

Annual Report 2019



GLORIOUS



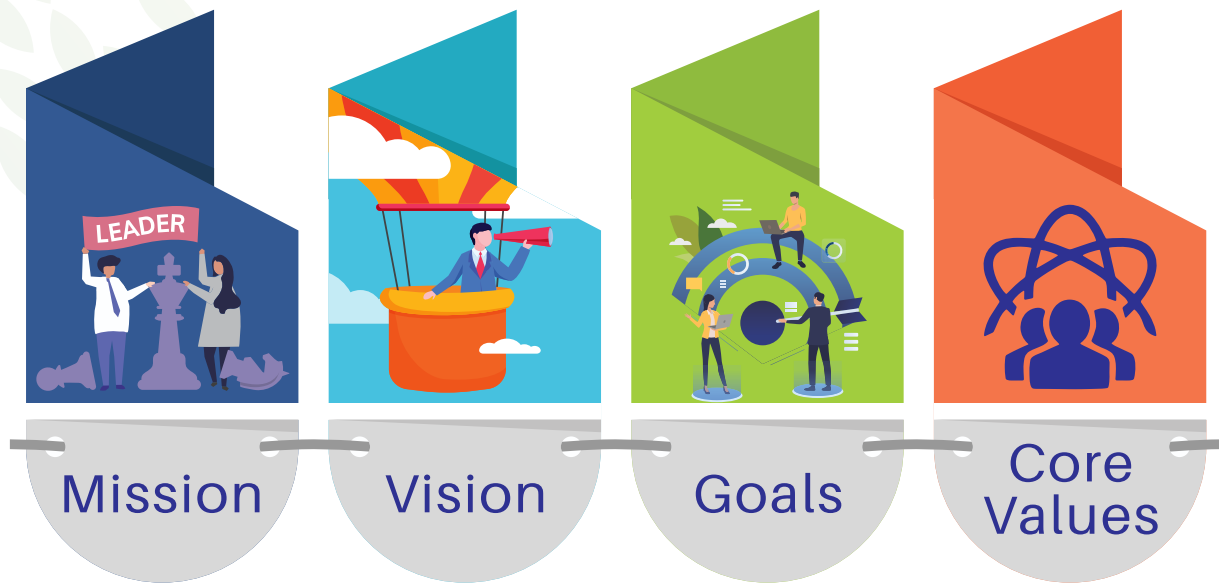
BEACON[®]
ONCOLOGY

LEAD THE FIGHT, BEAT THE CANCER

“As a pioneer, Beacon Oncology has been relentlessly working to contribute the society through quality medicine since 2009. In the last decade, we completed an extraordinary journey and touched millions of patients' lives and create better access to cancer medicine in Bangladesh and many other countries. We enjoyed leading the path of oncology market with remarkable achievements. Our motto is to lead the oncology market, lessen the cancer burden through affordable innovation and quality.”

Oncology Division

 **BEACON[®]**
Pharmaceuticals Limited



Mission

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



VISION

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



GOALS

To be the market leader.

Serve our customers with quality products at a reasonable price.

Develop our employees with high potentials and render an opportunity of career development.

Establish strong regional presence.

Provide our shareholders a steady asset growth and return on investment.

Recognize the suppliers as our business partners and competitors as the contributor to the market value.

Grow revenue and profit.



CORE VALUES

Committed to quality in all our activities.

Trustworthy relationship with customer.


Respect to others.

Work as a team.

Believe in winning.

Encourage innovative ideas

Corporate Social Responsibility



Pharmaceutical businesses have a crucial role in sustaining the human civilization. From medieval apothecaries to modern day immunotherapeutic medicines, this industry has continuously supported the civilization through its rich endeavors. The noble cause of our industry encourages us to touch the heights of excellence. Beacon is proud to be a part of this industry and contribute to its undertakings.

Healthcare is a fundamental right and we aim to see a world where no patient's medical needs are unmet. A world where pharmaceutical care is guaranteed for all.

