

BEACON[®] ANNUAL REPORT 2017

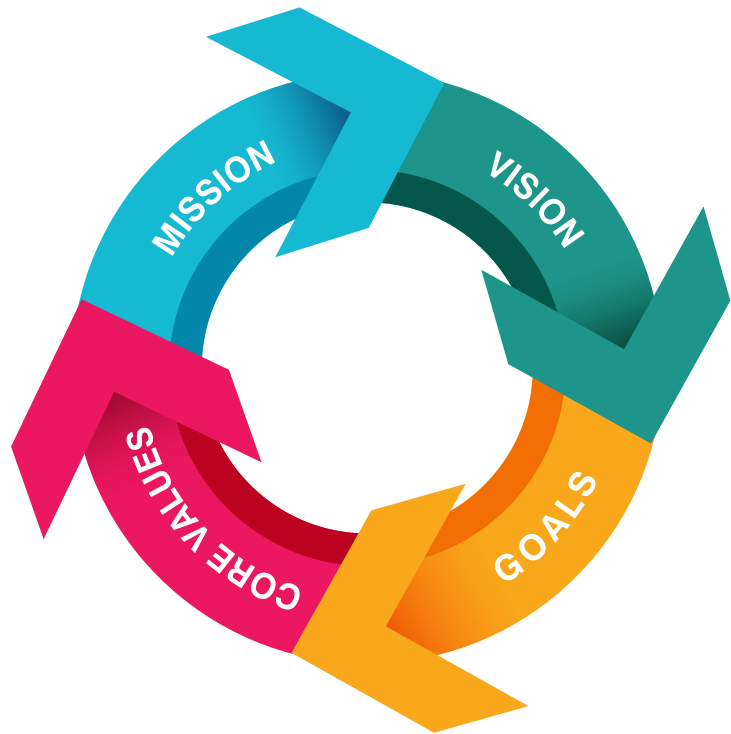
Caring
Global Patients



BEACON[®] ANNUAL REPORT 2017

Caring
Global Patients





Mission:

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

Vision:

To be regarded and recognized as one of the best value-driven pharmaceuticals companies in the Country.



Goals:

- To be the market leader.
- Serve our customers with quality products at a reasonable price.
- Develop our employees with high potentials and an opportunity of career development.
- Establish strong regional presence.
- Provide our shareholders a steady asset growth and return on investment.
- Recognize the suppliers as our business partners and competitors as the contributor to the market value.
- Grow revenue and profit.

Core Values:

- Committed to quality in all our activities
- Work as a team
- Encourage innovative ideas
- Trustworthy relationship with customer
- Respect to other
- Believe in winning
- Corporate Social Responsibility



BEACON AT A GLANCE

BEACON Pharmaceuticals Limited, a leading Pharmaceutical Company in Bangladesh in respect of producing high-tech products like anticancer and cardiovascular portfolio. Beacon is a Public Limited Company listed with Dhaka and Chittagong Stock Exchange, which was incorporated on 12 September, 2001 as a private limited company with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh under the Companies Act 1994 and subsequently converted into a Public Limited Company with a mission to improve the quality of human life by providing innovative pharmaceutical products through continuous research and development by ensuring stakeholders satisfaction with the aim of becoming one of the most value driven Pharmaceutical Companies in the Country.

BEACON is a very popular name in the Pharmaceuticals Industries in Bangladesh due to its high quality products of Anticancer, cardiovascular, Gastrointestinal, Antibiotics, Anti-Coagulants, Protein Supplements, Muscle relaxant, Anti-histamine, Analgesics and NSAIDS etc.

The Project is situated at Bhaluka, Mymensingh, Bangladesh on a piece of land of 19 Acres with the covered area of more than 1,50,000 sq. ft., the cost of the project stands at more than US\$. 50.00 Million.

The manufacturing complex of Beacon has been engineered by European consultants in order to be one of the finest facilities in the Country. Beacon is designed to conform world standard like US-FDA, UK-MHRA, TGA-Australia and WHO –cGMP. Commercial production of BMRE project started last year.

Corporate Office

BEACON Business Centre
9/A, Toyenbee Circular Road
Motijheel C/A, Dhaka -1000



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Directors' Responsibilities for the Financial Statements

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CORPORATE MANAGEMENT

Corporate Directory

BOARD OF DIRECTORS

Mrs. Nurun Nahar Karim, Chairman
Mr. Md. Ebadul Karim, Managing Director
Mr. Md. Niazul Karim, Director
Mr. Prof. Dr. Sayed Modasser Ali, Independent Director
Mr. Major M. A. Hussain (Retd.), Independent Director

BOARD AUDIT COMMITTEE

Mr. Prof. (Dr.) Syed Modasser Ali, Chairman
Mr. Md. Ebadul Karim, Member
Mrs. Nurun Nahar Karim, Member
Mr. Giash Uddin Ahmed FCMA, Board Secretary

EXECUTIVE MANAGEMENT

Mr. Md. Ebadul Karim, Managing Director
Ms. Risana Karim, Executive Director
Mr. Md. Golam Robbani, Director (Factory Operations)
Mr. Giash Uddin Ahmed FCMA, EVP (Finance & Accounts)
Mr. Monjurul Alam, EVP (Business Development Department)
Mr. Md. Aminul Hoque, EVP (Sales)
Mr. Mohammad Hanif, EVP (Marketing)
Mr. Shahidur Rahman, SVP (Project Implementation)
Mr. Anisur Rahman Khan, SVP (HR & Admin)

MANAGEMENT STRATEGIC COMMITTEE

Mr. Md. Golam Robbani, Director (Factory Operations)
Mr. Giash Uddin Ahmed FCMA, EVP (Finance & Accounts)
Mr. Monjurul Alam, EVP (Business Development Department)
Mr. Md. Aminul Hoque, EVP (Sales)
Mr. Mohammad Hanif, EVP (Marketing)
Mr. Shahidur Rahman, SVP (Project Implementation)
Mr. Anisur Rahman Khan, SVP (HR & Admin)
Mr. Shafiul Islam, VP (MIS & Audit)
Mr. Saiful Islam, VP (Production)
Mr. Sujit Kumar Kundu, VP (R & D)

COMPANY SECRETARY

Mr. Giash Uddin Ahmed FCMA

STATUTORY AUDITORS

M/S. Toha Khan Zaman & Co. Chartered Accountants
House # 817 (1st floor), Road # 4
Baitul Aman Housing Society, Adabor, Dhaka-1207, Bangladesh

CORPORATE GOVERNANCE COMPLIANCE AUDITOR

Poddar & Associates,
Cost and Management Accountants,
8/1, (Old 333/1) Segun Bagicha (1st & 2nd Floor), Dhaka-1000.

LEGAL ADVISOR

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

Listing

Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Registered Office

BEACON Pharmaceuticals Ltd.
Kathali, Bhaluka, Mymensingh, Bangladesh.

Corporate Office

BEACON Business Centre
9/A, Toyenbee Circular Road, Motijheel C/A, Dhaka -1000
Tel: +880-2-57165371-6 Fax: +880-2-57165379
E-mail: beacon@beaconpharma.com.bd
Website: www.beaconpharma.com.bd

Factory

Kathali, Bhaluka, Mymensingh

Main Banker

Janata Bank Ltd.

Agrani Bank Ltd.

Dutch Bangla Bank Ltd.

Eastern Bank Ltd.

Bank Asia Ltd.

The City Bank Ltd.

ICB Islamic Bank Ltd.

Sonali Bank Ltd.

Rupali Bank Ltd.

First Security Islami Bank Ltd.

Social Islami Bank Ltd.

Commercial Bank of Ceylon (PLC)

HSBC



BIOGRAPHY OF **BOARD OF DIRECTORS** **and** **COMPANY SECRETARY**

BOARD OF DIRECTORS

Mrs. Nurun Nahar Karim, Chairman

Mr. Md. Ebadul Karim, Managing Director

Mr. Md. Niazul Karim, Director

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

Mr. Major M.A Hussain (Retd.), Independent Director

COMPANY SECRETARY

Mr. Giash Uddin Ahmed FCMA



Mrs. Nurun Nahar Karim
Chairman

Mrs. Nurun Nahar Karim is an MA from Dhaka University. She is the wife of Mr. Md. Ebadul Karim. Mrs. Nurun Nahar Karim is the Chairman of BEACON Pharmaceuticals Limited, Beacon Developments Limited, Beacon Nutraceuticals Limited, MEK Auto Bricks Limited, MEK Industries Limited, MEK Pharmatech Limited, Beacon Oncology Limited, Mujibunnessa Medical College & Hospital Limited, Beacon Cephalosporin Limited, Beacon Power Systems Limited. She is also the director of Beacon Point Limited, Beacon Medicare Limited and Kohinoor Chemical Co.(BD) Limited.



Mr. Md. Ebadul Karim
Managing Director

Mr. Md. Ebadul Karim entered into the realm of business horizon after completion of his graduation. By virtue of his entrepreneurial skill and sound management capability accompanied with vast experience and farsighted vision he has been running a number of business enterprises very successfully. He is the Managing Director of BEACON Pharmaceuticals Limited, Beacon Developments Limited, Beacon Cephalosporin Limited, MEK Auto Bricks Limited, MEK Industries Limited, MEK Pharmatech Limited, Mujibunnessa Medical College & Hospital Limited, Beacon Oncology Limited, Beacon Power Systems Limited, Beacon Nutraceuticals Limited and Chairman of Beacon Point Limited, Beacon Medicare Limited, EREBA Capsules Limited. He is also the Director of Kohinoor Chemicals Co. (BD) Ltd., one of the largest and leading soaps, cosmetics and toiletries manufacturing company in the Country. He has travelled many countries of the world for business purposes.



Mr. Md. Niazul Karim
Director

Mr. Md. Niazul Karim, S/O. Mr. Md. Ebadul Karim is a BBA completed from the International University of Bangladesh. Just after completing his BBA he has actively involved in the business and presently he is acting as the Director of BEACON Pharmaceuticals Limited, Beacon Development Limited, Beacon Cephalosporin Limited, Beacon Nutraceuticals Limited, Beacon Point Limited, MEK Auto Bricks Limited, MEK Industries Limited, MEK Pharmatech Limited, Beacon Oncology Limited, Beacon Medicare Limited, Mujibunnessa Medical College & Hospital Limited, Beacon Power Systems Limited and Managing Director of BEACON Point Limited.



Mr. Major M. A. Hussain (Retd.)
Independent Director

Mr. M. A. Hussain served in Bangladesh Army as Major in 1976. He also served as DAAG (Deputy Asstt. Adjutant General) in 24 divisional HQ. He Joined in Bangladesh Bank on deputation in 1985 and got absorbed having seniority from the date of commission. Mr. Hussain retired from Bangladesh Bank as General Manager in 2008.



Mr. Prof. Dr. Syed Modasser Ali **Independent Director**

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

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

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



Mr. Giash Uddin Ahmed FCMA **Board Secretary**

Mr. Giash Uddin Ahmed is a Cost and Management Accountant and done his Masters of Commerce in Accounting from the University of Dhaka. He is a fellow member of the Institute of Cost & Management Accountant of Bangladesh. He is also a certified financial consultant of the Institute of Financial Consultants, Vancouver, Canada. Prior to joining BEACON Pharma, he was the CFO (Bangladesh operation) of Otobi Ltd. He has more than 30 years of experience in different managerial capacities in the country and abroad.

BOARD AUDIT COMMITTEE EXECUTIVE MANAGEMENT & MANAGEMENT STRATEGIC COMMITTEE



Mr. Md. Ebadul Karim
Managing Director
Member, Board Audit Committee &
Executive Management



Mrs. Nurun Nahar Karim
Chairman
Member, Board Audit Committee



Mr. Prof. Dr. Syed Modasser Ali
Independent Director
Chairman, Board Audit Committee



Ms. Risana Karim
Executive Director
Member, Executive Management



Mr. Md. Golam Robbani
Director, Factory Operations
Member, Executive Management &
Management Strategic Committee



Mr. Giash Uddin Ahmed FCMA
Board Secretary & EVP, F & A
Secretary, Board Audit Committee
Executive Management &
Management Strategic Committee



Mr. Monjurul Alam
EVP, Business Development
Member, Executive Management &
Management Strategic Committee



Mr. Md. Aminul Hoque
EVP, Sales
Member, Executive Management &
Management Strategic Committee



Mr. Mohammad Hanif
EVP, Marketing
Member, Executive Management &
Management Strategic Committee



Mr. Shahidur Rahman
SVP, Project Implementation
Member, Executive Management &
Management Strategic Committee



Mr. Anisur Rahman Khan
SVP, HR & Admin
Member, Executive Management &
Management Strategic Committee



Mr. Shafiul Islam
VP MIS & Audit
Member, Management Strategic Committee



Mr. Saiful Islam
VP, Production
Member, Management Strategic Committee



Mr. Sujit Kumar Kundo
VP, R & D
Member, Management Strategic Committee



Our loyal and dedicated employees have overcome and strong belongingness with the Company and presented a growth result with a commitment for the better in the future.

Message from the CHAIRMAN

Dear shareholders,

It's my great pleasure to welcome you all to the 16th Annual General Meeting and place before you the Annual Report alongwith the Audited Financial Statements of the Company for the year ended 30 June, 2017.

Without any big disruption we have passed last year very calm and quietly. All activities including production of your Company have run very smoothly and efficiently.

Due to the atmospheric environment in all areas of our activities in the Company as well as in the Country we have been able to maintain revenue at a reasonable level and our loyal and dedicated employees have overcome most of the adverse situations taken place through their relentless effort and strong belongingness with the Company and presented a growth result with a commitment for the better in the future.

I think you know very well that the commercial production of your BMRE Projects started one year back and its positive result start coming and accumulated in the total revenue.

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

Nurun Nahar Karim

Nurun Nahar Karim
Chairman



Besides launching of new generation medicinal products for the first time in Bangladesh, We always strive for the introduction of the newer & latest technologies in the pharma industry.

Statement of MANAGING DIRECTOR

Dear shareholders,

By the grace of Almighty Allah we have completed our last year operation very calm and quietly. There was no political unrest despite of having some natural calamities like flood, which affected many areas mostly the north and the north eastern side of Bangladesh.

