

# Annual Report | 2016

FUTURE  
READY  
NOW







FUTURE  
READY  
NOW





# MISSION VISION GOALS CORE VALUES

## **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:

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:

Quality in everything we do.

Live up to our commitment.

Trust and respect for each other.

Transparent and fair in all our dealings.

Take initiative to exceed standard.

Work as a team.

Share social responsibilities.





# BEACON AT A GLANCE

Established in 2001

No. 1 Oncology Company

One of the top 20 pharma companies

Sales turnover about 31 million dollars

1975 Employees

1250 Marketing & sales persons

General production facilities

Liquid production facilities

Oncology production facilities

Manufactures 215 products

70 Oncology products

50 + Products under development

1.5 Billion doses of medicine produced every year

Export 15 countries

Supporting Hepatitis patients in 70 countries





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 12th 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 18 Acres with the covered area of more than 1,50,000 sft., 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. Existing facilities of the Project are being enhanced. Required machineries have already been imported. Most of the machineries are already arrived and some are in the pipeline. Production of the BMRE Project has already been started.





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# CORPORATE MANAGEMENT

Corporate Directory



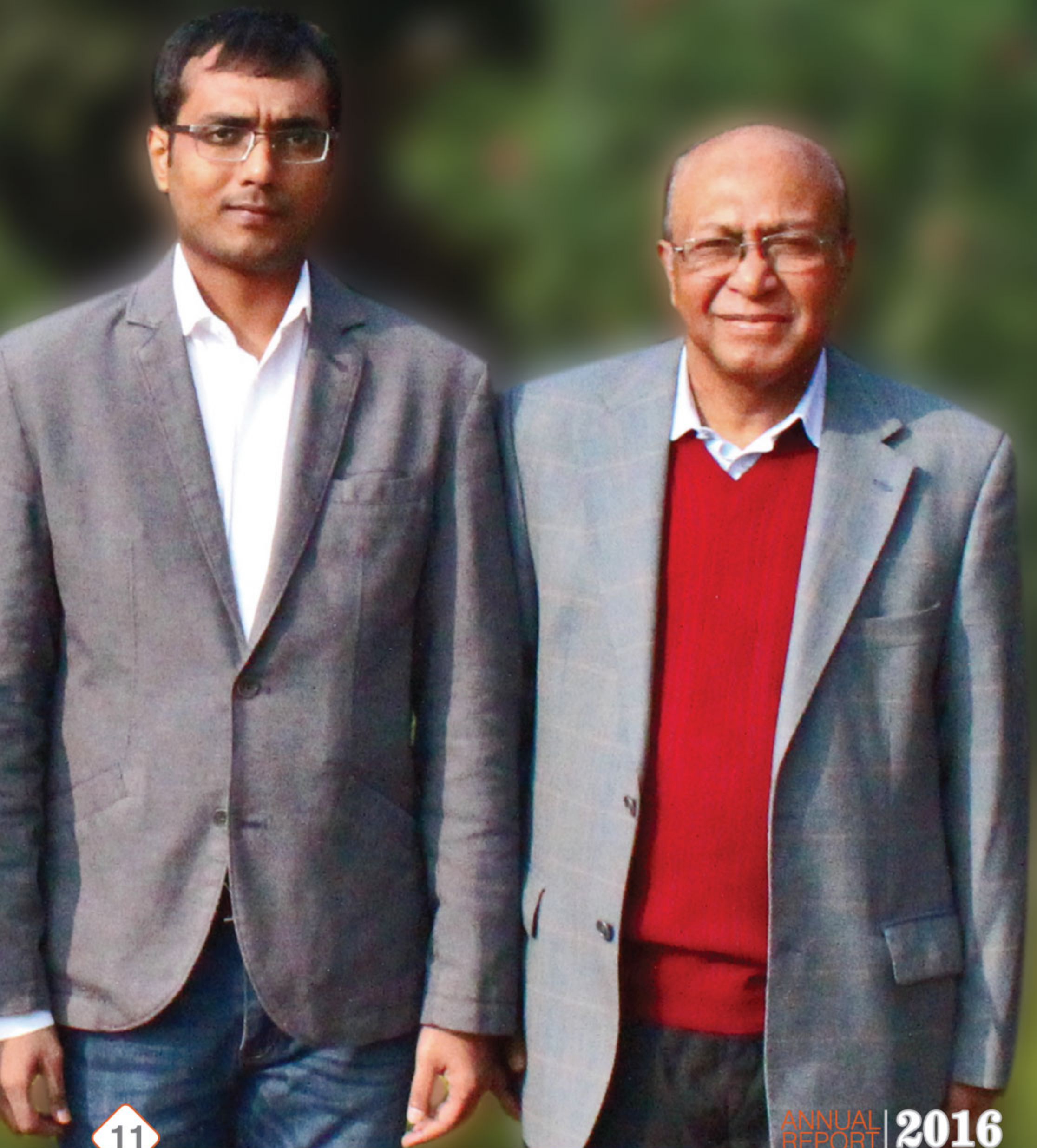




# BOARD OF DIRECTORS









# Corporate Directory

## BOARD OF DIRECTORS

Mrs. Nurun Nahar Karim, Chairman  
Mr. Mohd. 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. Mohd. Ebadul Karim, Member  
Mrs. Nurun Nahar Karim, Member  
Mr. Giash Uddin Ahmed FCMA, Board Secretary

## EXECUTIVE MANAGEMENT

Mr. Mohd. Ebadul Karim, Managing Director  
Ms. Risana Karim, Executive Director  
Mr. A.K.M.Anwarul Haq, Director (Marketing)  
Mr. Giash Uddin Ahmed FCMA, EVP (Finance & Accounts)  
Mr. Shahidur Rahman, SVP (Project Implementation)  
Mr. Monjur Alam, SVP (Business Development Department)  
Mr. Anisur Rahman Khan, VP (HR & Admin)

## MANAGEMENT STRATEGIC COMMITTEE

Mr. A.K.M.Anwarul Haq, Director (Marketing)  
Mr. Giash Uddin Ahmed FCMA, EVP (Finance & Accounts)  
Mr. Shahidur Rahman, SVP (Project Implementation)  
Mr. Monjur Alam, SVP (Business Development)  
Mr. Anisur Rahman Khan, VP (HR & Admin)  
Mr. Saiful Islam, VP (Production)  
Mr. Sujit Kumar Kundo, VP (R&D)  
Mr. Shafiul Islam, VP (MIS & Audit)

## 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**

Abul 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.  
Tel: +880-2-8870133, 8870134, Fax: +880-2-8870109  
E-mail: [beacon@beaconpharma.com.bd](mailto:beacon@beaconpharma.com.bd) | Website: [www.beaconpharma.com.bd](http://www.beaconpharma.com.bd)

## **Factory**

Kathali, Bhaluka, Mymensingh

## **Main Banker**

Janata Bank Ltd.  
Sonali Bank Ltd.  
Agrani Bank Ltd.  
Rupali Bank Ltd.  
Dutch Bangla Bank Ltd.  
First Security Islami Bank Ltd.  
Estern Bank Ltd.  
Social Islami Bank Ltd.  
Bank Asia Ltd.  
Commercial Bank of Ceylon







**Mrs. Nurun Nahar Karim**  
**Chairman**

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





**Mr. Mohd. Ebadul Karim**  
**Managing Director**

Mr. Mohd. 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 Development Ltd., a reputed construction Company and Chairman of BEACON Point 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. Mohd. 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 and Managing Director of BEACON Point Limited.





**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, FRCOph 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.





**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. Mohd. 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. A.K.M. Anwarul Haq**  
Director (Marketing)  
Member, Executive Management &  
Management Strategic Committee



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



**BOARD AUDIT COMMITTEE**  
**EXECUTIVE MANAGEMENT &**  
**MANAGEMENT STRATEGIC COMMITTEE**



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



**Mr. Monjur Alam**  
SVP (Business Development)  
Member, Executive Management &  
Management Strategic Committee



**Mr. Anisur Rahman Khan**  
VP (HR & Admin)  
Member, Executive Management &  
Management Strategic Committee



**Mr. Saiful Islam**  
VP (Production)  
Member, Management Strategic Committee



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



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





“ I feel proud to announce that the commercial production of your BMRE Projects has already been started. We are very much hopeful, these will bring you an extremely a good result from the next year. ”





## Message from the Chairman

### Dear Shareholders,

It is my great pleasure to welcome you all to the 15<sup>th</sup> Annual General Meeting and place before you the Annual Report alongwith the Audited Financial Statements of the Company for the year ended 30<sup>th</sup> June 2016.

Without any big political 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 healthy 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 feel proud to announce that the commercial production of your BMRE Projects has already been started. We are very much hopeful, these will bring you an extremely a good result from the next year.

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*

**Mrs. Nurun Nahar Karim**  
Chairman





“ In 2016, we have introduced Global patient support program. Under this program, now we are serving our latest life saving drugs to patients of 70 countries of the world including the developed countries of Europe, America, Australia, Africa & Asia. ”





## Statement of Managing Director

### Dear Shareholders,

By the grace of Almighty Allah we have completed our last year very calm and quietly. There was no serious political unrest despite of having some small miscreant aggression in the Country due to which a bad impression has fallen on Bangladesh in respect of security measure and this issue has made a big obstacle to attract the foreign investors which is ultimately not a good sign for the economic development of the Country.

Despite of the little unfavorable events, we have been able to maintain revenue at a reasonable level in the financial year 2015-2016. Moreover, we have given special emphasis on cost control, resource optimization and R & D capabilities in order to face these economic challenges. Despite of facing a number of challenges, we have achieved the targeted sales growth.

### Operating Result:

Sales Turnover has been increased by 21.38% over last year.

Gross Profit has been increased by 20.97% over last year.

Operating Profit has been reduced by 7.35% over last year.

Net Profit after tax has been increased by 59.25% over last year.

Net Asset value per share has been increased by 3.34% 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.



# Statement of Managing Director

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 Levofed (Norepinephrine injection) for Septic shock with hypotension, Heparon (Heparin Sodium injection) as anticoagulant, Doxoven (Doxophylline tablet) for asthma & COPD, Diacer Plus (Diacerin plus Glucosamine tablet) for osteoarthritis, Fapdol (Paracetamol plus tramadol tablet) as pain killer, Paloxi capsule (Palonosetron capsule) as antiemetic, Starcef 400 (Cefixime capsule) an antibiotic, Protebon-P (Calcium orotate tablet) for calcium supplement, Soforal (Sofosbuvir tablet) for Hepatitis C, Daclavi (Daclatasvir tablet) for Hepatitis-C, Cetuxim (Cetuximab inj) for Head & Neck cancer, Bivastim 400 (Bivasizumab) for Colorectal cancer, Dasanix (Dasatinib) for Blood cancer, Pemetrex (Pemetrexed) for Lung cancer, Cytabin (Cytarabin) for Blood cancer etc.

## Our Global Business

BEACON has introduced four global first generic drugs i.e. after the originator product. The products are-

**For Hepatitis treatment:** Darvoni (Sofusbuvir + Daclatasvir), Sofosvel (Sofusbuvir + Velpatasvir)

**For Lung Cancer Treatment:** Crizonix (Crizotinib) and Tagrix (Osimertinib)

BEACON is the 1st company in the world which has introduced these products after the originator company.

In 2016, we have introduced Global patient support program. Under this program, now we are serving our latest life saving drugs to patients of 70 countries of the world including the developed countries of Europe, America, Australia, Africa & Asia.



Life saving drugs is still beyond to the reach of patients of even advanced countries. Considering this, We have introduced our products at a very affordable price and much lower than the originator products. In this connection, I would like to inform you that quality of our products is checked by different agents in their countries lab, where they have got satisfactory results. All credit goes to the account of our R&D, Production, Quality compliance team for developing products to that of international standard.

This novel effort of BEACON is well appreciated in international media and BEACON is in Head line of different country's news media including Ecomic Times of India, The Mirror UK, Sri Lankan Times etc.

Besides our global patient support program, we did well in Nepal and Sri Lanka. We have kept our own sales and marketing team. The team has established BEACON as a reliable, trusted, quality driven oncology company. We are registering our products in Latin America and hope to start business in 2017.



# Statement of Managing Director



Our products are now registered in Hong Kong, a new addition to our business spectrum.

Dear shareholders, I have established this company with a hope to become a global company. Our dreams come into true and in this year, BEACON started the globalization journey. In this journey our Business Development Department has played a tremendous vital role. I Hope that this Global Business team will make us globally popular in the

coming days. BEACON will be the company to meet the global demand of life saving drugs.

## Project Expansion:

We are very much delighted to announce that the commercial production of your BMRE Projects has already been started. If everything goes fine including the political and economical condition of the Country, these projects will bring you an outstanding result from the coming year.