Together, this year we have achieved one step ahead in our journey towards quality and efficacy. Our brands have performed with optimal effectiveness home and abroad. Like every year, Beacon has kept its promise to serve the community and fulfill its mission of attaining quality medicine.

Letter of Transmittal

November 27, 2019

All Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Subject: Annual Report for the year ended June 30, 2019

Dear Sir(s),

We are pleased to present before you the Annual Report of Beacon Pharmaceuticals Limited for the year ended June 30, 2019 together with the Audited Financial Statements, Report of the Board of Directors and Auditors' Report thereon for your information and reference.

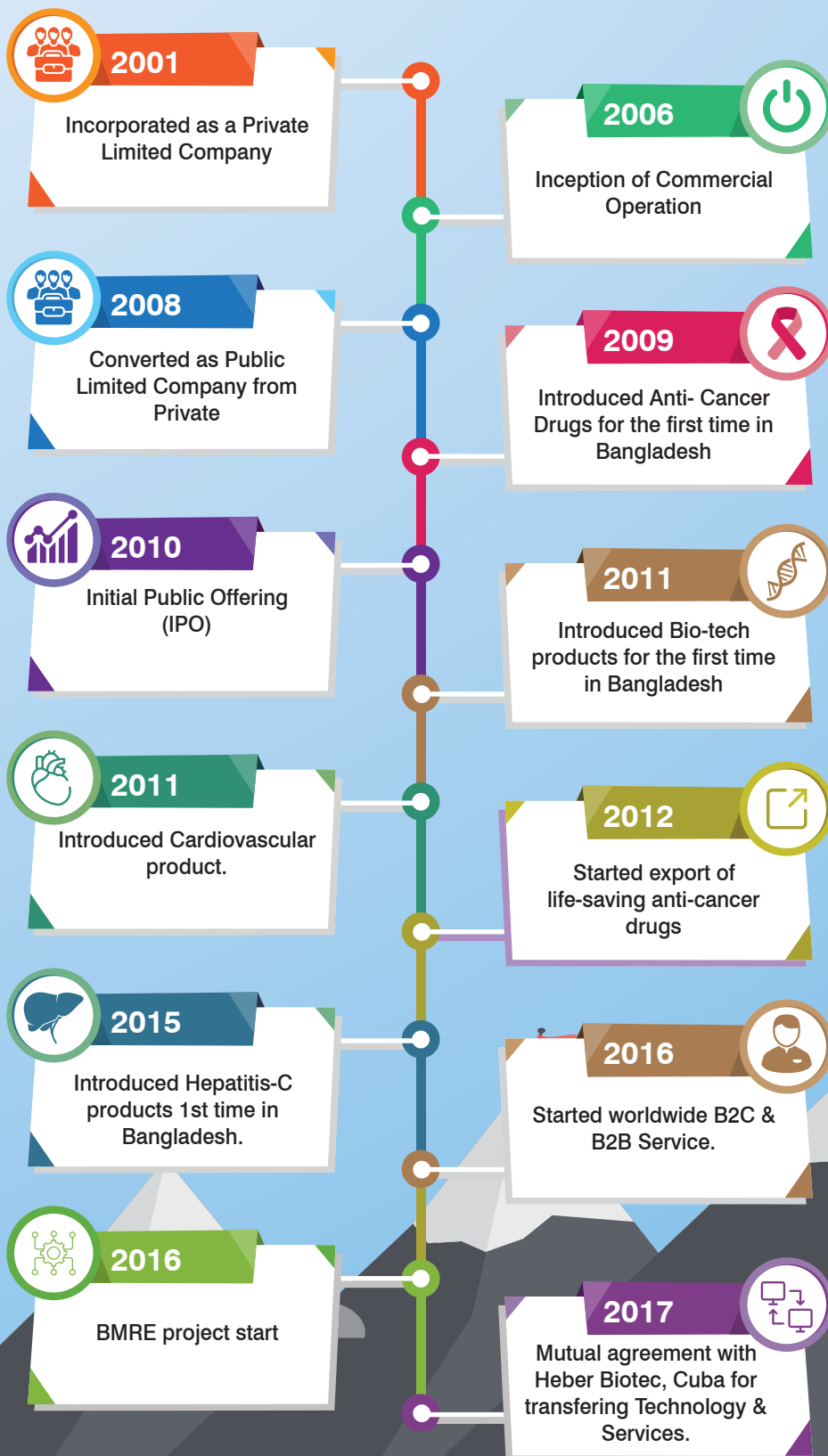
The Proxy Form with Attendance Slip is attached at the end of the Annual Report for your use. For admission to the AGM, please hand over the completed Attendance Slip to one of our executives. In case of appointing a proxy, please complete the Proxy Form and submit it to our corporate office at least 48 hours before the scheduled meeting time. This will be our utmost pleasure to welcome you to the AGM.