Despite of the little unfavorable events we have been able to maintain revenue at a reasonable level in the financial year 2016-2017. Moreover, we have given special emphasis on cost control, resource optimization and R & D capabilities in order to face these economic challenges and finally we have achieved the targeted sales growth.

Operational Result:

1. Sales Turnover has been increased by 18.33% over last year.
2. Gross Profit has been increased by 22.07% over last year.
3. Operating Profit has been increased by 1.20% over last year.

4. Net Profit after tax has been increased by 68.94% over last year.
5. Net Asset value per share has been decreased by 0.39% over last year.

New Products:

In 2006, Beacon pharmaceuticals Ltd. started its Journey with the vision to manufacture anticancer & imported life saving medicines in Bangladesh.

Besides launching of new generation medicinal products for the first time in Bangladesh, Beacon Pharma always strives for the introduction of the newer & latest technologies in the pharma industry.

As a sophisticated pharmaceutical company, we focus our efforts where we can have the most impact. Our products are of different therapeutic segments like Fixvel Tablet (sofobuvir INN & Velpatasvir) for Hepatitis C, TAF Tablet (Tenofovir Alafenamide Fumarate) for Hepatitis B, Wedica Tablet (Trelagliptin Succinate INN) for Diabetic Patients, Jaktor Tablet (Tofacitinib Citrate INN) as Immune supplement, ETP Tablet (Eltrombopag Olamine INN) as

Anticoagulants, Mazest Tablet (Magestrol Acetate) as steroid hormone, Alvenor (Diosmin) for various disorders of blood vessels and Axinix Tablet (Axitinib INN), Afanix (Afatinib Dimaleate INN), Regora Tablet (Regorafenib Monohydrate INN) an anticancer product.

Our Global Business:

You will be happy to know that at present among the pharma companies of Bangladesh, Beacon is the most popular Bangladeshi company globally. Beacon has started its journey with a vision of becoming a Global company. In this year, we have got the real taste of globalization by providing our support to patients of most of the countries under all the 7 continents in the world.

Beacon is now globally a very popular pharmaceutical figure for its anticancer and anti-hepatitis drugs. Beacon has introduced 11 global first generic drugs- that means Beacon is the first company after the originator that has emerged those 11 drugs in the world pharmaceutical market. These are mostly for cancer and hepatitis. It's a matter of pride that we have been producing very latest and advanced anticancer agents. As a whole, till now we have produced around 100 products to fight against this deadly disease, cancer. So, it's been a huge achievement for us.

Among our products, Tagrix (for lung cancer) and Sofosvel (for hepatitis) have earned enormous popularity globally. Now, these 2 products are Beacon's highest selling and value earning products. Doctors across the world are using our products and very satisfied with the clinical success. Our products are

being tested in different labs of a number of countries in the world and are found excellent in terms efficacy, potency and other quality determining parameters. We develop these products by following Quality By Design (QBD), which helped us to ensure International standard quality.

Beacon has started to exhibit its products in different International cancer and liver congresses. This year, we have participated as an exhibitor in European Society of Medical Oncology (ESMO)- Spain, European Lung Cancer Congress (ELCC)- Switzerland, World Liver Congress- London, China Cancer Congress, SAARC cancer congress in Nepal and Sri Lanka. Through these participations, Beacon is becoming globally more popular.

We have very skilled field forces in Nepal and Sri Lanka. The teams are performing excellent and have already made Beacon Number 1 in Nepal and No.2 in Sri Lanka in oncology segment. Besides, Business in Myanmar and Philippines is also growing faster and hope to do well in the coming years.



A good number of innovative, hi-tech products are under development, which will enrich our product basket in the coming years. We hope that our team BDD must keep this excellent work to do well and will earn more foreign currency for the country.

Project Expansion:

The commercial production of your BMRE project started one year ago and start generating revenue as well as profit.

Conclusion:

Whatever we have achieved is the reflection of outstanding contribution of the employees of Beacon Pharma. I would like to thank all of them for their utmost co-operation, dedication and commitment. Before I conclude, I like to take the opportunity to express my sincere thanks and gratitude to all of our valued customers, bankers, financial institutions, suppliers, healthcare professionals, government

agencies, regulatory bodies and everyone who has interaction with Beacon Pharma and its continuous progress.

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

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

Thank you all,



Md. Ebadul Karim
Managing Director



Global 1st generic drugs of BEACON

For Cancer

Afanix
Afinib 40 mg tablet



Crizonix
Crizotinib 250 mg Capsule



Tagrix
Osimertinib 40 mg & 80 mg tablet



Ibrutix
Ibrutinib 140 mg capsule



REGONIX
Regorafenib 40 mg tablet



Axinix
Axitinib 1 mg & 5 mg tablet



For Hepatitis B & C

Tafecta
Tenofovir Alafenamide 25 mg tablet



Darvoni
Sofosbuvir 400 mg
Daclatasvir 60 mg Tablet



Sofosvel
Sofosbuvir 400 mg
Velpatasvir 100 mg tablet



Daclavir
Daclatasvir 60 mg Tablet



For Diabetics

WEDICA
Trelagiptin 50 mg & 100 mg tablet



BEACON in International News Media



The Economic Times



Global Scarcity of Life Saving Drugs - A Shocking Epidemic

BEACON: READY TO MEET YOUR NEEDS

For details please visit: www.beaconpharma.com.bd

BEACON: READY TO MEET YOUR NEEDS

For details please visit: www.beaconpharma.com.bd

BEACON team in action both locally & globally

BEACON sign agreement with CIGB, CUBA for global 1st Hepatitis vaccine



Stall of BEACON in China Hepatitis Conference



BEACON Stall in World Liver Congress, London, UK



BEACON team with global renowned oncologists in European Lung Cancer Conference at Geneva, Switzerland



BEACON the platinum sponsor in SAARC Oncology conference in Nepal



BEACON organized a CME on lung cancer in Colombo, Sri-Lanka



BEACON organizes Breast Cancer Awareness and Screening Program with Factory Female Colleagues

Roundtable meeting with The Daily Star on World Lung Day



BEACON team in action both locally & globally



BEACON organized World Lung Cancer Awareness Month and Arranged a Cycle Rally



BEACON has achieved Gold Award on International Convention on Quality Control Circle 2017, Manila, Philippines



Receiving award from Jahangirnagar University



BEACON Annual Sales Conference 2017 at Cox's Bazar



Corporate Governance

Directors' Report to the Shareholders
For the year ended 30th June, 2017



Corporate Governance

**Directors' Report to the Shareholders
For the year ended 30th June, 2017**

Dear Shareholders

The Directors have the pleasure to present their Annual Report together with the Audited Financial Statements of the Company for the year ended 30th June, 2017. These were approved by the Board of Directors on 22 October, 2017. The Directors' Report has been prepared in compliance with section 184 of the Companies Act, 1994, SEC's notification dated 20 February 2006, the Listing Regulations of Dhaka and Chittagong Stock Exchange and other applicable rules and regulations. In addition, the Directors explained and disclosed certain issues, which they deemed relevant and important to ensure transparency and good governance practice.

1. Industry outlook and possible future development in the industry.

The principal activities of the Company are to manufacturing, marketing and selling of pharmaceuticals and lifesaving medicine in the local and international markets. Beacon is the first manufacturer of anti-cancer drugs in Bangladesh and proud introducer of isolator technology for processing anti-cancer products and lyophilized technology. Beacon is the second in world to manufacturing and marketing-peginterferon medicine for hepatitis. Beacon is the first to introduce sophisticated biotech products streptokinase and Urokinase injections for Acute MI disease. This year Beacon has launched 25 nos. of new products, out of which 12 general products, 12 oncology products and 1 bio-tech products.

Despite of some unfavorable events we were able to maintain revenue at a reasonable level. Moreover, we have given special emphasis on cost control, resource optimization and R & D capabilities in order to face these economic challenges.

2. Segment-wise or product-wise performance.

Our products can be segmented as General, Oncology and Bio-tech products. In terms of volume of sale General Product is the best performer followed by Oncology and Bio-tech respectively. In the sales performance, general products have contributed more than 60%, 32% oncology and rest 8% contributed by Bio-tech Products. In respect of profit margin Oncology Products are the best contributor than that of others.

3. Risk and Concerns.

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

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

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

Corporate Governance

Directors' Report to the Shareholders
For the year ended 30th June, 2017

4. Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin.

Cost of Goods Sold for the year stands at Tk. 1,484,623,696.00 which is 14.85% higher than that of the previous year. This has been occurred due to increase of sales by 18.33% compare to the previous year and Gross Margin has been increased by 22.07% over the last year. Due to strong control over the net margin has been increased by 68.94% over the last year.

5. Discussion on continuity of any Extra-Ordinary gain or loss.

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

6. Basis for related party transactions.

Related Party Transactions are disclosed in the notes 44 to the Financial Statements for the year ended 30th June, 2017.

7. Utilization of proceeds from public issues, rights issues and / or through any other instruments.

During the financial year 2016-2017 no such proceeds are collected that would require for adjustment or disclose in the annual report.

8. Explanation if the financial results deteriorate after the Company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Right Offer and Direct Listing.

Beacon Pharmaceuticals Limited went for initial public offering in the year 2010 and did not go for any

further offering since then. So, no such explanation is required for Beacon Pharmaceuticals Limited.

9. Explanation the significance variance occurs between Quarterly Financial Performance and Annual Financial Statements.

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

10. Remuneration to directors including independent directors.

Remuneration and other perquisites of the Directors are reviewed annually and approved by the Chairman of the Board. None-Executive Directors including the Independent Directors are paid fees for attending the meetings only.

11. Financial Statements prepared by the management of the Company presents fairly its state of affairs, the result of its operation, cash flows and changes in equity.

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

12. Proper books of accounts of the Company have been maintained.

Books of Accounts of the Company have been maintained properly.

13. Accounting Policies:

Appropriate accounting policies have been consis-

Corporate Governance

Directors' Report to the Shareholders
For the year ended 30th June, 2017

tently applied in preparing financial statements and the accounting estimates are based on reasonable and prudent judgment.

14. Application of IAS/BAS/IFRS/BFRS as applicable in Bangladesh.

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

15. The system of internal control.

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

authorized and recorded.

16. Going Concern.

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

17. Explanation of significant deviation from the last year's operating result.

Significant variations over the last year's operation of the Company have been made due to excess expenditure incurred in the factory overhead, general & admin overhead and selling and distribution overhead. The positive impact of excess expenditures are gradually coming. Hopefully the growth of turnover will dramatically change in the years to come.

18. Key operating and financial data preceding 5 (Five) years:

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

Corporate Governance

Directors' Report to the Shareholders
For the year ended 30th June, 2017

5 (Five) Years Financial Highlights:

Particulars			Year		
Financial Performance	2017	2016	2015	2014	2013
Total Assets	5,105,979,654	5,014,603,610	4,738,697,597	4,589,825,300	4,251,619,886
Total Liabilities	2,114,672,825	2,012,513,836	1,832,578,665	1,722,443,291	1,478,361,558
Current Assets	2,424,721,610	2,563,219,957	2,551,804,833	2,157,357,740	1,526,460,823
Current Liabilities	1,138,023,095	1,150,667,724	1,097,166,405	1,030,696,923	702,348,389
Non-Current Assets	2,681,258,044	2,451,383,653	2,186,892,763	2,432,467,559	2,565,178,873
Non-Current Liabilities	976,649,730	861,846,112	735,412,260	691,746,368	776,013,169
Shareholders' Equity	2,991,306,829	3,002,089,774	2,906,118,932	2,867,382,009	2,773,258,328
Operational Performance					
Revenue	2,948,456,509	2,491,804,435	2,052,938,834	1,690,363,446	1,226,906,195
Cost of Goods Sold	1484,623,696	1,292,608,372	1,061,613,363	894,119,555	609,987,995
Operating Expense	1,196,557,774	935,102,873	706,291,687	553,676,280	409,526,225
Financial Expense	147,375,018	194,721,492	238,236,937	221,684,367	196,958,236
Gross Profit	1,463,832,813	1,199,196,063	991,325,471	796,243,891	616,918,200
Operating Profit	267,275,039	264,093,190	285,033,785	242,567,610	207,391,975
Net Profit before tax	115,895,985	68,308,534	51,407,588	37,274,146	14,609,706
Net Profit after tax	103,734,641	61,402,978	38,555,691	24,228,195	9,131,066
Financial Ratio					
Current ratio	2.13:1	2.22:1	2.32:1	2.03:1	2.17:1
Debt Equity Ratio	1:1.41	1:1.49	1:1.58	1:1.66	1:1.88
Financial Expense Coverage Ratio (Times)	1.81	1.35	1.20	1.09	1.05
Return on Equity	2.89%	2.04%	1.33%	0.85%	0.33%
Return on Assets	1.75%	1.25%	0.81%	0.53%	0.21%
Equity Parameters					
Authorized Capital	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Paid-up Capital	2,310,000,000	2,310,000,000	2,310,000,000	2,310,000,000	2,310,000,000
Shareholders' Equity	3,088,979,719	3,002,089,774	2,906,118,932	2,867,382,009	2,773,258,328
No. of Shares Outstanding	231,000,000	231,000,000	231,000,000	231,000,000	231,000,000
Net Assets Value (NAV) Per Share	13.37	13.00	12.58	12.41	12.01
Earnings Per Share (EPS)	0.45	0.27	0.17	0.10	0.04
Market Price Per Share (Closing)	23.10	17.30	14.70	14.80	14.10
Price Earnings Ratio (Times)	51.33	64.07	86.47	148.00	352.50

Corporate Governance

Directors' Report to the Shareholders
For the year ended 30th June, 2017

19. Declaration of dividend.

The Board of Directors of the Company has recommended 5% cash dividend for the year ended 30 June, 2017.

20. Number of board meeting held during the year and attendance of each director.

During the year 13 nos. of Board Meetings were held. The attendance record of the Directors is shown below. The Directors who could not attend the meeting were granted leave of absence.