## 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 potentials of the Company.

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

Thank you all,

**Mr. Md. Ebadul Karim**  
Managing Director




## A few words on BEACON success



“ Financial data published in this report provide clear evidence for the major progress BEACON has made in 2015-16. But we do believe that success goes way beyond the data as we actually have created path in 2015-16 to be successful in coming years. ”





2015-2016 was a very successful year for BEACON Pharmaceuticals Limited considering we have taken initial few steps forward in branding of our few products and also, have established newer production facilities to increase our product line both of which will contribute a lot to grow faster in 2017 and onwards. This was made possible because we have reacted to the market situation and demand following true strategy of branding products and company which will ensure sustainable growth in days to come.

As a company, today we are stronger and in better shape than ever before:

- As per IMS 3Q 2016, BEACON Pharmaceuticals Limited is one of the fastest growing company in Bangladesh domestic Pharma market.
- For the 1st time one brand of BEACON, Flexibac, has crossed BDT 2 crore taka sales value in a month in 2016
- Monthly sales value of four of our brands (Lubilax, Xalcort, Paloxi & Protebon family) were BDT 1 crore taka consistently in 2016 which actually gives us the financial flexibility to go for sustainable future marketing planning.
- In 2015-2016, we have established world's latest liquid manufacturing facility: Advanced Integrated In-Line Liquid Manufacturing Facility and 1st product from this facility, Rupadin Syrup, is already made available in domestic market
- In 2015-2016, we have hold our top position in local oncology products market and have made ourselves prepared to counterattack future challenge of facing huge competition from newly entered local giants in this market segment.

Financial data published in this report provide clear evidence for the major progress BEACON has made over the past 12 months. But we do believe that success goes way beyond the data as we actually have created path in 2015-2016 to be successful in coming years.

While concluding, I offer my gratitude to all the employees, workers, shareholders, stake holders, customers, consumers, suppliers and other service agencies for performing their respective roles in their best manner which contributed for the benefit of us all.

**Mr. A.K.M. Anwarul Haq**

Director (Marketing)





# Corporate Governance

Directors' Report to the Shareholders  
For the year ended 30th June, 2016



# Corporate Governance

Directors' Report to the Shareholders  
For the year ended 30th June, 2016







# Corporate Governance

## Directors' Report to the Shareholders For the year ended 30<sup>th</sup> June, 2016

### 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 30<sup>th</sup> June, 2016. These were approved by the Board of Directors on 26<sup>th</sup> October, 2016. The Directors' Report has been prepared in compliance with section 184 of the Companies Act, 1994, SEC's notification dated 20<sup>th</sup> 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.

Despite of these 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 business through its own measures and through implementing corporate guidelines.

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

Cost of Goods Sold for the year stands at Tk. 1,292,608,372.00 which is 21.76% higher than that of the previous year. This has been occurred due to increase of sales by 21.38% compare to the previous year and Gross Margin has been increased by 20.96% over the last year. Due to strong control over the operating expense net margin has been increased by 60.00% (approx) over the last year.



# Corporate Governance

## Directors' Report to the Shareholders For the year ended 30<sup>th</sup> June, 2016

### **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 42 to the Financial Statements for the year ended 30th June, 2016.

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

During the financial year 2015-2016 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 present 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 in conformity 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 has been maintained.**

Books of Accounts of the Company have been maintained properly.

### **13. Accounting Policies:**

Appropriate accounting policies have been consistently 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.





# Corporate Governance

Directors' Report to the Shareholders  
For the year ended 30<sup>th</sup> June, 2016

## **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.

## **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 (four) 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 30<sup>th</sup> June, 2016

## 5 (Five) Years Financial Highlights:

Particulars	Year				
	2016	2015	2014	2013	2012
<b>Financial Performance</b>					
Total Assets	5,014,603,610	4,738,697,597	4,589,825,300	4,251,619,886	4,511,424,780
Total Liabilities	2,012,513,836	1,832,578,665	1,722,443,291	1,478,361,558	1,747,297,518
Current Assets	2,563,219,957	2,551,804,833	2,157,357,740	1,526,460,823	1,558,681,879
Current Liabilities	1,150,667,724	1,097,166,405	1,030,696,923	702,348,389	897,220,836
Non-Current Assets	2,451,383,653	2,186,892,763	2,432,467,559	2,565,178,873	2,952,742,901
Non-Current Liabilities	861,846,112	735,412,260	691,746,368	776,013,169	850,076,683
Shareholders' Equity	3,002,089,774	2,906,118,932	2,867,382,009	2,773,258,328	2,764,127,262
<b>Operational Performance</b>					
Revenue	2,491,804,435	2,052,938,834	1,690,363,446	1,226,906,195	979,436,050
Cost of Goods Sold	1,292,608,372	1,061,613,363	894,119,555	609,987,995	452,583,791
Operating Expense	935,102,873	706,291,687	553,676,280	409,526,225	187,064,433
Financial Expense	194,721,492	238,236,937	221,684,367	196,958,236	212,120,046
Gross Profit	1,199,196,063	991,325,471	796,243,891	616,918,200	526,852,259
Operating Profit	264,093,190	285,033,785	242,567,610	207,391,975	339,787,826
Net Profit before tax	68,308,534	51,407,588	37,274,146	14,609,706	120,417,857
Net Profit after tax	61,402,978	38,555,691	24,228,195	9,131,066	75,261,161
<b>Financial Ratio</b>					
Current ratio	2.22:1	2.32:1	2.03:1	2.17:1	1.73:1
Debt Equity Ratio	1:1.49	1:1.58	1:1.66	1:1.88	1:1.58
Financial Expense Coverage Ratio (Times)	1.35	1.20	1.09	1.05	1.60
Return on Equity	2.04%	1.33%	0.85%	0.33%	2.72%
Return on Assets	1.25%	0.81%	0.53%	0.21%	1.67%
<b>Equity Parameters</b>					
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	3,002,089,774	2,906,118,932	2,867,382,009	2,773,258,328	2,764,127,262
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	13.00	12.58	12.41	12.01	11.97
Earnings Per Share (EPS)	0.27	0.17	0.10	0.04	0.33
Market Price Per Share (Closing)	17.30	14.70	14.80	14.10	19.10
Price Earnings Ratio (Times)	64.07	86.47	148.00	352.50	57.88



# Corporate Governance

Directors' Report to the Shareholders  
For the year ended 30<sup>th</sup> June, 2016

## 19. Declaration of dividend.

The Board of Directors of the Company has recommended 5% cash dividend for the year ended 30<sup>th</sup> June, 2016.

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

During the year 11 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	11	11
2.	Mr. Mohd. Ebadul Karim, Managing Director	11	11
3.	Mr. Niazul Karim, Director	11	09
4.	Mr. A. Q. Siddiqui, Independent Director	11	6
5.	Mr. Prof.(Dr.) Syed Mudasser Ali, Independent Director	11	10

## 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. Mohd. Ebadul Karim	Managing Director	BEACON Development Ltd.	60,000
			Kohinoor Chemical Co.(BD) Ltd.	7,94,921
			BEACON Point Ltd.	25,000
2.	Mrs. Nurun Nahar Karim	Director	BEACON Development Ltd.	25,000
			Kohinoor Chemical Co.(BD) Ltd.	5,08,226
			BEACON Point Ltd.	25,000
3.	Mr. Niazul Karim	Director	BEACON Development Ltd.	40,000
			BEACON Point Ltd.	25,000



# Corporate Governance

## Directors' Report to the Shareholders For the year ended 30<sup>th</sup> June, 2016

(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. Mohd. Ebadul Karim	Managing Director	5,82,28,800
2.	Mrs. Nurun Nahar Karim	Director	47,25,000
3.	Mr. Niazul Karim	Director & CFO	63,54,000
4.	Company Secretary		Nil
5.	Head of Internal Auditor		Nil
6.	Spouse & Minor Children		Nil

(c) Executive

Sl. No.	Name	Designation	No. of shares held
1.	Mr. Mohd. Ebadul Karim	Managing Director	5,82,28,800
2.	Mr. Niazul Karim	Director & CFO	63,54,000
3.	Mr. Sujit Kumar Kundu	VP, R&D	21,000

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

Sl. No.	Name	Designation	No. of shares held
1.	Mr. Mohd. 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 15<sup>th</sup> Annual General Meeting and being eligible he will be offered for re-appointment.

## 23. Appointment of Auditors.

Toha Khan Zaman & Co., Chartered Accountants will retire at the 15<sup>th</sup> Annual General Meeting as auditor of the Company.

The retiring auditors are eligible for re-appointment and they have expressed their willingness to be appointed as auditor of the Com-





# Corporate Governance

Directors' Report to the Shareholders  
For the year ended 30<sup>th</sup> June, 2016

pany for the financial year 2016- 2017. The Directors recommended for the re-appointment of Messrs. Toha Khan Zaman & Co., Chartered Accountants as the auditors of the Company for the year 2016-2017.

## **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.



**Mohd. Ebadul Karim**

Managing Director



# Corporate Governance

## Audit Committee Report





# Corporate Governance

## Audit Committee Report

1st October 2016

### 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. Mohd. 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:

Reviewed the quarterly, half yearly and final

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

### Internal Audit:

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

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

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



# Corporate Governance

## Audit Committee Report

### External Audit:

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

### Recommendation:

The Audit Committee recommended to the Board of Directors that M/S.Toha Khan Zaman & Co., Chartered Accountants may be appointed as auditors of the Company for the financial year 2015-16 subject to the approval of the members of the Company at the 15th Annual General Meeting.

On behalf of the Audit Committee



**Mr. Prof. (Dr.) Syed Modasser Ali**  
Chairman, Audit Committee



# Corporate Governance

## CEO and CFO's Certification to the Board

1<sup>st</sup> October, 2016

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

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

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

We are pleased to certify that:-

1. We have reviewed financial statements for the year ended 30<sup>th</sup> June, 2016 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)



Mohd. Ebadul Karim  
Managing Director





# Corporate Governance

## A Guideline of Transparency and Accountability

### Corporate Governance

Adopting the best practice of Corporate Governance and follows the principles of transparency and accountability that protect the interest of its stakeholders and safeguarding the assets of the shareholders. Corporate Governance ensures the activities that 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 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 has been re-appointed as an Independent Director of the Company and Major M.A. Hossain (Retd.) has newly appointed as another Independent Director of the Company. They are considered by the Board to be independent of the Company and the management and free of any business or other relationship that could interfere with the exercise of their independent judgment. The Board beliefs that their experience and knowledge enable them to provide effective and constructive contribution to the Board.

### Board Committee

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

### Board Audit Committee

The Company's Audit Committee met fourth times in 2015-16 to consider its Annual Financial Statements for the year ended 30<sup>th</sup> June, 2016 and the Quarterly Reports in the same financial year. The committee comprises of Mr. Prof. Dr. Syed Modasser Ali, Mr. Mohd. Ebadu Karim and Mrs. Nurun Nahar Karim.

### Internal Control

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



# Corporate Governance

## Annexure-1 Compliance Report

BEACON Pharmaceuticals Limited  
Status of Compliance with the Corporate Governance Guideline (CGC)  
For the year ended 30<sup>th</sup> June 2016

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)
	<b>Board of Directors</b>			
1.1	<b>Boards size</b>			
	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	<b>Independent Directors</b>			
(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)	<b>For the purpose of this clause 'Independent directors' means a director-</b>			
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	<b>Qualification of Independent Director (ID)</b>			
(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	<b>Chairman of the Board and Chief Executive Officer</b>			
(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	<b>Directors Report to the Shareholders</b>			
(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)	<b>In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:</b>			
(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	<b>Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)</b>			
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	<b>Audit Committee</b>			
(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	<b>Constitution of the Audit Committee</b>			
(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,	✓		
(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	<b>Chairman of the Audit Committee</b>			
(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)	<b>Role of Audit Committee</b>			
(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)	<b>Reporting of Audit Committee</b>			
(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	<b>Reporting to the Shareholders and General Investors</b>			
	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	<b>External/ Statutory Auditors</b>			
<b>The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:-</b>				
(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 o. 7	✓		
(5.0)	<b>Subsidiary Company</b>			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

### A Guideline of Transparency and Accountability

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)	<b>Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
<b>The CEO and CFO shall certify to the Board that:-</b>				
(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;	✓		CEO and CFO certified to the Board during finalization of Financial Statements which is stated in the "Directors declaration as to Financial statements in the Directors' Report"
(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)	<b>Reporting and Compliance of Corporate Governance</b>			
(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 30th June 2016.
(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.	✓		



# Corporate Governance



**PODDER & ASSOCIATES**

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

"Podder & Associates", being one of the firm of "Professional Accountants" in Bangladesh, takes the gratification to study and opine in attainment of Compliance on Corporate Governance by **Beacon Pharmaceuticals Limited** for the period ended 30<sup>th</sup> June 2016. This study is completed in accordance with the guideline set by **Bangladesh Securities and Exchange Commission (BSEC)** through the notification SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August, 2012.