Yours sincerely,



Giash Uddin Ahmed FCMA
Company Secretary

MILESTONES



CORPORATE OVERVIEW

Stock Exchange Listing

Dhaka Stock Exchange
Chittagong Stock Exchange



Business Line

Manufacturing and Marketing of Pharmaceutical Products



Major product segments

General, Oncology & Biotech



Authorized Capital

BDT 3,000 Million



Paid-up Capital

BDT 2,310 Million



Nos. of Shares outstanding

231 Million



Number of Employees

2,705



No. of Shareholders

19,458



Major Sister concerns

Beacon Point Ltd.
Beacon Medicare Ltd.
Beacon Power Systems Ltd
Beacon Developments Ltd
Beacon Cephalosporin Ltd



Debut Trading Date

12 August, 2010



BEACON AT A GLANCE



Beacon Pharmaceuticals Limited is a leading Pharmaceutical Company of Bangladesh in respect of its high-tech products like anticancer and cardiovascular portfolio. Beacon, a public limited company listed with Dhaka and Chittagong Stock Exchange, 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 on 2010.

Since its inception, Beacon is relentlessly working with a mission to improve the quality of human life by providing innovative and reliable pharmaceutical products through continuous research and development by ensuring stakeholder satisfaction with the aim to be one of the most value driven Pharmaceutical Companies of the Country.

Beacon is a very popular name in the Pharmaceuticals Industry of 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 Plant is situated at Bhaluka, Mymensingh, Bangladesh on a piece of land of 29 Acres with the covered area of more than 1,50,000 sft. The initial cost of the project stands at more than US\$.50.00 Million. This manufacturing complex of Beacon has been engineered by European consultants in order to be one of the finest facilities in the Country. It has been designed to conform to world standards like US-FDA, UK-MHRA, TGA-Australia and WHO –cGMP.