Sl. No.	Name of Directors	Meeting held	No. of meeting attended
1.	Mrs. Nurun Nahar Karim, Chairman	13	13
2.	Mr. Md. Ebadul Karim, Managing Director	13	13
3.	Mr. Md. Niazul Karim, Director	13	13
4.	Mr. Prof.(Dr.) Syed Mudasser Ali, Independent Director	13	10
5.	Mr. Major M. A. Hussain (Retd.), Independent Director	13	01

21. Pattern of Shareholding:

a). Parent / Subsidiary / Associated Companies and other related parties.

Sl. No.	Name	Designation with BPL	Entities where they have interest	No. of share held
1.	Mr. Md. Ebadul Karim	Managing Director	BEACON Development Ltd.	600
			Beacon Cephalosporin Ltd.	25,50,000
			MEK Auto Bricks Ltd.	25,000
			MEK Industries Ltd.	8,500
			MEK Pharmatech Ltd.	8,500
			Mujibunnessa Medical College & Hospital Ltd.	80,00,000
			Beacon Oncology Ltd.	85,000
			Beacon Power Systems Ltd.	85,000
			Beacon Nutraceuticals Ltd.	85,000
			Beacon Point Ltd.	25,000
		Chairman	Beacon Medicare Ltd.	42,500
			EREBA Capsules Ltd.	20,000
		Director	Kohinoor Chemical Co.(BD) Ltd.	5,08,750

Corporate Governance

Directors' Report to the Shareholders
For the year ended 30th June, 2017

Sl. No.	Name	Designation with BPL	Entities where they have interest	No. of share held
2.	Mrs. Nurun Nahar Karim	Chairman	Beacon Development Ltd.	250
			Beacon Nutraceuticals Ltd.	5,000
			MEK Auto Bricks Ltd.	12,500
			MEK Industries Ltd.	500
			MEK Pharmatech Ltd.	500
			Beacon Oncology Ltd.	5,000
			Mujibunnessa Medical College & Hospital Ltd.	5,00,000
			Beacon Cephalosporin Ltd.	150,000
			Beacon Power Systems Ltd.	5,000
		Director	Beacon Point Ltd.	25,000
			Beacon Medicare Ltd.	2,500
			Kohinoor Chemical Co.(BD) Ltd.	6,09,871

Sl. No.	Name	Designation with BPL	Entities where they have interest	No. of share held
3.	Mr. Md. Niazul Karim	Managing Director	Beacon Point Ltd.	25,000
		Director	Beacon Development Ltd.	400
			Beacon Cephalosporin Ltd.	1,50,000
			Beacon Nutraceuticals Ltd.	5,000
			MEK Auto Bricks Ltd.	6,250
			MEK Industries Ltd.	500
			MEK Pharmatech Ltd.	500
			Beacon Oncology Ltd.	5,000
			Beacon Medicare Ltd.	2,500
			Mujibunnessa Medical College & Hospital Ltd.	5,00,000
			Beacon Power Systems Ltd.	5,000

Corporate Governance

Directors' Report to the Shareholders
For the year ended 30th June, 2017

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

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

(c) Executive

Sl. No.	Name	Designation	No. of shares held
1.	Mr. Md. Ebadul Karim	Managing Director	5,82,28,800
2.	Mr. Md. Niazul Karim	Director & CFO	63,54,000

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

Sl. No.	Name	Designation	No. of shares held
1.	Mr. Md. Ebadul Karim	Managing Director	5,82,28,800

22. Recommendation for re-appointment of Directors:

As per provision of the Articles of Association of the Company Mr. Md. Niazul Karim will retire by rotation in the next 16th Annual General Meeting and being eligible he will be offered for re-appointment.

23. Appointment of Auditors:

Pursuant to section 210 of the Companies Act 1994, Company's statutory auditors M/S. Toha Khan Zaman & Co., Chartered Accountants will retire at the 16th Annual General Meeting as auditor of the Company.

The retiring auditors are not eligible for re-appointment and M/S. Shafiq Basak & Co., Chartered Accountants have expressed their willingness to be appointed as auditor of the Company for the financial year 2017- 2018. The Directors recommended for the appointment of M/S. Shafiq Basak & Co, Chartered Accountants as the auditors of the Company for the year 2017-2018.

24. Corporate Governance Compliance Report:

In accordance with the requirement of Bangladesh Securities and Exchange Commission "Corporate Governance Compliance Report" is shown in the annexure - I of this report.

25. Conclusion:

The Company expresses its sincere appreciation to all of its employees for their outstanding contribution and thanks to all the stakeholders for their continued support and confidence.

Approved by the Board of Directors and signed on its behalf.



Md. Ebadul Karim
Managing Director

Corporate Governance

Audit Committee Report

Composition of Audit Committee:

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

1.	Mr. Prof. Dr. Syed Modasser Ali, Independent Director	Chairman of the Committee
2.	Mr. Md. Ebadul Karim, Managing Director	Member
3	Mrs. Nurun Nahar Karim, Chairman	Member
4.	Mr. Giash Uddin Ahmed FCMA, Company Secretary	Secretary

Role and Responsibility of the Audit Committee:

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

Meetings held of the Audit Committee:

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

Activities of Audit Committee:

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

Financial Reporting:

Review quarterly, half yearly and final accounts of the Company prior to submission to the Board of Direc-

tors for approval. The review was to ensure that financial reporting and disclosures were in compliance with the Securities Laws, provision of Company's Act 1994, applicable Accounting Standards / IFRS, any conflict of interest and other relevant legal and regulatory requirements.

Internal Audit:

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

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

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

External Audit:

The Committee reviews the final accounts, auditors' findings and management response. The Committee

Corporate Governance

Audit Committee Report

also reviews the external auditors report and areas of concern they have highlighted in the management letter and management's response to the findings of the external auditors.

Internal Control System:

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

Recommendation:

The Audit Committee recommended to the Board of Directors that M/S. Shafiq Basak & Co., Chartered Accountants may be appointed as auditors of the Company for the financial year 2017-2018 subject to the approval of the members of the Company at the 16th Annual General Meeting.

On behalf of the Audit Committee



Prof. Dr. Syed Modasser Ali
Independent Director
Chairman, Audit Committee
28 September, 2017

Corporate Governance

CEO and CFO's Certification to the Board

28 September, 2017

The Chairman
Board of Directors
Beacon Pharmaceuticals Limited
BEACON Business Centre
9/A, Toyenbee Circular Road
Mitijheel C/A, Dhaka – 1000. Bangladesh

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

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

We are pleased to certify that:-

1. We have reviewed financial statements for the year ended 30th June, 2017 and that to the best of our knowledge and belief:-
 - a). these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b). these statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards and applicable laws.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

Thanking you,

Yours truly,



Md. Niazul Karim
Director (Finance)



Md. Ebadul Karim
Managing Director

Corporate Governance

A Guideline of Transparency and Accountability

Corporate Governance

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

The Board

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

Board Meetings

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

Board Independence

As per Corporate Governance Guidelines, Mr. Prof. Dr. Syed Modasser Ali and Mr. Major M. A. Hussain (Retd.) have been re-appointed as Independent Director of the Company. They are considered by the Board to be independent of the Company and the management and free of any business or other relationship that could interfere with the exercise of their independent judgment. The Board believes that, their experience and knowledge enable them to provide effective and constructive contribution to the Board.

Board Committee

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

Board Audit Committee

The Company's Audit Committee met fourth times in 2017 to consider its Annual Financial Statements for the year ended 30th June, 2017 and the Quarterly Reports in the same financial year. The committee comprises Mr. Prof. Dr. Syed Modasser Ali, Mr. Md. Ebadul Karim and Mrs. Nurun Nahar Karim.

Internal Control

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

Corporate Governance

Annexure-1 Compliance Report

Status of compliance with the condition imposed by the Commission's Notification No. letter SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969

(Report under Condition No. 7.00)

Condition No.	Title	Complied	Not Complied	Remarks (if any)
	Board of Directors			
1.1	Boards size			
	The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty).	✓		The BPL Board is comprised of 5 Directors including 01 Managing Director.
1.2	Independent Directors			
(i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	✓		02 out of 5 directors are appointed as Independent Director
(ii)	For the purpose of this clause 'Independent directors' means a director-			
a)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		The Independent Directors have declared their compliances.
b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company :	✓		
c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies;	✓		
d)	Who is not a member, director. or officer of any stock exchange;	✓		
e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
f)	Who is not a partner or an executive or was not a Partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	✓		

Corporate Governance

Annexure-1 Compliance Report

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

Corporate Governance

Annexure-1

Compliance Report

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

Corporate Governance

Annexure-1 Compliance Report

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

Corporate Governance

Annexure-1

Compliance Report

Condition No.	Title	Complied	Not Complied	Remarks (if any)
2.2 Requirement to attend the Board Meetings	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		In practice
3.0	Audit Committee			
(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		Already in place
(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		In practice
(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	✓		In practice
3.1	Constitution of the Audit Committee			
(i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
(ii)	The Board of Directors shall appoint members of the audit committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓		
(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience. The term "Financially literate" means the ability to read and understand the financial statements i.e. Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if (s) he possesses professional qualification or Accounting/finance graduate with at least 12 (twelve) years of corporate management/ professional experiences.	✓		
(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	✓		No such Incidence arose
(v)	The company secretary shall act as the secretary of the Committee.	✓		In practice
(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		In practice
3.2	Chairman of the Audit Committee			
(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	✓		

Corporate Governance

Annexure-1 Compliance Report

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

Corporate Governance

Annexure-1

Compliance Report

Condition No.	Title	Complied	Not Complied	Remarks (if any)
3.4.2 Reporting to the Authorities	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	✓		No such reportable incidence arose
3.5	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
4.0	External/ Statutory Auditors			
The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:-				
(i)	Appraisal or valuation services or fairness opinions.	✓		
(ii)	Financial information system design and implementation	✓		
(iii)	Book-keeping or other services related to the accounting records or financial statement	✓		
(iv)	Broker –dealer services	✓		
(v)	Actuarial services	✓		
(vi)	Internal audit services	✓		
(vii)	Any other services that the audit committee determines.	✓		
(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
(ix)	Audit/ Certification services on compliance of corporate governance as required under clause (i) of condition no. 7	✓		
(5.0)	Subsidiary Company			BPL does not have any subsidiary Company
(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.			Not Applicable

Corporate Governance

Annexure-1 Compliance Report

Condition No.	Title	Complied	Not Complied	Remarks (if any)
(ii)	At least 1 (one) independent director of the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			Not Applicable
(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.			Not Applicable
(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.			Not Applicable
(v)	The Audit Committee of the holding company shall also review the financial statements, in particular, the investments made by the subsidiary company.			Not Applicable
(6.0)	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
The CEO and CFO shall certify to the Board that:-				
(i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
(b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		In practice
(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent illegal or violation of the company's code of conduct.	✓		In practice
(7)	Reporting and Compliance of Corporate Governance			
(i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		Required certification has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants for the year ended 30 June 2017.
(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	✓		



PODDER &
Cost and Management Accountants

As per BSEC rules (letter SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August, 2012), all the companies listed with any stock exchange in Bangladesh shall comply with some conditions in accordance with condition no. 7. The condition requires that the directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions and prerequisite set by BSEC in their letter.

Compliance Certificate

On

CORPORATE GOVERNANCE

To the Shareholders of

Beacon Pharmaceuticals Limited

We have examined the compliance to the BSEC Corporate Governance by **Beacon Pharmaceuticals Limited** for the period ending on 30th June 2017, these guidelines relate to SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and notification dated 21 July 2013 and 18 August 2013 and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance of the company. Our examination for the purpose of issue of this certificate is limited to the procedures including implementation of the Company for ensuring the compliance on the attached Annexure of evidence gathered and representation received.

In our opinion and to the best of our information and the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the guidelines issued by BSEC.

For Podder & Associates

Jayanta Kumer Podder
Cost and Management Accountant

Date:

Place:

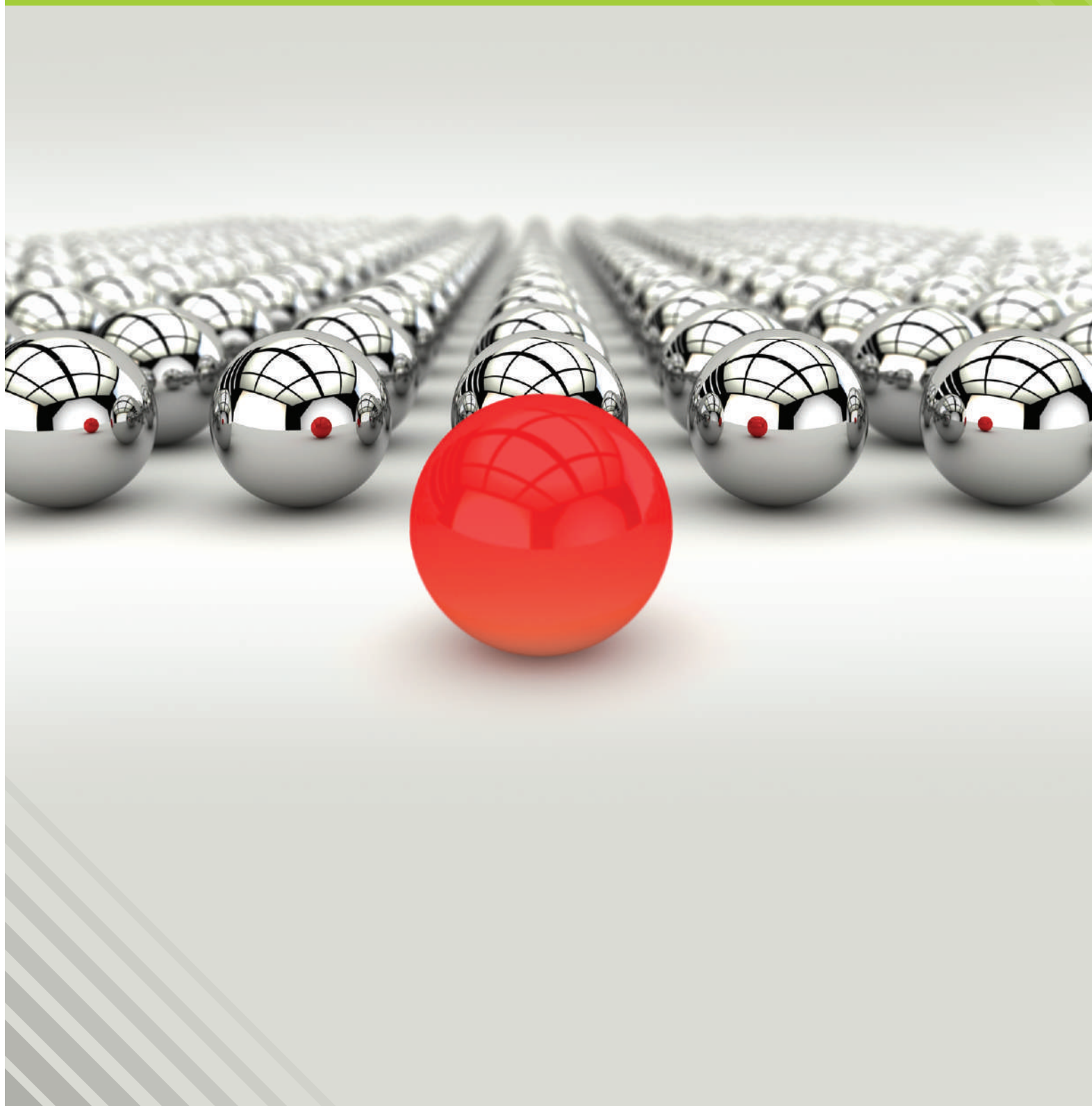
6/A/1 (Ground Floor), Segun Bagicha, Dhaka-1000. Phone : 02-57160360, 02-57160425, E-mail: info@podder.com.bd

Corporate Governance

Annexure-1
Compliance Report

Directors' Responsibilities

for the Financial Statements



The Directors are responsible for preparing the annual report and financial statements in accordance with the Company's Act, 1994, Securities and Exchange Commission Rules 1987, Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations.