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

As per our study and observation on the best of information & explanations provided, **Beacon Pharmaceuticals Limited** has complied with the conditions of Corporate Governance set by Bangladesh Securities And Exchange Commission.

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

For Podder & Associates

Jayanta Kumer Podder  
Cost and Management Accountant

Date: 30 OCT 2016

Place: Dhaka, Bangladesh



# Our Strength





# Our Factory People





## Our Field Force







## The flagship products

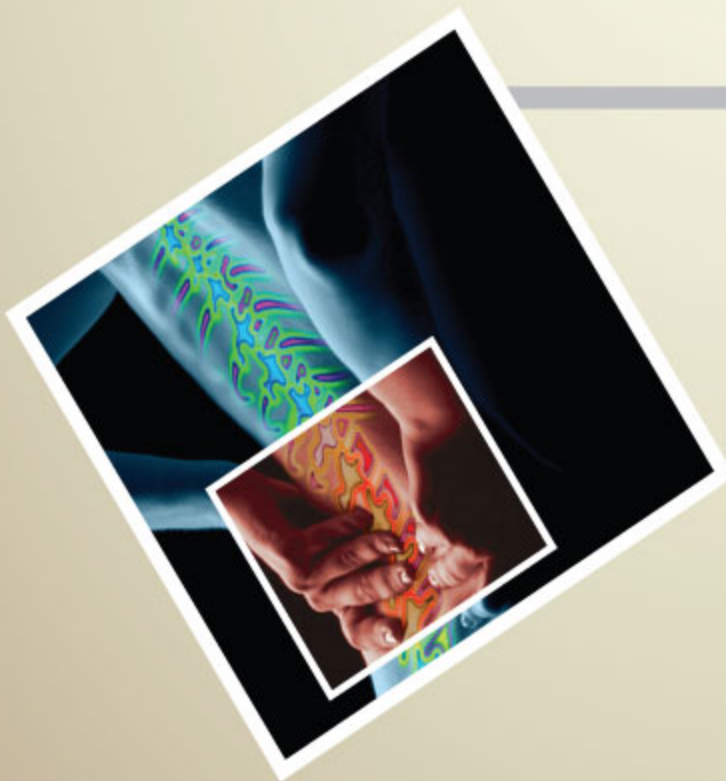




# Flexibac

Baclofen BP 5, 10 & 25 mg Tablet

*Keeps patients mobile*



Spasm

Spasticity

Low Back Pain



# Paloxi

Palonosetron INN 0.5 mg tab & cap, 0.075 mg/1.5 ml & 0.25 mg/5 ml IV inj

1<sup>st</sup>  
time in  
Bangladesh



**Acts faster lasts longer**

- 100 times more potent than Ondansetron and 30 times more potent than Granisetron
- No dosage adjustment is required for hepatic or renal impaired patients
- Pregnancy category B
- Once daily dosing

Available as



Paloxi 0.5 mg  
tablet



Paloxi 0.5 mg  
capsule



Paloxi 0.075 mg/1.5 ml  
IV injection



Paloxi 0.25 mg/5 ml  
IV injection



**Xalcort**  
Deflazacort INN 6 mg Tablet

**Xalcort 24**  
Deflazacort INN 24 mg tablet

1<sup>st</sup>  
in use in  
Bangladesh

*... a safer corticosteroid for inflammatory conditions*

### Better than Prednisolone

- Zero mineralocorticoid activity
- Less chance of developing osteoporosis
- Minimal effect on blood glucose level
- Less chance of causing growth retardation in children
- Lowest chance of developing HPA-axis suppression





# Protebon-P

Calcium Orotate INN 400 mg Tablet

The only targeted **Calcium** therapy

- ⚡ Calcium Orotate penetrates into entire cell membrane & deliver mineral to intra cellular substances
- ⚡ Calcium Orotate has maximum affinity for Cartilage thus it prevents bone decalcification
- ⚡ Can suppress inflammation of Osteoporosis and Arthritis patients





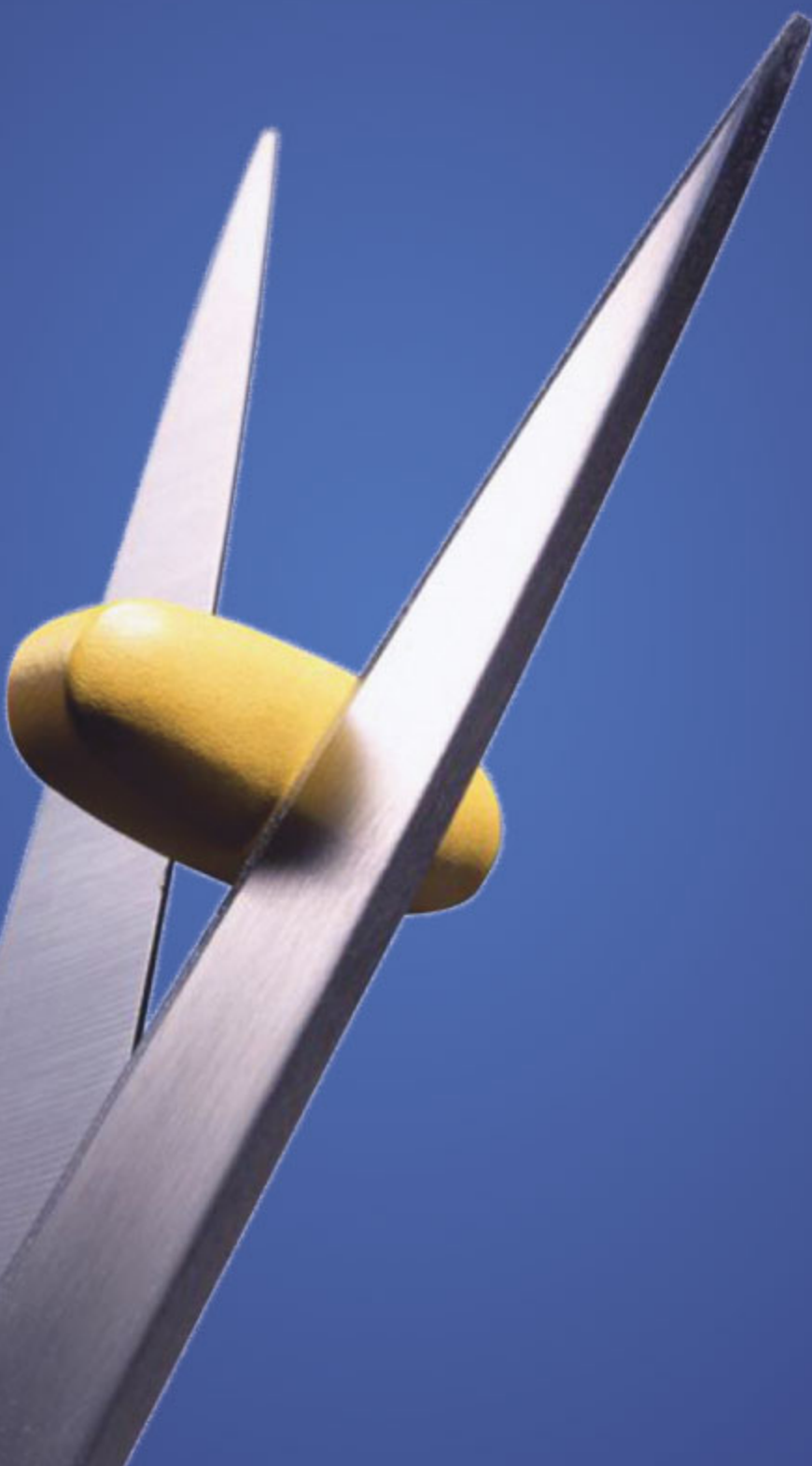
For the management of Asthma & COPD

# *Doxo*ven<sup>200</sup>

Doxophylline INN 200 mg Tablet

1<sup>st</sup>  
time in  
Bangladesh

*Free from splitting hazards*



## Free from the risks of

- Dose variation
- Drug degradation
- GI irritation
- Bitter taste



# Lubilax

Lubiprostone INN 8 mcg & 24 mcg Capsule

*For the management of Constipation*



- Accelerates intestinal transit
- Decreases Small Intestinal Bacterial Overgrowth (SIBO)
- Improves the frequency of bowel movements
- Softens the stool

## Dosage & Administration

Adults : Usual dose 8 mcg twice daily, in severe condition, 24 mcg twice daily after meal

Children (3 - 17 years) : 8 mcg once daily after meal







# Eposis

Erythropoietin alfa BP 2000, 3000, 4000 & 5000 IU Injection

The right medicine of choice for the treatment of anemia



## Why Eposis

-  **Activating** the number of peripheral RBC, Hct, Hb concentration and reticulocyte remarkably
-  **Effective** treatment regimen for anemia due to chemotherapy
-  Approved **efficacy & safety** by clinical trials
-  **High in purity:** Host cell DNA & protein, dimer and multimer removed





years of trust in  
Bangladesh...

# Xelpac

Paclitaxel USP 30 mg, 100 mg & 300 mg Injection

The trusted Paclitaxel brand in Bangladesh

- Conforms the quality with DMF grade API
- 7 years of trust in Bangladesh
- Experienced and trusted by > 10,000 patients and prescribed by > 120 oncologists

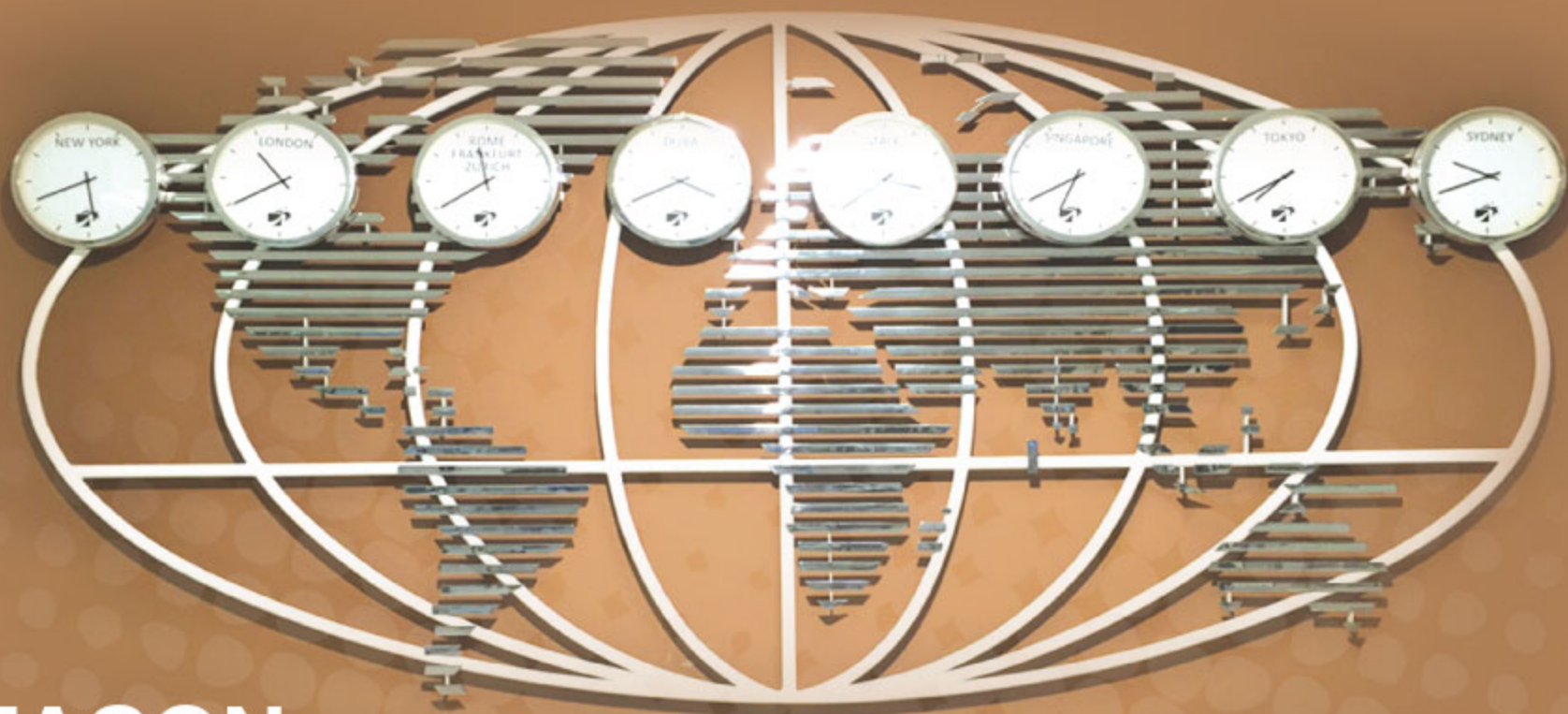




# Our Distribution Channel







## BEACON across the Globe

After meeting with the local demand, BEACON is now exporting its products to many countries. BEACON has introduced four global first generic drug, which are now popular in 72 countries including USA, UK, Europe, Russia, Australia & many countries of Asia.