Corporate Office

BEACON Business Centre
9/B/2, Toyenbee Circular Road
Motijheel C/A, Dhaka -1223

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CORPORATE MANAGEMENT

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BEACON - SPREADING FOOTPRINTS ACROSS THE GLOBE

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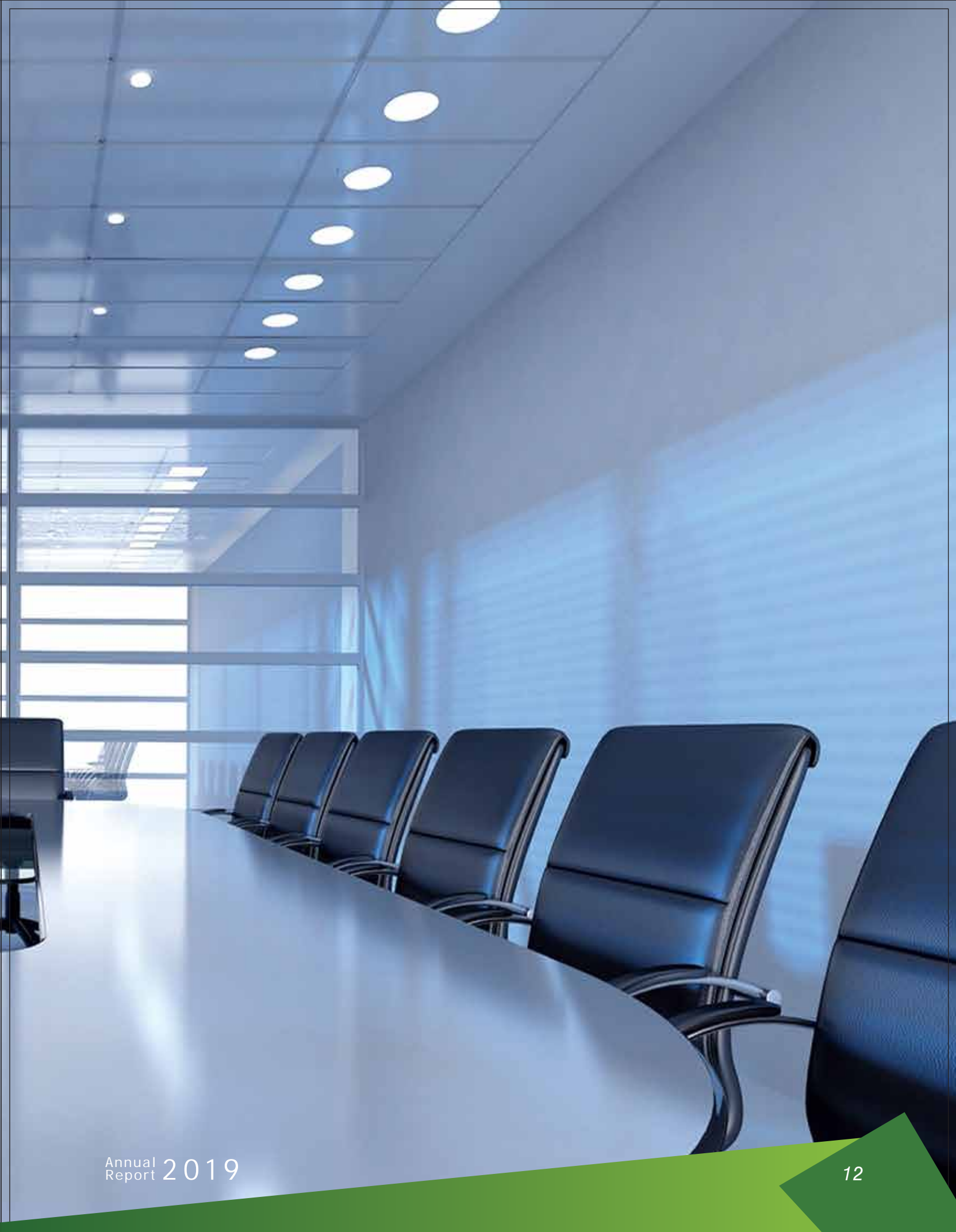
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A photograph of a modern conference room. In the foreground, a long, sleek, light-colored conference table is partially visible. Along one side of the table, several black leather executive chairs with chrome armrests are arranged. The background is dominated by a large wall of windows covered with horizontal blinds, which are partially open, allowing natural light to filter through. The ceiling is high and features a grid of recessed circular lights. The overall atmosphere is professional and contemporary.

CORPORATE MANAGEMENT



Corporate Directory

BOARD OF DIRECTORS

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

BOARD AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

Major M.A Hussain (Retd.), Chairman
Mr. Md. Ebadul Karim, Member
Mr. Md. Niazul Karim, Member
Mr. Giash Uddin Ahmed FCMA, Board Secretary

EXECUTIVE MANAGEMENT

Mr. Md. Ebadul Karim, Managing Director
Ms. Risana Karim, Executive Director
Mr. Md. Golam Robbani, Director (Plant Operations)
Mr. Giash Uddin Ahmed FCMA, Director (Finance & Accounts)
Mr. Md. Aminul Hoque, EVP (Sales)
Mr. Md. Hanif, EVP (Marketing)
Mr. Md. Shafiul Islam, SVP (MIS & Market Audit)
Mr. Md. Anisur Rahman Khan, SVP (HR & Admin)