The Company's Act, 1994 requires Directors to ensure that the Company keeps proper books of accounts of all transactions and prepares financial statements that give a true and fair view of the state of the Company's affairs and of the profit for the year.

The Directors are also required to ensure that the financial statements have been prepared and presented in accordance with the International Financial Reporting Standards (IFRS) and the Bangladesh Financial Reporting Standards (BFRS) as applicable in Bangladesh and provided the information required by the Company's Act 1994, Securities and Exchange Ordinance 1969, Securities and Exchange Commission Rules 1987 and the regulations of Dhaka / Chittagong Stock Exchanges. They are also responsible for taking reasonable measures to safeguard the assets of the Company, and in that context to have proper regard to the establishment of the appropriate system of internal control with a view to preventing and detecting fraudulent activities and other irregularities.

The Directors are of the view that these financial statements have been prepared under the generally accepted accounting principles and in accordance with the Bangladesh Accounting Standards as laid down by the Institute of Chartered Accountants of Bangladesh.

Directors endeavor to ensure that the Company maintains sufficient records to be able to disclose, with reasonable accuracy, the financial position of the Company and to be able to ensure that the financial statement of the Company meet with the requirement of the Company's Act 1994, Bangladesh Accounting Standards and the regulations of the Dhaka / Chittagong Stock Exchanges.

The Directors have a reasonable expectation, after making enquiries and following a review of the Company's plan for the ensuing year including cash flows and borrowing facilities, that the Company has adequate resources to continue in operational existence for the foreseeable future, and therefore continues to adopt the going concern basis in preparing the accounts.

M/S. Toha Khan Zaman & Co., Chartered Accountants, Auditors of the Company have examined the financial statements made available by the Board of the Directors together with relevant financial record, related data, minutes of the Shareholders and Directors meeting and expressed their opinion in their report.

By order of the Board,

BEACON Pharmaceuticals Ltd.,



Md. Ebadul Karim
Managing Director

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

FINANCIAL STATEMENTS

Capacity planning
chances

Time
Long - term strategy

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BEACON PHARMACEUTICALS LTD.

Report on the Financial Statements:

We have audited the accompanying Financial Statements of Beacon Pharmaceuticals Ltd. which comprises the Statement of Financial Position as at 30 June 2017, and the Statements of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and explanatory information through Notes – 1.00 to Notes – 45.00.

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion:

In our opinion, the financial statements present fairly, in all material respects the financial position of Beacon Pharmaceuticals Ltd. as at 30 June 2017, and its financial performance for the year then ended in accordance with the Bangladesh Financial Reporting Standards (BFRS) and complies with the Company Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BEACON PHARMACEUTICALS LTD.

We also report that:

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

Dated, Dhaka

25 October 2017



(Toha Khan Zaman & Co.)

Chartered Accountants

BEACON PHARMACEUTICALS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2017

Particulars	Notes	Amount in Taka	Amount in Taka
		30.06.2017	30.06.2016
PROPERTY AND ASSETS:			
I. Non-Current Assets:			
Property, Plant and Equipment	4.00	2,069,459,838	1,685,581,553
Capital Work in Progress	5.00	608,876,716	763,856,485
Investment in Shares	6.00	2,921,490	1,945,615
Total Non-Current Assets:		2,681,258,044	2,451,383,653
II. Current Assets:			
Inventories	7.00	1,088,458,711	1,188,597,897
Accounts Receivable	8.00	298,602,388	323,011,340
Advances, Deposits & Pre-payments	9.00	344,209,826	536,985,654
Short Term Investment	10.00	444,650,345	409,630,227
Deferred Tax Assets	11.00	15,157,262	0
Cash and Cash Equivalents	12.00	233,643,078	104,994,839
Total Current Assets:		2,424,721,610	2,563,219,957
Total Assets (I+II):		5,105,979,654	5,014,603,610
SHAREHOLDERS' EQUITY & LIABILITIES:			
III. Shareholders' Equity:			
Share Capital	13.00	2,310,000,000	2,310,000,000
Reserve and Surplus	14.00	304,166,101	323,116,735
Available for Sale Reserve		244,066	(731,809)
Retained Earning	15.00	376,890,123	369,704,848
Total Shareholders' Equity:		2,991,300,290	3,002,089,774
IV. Non-Current Liabilities:			
Long Term Loan	16.00	976,649,730	861,846,112
Total Non-Current Liabilities:		976,649,730	861,846,112
V. Current Liabilities:			
Deferred Tax Liabilities	17.00	0	1,655,390
Current Portion of Long Term Loan	18.00	25,811,644	27,106,181
Short Term Loan	19.00	919,405,055	1,080,899,505
Share Application Money Refundable	20.00	4,323,613	4,333,613
Accounts Payables	21.00	75,489,811	(40,104,830)
Accrued Expenses	22.00	71,180,794	54,851,846
VAT Payable	23.00	6,438,375	4,050,057
Liabilities for EWF & WPPF	24.00	19,352,404	15,614,123
Provision to Employees Provident Fund	25.00	10,966,918	8,130,962
Provision for Gratuity	26.00	16,053,742	17,761,641
Tax Payable/Refundable	27.00	(28,035,719)	(23,630,764)
Dividend Payable	28.00	17,042,997	0
Total Current Liabilities:		1,138,029,634	1,150,667,724
Total Shareholders' Equity & Liabilities (III+IV+ V):		5,105,979,654	5,014,603,610
Net Asset Value (NAV)/Total No. of Shares:		12.95	13.00
Per Value (Tk.)		10	10

[1.00] Annexed notes form part of the accounts., [2.00] Figures have been rounded off to the nearest taka., [3.00] Previous year's figure has been rearranged for comparison.



Managing Director




Director



Company Secretary

Signed in terms of our separate report of even date annexed.
Dated, Dhaka
25 October 2017


(Toha Khan Zaman & Co.)
Chartered Accountants

BEACON PHARMACEUTICALS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

Particulars	Notes	Amount in Taka	Amount in Taka
		30.06.2017	30.06.2016
Turnover (Net of VAT)	29.00	2,948,456,509	2,491,804,435
Less: Cost of Goods Sold	30.00	1,484,623,696	1,292,608,372
Gross Profit:		1,463,832,813	1,199,196,063
Less: Operating Expenses:			
Administrative Expenses	31.00	154,283,443	124,381,795
Marketing, Selling & Distribution Expenses	32.00	1,042,274,331	810,721,078
Total Operating Expenses:		1,196,557,774	935,102,873
Operating Profit:		267,275,039	264,093,190
Less: Financial Expenses	33.00	147,375,018	194,721,492
Net Profit after Financial Expenses		119,900,021	69,371,698
Income from Other Sources	34.00	1,790,763	2,352,263
Net Profit before Contribution to WPPF		121,690,784	71,723,961
Less: Contribution to WPPF and Welfare Fund	35.00	5,794,799	3,415,427
Net Profit before Tax:		115,895,985	68,308,534
Income Tax Expenses:			
Less: Current Tax	36.00	28,973,996	17,077,134
Deferred Tax Income	36.00	16,812,652	10,171,578
Net Profit after Tax:		103,734,641	61,402,979
Other Comprehensive Income:			
Net profit after tax for the year		103,734,641	61,402,979
Items that may be Reclassified to Profit or Loss in Subsequent Periods:			
Unrealized (Loss)/Gain on Quoted Shares	37.00	975,875	(919,753)
Items that will not be Reclassified to Profit or Loss in Subsequent Periods:			
Gain of Revaluation	14.03	0	47,307,873
Less: Deferred Tax on Revaluation	14.03	0	11,826,968
Total Comprehensive Income for the year		104,710,516	95,964,131
No. of Shares		231,000,000	231,000,000
Earnings per Share (EPS):	38.00	0.45	0.27

[1.00] Annexed notes form part of the accounts., [2.00] Figures have been rounded off to the nearest taka., [3.00] Previous year's figure has been rearranged for comparison.



Managing Director



Director



Company Secretary

Signed in terms of our separate report of even date annexed.
Dated, Dhaka
25 October 2017


(Toha Khan Zaman & Co.)
Chartered Accountants

BEACON PHARMACEUTICALS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2017

Amount in Taka

Particulars	Share Capital	Revaluation Reserve Reserve	Tax Holiday Reserve	Available for Sale Reserve	Retained earnings	Total Equity
Year 2016-2017:						
Balance as at 01 July 2016	2,310,000,000	317,613,636	5,503,099	(731,809)	369,704,848	3,002,089,774
Revaluation of Motor Vehicles	0	0	0	0	0	0
Deferred Tax on Revaluation Surplus	0	0	0	0	0	0
Prior year adjustment	0	0	0	0	0	0
Net Profit transferred from Income Statement	0	0	0	0	103,734,641	103,734,641
Unrealized Gain on Quoted Shares	0	0	0	975,875	0	975,875
Revaluation Reserve adjustment	0	(25,267,512)	0	0	25,267,512	0
Deferred Tax on Revaluation Reserve adjustment	0	6,316,878	0	0	(6,316,878)	0
Transferred to Tax Holiday Reserve	0	0	0	0	0	0
Investment from Tax Holiday Reserve	0	0	0	0	0	0
Shares Issued during the year / Payment of Cash Dividend	0	0	0	0	(115,500,000)	(115,500,000)
Balance at the end of the year	2,310,000,000	298,663,002	5,503,099	244,066	376,890,123	2,991,300,290
Year 2015-2016:						
Balance as at 01 July 2015	2,310,000,000	297,535,275	5,503,099	187,944	292,899,326	2,906,125,644
Revaluation of Motor Vehicles	0	47,307,873	0	0	0	47,307,873
Deferred Tax on Revaluation Surplus	0	(11,826,969)	0	0	0	(11,826,969)
Prior year adjustment	0	0	0	0	0	0
Net Profit transferred from Income Statement	0	0	0	0	61,402,979	61,402,979
Unrealized Gain on Quoted Shares	0	0	0	(919,753)	0	(919,753)
Revaluation Reserve adjustment	0	(20,536,724)	0	0	20,536,724	0
Deferred Tax on Revaluation Reserve adjustment	0	5,134,181	0	0	(5,134,181)	0
Transferred to Tax Holiday Reserve	0	0	0	0	0	0
Investment from Tax Holiday Reserve	0	0	0	0	0	0
Shares Issued during the year / Payment of Cash Dividend	0	0	0	0	0	0
Balance at the end of the year	2,310,000,000	317,613,636	5,503,099	(731,809)	369,704,848	3,002,089,774

[1.00] Annexed notes form part of the accounts., [2.00] Figures have been rounded off to the nearest taka., [3.00] Previous year's figure has been rearranged for comparison.



Managing Director

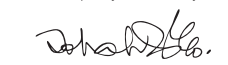


Director



Company Secretary

Signed in terms of our separate report of even date annexed.
Dated, Dhaka
25 October 2017


(Toha Khan Zaman & Co.)
Chartered Accountants

BEACON PHARMACEUTICALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2017

Particulars	Notes	Amount in Taka	Amount in Taka
		30.06.2017	30.06.2016
A. OPERATING ACTIVITIES:			
Collection against Sales		2,972,865,461	2,473,991,348
Payment to Creditors & Others		(973,334,028)	(1,002,896,497)
Operating Cash Outflow		(871,337,613)	(718,719,607)
Interest Paid		(147,375,018)	(194,721,492)
Net Cash Flow from Operating Activities		980,818,802	557,653,752
B. INVESTING ACTIVITIES:			
Acquisition of Property, Plant & Equipments		(623,927,873)	(610,678,251)
Short Term Investment		(99,062,188)	(110,700,913)
Interest and Other Receipt		1,790,763	1,432,510
Net Cash Flow from Investing Activities		(721,199,298)	(719,946,654)
C. FINANCING ACTIVITIES:			
Dividend Paid		(82,975,895)	0
Excess Share Application Money Refund		(10,000)	(299,760)
Long Term Loan Received		302,971,150	281,584,602
Long Term Loan Refund		(189,462,070)	(128,044,568)
Short Term Loan Received		0	53,290,243
Short Term Loan Refund		(161,494,450)	0
Net Cash Flow from Financing Activities		(130,971,265)	206,530,517
D. Net Cash Inflow/(Outflow) (A+B+C)		128,648,239	44,237,615
E. Opening Cash and Bank Balances:		104,994,839	60,757,224
F. Closing Cash and Bank Balances:		233,643,078	104,994,839
Net Operating Cash Flow per Share		4.25	2.41

[1.00] Annexed notes form part of the accounts., [2.00] Figures have been rounded off to the nearest taka., [3.00] Previous year's figure has been rearranged for comparison.