Our partner in Sri Lanka – the Emerchemie team



Our Nepal Team



Our Turkish agent at plant



Agreement signing ceremony with Turkish agent in presence of Bangladesh Ambassador in Turkey



Sofosvel launching ceremony in presence of Dr. Freeman



Agreement signing ceremony with BIOCAD, Russia





Meeting with our Chinese agent



Our Managing Director addressing at global launching of Sofosvel



Annual Nepal Budget Meeting 2016 with our partner in Nepal.



Our Ghana Agent

## BEACON in action

We are growing and becoming popular because of our extensive promotional activities-



BEACON-Prothom Alo round table discussion



BDD Sales & Budget Meeting 2016 held at BEACON Plant



Seminar arranged by BEACON on Quality by Design



Honour of Excellence, a reward giving program, to excellent performer of 2015.



Pink Ribbon Walk-2016, held in Nepal, sponsored by BEACON



Celebration at plant on the launching of four global first generic drug





## 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.





## Directors' Responsibilities

for the Financial Statements

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.,



Mohd. Ebadul Karim  
Managing Director





# AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

companies are also included in "Main Market - UK Listed"

companies by equity market value



## Monthly Budget - Detail

Description	Category	Projected Cost	Actual Cost
Extracurricular activities	Children		
Medical	Children		
School Supplies	Children		
Movies	Children		
Music (CDs, downloads, etc.)	Entertainment		
Sporting Events	Entertainment		
Dining Out	Entertainment		
Groceries	Entertainment		
Charity 1	Entertainment		
Charity 2	Entertainment		



# FINANCIAL STATEMENTS





## 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 2016, 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 43.00.

### 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 2016, 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

27 October 2016



**(Toha Khan Zaman & Co.)**

Chartered Accountants



# BEACON PHARMACEUTICALS LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2016

Particulars	Notes	Amount in Taka	Amount in Taka
		30.06.2016	30.06.2015
<b>PROPERTY AND ASSETS:</b>			
<b>I. Non-Current Assets:</b>			
Property, Plant and Equipment	4.00	1,685,581,553	1,970,371,463
Capital Work in Progress	5.00	763,856,485	207,018,146
Investment in Shares	6.00	1,945,615	9,503,154
<b>Total Non-Current Assets:</b>		<b>2,451,383,653</b>	<b>2,186,892,763</b>
<b>II. Current Assets:</b>			
Inventories	7.00	1,188,597,897	1,214,003,104
Accounts Receivable	8.00	323,011,340	305,198,254
Advances, Deposits & Pre-payments	9.00	536,985,654	672,916,938
Short Term Investment	10.00	409,630,227	298,929,314
Cash and Cash Equivalents	11.00	104,994,839	60,757,224
<b>Total Current Assets:</b>		<b>2,563,219,957</b>	<b>2,551,804,834</b>
<b>Total Assets (I+II):</b>		<b>5,014,603,610</b>	<b>4,738,697,597</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES:</b>			
<b>III. Shareholders' Equity:</b>			
Share Capital	12.00	2,310,000,000	2,310,000,000
Reserve and Surplus	13.00	323,116,735	303,038,374
Available for Sale Reserve		(731,809)	187,944
Retained Earning	14.00	369,704,848	292,899,326
<b>Total Shareholders' Equity:</b>		<b>3,002,089,774</b>	<b>2,906,125,644</b>
<b>IV. Non-Current Liabilities:</b>			
Long Term Loan	15.00	861,846,112	705,289,319
<b>Total Non-Current Liabilities:</b>		<b>861,846,112</b>	<b>705,289,319</b>
<b>V. Current Liabilities:</b>			
Deferred Tax Liabilities	16.00	1,655,390	0
Current Portion of Long Term Loan	17.00	27,106,181	30,122,941
Short Term Loan	18.00	1,080,899,505	1,027,609,263
Share Application Money Refundable	19.00	4,333,613	4,633,373
Accounts Payables	20.00	(40,104,830)	10,554,970
Accrued Expenses	21.00	54,851,846	48,332,078
VAT Payable	22.00	4,050,057	436,360
Liabilities for EWF & WPPF	23.00	15,614,123	14,855,521
Payable to Employees Provident Fund	24.00	8,130,962	1,437,842
Provision for Gratuity	25.00	17,761,641	8,327,125
Tax Payable/Refundable	26.00	(23,630,764)	(19,026,839)
<b>Total Current Liabilities:</b>		<b>1,150,667,724</b>	<b>1,127,282,634</b>
<b>Total Shareholders' Equity &amp; Liabilities (III+IV+ V):</b>		<b>5,014,603,610</b>	<b>4,738,697,597</b>
<b>Net Asset Value (NAV)/Total No. of Shares:</b>		<b>13.00</b>	<b>12.58</b>
<b>Per Value (Tk.)</b>		<b>10</b>	<b>10</b>

[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.

  
Company Secretary

  
Director

  
Managing Director  
  
(Toha Khan Zaman & Co.)  
Chartered Accountants

Signed in terms of our separate report of even date annexed.  
Dated, Dhaka  
27 October 2016



# BEACON PHARMACEUTICALS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2016

Particulars	Notes	Amount in Taka	Amount in Taka
		30.06.2016	30.06.2015
Turnover (Net of VAT)	27.00	2,491,804,435	2,052,938,834
Less: Cost of Goods Sold	28.00	1,292,608,372	1,061,613,363
<b>Gross Profit:</b>		<b>1,199,196,063</b>	<b>991,325,471</b>
Less: Operating Expenses:			
Administrative Expenses	29.00	124,381,795	96,617,886
Marketing, Selling & Distribution Expenses	30.00	810,721,078	609,673,800
<b>Total Operating Expenses:</b>		<b>935,102,873</b>	<b>706,291,686</b>
<b>Operating Profit:</b>		<b>264,093,190</b>	<b>285,033,785</b>
Less: Financial Expenses	31.00	194,721,492	238,236,937
<b>Net Profit after Financial Expenses</b>		<b>69,371,698</b>	<b>46,796,848</b>
Income from Other Sources	32.00	2,352,263	7,181,120
<b>Net Profit before Contribution to WPPF</b>		<b>71,723,961</b>	<b>53,977,968</b>
Less: Contribution to WPPF and Welfare Fund	33.00	3,415,427	2,570,380
<b>Net Profit before Tax:</b>		<b>68,308,534</b>	<b>51,407,588</b>
<b>Income Tax Expenses:</b>			
Less: Current Tax	34.00	17,077,134	12,851,897
Deferred Tax Income	34.00	10,171,578	0
<b>Net Profit after Tax:</b>		<b>61,402,978</b>	<b>38,555,691</b>
<b>Other Comprehensive Income:</b>			
Net profit after tax for the year		61,402,978	38,555,691
<b>Items that may be Reclassified to Profit or Loss in Subsequent Periods:</b>			
Unrealized (Loss)/Gain on Quoted Shares	35.00	(919,753)	187,944
<b>Items that will not be Reclassified to Profit or Loss in Subsequent Periods:</b>			
Gain of Revaluation	13.03	47,307,873	0
Less: Deferred Tax on Revaluation	13.03	11,826,968	0
<b>Total Comprehensive Income for the year</b>		<b>95,964,130</b>	<b>38,743,635</b>
<b>No. of Shares</b>		<b>231,000,000</b>	<b>231,000,000</b>
<b>Earnings per Share (EPS):</b>	<b>36.00</b>	<b>0.27</b>	<b>0.17</b>

[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.

  
Company Secretary

  
Director

  
Managing Director  
  
(Toha Khan Zaman & Co.)  
Chartered Accountants

Signed in terms of our separate report of even date annexed.  
Dated, Dhaka  
27 October 2016



# BEACON PHARMACEUTICALS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2016

Amount in Taka

Particulars	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Available for Sale Reserve	Retained earnings	Total Equity
<b>Year 2015-2016:</b>						
<b>Balance as at 01 July 2015</b>	<b>2,310,000,000</b>	<b>297,535,275</b>	<b>5,503,099</b>	<b>187,944</b>	<b>292,899,326</b>	<b>2,906,125,644</b>
Revaluation of Motor Vehicles	0	47,307,873	0	0	0	47,307,873
Deferred Tax on Revaluation Surplus	0	(11,826,968)	0	0	0	(11,826,968)
Prior year adjustment	0	0	0	0	0	0
Net Profit transferred from Income Statement	0	0	0	0	61,402,978	61,402,978
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 Stock Dividend	0	0	0	0	0	0
<b>Balance at the end of the year</b>	<b>2,310,000,000</b>	<b>317,613,637</b>	<b>5,503,099</b>	<b>(731,809)</b>	<b>369,704,847</b>	<b>3,002,089,774</b>
<b>Year 2014-2015:</b>						
<b>Balance as at 01 July 2014</b>	<b>2,310,000,000</b>	<b>313,325,232</b>	<b>5,503,099</b>	<b>0</b>	<b>238,553,678</b>	<b>2,867,382,009</b>
Prior year adjustment	0	15,980	0	0	(15,980)	0
Net Profit transferred from Income Statement	0	0	0	0	38,555,691	38,555,691
Unrealized Gain on Quoted Shares	0	0	0	187,944	0	187,944
Revaluation Reserve adjustment	0	(15,805,937)	0	0	15,805,937	0
<b>Balance at the end of the year</b>	<b>2,310,000,000</b>	<b>297,535,275</b>	<b>5,503,099</b>	<b>187,944</b>	<b>292,899,326</b>	<b>2,906,125,644</b>

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.

  
Company Secretary

  
Director

  
Managing Director  
  
(Toha Khan Zaman & Co.)  
Chartered Accountants

Signed in terms of our separate report of even date annexed.  
Dated, Dhaka  
27 October 2016



# BEACON PHARMACEUTICALS LIMITED

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED JUNE 30, 2015

Particulars	Notes	Amount in Taka	Amount in Taka
		30.06.2016	30.06.2015
<b>A. OPERATING ACTIVITIES:</b>			
Collection against Sales		2,473,991,348	2,012,548,942
Payment to Creditors		(1,002,896,497)	(864,188,915)
Operating Cash Outflow		(718,719,607)	(846,340,975)
Interest Paid		(194,721,492)	(238,236,937)
<b>Net Cash Flow from Operating Activities</b>		<b>557,653,752</b>	<b>63,782,115</b>
<b>B. INVESTING ACTIVITIES:</b>			
Acquisition of Property, Plant & Equipment		(610,678,251)	(139,260,031)
Investment		(110,700,913)	(23,383,047)
Interest and Other Receipt		1,432,510	6,780,160
<b>Net Cash Flow from Investing Activities</b>		<b>(719,946,654)</b>	<b>(155,862,918)</b>
<b>C. FINANCING ACTIVITIES:</b>			
Excess Share Application Money Refund		(299,760)	(22,720)
Long Term Loan Received		281,584,602	174,349,438
Long Term Loan Refund		(128,044,568)	(130,683,546)
Short Term Loan Received		53,290,243	80,574,514
Current Portion of Long Term Loan		0	0
<b>Net Cash Flow from Financing Activities</b>		<b>206,530,517</b>	<b>124,217,686</b>
<b>D. Net Cash Inflow/(Outflow) (A+B+C)</b>		<b>44,237,615</b>	<b>32,136,883</b>
<b>E. Opening Cash and Bank Balances:</b>		<b>60,757,224</b>	<b>28,620,341</b>
<b>F. Closing Cash and Bank Balances:</b>		<b>104,994,839</b>	<b>60,757,224</b>
<b>Net Operating Cash Flow per Share</b>		<b>2.41</b>	<b>0.28</b>

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.

  
Company Secretary

Signed in terms of our separate report of even date annexed.  
Dated, Dhaka  
27 October 2016

  
Director

  
Managing Director  
  
(Toha Khan Zaman & Co.)  
Chartered Accountants



**BEACON PHARMACEUTICALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2016

**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 month of May 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 153-154, Tejgaon I/A, Dhaka -1208.

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 JUNE 30, 2016

#### 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**

Raw Materials and Packing Materials  
Work in Process  
Finished Goods  
Other

##### **Basis of Valuation**

Moving average (weighted) cost  
Actual Cost  
Actual Cost  
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 2016 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 JUNE 30, 2016**

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 2015-2016 has not yet been assessed as such, no adjustments is made for any under/over provision of tax.

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 2016.