MANAGEMENT STRATEGIC COMMITTEE

Mr. Md. Golam Robbani, Director (Plant Operations)
Mr. Giash Uddin Ahmed FCMA, Director (Finance & Accounts)
Mr. Md. Aminul Hoque, EVP (Sales)
Mr. Md. Hanif, EVP (Marketing)
Mr. Md. Shafiul Islam, SVP (MIS & Market Audit)
Mr. Md. Anisur Rahman Khan, SVP (HR & Admin)
Mr. Md. Zia Uddin Thakur, VP (HR & Admin)
Mr. Sujit Kumar Kundu, VP (Project Management)
Mr. S. M. Mahmudul Hoque, VP (Oncology & Biotech)

Dr. Mohammad Mahbubur Rahman, VP, Sales (Oncology & Biotech)

Mr. Md. Saiful Islam, VP (Distribution)

Mr. Md. Shaheenur Rahman, VP (Sales)

COMPANY SECRETARY

Mr. Giash Uddin Ahmed FCMA

STATUTORY AUDITORS

M/S. Safiq Basak & Co.

Chartered Accountants

House No. 42 (First Floor), Road No-1

Block-A, Niketan

Adabor, Dhaka - 1212, Bangladesh.

CORPORATE GOVERNANCE COMPLIANCE AUDITOR

Poddar & Associates

Cost and Management Accountants

333/1 (New 8/1) Segun Bagicha (2nd & 3rd Floor)

Dhaka-1223

LEGAL ADVISOR

Abul Khayer & Associates

25/A Indira Road, Farmgate, Dhaka.

Listing

1. Dhaka Stock Exchange Ltd.
2. Chittagong Stock Exchange Ltd.

Registered Office

Beacon Pharmaceuticals Ltd.

Kathali, Bhaluka, Mymensingh, Bangladesh.

Corporate Office

Beacon Business Centre

9/B/2, Toyenbee Circular Road, Motijheel C/A, Dhaka-1223

Tel: +880-2-57165371-6, Fax: +880-2-57165379-80

E-mail: beacon@beaconpharma.com.bd

Website: www.beaconpharma.com

Factory

Kathali, Bhaluka, Mymensingh

Main Banker

Janata Bank Ltd.

Agrani Bank Ltd.

Dutch Bangla Bank Ltd.

Bank Asia Ltd.

Shahjalal Islami Bank Ltd.

Commercial Bank of Ceylon

Sonali Bank Ltd.

Rupali Bank Ltd.

First Security Islami Bank Ltd.

BRAC Bank Limited

Social Islami Bank Ltd.

ICB Islamic Bank Ltd.