Managing Director

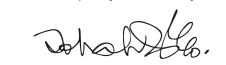


Director



Company Secretary

Signed in terms of our separate report of even date annexed.
Dated, Dhaka
25 October 2017


(Toha Khan Zaman & Co.)
Chartered Accountants

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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/A, Toyenbee Circular Road, Motijheel C/A, Dhaka-1000.

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, Mymansingh.

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 BAS's adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), Bangladesh Financial Reporting Standard (BFRS) as applicable to the company. The Statement of Profit or Loss And Other Comprehensive Income have been prepared according to BAS 1 'Presentation of Financial Statements' based on accrual basis of accounting consistent applied following going concern assumption under generally accepted accounting principles and practices in Bangladesh. Cash Flow Statement of the company has been prepared direct method in accordance with BAS 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 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 BASs. Previous year's figures were re-arranged where necessary. 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.

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2.04 Application of accounting Standards:

The following BASs and BFRSs are applicable to the financial statements for the year under review:

BAS	1 Presentation of Financial Statements
BAS	2 Inventories
BAS	7 Cash Flow Statements
BAS	8 Accounting Policies, Changes in Accounting Estimates and Errors
BAS	10 Events after the Balance Sheet Date
BAS	12 Income Tax
BAS	16 Properties, Plant and Equipment
BAS	18 Revenue
BAS	19 Employee Benefits
BAS	21 The Effects of Changes of Foreign Exchange Rates
BAS	23 Borrowing Costs
BAS	24 Related Parties Disclosure
BAS	33 Earnings Per Share
BAS	36 Impairment of Assets
BAS	37 Provisions, Contingent Liabilities and Contingent Assets
BAS	39 Financial Instruments: Recognition and Measurement
BFRS	9 Financial Instruments
BFRS	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 BAS 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
Other	: 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 2017 made valuation thereof on the basis stated above.

2.06 Cash Flow Statements:

Statement of Cash Flow is prepared principally in accordance with BAS 7 'Cash Flow Statement' 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 BAS 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 found that make judgment to estimates and assumptions that affect the application of accounting policies reported amounts of assets, liabilities, income and expenses.

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 2016-2017 has been assessed .

2.08.02 Deferred Tax:

During the year provision for Deferred Tax as per requirement by BAS 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 BAS 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 discounts; and
- Costs directly attributable to bringing the asset 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 2017.

2.09.04 Impairment of Assets:

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

2.09.05 Depreciation of Fixed Assets:

Depreciation is providing on Straight-line method. Depreciation is charged on additions in use basis irrespective of the date of acquisition.

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The depreciation /amortization rate(s) are as follows:

Category of Fixed Assets	Rate %
Land & Land Development	0
Building	5.0
Vehicles	20.0
Electrical Installations	10.0
Office Equipment	10.0
Production Machinery & Equipment	15.0
Furniture & Fixture	10.0

2.10 Leases:

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

2.11 Revenue Recognition:

In compliance with the requirements of BAS 18 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 transfer 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 (BAS 19):

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

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 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.

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

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	i) Realized Gain loss/ Dividend Income/ Interest Income to statements of comprehensive income. ii) Unrealized gain –loss to Statement of Comprehensive Income.
Loans and Receivables 1. Trade Receivables 2. Other 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. Other Payables	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 BAS-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.

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

2.20 **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 BAS-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 BAS 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 BAS 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.

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2.24 **Provision:**

The preparation of financial statements in conformity with Bangladesh Accounting Standards (BAS) 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 BAS 37 provisions were recognized in the following situations:

When the company has a present 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

Reliable 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 BAS 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.

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)/BAS:**

The Financial Statements have been prepared in compliance with requirements of IAS/IFRS adopted by the Institute of Chartered Accounts of Bangladesh (ICAB) as BAS and as applicable in Bangladesh.

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 2016 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 BAS-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 year from 01 July 2016 to 30 June 2017 followed consistently.

3.08 Approval of Financial Statement:

The financial statements have been approved by the Board of Directors as on 22 October 2017.

4.00 PROPERTY, PLANT & EQUIPMENT: Tk. 2,069,459,838

4.01 The above amount has been arrived at as under:

Particulars	30-06-2017	30-06-2016
Opening Balance 01-07-2016	3,401,685,777	3,372,701,998
Add: Addition during the year	778,907,642	53,839,912
Add: Revaluation surplus of Motor Vehicles for the year	0	47,307,873
Less: Adjusted on revalued vehicles	0	72,164,006
Depreciable Value (A):	4,180,593,419	3,401,685,777
Opening Accumulated Depreciation 01-07-2016	1,716,104,224	402,330,535
Add: Addition during the year	395,029,357	385,937,695
Less: Accumulated depreciation adjusted on revalued vehicles	0	72,164,006
Accumulated Depreciation (B)	2,111,133,581	1,716,104,224
Written Down Value (A-B)	2,069,459,838	1,685,581,553

4.02 Details of fixed assets and depreciation there on are enclosed in Annexure-A/1.

4.03 During the year under audit the company management has purchased fixed assets for Tk.778, 907,642.

4.04 As per BAS 16 Deprecation of Property, Plant & Equipment has to be charged on a day to day basis. However, the Organization charged additional deprecation on a half yearly basis.

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

5.00 CAPITAL WORK IN PROGRESS: Tk. 608,876,716

5.01 The above amount has been arrived at as under:

Particulars	Note	30-06-2017	30-06-2016
Opening Balance		763,856,485	207,018,146
Add: Addition during the year	5.02	226,939,342	556,838,339
		990,795,827	763,856,485
Less: Assets Transfer during the year		381,919,111	0
Closing Balance Taka:	5.03	608,876,716	763,856,485

5.02 Breakup of Capital Work in Progress addition during the year is given below:

Particulars	30-06-2016
Production Machinery & Equipment's	16,773,931
Quality Control Apparatus & Equipment's	1,000
Engineering Machinery Equipment	11,473
Purified Water Treatment Installation	35,585,998
Dock Leveler Installation	5,600
General Production Building-2	82,846,736
VIP Staff Quarter	3,230,448
Staff Dormitory	1,376,226
General Production Building-1	5,191,644
R & D Building	1,084,928
Parenteral Building	80,831,358
Total Taka:	226,939,342

5.03 Breakup of Capital Work in Progress Assets Transfer during the year is given below:

Particulars	30-06-2016
Production Machinery & Equipment's	271,618,240
Quality Control Apparatus & Equipment's	7,252,102
Engineering Machinery Equipment	100,887,540
Dock Leveler Installation	1,027,781
Office Equipment	1,133,448
Total Taka:	381,919,111

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

6.00 INVESTMENT IN SHARES: Tk. 2,921,490

6.01 Breakup of the above amount is given below:

Particulars	Number of Shares	Market Value		Book Value 30-06-2015
		30-06-2016	30-06-2015	
Intech Limited	181	3,022	2,082	2,300
R N Spinning Mills Ltd.	127,444	2,918,468	1,943,533	3,855,041
Total	127,625	2,921,490	1,945,615	3,857,341

6.02 The above amounts have been classified as "Available for Sale" financial assets as per BAS 39 and shown at fair value of Tk. 2,921,490 derived from Quoted share prices as on 30.06.2017. Unrealized gain of Tk. 975,875 on the unsold shares has been recognized in the other Comprehensive Income.

7.00 INVENTORIES: Tk. 1,088,458,711

7.01 Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Raw and Packing Materials	659,545,918	652,826,801
Work-in-Process	85,102,385	86,965,316
Finished Goods	338,227,070	435,734,440
Laboratory Chemicals	5,583,338	13,071,340
Total Taka:	1,088,458,711	1,188,597,897

7.02 Inventories are carried at the lower of cost and net realizable value as prescribed by BAS 2. Cost of inventories are determined on weighted average cost basis.

7.03 In view of numerous items of inventories and diversified units of measurement, it is not feasible to disclose quantities against each item.

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

8.00 ACCOUNTS RECEIVABLE: Tk. 298,602,388

8.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
Barisal Sales Centre		8,180,635	5,504,089
Bogra Sales Centre		4,922,774	2,689,441
Chittagong Sales Centre		12,978,270	15,445,776
Chowmohony Sales Centre		3,925,558	6,979,598
Comilla Sales Centre		7,211,202	6,256,862
Dhaka Sales Centre/Dhaka North		63,303,021	98,786,008
Faridpur Sales Centre		1,091,533	3,518,740
Khulna Sales Centre		4,510,042	4,236,011
Mymensingh Sales Centre		18,920,941	9,714,652
Narayangonj Sales Centre		7,795,005	10,323,096
Rajshahi Sales Centre		10,723,088	6,149,181
Rangpur Sales Centre		7,534,960	5,285,561
Sylhet Sales Centre		15,179,083	14,071,767
Cox's Bazar Sales Center		6,570,281	6,438,786
Dhaka Sales Center-Mohd. Pur Kakril/Dhaka South		32,846,056	29,905,288
B. Baria Sales Centre		9,533,329	3,352,712
Feni Sales Centre		12,320,463	3,032,687
Beacon Privilege Point		35,089,415	36,691,880
Jessore Sales Centre		5,047,870	0
Dinajpur Sales Centre		4,154,212	0
Receivable - Toll Manufacturing		0	1,759,900
Receivable from Export Sales	8.06	26,764,650	52,869,305
Total Taka:		298,602,388	323,011,340

8.02 The above amount is receivable from customers against credit sales.

8.03 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.

8.04 The Accounts Receivables are secured, considered good and falling due within one year

8.05 The Accounts Receivables have no except their personal securities.

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

8.06 Receivable from Export Sales: Tk. 26,764,650

Country-wise breakup of the above amount is given below:

Particulars	30-06-2016
Nepal	3,867,014
Srilanka	7,520,293
Philippine	4,241,147
Thailand	11,136,196
Total Taka:	26,764,650

8.07 Accounts Receivables disclosure as required by Schedule XI of the Companies Act 1994 is given below:

8.07.01 Aging of the above balance is given below:

Details of the amount are given below:

Particulars	30-06-2017	30-06-2016
Below 30 days	183,312,800	0
Below 90 days	68,918,713	0
Below 180 days	46,370,875	323,011,340
Above 180 days	0	0
Total Taka:	298,602,388	323,011,340

8.07.02 Details of the amount are given below:

Particulars	30-06-2017	30-06-2016
Accounts Receivable considered good in respect of which the company is fully secured	298,602,388	323,011,340
Accounts Receivable considered good in respect of which the company holds no security other than the debtors personal security	0	0
Accounts Receivable considered doubtful or bad	0	0
Accounts Receivable due by common management	0	0
The maximum amount of receivable due by any director or other officer of the company	0	0
Total Taka:	298,602,388	323,011,340

9.00 ADVANCE, DEPOSIT & PREPAYMENTS: Tk. 344,209,826

9.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
Advance to Suppliers and Creditors	9.02	208,458,133	294,025,413
Advance to Employees	9.03	2,600,461	5,672,271
L/C Margin, Earnest Money & Security Deposit	9.04	133,151,232	237,287,970
Total Taka:		344,209,826	536,985,654

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

9.02 Advances to Suppliers and Creditors: 208,458,133

Details of the amount are given below:

Particulars	30-06-2017	30-06-2016
Advance VAT	29,640,757	25,429,937
Advance against Office Space	140,072,612	230,269,359
Advance to Other Parties	32,821,036	34,595,209
Advance against Depot Rent	5,923,728	3,730,908
Total Taka:	208,458,133	294,025,413

9.03 Advances to Employees: Tk. 2,600,461

Details of the amount are given below:

Particulars	30-06-2017	30-06-2016
Salary	153,984	432,031
Marketing Expense	(356,161)	0
Mobile Set	2,802,638	5,240,240
Total Taka:	2,600,461	5,672,271

9.04 L/C Margin, Earnest Money & Security Deposit: Tk. 133,151,232

Details of the amount are given below:

Particulars	30-06-2017	30-06-2016
Particulars	30-06-2017	30-06-2016
L/C Margin and Immature L/C	109,449,076	223,001,266
Earnest Money to Tender	16,600,698	9,499,048
Security Deposit - Titas Gas	6,515,318	4,201,516
Security Deposit - Electricity	56,140	56,140
Security Deposit - T & T Board	30,000	30,000
Security Deposit - CDBL	500,000	500,000
Total Taka:	133,151,232	237,287,970

10.00 SHORT TERM INVESTMENT: Tk. 444,650,345

10.01 Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Beacon Glass Industries Ltd.	103,005,125	169,623,746
Mujibunnesa Medical College & Hospital Ltd.	94,809,180	94,805,857
Beacon Cephalosporin Ltd.	177,640,868	145,200,624
Beacon Power Systems Ltd.	69,195,172	0
Total Taka:	444,650,345	409,630,227

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

10.02 As per agreement, “the company (respective company received the investment) shall issue shares equivalent to the amount of advance received to the investor after due completion of share issue formalities from the concern authorities”. But no such share could be issued against the investment till completion of the audit.

11.00 DEFERRED TAX ASSETS: Tk. 15,157,262

11.01 The above amount has been arrived at as under:

Particulars	Note	30-06-2017	30-06-2016
Opening Balance	17.00	(1,655,390)	0
Add: Addition during the year	11.03	16,812,652	0
		15,157,262	0
Less: Adjustment during the year		0	0
Closing Balance Taka:		15,157,262	0

11.02 Deferred Tax Assets has been recognized during the year in accordance with the provision of BAS - 12 “Income Taxes” based on temporary differences arising due to differences in the carrying amount of the assets or liabilities and its tax base.