## BEACON PHARMACEUTICALS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

#### 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.

#### 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 Revaluation of Property Plant & Equipment:

Property Plant & Equipments are measured at fair value. Valuations are performed at specific intervals to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

The company made revaluation of its fixed assets in the year 2009 and the revalued amount were accounted for with respective fixed assets and revaluation reserve was created with the amount of revaluation surplus. In addition, the Motor Vehicles of the company were revalued as on 31 December 2015 by independent valuers, Construction Management & Engineering Cell. Details of revaluation as on 31st December 2015 is as follows:

Particulars of Assets	Name of Valuer	Qualification of the Valuer	Date of Revaluation	The carrying amount of Assets as on 31.12.2015	Revaluation Value as on 31.12.15	Revaluation surplus
Vehicles	Construction Management & Engineering Cell	Engineering Firm	31st December 2015	3,612,827	50,920,700	47,307,873

Depreciation is being charged on full value of assets including the addition for revaluation surplus and the amount of depreciation related to the amount of revaluation surplus are adjusted between Revaluation Reserve and Retained Earnings.



**BEACON PHARMACEUTICALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

2.11 Leases:

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

2.12 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.

2.13 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 JUNE 30, 2016

2.14 Financial Instruments:

2.14.01 Initial recognition and subsequent measurement:

A financial instrument is any contract that gives rise to financial assets of one entity and a financial liability or equity instrument of another entity.

Financial assets include available for sale assets, held to maturity assets, held for trading, loans and receivable and cash and cash equivalent.

Financial Liabilities include borrowings, others financing and bank loans and accounts payables.

2.14.02 Recognition:

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

2.14.03 Subsequent measurement:

Asset Category	Description	Measurement after initial recognition	Recognition
Available for sale Financial assets: 1. Investment in marketable Securities.	Financial assets that are either electively designated into the category or do not fall into any other category.	Fair Value	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.



**BEACON PHARMACEUTICALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2016

2.16 Credit risk:

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

2.17 Liquidity risk:

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

2.18 Interest Rate Risk:

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

2.19 Exchange Rate Risk:

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

2.20 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:



**BEACON PHARMACEUTICALS LIMITED**  
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FOR THE YEAR ENDED JUNE 30, 2016

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.

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.



# BEACON PHARMACEUTICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2016

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.

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 2015 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 2015 to 30 June 2016 followed consistently.

3.08 Approval of Financial Statement:

The financial statements have been approved by the Board of Directors as on 26 October 2016.

**4.00 PROPERTY, PLANT & EQUIPMENT: Tk. 1,685,581,553**

4.01 The above amount has been arrived at as under:

Particulars	30-06-2016	30-06-2015
<b>Opening Balance 01-07-2015</b>	<b>3,372,701,998</b>	<b>3,237,988,813</b>
Add: Addition during the year	53,839,912	134,713,185
Add: Revaluation surplus of Motor Vehicles for the year	47,307,873	0
Less: Adjusted on revalued vehicles	72,164,006	0
<b>Depreciable Value (A):</b>	<b>3,401,685,777</b>	<b>3,372,701,998</b>
Opening Accumulated Depreciation 01-07-2015	1,402,330,535	1,019,639,513
Add: Addition during the year	385,937,695	382,691,022
Less: Accumulated depreciation adjusted on revalued vehicles	72,164,006	0
<b>Accumulated Depreciation (B):</b>	<b>1,716,104,224</b>	<b>1,402,330,535</b>
<b>Written down value (A-B):</b>	<b>1,685,581,553</b>	<b>1,970,371,463</b>



**BEACON PHARMACEUTICALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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- 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.53,839,912.
- 4.04 Adjustment for depreciation on addition for revaluation surplus has been adjusted between Revaluation Surplus and Retained Earnings.

**5.00 CAPITAL WORK IN PROGRESS: Tk. 763,856,485**

- 5.01 The above amount has been arrived at as under:

Particulars	Note	30-06-2016	30-06-2015
Opening Balance		207,018,146	202,471,300
Add: Addition during the year	5.02	556,838,339	4,546,846
<b>Closing Balance Taka:</b>		<b>763,856,485</b>	<b>207,018,146</b>

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

Particulars	30-06-2016
Production Machinery & Equipment's	327,577,185
Quality Control Apparatus & Equipment's	7,251,102
Engineering Machinery Equipment	100,876,068
Office Equipment	1,133,448
Purified Water Treatment Installation	4,860,455
Dock Leveler installation	1,022,181
Building Corporate Office	114,117,900
<b>Total Taka:</b>	<b>556,838,339</b>

**6.00 INVESTMENT IN SHARES: Tk. 1,945,615**

- 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	
BD Thai Aluminum Ltd.	0	0	3,672	0
Daffodil Computers Ltd.	0	0	260,000	0
Exim Bank Ltd.	0	0	1,098,900	0
Intech Limited	181	2,082	2,096	2,300
R N Spinning Mills Ltd.	106,204	1,943,533	4,626,000	3,855,041
United Air Limited	0	0	1,586,200	0
Keya Cosmetics	0	0	1,926,286	0
<b>Total Taka:</b>	<b>106,385</b>	<b>1,945,615</b>	<b>9,503,154</b>	<b>3,857,341</b>

- 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. 1,945,615 derived from Quoted share prices as on 30.06.2016. Capital loss on sale of shares during the year of Tk. 1,541,401 has been recognized in the income statement as Income from Other Sources and the related unrealized gain of Tk. 133,829 has been realized from the cumulative Available for sale reserve shown in equity. Unrealized loss of Tk. 785,924 on the remaining unsold shares has been recognized in the other Comprehensive Income.



**BEACON PHARMACEUTICALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**7.00 INVENTORIES: Tk. 1,188,597,897**

7.01 Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Raw and Packing Materials	652,826,801	584,484,029
Work -in-Process	86,965,316	43,022,334
Finished Goods	435,734,440	532,771,250
Promotional Materials	0	29,274,258
Laboratory Chemicals	13,071,340	20,360,890
Spares & Accessories	0	4,090,343
<b>Total Taka:</b>	<b>1,188,597,897</b>	<b>1,214,003,104</b>

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.

**8.00 ACCOUNTS RECEIVABLE: Tk. 323,011,340**

8.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2016	30-06-2015
Receivable - Toll Manufacturing	8.05	1,759,900	3,239,649
Receivable from Export Sales	8.06	52,869,305	32,796,424
Barisal Sales Centre		5,504,089	6,215,564
Bogra Sales Centre		2,689,441	4,565,499
Chittagong Sales Centre		15,445,776	16,093,341
Chowmuhony Sales Centre		6,979,598	12,633,373
Comilla Sales Centre		6,256,862	12,314,574
Dhaka Sales Centre/Dhaka North		98,786,008	84,289,501
Faridpur Sales Centre		3,518,740	4,089,168
Khulna Sales Centre		4,236,011	4,970,008
Mymensingh Sales Centre		9,714,652	11,174,209
Narayangonj Sales Centre		10,323,096	12,194,526
Rajshahi Sales Centre		6,149,181	7,213,525
Rangpur Sales Centre		5,285,561	5,101,933
Sylhet Sales Centre		14,071,767	14,230,256
Cox's Bazar Sales Center		6,438,786	5,077,208
Dhaka Sales Center -Mohd. Pur Kakril / Dhaka South		29,905,288	29,591,279
Beacon Privilege Point		36,691,880	39,408,217
Brahmmon Baria Sales Centre		3,352,712	0
Feni Sales Centre		3,032,687	0
<b>Total Taka:</b>		<b>323,011,340</b>	<b>305,198,254</b>



**BEACON PHARMACEUTICALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED JUNE 30, 2016

- 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 Receivable - Toll Manufacturing: Tk. 1,759,900  
 Details of the amount are given below:

Particulars	30-06-2016
Monico Pharma Limited	1,759,900
<b>Total Taka:</b>	<b>1,759,900</b>

- 8.06 Receivable from Export Sales: Tk. 52,869,305  
 Country-wise breakup of the above amount is given below:

Particulars	30-06-2016
Nepal	18,268,400
Myanmar	5,863,510
Srilanka	17,554,826
Philippine	11,182,569
<b>Total Taka:</b>	<b>52,869,305</b>

- 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	30-06-2016	30-06-2015
Below 180 days	323,011,340	305,198,254
Above 180 days	0	0
<b>Total Taka:</b>	<b>323,011,340</b>	<b>305,198,254</b>

- 8.07.02 Details of the amount are given below:

Particulars	30-06-2016	30-06-2015
Accounts Receivable considered good in respect of which the company is fully secured	323,011,340	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
<b>Total Taka</b>	<b>323,011,340</b>	<b>323,011,340</b>



**BEACON PHARMACEUTICALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED JUNE 30, 2016

**9.00 ADVANCE, DEPOSIT & PREPAYMENTS: Tk. 536,985,654**

9.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2016	30-06-2015
Advance to Suppliers and Creditors	9.02	294,025,413	314,099,084
Advance to Employees	9.03	5,672,271	34,597,475
L/C Margin, Earnest Money & Security Deposit	9.04	237,287,970	324,220,379
<b>Total Taka:</b>		<b>536,985,654</b>	<b>672,916,938</b>

9.02 Advances to Suppliers and Creditors: 294,025,413

Details of the amount are given below:

Particulars	30-06-2016	30-06-2015
Advance VAT	25,429,937	21,982,138
Advance against Office Space	230,269,359	290,017,946
Advance to Other Parties	34,595,209	0
Advance against Depot Rent	3,730,908	2,099,000
<b>Total Taka:</b>	<b>294,025,413</b>	<b>314,099,084</b>

9.03 Advances to Employees: Tk. 5,672,271

Details of the amount are given below:

Particulars	30-06-2016	30-06-2015
Salary	432,031	541,501
Miscellaneous Advance	0	34,058,435
Marketing Expense	0	(2,461)
Mobile Set	5,240,240	0
<b>Total Taka:</b>	<b>5,672,271</b>	<b>34,597,475</b>

9.04 L/C Margin, Earnest Money & Security Deposit: Tk. 237,287,970

Details of the amount are given below:

Particulars	30-06-2016	30-06-2015
L/C Margin and Immature L/C	223,001,266	312,938,918
Earnest Money to Tender	9,499,048	6,760,153
Security Deposit - Titas Gas	4,201,516	3,935,168
Security Deposit - Electricity	56,140	56,140
Security Deposit - T & T Board	30,000	30,000
Security Deposit - CDBL	500,000	500,000
<b>Total Taka:</b>	<b>237,287,970</b>	<b>324,220,379</b>



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**10.00 SHORT TERM INVESTMENT: Tk. 409,630,227**

10.01 Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Beacon Glass Industries Ltd.	169,623,746	156,818,656
Mujibunnesa Medical College & Hospital Ltd.	94,805,857	94,352,156
MEK Industries Ltd.	0	1,210,000
MEK Pharmatech Ltd.	0	6,936,100
Beacon Cephalosporin Ltd.	145,200,624	39,612,402
<b>Total Taka:</b>	<b>409,630,227</b>	<b>298,929,314</b>

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 CASH AND CASH EQUIVALENTS: Tk. 104,994,839**

11.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2016	30-06-2015
Cash in Hand (Including all Depots)	11.02	17,119,092	9,458,267
Cash at Bank	11.03	87,875,747	51,298,957
<b>Total Taka:</b>		<b>104,994,839</b>	<b>60,757,224</b>

11.02 Cash in Hand: Tk. 17,119,092

a. Breakup of the above amount is given below:

Name of Office	30-06-2016	30-06-2015
Head Office	9,625,583	4,117,083
Factory Office	4,649,481	2,513,998
Chittagong Sales Office	296,754	141,198
Mymensing Sales Office	115,436	52,268
Sylhet Sales Office	214,325	33,824
Comilla Sales Office	167,540	79,277
Barishal Sales Office	144,320	377,302
Faridpur Sales Office	113,245	85,431
Rangpur Sales Office	242,567	310,510
Rajshahi Sales Office	245,420	69,266
Narayanganj Sales Office	203,272	286,936
Maizdee Sales Office	155,427	230,694
Khulna Sales Office	243,156	315,348
Bogra Sale Office	213,520	127,275
Cox's Bazar Sales Office	243,145	471,956
Mohammadpur Depot	245,901	245,901
<b>Total Taka:</b>	<b>17,119,092</b>	<b>9,458,267</b>



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- b. The management through balance confirmation certificate has confirmed the above balance as on 30 June 2016.