BIOGRAPHY OF BOARD OF DIRECTORS AND COMPANY SECRETARY



BOARD OF DIRECTORS

Ms. Nurun Nahar Karim, Chairman

Mr. Md. Ebadul Karim, Managing Director

Mr. Md. Niazul Karim, Director

Prof. (Dr.) Syed Modasser Ali, Independent Director

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

COMPANY SECRETARY

Mr. Giash Uddin Ahmed FCMA



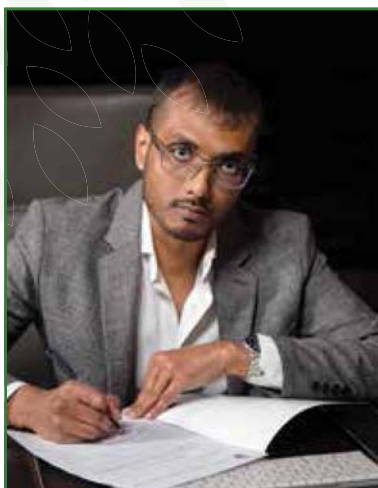
Ms. Nurun Nahar Karim
Chairman

Ms. Nurun Nahar Karim obtained her Master of Social Sciences degree (Pol. Science) from the University of Dhaka. She is the wife of Mr. Md. Ebadul Karim. She brings significant industry experience and management insight to the board. With her visionary leadership and executive oversight experience, she has been fueling the company's strategic growth. She is also the Chairman of Beacon Developments Limited, Beacon Nutraceuticals Limited, MEK Auto Bricks Limited, MEK Industries Limited, MEK Pharmatech Limited, Beacon Oncology Limited, Mujibunnessa Medical College & Hospital Limited, Beacon Cephalosporin Limited, Beacon Power Systems Limited. She is the Director of Beacon Point Limited, Beacon Economic Zone Limited, Beacon Medicare Limited and Kohinoor Chemicals Co. (BD)



Mr. Md. Ebadul Karim
Managing Director

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



Mr. Md. Niazul Karim
Director

Mr. Md. Niazul Karim, son of Mr. Md. Ebadul Karim holds a Bachelor's degree in Business Administration from Independent University of Bangladesh (IUB). Right after completing his graduation, he was actively involved in the business. He contributes to the board through his prudent decision outcomes and solid understanding of industrial operations. Presently he is acting as the Director of Beacon Pharmaceuticals Limited, Beacon Developments Limited, Beacon Cephalosporin Limited, Beacon Nutraceuticals Limited, MEK Auto Bricks Limited, MEK Industries Limited, MEK Pharmatech Limited, Mujibunnessa Medical College & Hospital Limited, Beacon Oncology Limited, Beacon Power Systems Limited, and Managing Director of Beacon Point Limited, Beacon Medicare and Beacon Economic Zone Limited.,



Prof. Dr. Syed Modasser Ali
Independent Director

Prof. Dr. Syed Modasser Ali FRCS, FRCOphth is an ophthalmic surgeon from Bangladesh and was the Health and Family Welfare and Social Welfare adviser to the Govt. of the Peoples Republic of Bangladesh Prime Minister, from 2009 to 2013. He is 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 Organization for 3rd time (including present). 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) for 4th time (including present) 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. He is also Chairman of Dhaka City College Management Committee. He is the President of Community Clinic Health Support trustee board.



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

Major M.A Hussain got the opportunity to join Army in 1968 as an Officer Cadet when he was a student of Department of History, Dhaka University. After completing training from Military Academy in Kakul, he got commission in 1970. His first posting was in Kashmir (POK). He served in Bangladesh Army as a Major in 1976. He also served as DAAG (Deputy Asst. Adjutant General) in 24 divisional HQ. He joined Bangladesh Bank on deputation in 1985 and got absorbed having seniority from the date of commission. Major Hussain retired from Bangladesh Bank as a General Manager in 2008. The diverse set of experiences he attained throughout his career provides precious strategy guidance to the board.



Mr. Giash Uddin Ahmed FCMA
Board Secretary

Mr. Giash Uddin Ahmed is a Cost and Management Accountant and done his Masters of Commerce in Accounting from the University of Dhaka. He is a Fellow member of the Institute of Cost & Management Accountant of Bangladesh. He is also a certified financial consultant of the Institute of Financial Consultants, Vancouver, Canada. Prior to joining BEACON Pharma, he was the CFO (Bangladesh operation) of Otobi Ltd. He has more than 31 years of experience in different managerial capacities in the country and abroad. His wide-reaching financial acumen is playing a significant role in shaping the company's present and future.