11.03 Breakup of the above amount is given below:

Particulars	Carrying amount on balance sheet date Taka	Tax base Taka	Taxable/ (deductible) temporary difference Taka
For the year ended 30 June 2017:			
Property, Plant & Equipment (Excluding Land)	1,566,369,264	1,610,944,571	44,575,307
Gratuity Provision	16,053,742	0	16,053,742
Temporary Difference			60,629,049
Rate			25%
Deferred Tax Assets as on 30 June 2017			15,157,262
Deferred Tax Liability as on 30 June 2016			(1,655,390)
Deferred Tax income for the year ended 30 June 2017			16,812,652

11.04 The amounts of deferred tax assets have been netted off as permitted by BAS - 12.

12.00 CASH AND CASH EQUIVALENTS: Tk. 233,643,078

12.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
Cash in Hand (Including All Depots)	12.02	22,704,127	17,119,092
Cash at Bank	12.03	210,938,951	87,875,747
Total Taka:		233,643,078	104,994,839

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

12.02 Cash in Hand: Tk. 22,704,127

a. Breakup of the above amount is given below:

Name of Office	30-06-2017	30-06-2016
Head Office	20,459,821	9,625,583
Factory Office	706,817	4,649,481
Chittagong Sales Office	105,000	296,754
Mymensing Sales Office	45,000	115,436
Sylhet Sales Office	65,000	214,325
Comilla Sales Office	60,065	167,540
Barisal Sales Office	85,000	144,320
Faridpur Sales Office	25,500	113,245
Rangpur Sales Office	35,500	242,567
Rajshahi Sales Office	55,000	245,420
Narayanganj Sales Office	30,000	203,272
Maizdee Sales Office	65,000	155,427
Khulna Sales Office	55,000	243,156
Bogra Sale Office	75,000	213,520
Cox's Bazar Sales Office	45,000	243,145
Mohammadpur Depot	0	245,901
Dinajpur Depot	35,500	0
Dhaka North Depot	210,000	0
Dhaka South Depot	165,000	0
Feni Depot	65,000	0
B.Barua Depot	15,000	0
Beacon Privilege Point Depot	250,000	0
Jessore Depot	50,924	0
Total Taka:	22,704,127	17,119,092

b. The management through balance confirmation certificate has confirmed the above balance as on 30 June 2017.

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

12.03 Cash at Bank: Tk. 210,938,951

Breakup of the above amount is given below:

Name of Office	Account No.	30-06-2017	30-06-2016	Remarks
HSBC	CD-001143379011	96,054	96,054	Agreed
FSIBL	CD-1110001246	336,717	214,882	Reconciled
Janata Bank Ltd.	CD-1014203	1,790,762	659,962	Reconciled
Janata Bank Ltd.	CD-001016781	0	827	Agreed
Shahjalal Islami Bank Ltd.	AWA-10078	16,648	16,648	Reconciled
The City Bank Ltd., Dinajpur Br.	CD-1102358521001	5,696	5,696	Agreed
The City Bank Ltd., Narayangonj Br.	CD-1101041263001	0	37	Agreed
The City Bank Ltd., Sylhet Br.	CD-1102193550001	26,568	26,568	Agreed
ICB Islami Bank Ltd., Principal Br.	CD-001000200071157	86,386	33,022	Agreed
Dutch Bangla Bank Ltd.	CD-0105110000016107	21,634,077	49,293,578	Reconciled
Dutch Bangla Bank Ltd.	STD-010511000001641	19,618,956	4,806,696	Reconciled
Eastern Bank Ltd.	STD-1011230071 (IPO Proceeds-BDT)	1,803,438	1,789,952	Agreed
Eastern Bank Ltd.	STD-1013150120364 (IPO Proceeds-Euro)	529,551	499,524	Agreed
Eastern Bank Ltd.	STD-1013110120344 (IPO Proceeds-USD)	3,713,402	3,614,554	Agreed
Eastern Bank Ltd.	STD-1013120120354 (IPO Proceeds-GBP)	969,027	938,409	Agreed
Rupali Bank Ltd., Local Office Branch, Motijheel C/A., Dhaka	CD-89649	100,210,202	74,927	Agreed
Sonali Bank Ltd., Dilkusha Corporate Branch, Motijheel, Dhaka	CD-33028459	11,125	7,700	Agreed
Janata Bank Ltd., Bhaluka Branch	STD-0000131	695,283	369,186	Agreed
Janata Bank Ltd.	FC-402000449	3,655,270	2,453,442	Reconciled
Bank Asia Ltd.	CD-004433010401	8,151	8,151	Agreed
Social Islami Bank Ltd.	CD-21330052331	3,312	3,962	Agreed
The City Bank Ltd., Gulshan Br.	CD-1101029459001	0	106	Agreed
Dutch Bangla Bank Ltd.	CD-10511028382	3,414,544	4,363,255	Reconciled
FSIB Ltd., Gulshan Br.	FCA US Dollar- 112165000001	56,467	54,505	Agreed
Eastern Bank Ltd.	Credit Card- 4698210304985413	(3,924)	(500,312)	Agreed
Bank Asia Ltd.	CD-04633000196	365,277	374,014	Agreed
Commercial Bank of Ceylon PLC.	A/C-1817000818	17,755,250	1,664,091	Reconciled
Commercial Bank of Ceylon PLC.	ERQ-1802011076	17,786,553	5,854,763	Agreed
Modhumoti Bank Ltd.	CD-110111100000174	6,550	7,700	Agreed
Janata Bank Sundry A/Cs	70104001	1,472,308	1,143,848	Agreed
Rupali Bank Ltd., Sundry A/Cs	Beacon Pharmaceuticals Ltd.	10,687,937	10,000,000	Agreed
Dutch Bangla Bank Ltd	STD-00000340	4,187,364	0	Agreed
Total Taka:			210,938,951	87,875,747

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

13.00 SHARE CAPITAL: Tk. 2,310,000,000

13.01 Authorized Capital: Tk. 3,000,000,000

Authorized capital consists of 300,000,000 ordinary shares of Tk. 10 each.

13.02 Issued, Subscribed, Called-up and Paid-up Capital: Tk. 2,310,000,000

a. The above amount represents the value of 231,000,000 shares of Tk.10 each fully paid up

b. The movement of issued shares during the year 2016-2017 is as follows:

Particulars	No. of Share	Amount
Shares as on 30 June 2017	231,000,000	2,310,000,000
Total:	231,000,000	2,310,000,000

c. Composition of Shareholding:

Category of Shareholder	30-06-2017			30-06-2016		
	No. of Share		% of Total Shares	No. of Shares	No. of Shareholders	% of Total Shares
Sponsors/Directors	69,307,800	3	30%	69,307,800	3	30%
Institutions	39,930,635	399	17%	48,936,900	347	21%
General Public	121,761,565	26,850	53%	112,755,300	33,155	49%
Total:	231,000,000	27,252	100%	231,000,000	33,505	100%

d. The sponsors/directors shareholding positions of the company are as under:

Sl. No.	Particulars	Numbers of Shares	30-06-2017	30-06-2016
01.	Mr. Md. Ebadul Karim	58,228,800	582,288,000	582,288,000
02.	Mrs. Nurun Nahar Karim	4,725,000	47,250,000	47,250,000
03.	Mr. Md. Niazul Karim	6,354,000	63,540,000	63,540,000
Total:		69,307,800	693,078,000	693,078,000

e. Classification of Shareholders by holdings:

Range of Holdings	No. of Shareholders	No. of Shares	% of Holding 2017
Less than 501 Shares	7,255	1,460,646	0.63%
501 to 5,000 Shares	16,894	20,730,333	8.99%
5,001 to 10,000 Shares	1,382	10,372,895	4.49%
10,001 to 20,000 Shares	771	11,330,490	4.90%
20,001 to 30,000 Shares	309	7,647,823	3.31%
30,001 to 40,000 Shares	134	4,703,096	2.04%
40,001 to 50,000 Shares	101	4,631,898	2.00%
50,001 to 100,000 Shares	221	15,957,816	6.91%
100,001 to 1,000,000 Shares	169	40,066,937	17.34%
Over 1,000,000 Shares	16	114,098,066	49.39%
Total:	27,252	231,000,000	100.00%

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

14.00 RESERVE & SURPLUS: Tk. 304,166,101

14.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
Tax Holiday Reserve	14.02	5,503,099	5,503,099
Revaluation Reserve	14.03	298,663,002	317,613,636
Total Taka:		304,166,101	323,116,735

14.02 Tax Holiday Reserve is being carried forward from 2010.

14.03 Revaluation Reserve: Tk. 298,663,002

Particulars	Opening Balance	Deferred tax on Revaluation Surplus	Depreciation Adjustment	Deferred Tax on depreciation adjustment	Prior year's adjustment (RE)	Closing Balance
Land & Land Development	168,084,972	0	0	0	0	168,084,972
Building	14,201,479	0	1,072,484	268,121	0	13,397,116
Vehicles	31,932,814	0	9,461,575	2,365,394	0	24,836,633
Electrical Installation	2,408,327	0	742,928	185,732	0	1,851,131
Office Equipment	(7,787,386)	0	0	0	0	(7,787,386)
Machineries	115,305,240	0	13,990,525	3,497,631	0	104,812,346
Furniture & Fixtures	(6,531,810)	0	0	0	0	(6,531,810)
Total Taka:	317,613,636	0	25,267,512	6,316,878	0	298,663,002

14.04 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, Electrical Installation and Machineries for Tk. 25,267,512 has been adjusted between revaluation reserve and retained earnings.

15.00 RETAINED EARNINGS: Tk. 376,890,123

The above amount has been arrived at as under:

Particulars	30-06-2017	30-06-2016
Opening Balance	369,704,848	292,899,326
Add: Profit during the year	103,734,641	61,402,979
Add: Revaluation Reserve adjustment	25,267,512	20,536,724
	498,707,001	374,839,029
Less: Deferred Tax adjustment	6,316,878	5,134,181
Less: Dividend for the year	115,500,000	0
Closing Balance Taka:	376,890,123	369,704,848

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

16.00 LONG TERM LOAN: Tk. 976,649,730

16.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
Janata Bank Ltd.	16.02	55,438,347	66,530,860
Agrani Bank Ltd.	16.03	31,388,797	45,837,635
Sonali Bank Ltd.	16.04	93,058,482	121,192,671
Janata Bank Ltd. (Takeover)	16.05	82,187,350	172,350,906
Rupali Bank Ltd.	16.06	687,588,104	455,934,040
Prime Finance & Investment Ltd.	16.07	14,233,470	0
Bangladesh Finance & Investment Company Ltd.	16.08	12,755,180	0
Total Taka:		976,649,730	861,846,112

16.02 Janata Bank Limited: Tk. 55,438,347

Details of consortium loan are given below:

Sanction Limit	:	Tk. 177,500,000
Validity	:	2008 to 2018
Terms of Repayment	:	Installments starting from 2008
Nature of Security	:	Land and Buildings
Amount Repaid	:	Tk. 304,469,497 till the date of audit

16.03 Agrani Bank Limited: Tk. 31,388,797

Details of consortium loan are given below:

Sanction Limit	:	Tk. 197,500,000
Validity	:	2008 to 2018
Terms of Repayment	:	Installments starting from 2008
Nature of Security	:	Land and Buildings
Amount Repaid	:	Tk. 340,756,627 till the date of audit

16.04 Sonali Bank Limited: Tk. 93,058,482

Details of consortium loan are given below:

Sanction Limit	:	Tk. 220,000,000
Validity	:	2005 to 2018
Terms of Repayment	:	Installments starting from 2005
Nature of Security	:	Land and Buildings
Amount Repaid	:	Tk. 381,378,035 till the date of audit

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

16.05 Janata Bank Limited: (Takeover): 82,187,350

Details of consortium loan are given below:

Sanction Limit	:	Tk. 368,621,000
Validity	:	2013 to 2018
Terms of Repayment	:	Installments starting from 2013
Nature of Security	:	Land and Buildings
Amount Repaid	:	Tk. 421,320,000 till the date of audit

16.06 Rupali Bank Limited: Tk. 687,588,104

Details of consortium loan are given below:

Sanction Limit	:	Tk. 700,000,000
Validity	:	2014 to 2022
Terms of Repayment	:	Installments will be started after Completion of the Construction.
Nature of Security	:	Land and Buildings
Amount Repaid	:	Loan Taken but Construction was not completed. So Installment was not paid.