11.03 Cash at Bank: Tk. 87,875,747

Breakup of the above amount is given below:

Particulars	Account No.	30-06-2016	30-06-2015	Remarks
HSBC	CD-001143379011	96,054	96,054	Agreed
FSIBL	CD-1110001246	214,882	67,542	Reconciled
Janata Bank Ltd.	CD-1014203	659,962	284,471	Reconciled
Janata Bank Ltd.	CD-001016781	827	1,977	Agreed
Shahjalal Islami Bank Ltd.	AWA-10078	16,648	17,913	Agreed
The City Bank Ltd., Dinajpur Br.	CD-1102358521001	5,696	5,696	Agreed
The City Bank Ltd., Narayanganj	CD-1101041263001	37	37	Agreed
The City Bank Ltd., Sylhet Br.	CD-1102193550001	26,568	26,568	Agreed
ICB Islami Bank Ltd., Principal Br.	CD-001000200071157	33,022	301,130	Agreed
Dutch Bangla Bank Ltd.	CD-0105110000016107	49,293,578	17,797,304	Reconciled
Dutch Bangla Bank Ltd.	STD-010511000001641	4,806,696	2,290,938	Agreed
Eastern Bank Ltd.	STD-1011230071 (IPO Proceeds - BDT)	1,789,952	1,764,474	Agreed
Eastern Bank Ltd.	STD-1013150120364 (IPO Proceeds - Euro)	499,524	500,239	Agreed
Eastern Bank Ltd.	STD-1013110120344 (IPO Proceeds-USD)	614,554	3,588,030	Agreed
Eastern Bank Ltd.	STD-1013120120354 (IPO Proceeds - GBP)	938,409	1,130,729	Agreed
Rupali Bank Ltd., Local Office Branch, Motijheel C/A., Dhaka	CD-89649	74,927	6,887,858	Agreed
Sonali Bank Ltd., Dilkusha Corpo Branch, Motijheel, Dhaka	CD-33028459	7,700	7,700	Agreed
Janata Bank Ltd., Bhaluka Branch	STD-0000131	369,186	1,526,061	Agreed
Janata Bank Ltd.	FC-402000449	2,453,442	2,591,415	Agreed
Bank Asia Ltd.	CD-004433010401	8,151	1,625	Agreed
Social Islami Bank Ltd.	CD-2133062331	3,962	5,112	Agreed
The City Bank Ltd., Gulshan Br.	CD-1101029459001	106	106	Agreed
Dutch Bangla Bank Ltd.	CD-105.110.28382	4,363,255	1,465,405	Reconciled
FSIB Ltd., Gulshan Br.	FCA US Dollar-112 1650000001	54,505	54,505	Agreed
Eastern Bank Ltd.,	Credit Card- 4698210304985413	(500,312)	(8,347)	Agreed
Bank Asia Ltd.	CD-04633000196	374,014	114,437	Reconciled
Commercial Bank of Ceylon PLC	A/C-1817000818	1,664,091	4,863,520	Agreed
Commercial Bank of Ceylon PLC	ERQ1802011076	5,854,763	5,907,608	Reconciled
Modhumoti Bank Ltd.	CD-110111100000174	7,700	8,850	Agreed
Janata Bank Sundry A/Cs	70104001	1,143,848	0	Agreed
Rupali Bank Ltd. Sundry A/Cs	Beacon Pharmaceuticals Ltd.	10,000,000	0	Agreed
<b>Total Taka:</b>		<b>87,875,747</b>	<b>51,298,957</b>	



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

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

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

12.02 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 2015-2016 is as follows:

Particulars	Number of Shares	Amounts
Shares as on 30 June 2016	231,000,000	2,310,000,000
<b>Total:</b>	<b>231,000,000</b>	<b>2,310,000,000</b>

c. Composition of Shareholding:

Category of Shareholder	30-06-2016			30-06-2015		
	No. of Share	No. of Share Holders	% of Total Shares	No. of Shares	No. of Shareholders	% of Total Shares
Sponsors/Directors	69,312,000	7	30%	69,312,000	7	30%
Institutions	48,936,900	347	21%	44,481,565	301	19%
General Public	112,751,100	33,151	49%	117,206,435	32,716	51%
<b>Total:</b>	<b>231,000,000</b>	<b>33,505</b>		<b>231,000,000</b>	<b>33,024</b>	<b>100%</b>

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

Sl. No.	Particulars	Numbers of Shares	30-06-2016	30-06-2015
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
04.	Mrs. Rabeya Khatun	1,050	10,500	10,500
05.	Mrs. Farzana Amin	1,050	10,500	10,500
06.	Mr. Md. Akter Hossain	1,050	10,500	10,500
07.	Mr. Md. Abul Khayer	1,050	10,500	10,500
<b>Total Taka:</b>		<b>69,312,000</b>	<b>693,120,000</b>	<b>693,120,000</b>

**13.00 RESERVE & SURPLUS: Tk. 323,116,735**

13.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2016	30-06-2015
Tax Holiday Reserve	13.02	5,503,099	5,503,099
Revaluation Reserve	13.03	317,613,636	297,535,275
<b>Total Taka:</b>		<b>323,116,735</b>	<b>303,038,374</b>

13.02 Tax Holiday Reserve is being carried forward from 2010.



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13.03 Revaluation Reserve: Tk. 317,613,636

Breakup of the above amount is given below:

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	15,005,842	0	1,072,484	268,121	0	14,201,479
Vehicles	47,307,873	11,826,968	4,730,787	1,182,696	0	31,932,814
Electrical Installation	2,965,523	0	742,928	185,732	0	2,408,327
Office Equipment	(7,787,386)	0	0	0	0	(7,787,386)
Machineries	125,798,134	0	13,990,525	3,497,631	0	115,305,240
Furniture & Fixtures	(6,531,810)	0	0	0	0	(6,531,810)
<b>Total Taka:</b>	<b>344,843,148</b>	<b>11,826,968</b>	<b>20,536,724</b>	<b>5,134,180</b>	<b>0</b>	<b>317,613,636</b>

13.04 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. 20,536,724 that has been adjusted between revaluation reserve and retained earnings.

13.05 The Vehicles of the company were revalued as on 31 December 2015 by the independent values "Construction Management & Engineering Cell". The revaluation resulted in a surplus during the year of Tk. 47,307,873. The Vehicles were revalued on the basis of present market price to reflect their fair value in respect of depreciated current cost thereof.

14.00 **RETAINED EARNINGS: Tk. 369,704,848**

The above amount has been arrived at as under:

Particulars	30-06-2016	30-06-2015
Opening Balance	292,899,326	238,553,678
Add: Profit during the year	61,402,979	38,555,691
Add: Revaluation Reserve adjustment	20,536,724	15,805,937
Deferred Tax adjustment	(5,134,181)	0
Add: Prior year's adjustment	0	(15,980)
<b>Closing Balance Taka:</b>	<b>369,704,848</b>	<b>292,899,326</b>

15.00 **LONG TERM LOAN: Tk. 861,846,112**

15.01 Breakup of the above amount is given below:

Particulars	Notes	30-06-2016	30-06-2015
Janata Bank Ltd.	15.02	66,530,860	67,341,349
Agrani Bank Ltd.	15.03	45,837,635	250,822,890
Sonali Bank Ltd.	15.04	121,192,671	67,293,366
Janata Bank Ltd. (Takeover)	15.05	172,350,906	145,482,277
Rupali Bank Ltd.	15.06	455,934,040	174,349,438
<b>Total Taka:</b>		<b>861,846,112</b>	<b>705,289,320</b>



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15.02	Janata Bank Limited	: Tk. 66,530,860
	Details of consortium loan are given below:	
	Sanction Limit	: Tk. 177,500,000
	Interest rate:	: 12.5 %.
	Validity	: 2008 to 2018
	Terms of Repayment	: 20 Installments starting from 2008
	Nature of Security	: Land and Buildings
	Amount Repaid	: Tk. 285,387,479 till the date of audit
15.03	Agrani Bank Limited	: Tk. 45,837,635
	Details of consortium loan are given below:	
	Sanction Limit	: Tk. 197,500,000
	Interest rate	: 13%.
	Validity	: 2008 to 2018
	Terms of Repayment	: 20 Installments starting from 2008
	Nature of Security	: Land and Buildings
	Amount Repaid	: Tk. 321,256,627 till the date of audit
15.04	Sonali Bank Limited	: Tk. 121,192,671
	Details of consortium loan are given below:	
	Sanction Limit	: Tk. 220,000,000
	Interest rate	: 13 %.
	Validity	: 2005 to 2018
	Terms of Repayment	: 20 Installments starting from 2005
	Nature of Security	: Land and Buildings
	Amount Repaid	: Tk. 339,377,965 till the date of audit
15.05	Janata Bank Limited (Takeover)	: 172,350,906
	Details of consortium loan are given below:	
	Sanction Limit	: Tk. 368,621,000
	Interest rate	: 12.5 %
	Validity	: 2013 to 2018
	Terms of Repayment	: 21 Installments starting from 2013
	Nature of Security	: Land and Buildings
	Amount Repaid	: : Tk. 312,440,000 till the date of audit



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- 15.06 Rupali Bank Limited : Tk. 455,934,040  
 Details of consortium loan are given below :  
 Sanction Limit : Tk. 700,000,000  
 Interest rate : 14.5 %.  
 Validity : 2014 to 2022  
 Terms of Repayment : 27 Installments starting from 2016  
 Nature of Security : Land and Buildings  
 Amount Repaid : Loan taken during the year under audit

**16.00 DEFERRED TAX LIABILITIES: Tk. 1,655,390**

- 16.01 The above amount has been arrived at as under:

Particulars	Note	30-06-2016	30-06-2015
Opening Balance		0	0
Add: Addition during the year	16.03	1,655,390	0
Less: Adjustments during the year		0	0
<b>Total Taka:</b>		<b>1,655,390</b>	<b>0</b>

- 16.02 Deferred Tax Liability has been recognized for the first time 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.
- 16.03 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 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%
<b>Deferred Tax Liability as on 30 June 2016</b>			<b>1,655,390</b>

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



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**17.00 CURRENT PORTION OF LONG TERM LOAN: Tk. 27,106,181**

17.01 Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Janata Bank Ltd.	2,203,843	7,707,816
Agrani Bank Ltd.	783,176	5,518,921
Janata Bank Ltd. (Takeover)	24,119,162	16,896,204
<b>Total Taka:</b>	<b>27,106,181</b>	<b>30,122,941</b>

17.02 Details of long term loan facilities has been shown in (Note No.15.00).

**18.00 SHORT TERM LOAN: Tk. 1,080,899,505**

18.01 Breakup of the above amount is given below:

Particulars	Notes	30-06-2016	30-06-2015
PAD - First Security Bank Ltd., Gulshan Branch, Dhaka	18.02	22,311,973	27,322,826
PAD - Janata Bank Ltd.	18.03	28,504,136	66,936,017
CC (Hypo)- Janata Bank Ltd., Corporate Bhaban Branch	18.04	916,136,571	933,350,420
PAD - Rupali Bank Ltd., Dhaka.	18.05	113,946,825	0
<b>Total Taka:</b>		<b>1,080,899,505</b>	<b>1,027,609,263</b>

18.02 PAD - First Security Bank Limited: Tk. 22,311,973

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. 50,000,000

Interest rate : 12.5 %

Repayment : Within 365 days from the date of disbursement

18.03 : PAD - Janata Bank Limited: Tk. 28,504,136

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. 120,000,000

Interest rate : 13 %.

Repayment : Within 365 days from the date of disbursement

18.04 : CC (Hypo) - Janata Bank Limited: Tk. 916,136,571

Short term loan:

Purpose : Meeting the requirement of working capital of the Company

Sanction Limit : Tk. 900,000,000

Interest rate : 13 %.

Repayment : Within 365 days from the date of disbursement

Security : Secured against Inventory



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18.05 PAD - Rupali Bank Ltd., Dhaka: Tk. 113,946,825

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

Interest rate : 5.5%

Repayment : Within 365 days from the date of disbursement

Security : Land & Building

**19.00 SHARE APPLICATION MONEY REFUNDABLE: Tk. 4,333,613**

19.01 The above amount has been arrived at as under:

Particulars	30-06-2016	30-06-2015
Opening Balance	4,633,373	4,656,093
Less: Payment made during the year	299,760	22,720
<b>Closing Balance Taka:</b>	<b>4,333,613</b>	<b>4,633,373</b>

19.02 Share application money refundable amount as on 30.06.2016 was Tk. 4,333,613. The company has paid Tk. 299,760 only during the year under audit and the balance amount remains unpaid, although the company had received the amount during 21 July 2010.