BOARD AUDIT COMMITTEE NOMINATION & REMUNERATION COMMITTEE EXECUTIVE MANAGEMENT & MANAGEMENT STRATEGIC COMMITTEE



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



Ms. Nurun Nahar Karim
Chairman
Member, Board Audit Committee



Mr. Md. Niazul Karim
Director
Member, Nomination &
Remuneration Committee



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



Major M. A. Hussain (Retd.)
Independent Director
Chairman, Nomination &
Remuneration Committee



Ms. Risana Karim
Executive Director
Member, Executive Management



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



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



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



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



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



Mr. Shafiul Islam
SVP, MIS & Market Audit
Member, Executive Management &
Management Strategic Committee



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

Message from the
CHAIRMAN



“ Beacon has continued to build on its position as one of the leading pharmaceuticals brands in Bangladesh. This year has unfolded new opportunities for us home and abroad and we have harnessed all of them. ”

Dear shareholders,

It is my great pleasure to welcome all of you in the 18th Annual General Meeting of the Company and to place before you the Annual Report along with the Audited Financial Statements as well as Compliance Report of the Company for the year ended 30th June, 2019.

2018-2019 was a successful year for the company, with record sales achieved in all of the key product categories. Beacon has continued to build on its position as one of the leading pharmaceuticals brands in Bangladesh. This year has unfolded new opportunities for us home and abroad and we have harnessed all of them. In this connection our loyal and dedicated employees have faced every situation with utmost effort. Their strong belongingness with the company has brought us an exceptional growth outcome coupled with the commitment for a better future.

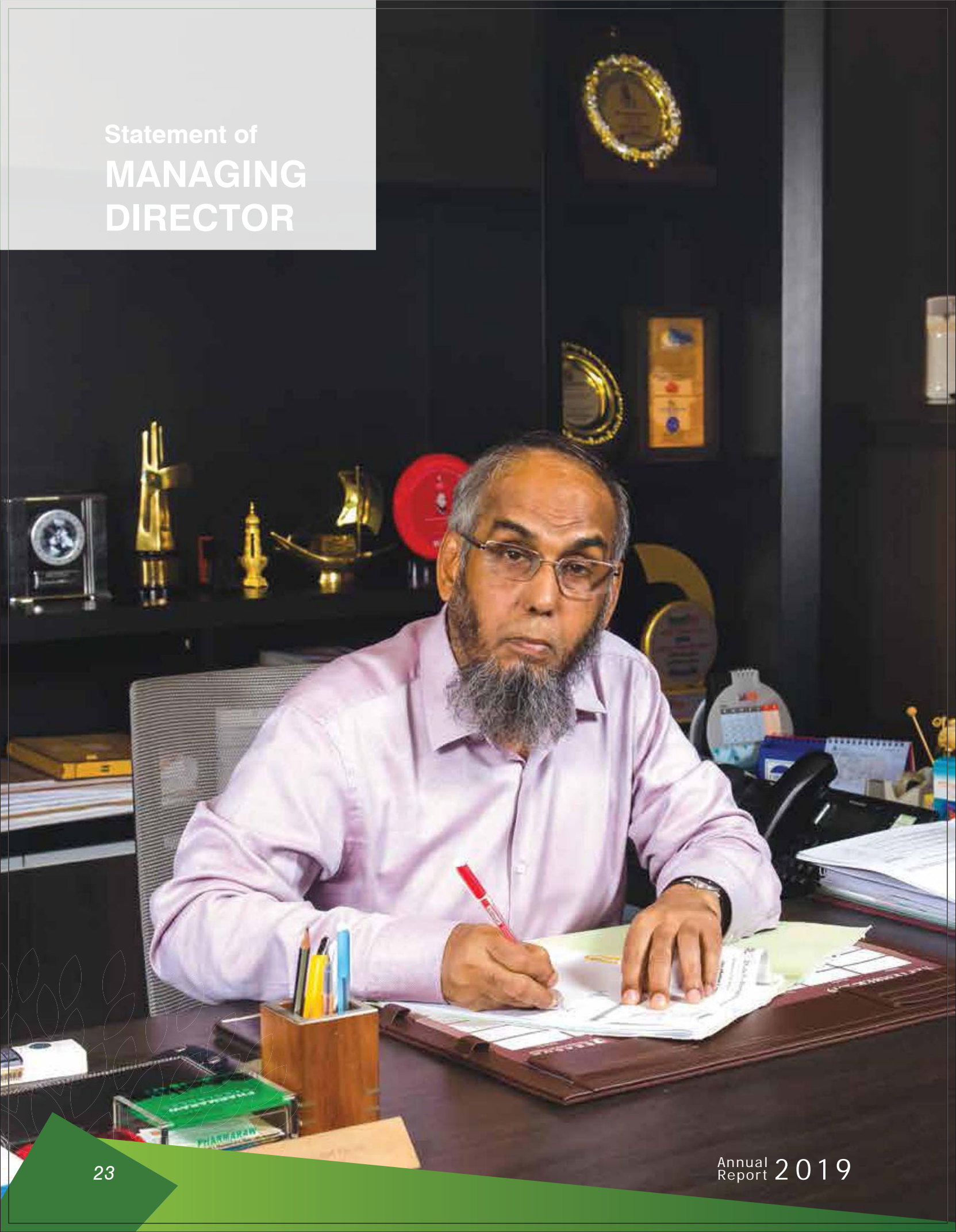
Finally, on behalf of the Board, I would like to congratulate and thank all of Beacon's employees for their hard work and perseverance throughout 2019. Another round of thanks to our shareholders, customers and suppliers for their continual support. We look forward to a successful year 2020.

