30.06.2019		Depreciation as on 01.07.2019	Charged During the year	Adjustment During the year	Depreciation as on 30.06.2019	
Land & Land Development	503,090,574	-	-	503,090,574	-	-	-	-	503,090,574	
Factory Building	917,954,184		-	917,954,184	5%	261,416,337	45,897,709	-	610,640,138	
Corporate Head Office Building	60,456,584		-	60,456,584	5%	3,037,300	3,022,829		54,396,455	
Vehicles	167,490,840	72,074,980	-	239,565,820	20%	46,701,246	36,437,251	-	156,427,323	
Electrical Installations	88,659,745	28,021,844	-	116,681,589	10%	44,837,399	10,088,254	-	61,755,937	
Office Equipment	107,438,588	17,329,004	-	124,767,592	10%	37,040,294	11,470,237	-	76,257,061	
Production Machinery & Equipment	2,822,267,300	81,777,209	-	2,904,044,509	15%	2,180,188,944	425,670,758	-	298,184,807	
Furniture & Fixture	155,664,680	15,158,978	-	170,823,658	10%	33,302,341	16,347,021	-	121,174,296	
30-06-2019	4,823,022,495	214,362,015	-	5,037,384,510		2,606,523,861	548,934,059	-	1,881,926,590	
30-06-2018	4,180,593,419	642,429,076	-	4,823,022,495		2,111,133,581	495,390,280	-	2,216,498,633	

Allocation of Depreciation :

	Proportion	Amount(Tk.)
Factory Overhead	91%	499,529,993
Administrative Overhead .	4%	21,957,362
Selling, Marketing Expenses	5%	27,446,703
Total	100%	548,934,059