**20.00 ACCOUNTS PAYABLE: Tk. (40,104,830)**

20.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2016	30-06-2015
Payable to Suppliers	20.02	(47,923,540)	2,573,292
Deport Expenses Payable	20.03	1,332,085	1,502,147
Others Payable	20.04	6,486,625	6,479,531
<b>Total Taka:</b>		<b>(40,104,830)</b>	<b>10,554,970</b>



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20.02 Payable to Suppliers: Tk. (47,923,540)

Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Against Raw Materials	2,833,984	731,721
Against Laboratory Chemicals	2,725,175	2,506,304
Against Computer & Accessories	368,163	211,863
Against Plastic Items	2,300,358	2,484,302
Against Machinery & Equipment	(8,516,748)	(287,789)
Against Printing & Packaging Materials	19,094,003	17,375,979
Against PVC & Foil Suppliers	1,063,725	1,587,689
Against Clearing & Forwarding	(10,183,595)	(2,762,520)
Against Maintenance & Service	(968,294)	187,750
Against Vehicles Suppliers	(18,185,098)	(2,520,694)
Against Construction Materials Suppliers	(36,519,253)	(10,655,290)
Against Advertising	676,101	136,116
Against Promotional Items	(8,903,569)	2,576,227
Against Travel Agencies	82,377	(18,759,594)
Against Transport & Courier	848,451	1,638,966
Against Fuel Supplier	27,260	27,260
Against Glass Item - Suppliers	(561,521)	(448,059)
Against Furniture & Fixture	(130,343)	1,591,205
Against Insurance Premium	9,676,675	6,805,206
Against Misc. Suppliers	(3,467,851)	146,650
Against Spare Parts	(183,540)	0
<b>Total Taka:</b>	<b>(47,923,540)</b>	<b>2,573,292</b>



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20.03 Depot Expenses Payable: Tk. 1,332,085

Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Rangpur Depot	820,073	717,753
Bogra Depot	15,243	54,850
Rajshahi Depot	(202,904)	(92,947)
Khulna Depot	35,678	64,022
Barisal Depot	(9,782)	809
Faridpur Depot	60,488	32,988
Mymensingh Depot	136,650	8,127
Narayangonj Depot	(52,322)	9,621
Comilla Depot	(162,296)	11,237
Sylhet Depot	94,013	158,016
Maizdhee Depot	(96,925)	122,346
Chittagong Depot	122,944	92,855
Depot Expenses Payable-CDC	398,371	334,068
Dhaka North (Mohammadpur) Depot	(268,611)	(210,107)
Dhaka South (Narayangonj / Kakrail / Palton Depot)	714	66,754
Cox's Bazar	113,433	53,440
Privilege Point	161,591	78,315
B. Baria Depot	98,386	0
Feni Depot	67,341	0
<b>Total Taka:</b>	<b>1,332,085</b>	<b>1,502,147</b>

20.04 Others Payable: Tk. 6,486,625

Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Received against Motorcycle	2,082,472	3,464,883
Earn Leave Payable	4,404,153	2,514,648
Payable to Sadharan Bima Corporation	0	500,000
<b>Total Taka:</b>	<b>6,486,625</b>	<b>6,479,531</b>

20.05 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.



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**21.00 ACCRUED EXPENSES: Tk. 54,851,846**

Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Salary & Allowances	52,839,602	47,152,122
Gas Bills	1,881,562	1,054,956
Telephone Bill	5,682	0
Audit Fees	125,000	125,000
<b>Total Taka:</b>	<b>54,851,846</b>	<b>48,332,078</b>

**22.00 VAT PAYABLE: Tk. 4,050,057**

Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Trade Creditors	3,878,554	201,959
House Rent	81,934	201,401
Audit Fees	20,833	33,000
Advertisement & Publicity	68,736	0
<b>Total Taka:</b>	<b>4,050,057</b>	<b>436,360</b>

**23.00 LIABILITY FOR EWF & WPPF: Tk. 15,614,123**

23.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2016	30-06-2015
Employees Welfare Fund (EWF)	23.02	2,337,862	2,174,407
Workers Profit Participation Fund (WPPF)	23.03	13,276,261	12,681,114
<b>Total Taka:</b>		<b>15,614,123</b>	<b>14,855,521</b>

23.02 Employees Welfare Fund (EWF): Tk. 2,337,862

The above amount has been arrived at as under:

Particulars	30-06-2016	30-06-2015
Opening Balance 01.07.2015	2,174,407	1,669,494
Add: Contribution during the year	611,079	670,761
Total Contribution:	2,785,486	2,340,255
Less: Paid to the employees	447,624	165,848
<b>Closing Balance Taka:</b>	<b>2,337,862</b>	<b>2,174,407</b>



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**23.03 Workers Profit Participation Fund (WPPF): Tk. 13,276,261**

The above amount has been arrived at as under:

Particulars	30-06-2016	30-06-2015
Opening Balance 01.07.2015	12,681,115	10,110,735
Add: Contribution during the year	3,415,427	2,570,379
	16,096,542	12,681,114
Less: Paid to the employees	2,820,281	0
<b>Closing Balance Taka:</b>	<b>13,276,261</b>	<b>12,681,114</b>

**24.00 PROVISION FOR EMPLOYEES' PROVIDENT FUND: Tk. 8,130,962**

The above amount has been arrived at as under:

Particulars	30-06-2016	30-06-2015
Opening Balance 01.07.2015	1,437,842	0
Add: Addition made during the year	22,361,132	15,716,230
	23,798,974	15,716,230
Less: Paid to the fund during the year	15,668,012	14,278,388
<b>Closing Balance Taka:</b>	<b>8,130,962</b>	<b>1,437,842</b>

**25.00 PROVISION FOR GRATUITY: Tk. 17,761,641**

The above amount has been arrived at as under:

Particulars	30-06-2016	30-06-2015
Opening Balance 01.07.2015	8,327,125	0
Add: Addition made during the year	10,750,401	8,327,125
	19,077,526	8,327,125
Less: Paid to the fund during the year	1,315,885	0
<b>Closing Balance Taka:</b>	<b>17,761,641</b>	<b>8,327,125</b>

**26.00 TAX PAYABLE/REFUNDABLE: Tk. (23,630,764)**

**26.01 Breakup of the above amount is given below:**

Particulars	Note	30-06-2016	30-06-2015
Corporate Tax Liability	26.02	(34,521,105)	(24,686,191)
Others Tax Liability	26.03	10,890,341	5,659,352
<b>Total Taka:</b>		<b>(23,630,764)</b>	<b>(19,026,839)</b>



**BEACON PHARMACEUTICALS LIMITED**  
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26.02 Corporate Tax Liability: Tk. (34,521,105)

Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Tax Liability on Previous Years	(24,686,191)	(15,595,563)
Add: AIT adjustment	0	0
	(24,686,191)	(15,595,563)
Less: Tax Rebate	0	0
Tax liability as on 01.07.2015	(24,686,191)	(15,595,563)
Tax on Current Year's Profit	17,077,134	12,851,897
Total Tax Liabilities	(7,609,057)	(2,743,666)
TDS/Advance paid for income year 2015-2016	26,912,048	21,942,525
<b>Closing Balance Taka:</b>	<b>(34,521,105)</b>	<b>(24,686,191)</b>

26.03 Others Tax Payable: Tk. 10,890,341

Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
TDS from Salary & Allowances	1,685,588	111,747
TDS from Trade Creditors	6,794,593	3,286,042
TDS from Office Rent	244,286	101,814
TDS from Director's Remuneration	2,093,800	2,093,800
TDS from Gas Bills	58,185	43,949
TDS from Audit Fee	13,889	22,000
<b>Total Taka:</b>	<b>10,890,341</b>	<b>5,659,352</b>

27.00 **TURNOVER (Net of VAT): Tk. 2,491,804,435**

27.01 Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Local Sales	2,391,419,345	1,964,092,744
Export Sales	100,385,090	88,846,090
<b>Total Taka:</b>	<b>2,491,804,435</b>	<b>2,052,938,834</b>

27.02 This represents sale of 251 Products in 2015-2016, as against 238 Products in 2014-2015.



**BEACON PHARMACEUTICALS LIMITED**  
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**28.00 COST OF GOODS SOLD: Tk. 1,292,608,372**

28.01 Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Materials Consumed (Note-28.02)	725,768,249	619,122,737
Factory Overhead (Note-28.03)	513,746,295	468,616,290
Total Manufacturing Cost	1,239,514,544	1,087,739,027
Add: Opening Work-in-Process	43,022,334	24,579,994
Total Work-in-Process	1,282,536,878	1,112,319,021
Less: Closing Work-in-Process (Note-28.04)	86,965,316	43,022,334
Cost of Production	1,195,571,562	1,069,296,687
Add: Opening Finished Goods	532,771,250	525,087,926
Finished Goods available for Sale	1,728,342,812	1,594,384,613
Less: Closing Finished Goods (Note-28.05)	435,734,440	532,771,250
<b>Cost of Goods Sold Taka:</b>	<b>1,292,608,372</b>	<b>1,061,613,363</b>

28.02 Materials Consumed: Tk. 725,768,249

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Opening Inventory (Raw & Packing Material)	584,484,029	460,360,535
Add: Purchase	794,111,021	743,246,231
Materials available for use	1,378,595,050	1,203,606,766
Less: Closing Raw & Packing Material (Note-28.02.01)	652,826,801	584,484,029
<b>Total Taka:</b>	<b>725,768,249</b>	<b>619,122,737</b>



**BEACON PHARMACEUTICALS LIMITED**  
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28.03 Factory Overhead: Tk. 513,746,295

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Salaries & Allowances	80,735,914	58,438,468
Company's Contribution to PF	1,305,160	1,269,565
Gratuity 1,814,835	1,444,415	
Travelling & Conveyance	1,622,894	1,629,578
Entertainment	4,881,663	3,991,838
Welfare & Recreation	10,411,705	7,224,029
Transportation	3,860,062	3,191,038
Office Communication	1,504,649	1,467,485
Utilities	16,342,536	9,972,856
Fees & Taxes	419,589	1,431,562
Books, News Paper & Periodicals	46,091	4,890
Printing & Stationery	5,369,535	5,327,756
Professional Expense	515,525	0
Insurance - Vehicles	287,948	145,544
Handling & Carrying Expense	513,300	19,450
Research & Development Expense	7,289,549	4,294,901
Repairs & Maintenance	11,685,021	5,844,191
Training Expense	84,375	755,268
Advertisement & Publicity	168,473	235,574
Other Expense	170,649	179,122
Tool Manufacturing Expense	13,513,519	11,997,110
Fire Insurance	0	1,502,820
Depreciation	351,203,303	348,248,830
<b>Total Taka:</b>	<b>513,746,295</b>	<b>468,616,290</b>

28.04 Closing Working– In- Process: Tk. 86,965,316

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Closing Raw & Packing Materials	86,965,316	43,022,334
<b>Total Taka:</b>	<b>86,965,316</b>	<b>43,022,334</b>

28.05 Closing Finished Goods: Tk. 435,734,440

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Closing Finished Goods	435,734,440	532,771,250
<b>Total Taka:</b>	<b>435,734,440</b>	<b>532,771,250</b>



**BEACON PHARMACEUTICALS LIMITED**  
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28.02.01 Closing Raw & Packing Material: Tk. 652,826,801

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Closing Raw & Packing Material	652,826,801	584,484,029
<b>Total Taka:</b>	<b>652,826,801</b>	<b>584,484,029</b>

**29.00 ADMINISTRATIVE EXPENSES: Tk. 124,381,795**

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Salaries & Allowances	40,780,078	35,874,973
Company's Contribution to P.F	978,947	751,664
Gratuity	884,104	745,215
Travelling & Conveyance	4,539,589	1,650,443
Entertainment	32,890,658	11,886,225
Welfare & Recreation	1,832,945	1,569,587
Corporate Social Responsibility	2,745,066	4,332,730
Office Rent	1,260,000	1,260,000
Office Transport	3,858,774	2,490,620
Utilities	1,049,620	664,085
Office Communication	3,320,791	2,510,883
Fees & Renewals	1,928,051	2,464,238
Books, News Paper & Periodicals	30,394	40,687
Printing & Stationery	3,049,242	2,654,756
Audit Fee	159,722	220,000
Institutional, Legal & Consultancy Fee	1,892,907	478,500
Insurance Premium	1,462,033	1,459,295
Bank Charge & Other Expense	873,490	373,009
Renewal & Documentation Expense	0	1,816,275
Handling & Carrying Expense	12,927	7,000
Repairs & Maintenance	785,703	726,667
Advertisement & Publicity	1,280,540	1,263,103
Training Expenses	375,157	177,968
Miscellaneous Expenses	2,953,549	5,892,322
Depreciation	15,437,508	15,307,641
<b>Total Taka:</b>	<b>124,381,795</b>	<b>96,617,886</b>



**BEACON PHARMACEUTICALS LIMITED**  
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**30.00 MARKETING, SELLING & DISTRIBUTION EXPENSES: Tk. 810,721,078**