16.07 Prime Finance & Investment Ltd: Tk. 14,233,470

Details of consortium loan are given below:

Sanction Limit	:	Tk. 20,000,000
Validity	:	48 months
Terms of Repayment	:	First Monthly Rental will be start at the disbursement.
Nature of Security	:	Vehicles
Amount Repaid	:	Tk. 5,766,530 till the date of audit

16.08 Bangladesh Finance & Investment Company Ltd: Tk. 12,755,180

Details of consortium loan are given below:

Sanction Limit	:	Tk. 45,000,000
Validity	:	60(Sixty) months
Terms of Repayment	:	First Monthly Rental will be due on the following month of disbursement
Nature of Security	:	Vehicles
Amount Repaid	:	Tk. 987,820 till the date of audit

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

17.00 DEFERRED TAX LIABILITIES: Tk.Nil

17.01 The above amount has been arrived at as under:

Particulars	30-06-2017	30-06-2016
Opening Balance	1,655,390	0
Add: Addition during the year	0	1,655,390
	1,655,390	1,655,390
Less: Adjustments during the year	1,655,390	0
Closing Balance Taka:	0	1,655,390

17.02 Breakup of the above amount is given below

Particulars	Carrying amount on balance sheet date Taka	Tax base Taka	Taxable/ (deductible) temporary difference Taka
For the year ended 30 June 2016:			
Property, Plant & Equipment (Excluding Land)	1,275,291,179	1,298,215,850	(22,924,671)
Revaluation Surplus	47,307,873	0	47,307,873
Gratuity provision	(17,761,641)	0	(17,761,641)
Temporary difference			6,621,561
Rate			25%
Deferred Tax Liability as on 30 June 2016			1,655,390

18.00 CURRENT PORTION OF LONG TERM LOAN: Tk. 25,811,644

18.01 Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Janata Bank Ltd.	1,965,851	2,203,843
Agrani Bank Ltd.	0	783,176
Janata Bank Ltd. (Takeover)	23,845,793	24,119,162
Total Taka:	25,811,644	27,106,181

18.02 Details of long term loan facilities have been shown in (Note No.16.00).

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

19.00 SHORT TERM LOAN: Tk. 919,405,055

19.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
LC/LTR - First Security Bank Ltd., Gulshan Branch, Dhaka	19.02	24,995,796	22,311,973
LC - Janata Bank Ltd.	19.03	3,115,822	28,504,136
CC (Hypo)- Janata Bank Ltd., Corporate Bhaban Branch	19.04	884,347,297	916,136,571
PAD - Rupali Bank Ltd., Dhaka.	19.05	6,946,140	113,946,825
Total Taka:		919,405,055	1,080,899,505

19.02 LC/LTR - First Security Bank Limited: Tk. 24,995,796

Letter of Credit :

Purpose	:	To open letter of credits for import of raw materials, packing materials, spares and other items required for regular course of business
Sanction Limit	:	Tk. 100,000,000
Repayment	:	Within 365 days from the date of disbursement

19.03 LC - Janata Bank Limited: Tk. 3,115,822

Letter of Credit :

Purpose	:	To open letter of credits for import of raw materials, packing materials, spares and other items required for regular course of business.
Sanction Limit	:	Tk. 200,000,000
Repayment	:	Within 365 days from the date of disbursement

19.04 CC (Hypo) - Janata Bank Limited: Tk. 884,347,297

Short-term Loan:

Purpose	:	Meeting the requirement of working capital of the Company
Sanction Limit	:	Tk. 1,400,000,000
Repayment	:	Within 365 days from the date of disbursement
Security	:	Secured against Inventory

19.05 PAD - Rupali Bank Ltd., Dhaka: Tk. 6,946,140

Letter of Credit :

Purpose	:	To open letter of credits for import of raw materials, packing materials. Spares and other items required for regular course of business.
Sanction Limit	:	N/A
Repayment	:	Within 365 days from the date of disbursement
Security	:	Land & Building

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

20.00 SHARE APPLICATION MONEY REFUNDABLE: Tk. 4,323,613

20.01 The above amount has been arrived at as under:

Particulars	30-06-2017	30-06-2016
Opening Balance	4,333,613	4,633,373
Less: Payment made during the year	10,000	299,760
Closing Balance Taka :	4,323,613	4,333,613

20.02 Share application money refundable amount as on 30.06.2017 was Tk. 4,323,613. The company has paid Tk. 10,000 only during the year under audit and the balance amount remains unpaid, although the company had received the amount during 21 July 2010.

21.00 ACCOUNTS PAYABLE: Tk. 75,489,811

21.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
Payable to Suppliers	21.02	66,298,520	(47,923,540)
Deport Expenses Payable	21.03	1,681,980	1,332,085
Others Payable	21.04	7,509,311	6,486,625
Total Taka:		75,489,811	(40,104,830)

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

21.02 Payable to Suppliers: Tk. 66,298,520
Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Against Raw Materials	426,770	2,833,984
Against Laboratory Chemicals	2,180,935	2,725,175
Against Computer & Accessories	767,865	368,163
Against Plastic Items	1,959,477	2,300,358
Against Machinery & Equipment	6,582,035	(8,516,748)
Against Printing & Packaging Materials	7,260,992	19,094,003
Against PVC & Foil Suppliers	659,446	1,063,725
Against Clearing & Forwarding	(4,670,850)	(10,183,595)
Against Maintenance & Service	(1,168,474)	(968,294)
Against Vehicles Suppliers	(17,093,672)	(18,185,098)
Against Construction Materials Suppliers	65,776,278	(36,519,253)
Against Advertising	(646,809)	676,101
Against Promotional Items	(4,403,605)	(8,903,569)
Against Travel Agencies	(117,623)	82,377
Against Transport & Courier	861,854	848,451
Against Fuel Supplier	0	27,260
Against Glass Item - Suppliers	(2,374,201)	(561,521)
Against Furniture & Fixture	(589,145)	(130,343)
Against Insurance Premium	11,451,640	9,676,675
Against Misc. Suppliers	(380,853)	(3,467,851)
Against Spare Parts	(183,540)	(183,540)
Total Taka:	66,298,520	(47,923,540)

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

21.03 **Deport Expenses Payable: Tk. 1,681,980**

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Rangpur Depot	806,049	820,073
Bogra Depot	72,591	15,243
Rajshahi Depot	(177,309)	(202,904)
Khulna Depot	(52,666)	35,678
Barisal Depot	(146,816)	(9,782)
Faridpur Depot	(49,287)	60,488
Mymensingh Depot	41,011	136,650
Narayangonj Depot	15,745	(52,322)
Comilla Depot	(167,482)	(162,296)
Sylhet Depot	820,702	94,013
Maizdhee Depot	(121,013)	(96,925)
Chittagong Depot	161,763	122,944
Deport Expenses Payable-CDC	255,636	398,371
Dhaka North (Mohammadpur) Depot	(313,638)	(268,611)
Dhaka South (Narayangonj / Kakrail / Palton Depot)	40,144	714
Cox's Bazar	182,199	113,433
Privilege Point	175,192	161,591
B. Baria Depot	86,436	98,386
Feni Depot	99,806	67,341
Jessore Depot	(29,188)	0
Dinajpur Depot	(17,895)	0
Total Taka:	1,681,980	1,332,085

21.04 **Others Payable: Tk. 7,509,311**

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Received against Motorcycle	5,145,185	2,082,472
Earn Leave Payable	2,364,126	4,404,153
Total Taka:	7,509,311	6,486,625

21.05 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.

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

22.00 ACCRUED EXPENSES: Tk. 71,180,794

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Salary & Allowances	68,606,087	52,839,602
Gas Bills	2,262,707	1,881,562
Telephone Bill	0	5,682
Audit Fees	162,000	125,000
Credit Rating Fees	150,000	0
Total Taka:	71,180,794	54,851,846

23.00 VAT PAYABLE: Tk. 6,438,375

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Trade Creditors	5,441,687	3,878,554
House Rent	875,952	81,934
Audit Fees	27,000	20,833
Advertisement & Publicity	68,736	68,736
Credit Rating Fees	25,000	0
Total Taka:	6,438,375	4,050,057

24.00 LIABILITY FOR EWF & WPPF: Tk. 19,352,404

24.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
Employees Welfare Fund (EWF)	24.02	2,581,344	2,337,862
Workers Profit Participation Fund (WPPF)	24.03	16,771,060	13,276,261
Total Taka:		19,352,404	15,614,123

24.02 Employees Welfare Fund (EWF): Tk. 2,581,344

The above amount has been arrived at as under:

Particulars	30-06-2017	30-06-2016
Opening Balance 01-07-2016	2,337,862	2,174,407
Add: Contribution during the year	589,956	611,079
Total Contribution:	2,927,818	2,785,486
Less: Paid to the employees	346,474	447,624
Closing Balance Taka:	2,581,344	2,337,862

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

24.03 Workers Profit Participation Fund (WPPF): Tk. 16,771,060

The above amount has been arrived at as under:

Particulars	30-06-2017	30-06-2016
Opening Balance 01-07-2016	13,276,261	12,681,115
Add: Contribution during the year	5,794,799	3,415,427
	19,071,060	16,096,542
Less: Paid to the employees	2,300,000	2,820,281
Closing Balance Taka:	16,771,060	13,276,261

25.00 PROVISION FOR EMPLOYEES' PROVIDENT FUND: Tk. 10,966,918

The above amount has been arrived at as under:

Particulars	30-06-2017	30-06-2016
Opening Balance 01-07-2016	8,130,962	1,437,842
Add: Addition made during the year	23,855,598	22,361,132
	31,986,560	23,798,974
Less: Paid to the fund during the year	21,019,642	15,668,012
Closing Balance Taka:	10,966,918	8,130,962

26.00 PROVISION FOR GRATUITY: Tk. 16,053,742

The above amount has been arrived at as under:

Particulars	30-06-2017	30-06-2016
Opening Balance 01-07-2016	17,761,641	8,327,125
Add: Addition made during the year	0	10,750,401
	17,761,641	19,077,526
Less: Paid to the fund during the year	1,707,899	1,315,885
Closing Balance Taka:	16,053,742	17,761,641

27.00 TAX PAYABLE/REFUNDABLE: Tk. (28,035,719)

27.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
Corporate Tax Liability	27.02	(41,819,183)	(34,521,105)
Others Tax Liability	27.03	13,783,464	10,890,341
Total Taka:		(28,035,719)	(23,630,764)

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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27.02 Corporate Tax Liability: Tk. (41,819,183)

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Tax Liability on Previous Years	(34,521,105)	(24,686,191)
Add: AIT adjustment	0	0
	(34,521,105)	(24,686,191)
Less: Tax Rebate	0	0
Tax liability as on 01-07-2016	(34,521,105)	(24,686,191)
Tax on Current Year's Profit	28,973,996	17,077,134
Total Tax Liabilities	(5,547,109)	(7,609,057)
Less: TDS/Advance paid for income year 2016-2017	36,272,074	26,912,048
Closing Balance Taka:	(41,819,183)	(34,521,105)

27.03 Others Tax Payable: Tk. 13,783,464

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
TDS from Salary & Allowances	1,001,747	1,685,588
TDS from Trade Creditors	10,661,191	6,794,593
TDS from Office Rent	119,686	244,286
TDS from Director's Remuneration	1,896,200	2,093,800
TDS from Gas Bills	69,973	58,185
TDS from Audit Fee	18,000	13,889
TDS Credit Rating Fee	16,667	0
Total Taka:	13,783,464	10,890,341

28.00 DIVIDEND PAYABLE: Tk. 17,042,997

The above amount has been arrived at as under:

Particulars	30-06-2017	30-06-2016
Net Dividend	100,018,892	0
Less: Dividend Paid during the year	82,975,895	0
Total Taka:	17,042,997	0

29.00 TURNOVER (Net of VAT): Tk. 2,948,456,509

29.01 Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Local Sales	2,845,007,213	2,391,419,345
Export Sales	103,449,296	100,385,090
Total Taka:	2,948,456,509	2,491,804,435

29.02 This represents Sale of 287 products in 2016-2017, as against Sale of 251 products in 2015-2016.

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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30.00 COST OF GOODS SOLD: Tk. 1,484,623,696

30.01 Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Materials Consumed (Note-30.02)	830,673,247	725,768,249
Factory Overhead (Note-30.03)	554,580,148	513,746,295
Total Manufacturing Cost	1,385,253,395	1,239,514,544
Add: Opening Work-in-Process	86,965,316	43,022,334
Total Work-in-Process	1,472,218,711	1,282,536,878
Less: Closing Work-in-Process (Note-30.04)	85,102,385	86,965,316
Cost of Production	1,387,116,326	1,195,571,562
Add: Opening Finished Goods	435,734,440	532,771,250
Finished Goods available for Sale	1,822,850,766	1,728,342,812
Less: Closing Finished Goods (Note-30.05)	338,227,070	435,734,440
Cost of Goods Sold Taka:	1,484,623,696	1,292,608,372

30.02 Materials Consumed: Tk. 830,673,247

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Opening Inventory (Raw & Packing Material)	652,826,801	584,484,029
Add: Purchase	837,392,364	794,111,021
Materials available for use	1,490,219,165	1,378,595,050
Less: Closing Raw & Packing Material	659,545,918	652,826,801
Total Taka:	830,673,247	725,768,249

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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30.03 Factory Overhead: Tk. 554,580,148

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Salaries & Allowances	111,208,330	80,735,914
Company's Contribution to PF	2,080,357	1,305,160
Gratuity	0	1,814,835
Travelling & Conveyance	402,519	1,622,894
Foreign Traveling Expenses	979,188	0
Entertainment	661,181	4,881,663
Welfare & Recreation	16,238,423	10,411,705
Transportation	4,145,951	3,860,062
Office Communication	1,878,813	1,504,649
Utilities	19,133,657	16,342,536
Fees & Renewals	334,168	419,589
Books, News Paper & Periodicals	8,726	46,091
Printing & Stationery	7,450,832	5,369,535
Legal & Consultancy Fee	2,462,133	515,525
Insurance - Vehicles	400,330	287,948
Handling & Carrying Expense	241,190	513,300
Research & Development Expense	7,488,003	7,289,549
Repairs & Maintenance	4,075,842	11,685,021
Training Expense	468,425	84,375
Advertisement & Publicity	24,405	168,473
Miscellaneous Expenses	37,591	170,649
Tool Manufacturing Expense	15,383,369	13,513,519
Depreciation	359,476,715	351,203,303
Total Taka:	554,580,148	513,746,295

30.04 Closing Working- In- Process: Tk. 85,102,385

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Closing Raw & Packing Materials	85,102,385	86,965,316
Total Taka:	85,102,385	86,965,316

30.05 Closing Finished Goods: Tk. 338,227,070

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Closing Finished Goods	338,227,070	435,734,440
Total Taka:	338,227,070	435,734,440

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

31.00 ADMINISTRATIVE EXPENSES: Tk. 154,283,443

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Salaries & Allowances	68,737,689	40,780,078
Company's Contribution to P.F	1,111,245	978,947
Gratuity	0	884,104
Travelling & Conveyance	1,692,729	4,539,589
Foreign Traveling Expenses	2,032,515	0
Entertainment	2,923,090	32,890,658
Welfare & Recreation	33,708,270	1,832,945
Corporate Social Responsibility	0	2,745,066
Office Rent	1,165,000	1,260,000
Office Transport	6,332,954	3,858,774
Utilities	882,520	1,049,620
Office Communication	2,858,106	3,320,791
Fees & Renewals	1,651,812	1,928,051
Books, News Paper & Periodicals	42,258	30,394
Printing & Stationery	2,924,020	3,049,242
Audit Fee	207,000	159,722
Institutional, Legal & Consultancy Fee	2,993,529	1,892,907
Insurance Premium	2,313,137	1,462,033
Bank Charge & Other Expense	970,881	873,490
Renewal & Documentation Expense	1,065,000	0
Handling & Carrying Expense	10,000	12,927
Repairs & Maintenance	638,899	785,703
Advertisement & Publicity	1,472,550	1,280,540
Training Expenses	1,240,341	375,157
Miscellaneous Expenses	1,508,724	2,953,549
Depreciation	15,801,174	15,437,508
Total Taka:	154,283,443	124,381,795