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Salaries & Allowances	339,082,889	270,316,457
Company's Contribution to PF	8,606,004	5,816,491
Gratuity	8,051,462	7,380,105
Travelling & Conveyance	16,782,588	17,000,421
Entertainment	15,488,773	11,008,475
Welfare & Recreation	5,177,494	2,933,952
Depot Rent	7,066,286	5,962,696
Transportation	2,854,497	2,111,728
Utilities	1,519,945	1,104,238
Office Communication	6,998,385	5,866,604
Renewal & Documentation Expense	1,906,511	2,155,263
Books, News Paper & Periodicals	3,840	5,180
Printing & Stationery	8,077,657	9,083,427
Professional Expense	1,920	0
Insurance Premium	1,917,896	1,590,356
Bank Charges	2,164,969	1,250,453
Handling & Carrying	942,242	1,214,399
Repairs & Maintenance	734,412	493,509
Market Research & Product Development	3,672,430	3,831,985
Field Force Market Coverage Expenses	82,320,669	45,461,327
Sales Incentive	7,795,946	5,857,208
Training Expense	3,223,189	3,345,545
Conference, fair and product launching	20,117,170	10,484,486
Promotional Expense	179,805,256	128,714,357
Advertisement & Publicity	4,389,862	1,596,000
Distribution Expense	15,605,354	14,525,987
Delivery and Collection	46,528,657	31,148,694
Miscellaneous Expenses	587,890	279,906
Depreciation	19,296,885	19,134,551
<b>Total Taka:</b>	<b>810,721,078</b>	<b>609,673,800</b>

**31.00 FINANCIAL EXPENSES: Tk. 194,721,492**

31.01 Breakup of the above amount is given below:

Particulars	Note	2015-2016	2014-2015
Interest on Consortium Loan	31.02	65,725,846	98,850,703
Interest on Short Term Loan	31.03	128,995,646	139,386,234
<b>Total Taka:</b>		<b>194,721,492</b>	<b>238,236,937</b>



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31.02 Interest on Consortium Loan: Tk. 65,725,846

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Janata Bank Ltd.	10,189,539	12,107,004
Janata Bank Ltd. (Takeover)	32,460,974	45,074,779
Agrani Bank Ltd.	5,008,524	9,150,049
Sonali Bank Ltd.	18,066,809	21,452,422
Rupali Bank Ltd.	0	11,066,449
<b>Total Taka:</b>	<b>65,725,846</b>	<b>98,850,703</b>

31.03 Interest on Short Term Loan: Tk. 128,995,646

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
CC(Hypo) - Janata Bank Ltd., Corporate Bhaban, Motijheel	128,073,684	138,730,263
Bank Charge Other	921,962	655,971
<b>Total Taka:</b>	<b>128,995,646</b>	<b>139,386,234</b>

**32.00 INCOME FROM OTHER SOURCES: Tk. 2,352,263**

Breakup of the above amount is given below

Particulars	2015-2016	2014-2015
Interest Received from Bank	520,515	342,780
Received from Scrap Sales & Others	3,226,632	6,437,380
Capital Gain from Sale of Shares	(1,541,404)	400,960
Dividend Income	146,520	0
<b>Total Taka:</b>	<b>2,352,263</b>	<b>7,181,120</b>

**33.00 CONTRIBUTION TO WORKERS PROFIT PARTICIPATION FUND (WPPF) AND WELFARE FUND: Tk. 3,415,427**

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Contribution to WPPF and Welfare Fund	3,415,427	2,570,380
<b>Total Taka:</b>	<b>3,415,427</b>	<b>2,570,380</b>

33.01 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	Proportion	2015-2016
Contribution to Participatory Fund	80%	2,732,341
Contribution to Welfare Fund	10%	341,543
Contribution to Workers Welfare Foundation Fund	10%	341,543
<b>Total Taka:</b>		<b>3,415,427</b>



**BEACON PHARMACEUTICALS LIMITED**  
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**34.00 INCOME TAX EXPENSES: Tk. (6,905,556)**

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Current Tax @ 25%	(17,077,134)	12,851,897
Deferred Tax Income	10,171,578	0
<b>Total Taka:</b>	<b>(6,905,556)</b>	<b>12,851,897</b>

**35.00 UNREALIZED (LOSS)/GAIN ON QUOTED SHARES: Tk. (919,753)**

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Unrealized Gain Realized	(133,829)	0
Unrealized (loss)/gain during the year	(785,924)	187,944
<b>Total Taka:</b>	<b>(919,753)</b>	<b>187,944</b>

**36.00 EARNINGS PER SHARE (EPS):**

**36.01 Basic Earnings per Share:**

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Net Profit After Tax	61,402,978	38,555,691
Ordinary shares outstanding during the year	231,000,000	231,000,000
<b>Earnings per Share</b>	<b>0.27</b>	<b>0.17</b>

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

**37.00 PAYMENT TO DIRECTORS: Tk. 6,000,000**

37.01 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	2015-2016
Remuneration	5,700,000
House Rent	300,000
<b>Total Taka</b>	<b>6,000,000</b>

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

None as on 30.06.2016.

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

None as on 30.06.2016.

**40.00 CREDIT FACILITIES NOT AVAILED:**

There is no credit facility available to the Company that was not availed as on 30.06.2016 under any contract, other than those mentioned in the financial statements arising in the ordinary course of business.



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

Salary Range	No. of Employees 30-06-2016	No. of Employees 30-06-2015
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	716	1,073
No. of employees Having Salary Between Tk.10,000 to Tk. 15,000	788	374
No. of employees Having Salary Between Tk.15,000 to Tk. 25,000	185	189
No. of employees Having Salary Between Tk.25,000 to Tk. 50,000	184	86
No. of employees Having Salary Between Tk. 50,000 and Above	102	68
<b>Total:</b>	<b>1,975</b>	<b>1,790</b>

**41.02 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)	2015-2016		2014-2015	
			Actual Production (In Millions)	Utilization (%)	Actual Production (In Millions)	Utilization (%)
1	Tablets	2,100	959.70	46%	848.40	40%
2	Capsules (Filled with pellets)	380	171.00	45%	153.90	41%
3	Capsules (Filled with powder)	850	377.40	44%	342.55	40%
4	Powder for suspension (Bottles)	15	6.98	47%	6.15	41%
5	Injections (Ampoules)	5	2.26	45%	2.00	40%
6	Injections (Lyophilized)	5	2.27	45%	2.04	41%
7	Large Volume parenteral	4	1.78	45%	1.60	40%
8	Pre-filled syringe	4	1.74	43%	1.61	40%
	<b>Total:</b>	<b>3,363</b>	<b>1,523</b>		<b>1,358</b>	



**BEACON PHARMACEUTICALS LIMITED**  
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**42.00 RELATED PARTY DISCLOSURES:**

42.01 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	156,818,656	12,805,090	0	169,623,746
Mujibunnesa Medical College & Hospital Ltd.	Share holders	Investment in Shares	94,352,156	453,701	0	94,805,857
MEK Industries Ltd.	Share holders	Investment in Shares	1,210,000	3,505	1,213,505	0
MEK Pharmatech Ltd.	Share holders	Investment in Shares	6,936,100	3,505	6,939,605	0
Beacon Cephalosporin Ltd.	Share holders	Investment in Shares	39,612,402	122,838,222	17,250,000	145,200,624
Total Taka:			298,929,314	136,104,023	25,403,110	409,630,227

**43.00 EVENTS AFTER THE REPORTING PERIOD:**

The Board of Directors in their meeting held on 26 October 2016 have recommended dividend @5% in cash on Paid up Capital aggregating Taka 115,500,000 for the year ended 30 June 2016 subject to approval of the shareholders in the Annual General Meeting scheduled to be held on 27 December 2016. The financial statements for the year ended 30 June 2016 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 (OTHER THAN VEHICLES)

AS AT 30 JUNE 2016

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	Adjust for the year	Total Cost	Opening Balance	Rate (%)	For the year	Adjustment	Accumulated	Written down Value
Land & Land Develop.	410,290,374	0	0	410,290,374	0	0%	0	0	0	410,290,374
Building	597,379,373	15,941,025	0	613,320,398	170,929,692	5%	30,666,020	0	201,595,712	411,724,686
Electrical Installations	47,708,135	0	0	47,708,135	26,678,250	10%	4,770,813	0	31,449,063	16,259,072
Office Equipment	41,678,315	9,520,085	0	51,198,400	17,337,295	10%	5,119,840	0	22,457,135	28,741,265
Production Machinery & Equipment	2,174,822,898	22,906,938	0	2,197,729,836	1,110,604,461	15%	329,659,475	0	1,440,263,936	757,465,900
Furniture & Fixture	25,046,070	3,047,956	0	28,094,026	12,194,514	10%	2,809,403	0	15,003,917	13,090,109
Total Taka:	3,296,925,165	51,416,004	0	3,348,341,169	1,337,744,212		373,025,551	0	1,710,769,763	1,637,571,406
Pr. Year's Taka:	3,169,605,946	127,319,219	0	3,296,925,165	1,019,639,513		367,535,655	0	1,337,744,212	2,034,957,786

**BEACON PHARMACEUTICALS LIMITED**

FIXED ASSETS SCHEDULE (VEHICLES)

FOR THE PERIOD OF 01 JANUARY 2016 TO 30 JUNE 2016

Annexure-A/1

Particulars	V A L U E A T C O S T			D E P R E C I A T I O N					Written down Value	Revaluation Value as on 31.12.15	Revaluation Surplus as on 31.12.15
	Opening Balance	Addition for the year	Adjust for the year	Total Cost	Opening Balance	Rate	For the year	Adjust -ment			
Vehicles	75,776,833	0	0	75,776,833	64,586,323	20%	7,577,683	0	72,164,006	3,612,827	47,307,873
Total Taka:	<b>75,776,833</b>	<b>0</b>	<b>0</b>	<b>75,776,833</b>	<b>64,586,323</b>		<b>7,577,683</b>	<b>0</b>	<b>72,164,006</b>	<b>3,612,827</b>	<b>47,307,873</b>
Pr. Year's Taka:	<b>68,382,867</b>	<b>7,393,966</b>	<b>0</b>	<b>75,776,833</b>	<b>49,430,956</b>		<b>15,155,367</b>	<b>0</b>	<b>64,586,323</b>	<b>11,190,510</b>	<b>0</b>



# BEACON PHARMACEUTICALS LIMITED

FIXED ASSETS SCHEDULE (VEHICLES)

FOR THE PERIOD OF 01 JANUARY 2016 TO 30 JUNE 2016

Annexure-A/1

Particulars	V A L U E   A T   C O S T			D E P R E C I A T I O N				Written down Value		
	Opening Balance	Addition for the year	Adjust for the year	Total Cost	Opening Balance	Rate	For the year		Adjustment	Accumulated
Vehicles	50,920,700	2,423,908	0	53,344,608	0	0	5,334,460	0	5,334,460	48,010,148
Total Taka:	50,920,700	2,423,908	0	53,344,608	0	0	5,334,460	0	5,334,460	48,010,148


## Allocation of Depreciation :

Particulars	Proportion	Amount
Factory Overhead	91%	351,203,303
Administrative Overhead	4%	15,437,508
Selling, Marketing & Distribution Expenses	5%	19,296,885
<b>Total:</b>	<b>100%</b>	<b>385,937,696</b>

  
Company Secretary

Signed in terms of our separate report of even date annexed.  
Dated, Dhaka  
27 October 2016

  
Director

  
Managing Director  
  
(Toha Khan Zaman & Co.)  
Chartered Accountants



## Additional Information







## AGM 2015





**Corporate Office:**

153-154 Tejgaon I/A, Dhaka-1208, Bangladesh  
Tel : +880-2-8870133, +882-2-8870134  
Fax : +880-2-8870109  
E-mail : BEACON@BEACONpharma.com.bd  
Website : www.BEACON-pharma.com

## NOTICE OF THE 15<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 15<sup>th</sup> Annual General Meeting of the Shareholders of Beacon Pharmaceuticals Limited will be held on Tuesday, 27<sup>th</sup> December, 2016 at 10.00 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 30<sup>th</sup> June, 2016.
2. To declare dividend for the year ended 30<sup>th</sup> June, 2016.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To approve the appointment / re-appointment of Independent Directors.
6. To transact any other business with the permission of the Chair.

By order of the Board



GiashUddin Ahmed FCMA  
Company Secretary  
24<sup>th</sup> November, 2016

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

1. Shareholders whose names appeared at the record date i.e. 20<sup>th</sup> November, 2016 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 registered 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 20<sup>th</sup> December, 2016.
4. The concerned trusty 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 20<sup>th</sup> December, 2016.

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







## NOTES



## Proxy Card

This Proxy card is for use at the Annual General Meeting of BEACON Pharmaceuticals Limited to be held on Tuesday, December 27, 2016.

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 15<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, December 27, 2016 at 10.00 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.10/-

\_\_\_\_\_  
**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 153-154, Tejgoan Industrial Area, Dhaka-1208, 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 15<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 27<sup>th</sup> December 2016 at 10.00 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.