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

32.00 MARKETING, SELLING & DISTRIBUTION EXPENSES: Tk. 1,042,274,331

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Salaries & Allowances	420,734,182	339,082,889
Company's Contribution to PF	8,728,561	8,606,004
Gratuity	0	8,051,462
Travelling & Conveyance	10,515,372	16,782,588
Foreign Traveling Expenses	10,457,303	0
Entertainment	4,023,013	15,488,773
Welfare & Recreation	6,836,205	5,177,494
Depot Rent	10,083,855	7,066,286
Transportation	2,950,451	2,854,497
Utilities	1,319,151	1,519,945
Office Communication	6,233,466	6,998,385
Fees & Renewals	743,926	1,906,511
Books, News Paper & Periodicals	4,670	3,840
Printing & Stationery	14,835,069	8,077,657
Legal & Consultancy Fee	180,208	1,920
Insurance Premium	2,089,571	1,917,896
Bank Charges	2,108,524	2,164,969
Handling & Carrying Expense	2,760,437	942,242
Repairs & Maintenance	1,537,360	734,412
Market Research & Product Development	3,008,499	3,672,430
Field Force Market Coverage Expenses	84,609,209	82,320,669
Sales Incentive	8,537,707	7,795,946
Training Expense	3,134,171	3,223,189
Conference, Fair and Product Launching	79,731,867	20,117,170
Promotional Expense	251,536,305	179,805,256
Advertisement & Publicity	1,918,374	4,389,862
Distribution & Collection Expense	73,020,165	62,134,011
Miscellaneous Expenses	10,885,242	587,890
Depreciation	19,751,468	19,296,885
Total Taka:	1,042,274,331	810,721,078

33.00 FINANCIAL EXPENSES: Tk. 147,375,018

33.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
Interest on Consortium Loan	33.02	44,328,437	65,725,846
Interest on Short Term Loan	33.03	103,046,581	128,995,646
Total Taka:		147,375,018	194,721,492

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

33.02 Interest on Consortium Loan: Tk. 44,328,437

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Janata Bank Ltd.	7,751,495	10,189,539
Janata Bank Ltd. (Takeover)	18,443,075	32,460,974
Agrani Bank Ltd.	4,267,986	5,008,524
Sonali Bank Ltd.	13,865,881	18,066,809
Total Taka:	44,328,437	65,725,846

33.03 Interest on Short Term Loan: Tk. 103,046,581

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
CC(Hypo) - Janata Bank Ltd., Corporate Bhaban, Motijheel	102,800,716	128,073,684
Bank Charge Other	245,865	921,962
Total Taka:	103,046,581	128,995,646

34.00 INCOME FROM OTHER SOURCES: Tk. 1,790,763

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Interest Received from Bank	346,544	520,515
Received from Scrap Sales & Others	351,128	3,226,632
Capital Gain from Sale of Shares	0	(1,541,404)
Dividend Income	1,093,091	146,520
Total Taka:	1,790,763	2,352,263

35.00 CONTRIBUTION TO WORKERS PROFIT PARTICIPATION FUND (WPPF) AND WELFARE FUND: Tk. 5,794,799

35.01 Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Contribution to WPPF and Welfare Fund	5,794,799	3,415,427
Total Taka:	5,794,799	3,415,427

35.02 As per provisions of Section 234 of the Bangladesh Labor Law 2006, 5% of net profit before tax is contributed to the above fund in the following proportions:

Particulars	30-06-2017	30-06-2016
Contribution to Participatory Fund	80%	4,635,839
Contribution to Welfare Fund	10%	579,480
Contribution to Workers Welfare Foundation Fund	10%	579,480
Total Taka:		5,794,799

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

36.00 INCOME TAX EXPENSES: Tk. (12,161,344)

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Current Tax @ 25%	28,973,996	17,077,134
Deferred Tax Income	16,812,652	10,171,578
Total Taka:	(12,161,344)	(6,905,556)

37.00 UNREALIZED (LOSS)/GAIN ON QUOTED SHARES: Tk. 975,875

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Unrealized Gain Realized	0	(133,829)
Unrealized (loss)/gain during the year	975,875	(785,924)
Total Taka:	975,875	(919,753)

38.00 EARNINGS PER SHARE (EPS):

38.01 Basic Earnings per Share:

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Net Profit After Tax	103,734,641	61,402,979
Ordinary Shares outstanding during the year	231,000,000	231,000,000
Earnings per Share:	0.45	0.27

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

39.00 PAYMENT TO DIRECTORS: Tk. 6,000,000

39.01 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.

Particulars	30-06-2017
Remuneration	5,700,000
House Rent	300,000
Total Taka	6,000,000

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

40.00 CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBT:

None as on 30-06-2017.

41.00 CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS RECEIVABLE:

None as on 30-06-2017.

42.00 CREDIT FACILITIES NOT AVAILED:

There is no credit facility available to the Company that was not availed as on 30-06-2017 under any contract, other than those mentioned in the financial statements arising in the ordinary course of business.

43.00 DISCLOSURES AS PER REQUIREMENT OF SCHEDULE XI, PART II OF THE COMPANIES ACT, 1994:

43.01 Total Number of Employees Drawing Remuneration is as Follows: 2,358

Breakup of the above amount is given below:

Salary Range	No. of Employees 30-06-2017	No. of Employees 30-06-2016
No. of employees Having Salary Between Tk.4,000 to Tk. 5,000	0	0
No. of employees Having Salary Between Tk.5,000 to Tk. 10,000	787	716
No. of employees Having Salary Between Tk.10,000 to Tk. 15,000	828	788
No. of employees Having Salary Between Tk.15,000 to Tk. 25,000	408	185
No. of employees Having Salary Between Tk.25,000 to Tk. 50,000	210	184
No. of employees Having Salary Between Tk. 50,000 and Above	125	102
Total:	2,358	1,975

43.02 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:

Sl.. No.	Major product group/Unit	Capacity (In Millions)	2016-2017		2015-2016	
			Actual Production (In Millions)	Utilization (%)	Actual Production (In Millions)	Utilization (%)
1	Tablets	2,100	1,159.20	55%	959.70	46%
2	Capsules (Filled with Pellets)	380	205.20	54%	171.00	45%
3	Capsules (Filled with Powder)	850	448.80	53%	377.40	44%
4	Powder for suspension (Bottles)	15	8.46	56%	6.98	47%
5	Injections (Ampoules)	5	2.70	54%	2.26	45%
6	Injections (Lyophilized)	5	2.70	54%	2.27	45%
7	Large Volume Parenteral	4	2.16	54%	1.78	45%
8	Pre-filled Syringe	4	2.06	52%	1.74	43%
	Total:	3,363	1,831		1,523	

BEACON PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

44.00 RELATED PARTY DISCLOSURES:

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

Name of the Party	Relationship	Nature of Transaction	Opening Balance Taka	Addition Taka	Adjustment Taka	Closing Balance Taka
Beacon Glass Industries Ltd	Share holders	Investment in Shares	169,623,746	13,381,379	80,000,000	103,005,125
Mujibunnesa Medical College & Hospital Ltd.	Share holders	Investment in Shares	94,805,857	3,323	0	94,809,180
Beacon Cephalosporin Ltd	Share holders	Investment in Shares	145,200,624	172,299,786	139,859,542	177,640,868
Beacon Power Systems Ltd	Share holders	Investment in Shares	0	70,483,172	1,288,000	69,195,172
		Total Taka:	409,630,227	256,167,660	221,147,542	444,650,345

45.00 EVENTS AFTER THE REPORTING PERIOD:

The Board of Directors in their meeting held on 22 October 2017 have recommended Cash dividend @ 5% on Paid up Capital aggregating Tk.115,500,000 for the year ended 30 June 2017 subject to approval of the shareholders in the Annual General Meeting scheduled to be held on 28 December 2017. The financial statements for the year ended 30 June 2017 do not include the effects of the above dividend which will be accounted for in the period when shareholders' right to receive the payment will be established.

Except for the fact above, there is no material adjusting events after the reporting date that came to the management attention which may require disclosure to the stakeholders.

BEACON PHARMACEUTICALS LIMITED

FIXED ASSETS SCHEDULE

AS AT 30 JUNE 2017

Annexure-A/1

	V A L U E			A T		C O S T		D E P R E C I A T I O N					
Particulars	Opening Balance	Addition for the year	Adjustment for the year	Total Cost	Opening Balance	Rate (%)	For the year	Adjustment	Accumulated	Written Down Value			
Land & Land Develop.	410,290,374	92,800,200	0	503,090,574	0	0%	0	0	0	503,090,574			
Building	613,320,398	30,517,707	0	643,838,105	201,595,712	5%	30,666,020	0	232,261,732	411,576,373			
Vehicles	53,344,608	33,580,154	0	86,924,762	5,334,460	20%	14,026,937	0	19,361,397	67,563,365			
Electrical Installations	47,708,135	25,300,317	0	73,008,452	31,449,063	10%	5,160,594	0	36,609,657	36,398,795			
Office Equipment	51,198,400	22,266,129	0	73,464,529	22,457,135	10%	6,104,757	0	28,561,892	44,902,637			
Production Machinery & Equipment	2,197,729,836	450,861,666	0	2,648,591,502	1,440,263,937	15%	336,076,214	0	1,776,340,151	872,251,351			
Furniture & Fixture	28,094,026	123,581,469	0	151,675,495	15,003,917	10%	2,994,835	0	17,998,752	133,676,743			
Total Taka:	3,401,685,777	778,907,642	0	4,180,593,419	1,716,104,224		395,029,357	0	2,111,133,581	2,069,459,838			
Pr. Year's Taka:	3,372,701,998	53,839,912	24,856,133	3,401,685,777	1,402,330,535		385,937,695	72,164,006	1,716,104,224	1,685,581,553			

Allocation of Depreciation :

Particulars	Proportion	Amount
Factory Overhead	91%	359,476,715
Administrative Overhead	4%	15,801,174
Selling, Marketing & Distribution Expenses	5%	19,751,468
Total:	100%	395,029,357

Corporate Office:

BEACON Business Centre
9/A Toyenbee Circular Road (Box Culvert Road),
Motijheel C/A, Dhaka-1000, Bangladesh.
Tel : +880-2-57165371-76, Fax : +880-2-57165379
E-mail : beacon@beaconpharma.com.bd
Website : www.beaconpharma.com.bd

NOTICE OF THE 16th ANNUAL GENERAL MEETING

Notice is hereby given that the 16th Annual General Meeting of the Shareholders of Beacon Pharmaceuticals Limited will be held on Thursday, 28th December, 2017 at 11.00 a.m at its Registered Office at Kathali, Bhaluka, Mymensingh (Factory Premises) to transact the following business:

Agenda

1. To receive, consider and adopt the Directors' and Auditors' Report and the Audited Accounts of the Company for the year ended 30th June, 2017.
2. To declare dividend for the year ended 30th June, 2017.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To approve the re-appointment of Independent Directors.
6. To transact any other business with the permission of the Chair.

By order of the Board



Giash Uddin Ahmed FCMA
Company Secretary
20 November, 2017

Corporate Office

Beacon Business Centre
9/A, Toyenbee Circular Road, Motijheel C/A
Dhaka-1000, Bangladesh.

1. Shareholders whose names appeared at the record date i.e. 20th November, 2017 in the share register of the Company or in the depository register on that date will be eligible to attend and vote in the Annual General Meeting.
2. Member entitled to attend at the Annual General Meeting may appoint a proxy to attend and vote on his / her behalf. The proxy form must be affixed with requisite revenue stamp and must be submitted to the Corporate office of the Company not later than 48 hours before the time fixed for the Annual General Meeting.
3. The concerned brokerage houses & merchant bankers are requested to provide us with a statement with the details (shareholders name, BO ID number, e-TIN number, gross dividend receivable, applicable tax rate, and net dividend receivable) of their margin loan holders who hold shares of the Company as on the Record Date, along with the name of the contact person in this connection. The brokerage houses & merchant bankers are also requested to provide us with their Bank Account Name, number, routing number etc. on or before 20th December, 2017.
4. The concerned trustee board of approved superannuation fund or pension fund or gratuity fund or recognize provided fund or workers profit participation fund are requested to provide us update tax rebate certificate on or before 20th December, 2017.

Admission in the meeting venue will be allowed on production of the attendance slip attached with the proxy form.

Annual General Meeting 2016



Annual General Meeting 2016



NOTES

Proxy Card

This Proxy card is for use at the Annual General Meeting of BEACON Pharmaceuticals Limited to be held on Thursday, December 28, 2017.

I/We.....

Having BO ID #

of.....

Being a member of the Company do hereby appoint Mr./Ms.

of to be my/our proxy to attend and vote on my/our behalf at the 16th Annual General Meeting of the Company to be held on Thursday, December 28, 2017 at 11.00 a.m at the Registered Office of BEACON Pharmaceuticals Limited at Kathali, Bhaluka, Mymensingh (Factory Premises) and at any adjournment thereof.

Signature of Proxy

Revenue
Stamp of
Tk. 20/-

Signature of the Shareholder

Notes: This form of proxy, duly completed, must be deposited at least 48 hours before the meeting at the Company's Share department at Corporate Office, Beacon Business Centre, 9/A Toyenbee Circular Road Motijheel C/A, Dhaka-1000, Bangladesh. Proxy will be invalid if not signed and stamped as shown above. Signature of the shareholder should agree with the specimen signature registered with the Company.

Attendance Slip

I do hereby record my attendance of the 16th Annual General Meeting of the Company to be held on Thursday, 28 December 2017 at 11.00 a.m at the Registered Office of BEACON Pharmaceuticals Limited at Kathali, Bhaluka, Mymensingh (Factory Premises).

Name of the Shareholder :

Folio No : Nos. of shares held :

BO ID :

Signature of the Shareholder/Proxy

Dated :

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



Corporate Office:

BEACON Business Centre
9/A, Toyenbee Circular Road
Motijheel C/A, Dhaka - 1000, Bangladesh.
E-mail : beacon@beaconpharma.com.bd
Website : www.beaconpharma.com.bd