Nurun Nahar Karim

Nurun Nahar Karim

Chairman

Statement of
**MANAGING
DIRECTOR**



Dear Shareholders,

By the grace of Almighty Allah, we are pleased to report another successful year of revenue driven by a successful strategy and winning culture. With the economic growth in progress, we have shown a consistent ability to improve shareholders return and to increase our market share. Our strategy is to ensure sustainable growth. In the year 2018-19, we have given special emphasis on cost control, resource optimization and R & D capabilities to achieve the targeted sales growth.

Operating Result:

- a. Sales Turnover has increased by 23.56% over last year.
- b. Gross Profit has increased by 24.46% over last year.
- c. Operating Profit has increased by 19.66% over last year.
- d. Net Profit after tax has decreased by 6.66% over last year.
- e. Net Asset value per share has decreased by 0.69% over last year.

Net turnover of the Company was increased by Taka 89 crore from the previous year. This increase was driven by volume growth which achieved through a focused business strategy that was supported and implemented by our employees across all business functions. These reflect resilient market position, coupled with cost savings and productivity initiatives driven across the company.

“Our National target has been achieved for various brands like Flexibac, Gaviflux, Xalcort, Paloxi, Bukof, Rupadin etc . In addition to this, we are very proud to celebrate 10 glorious years of our Oncology wing. Thus, we are constantly putting effort to increase our market share and introduce new products.”

New Products:

As a sophisticated pharmaceutical company, we focus our efforts where we can have the most impact. Our products are of different therapeutic segments including Norepinephrine injection, anticoagulant, pain killer, antiemetic, antibiotic, calcium supplement, hyper acidity etc.

From the very beginning, we gave extra emphasis on introducing newest molecules and advanced treatment options. That helps us reach a unique position in physician's front. Besides this, we are continuously working on our product portfolio in an attempt to providing effective and affordable treatment to the patients.

We have recently introduced Gaviflux(Sodium Alginate, Sodium Bicarbonate, Calcium Carbonate) for Heart burn & Acid Reflux, Jaktor (Tofacitinib) for autoimmune diseases, Xonimied ODT (Zonisamide) as Anti-Epileptic, Alvenor (Disomin & Hesperidin) for the treatment of Hemorrhoid, Hexinor-1 (Trihexyphenidyl) as anti-cholinergic, Rabepes MUPS (Rabeprazole MUPS) as proton pump inhibitor, Maxtra (Tamsulosin HCl USP) for BPH, Perfex (Fexofenadine HCl USP) as antihistamine, Paloxi ODT (Palonosetron USP) as anti-emetic, Terbicon (Terbinafine HCl USP) as antifungal, BioBran (Arabinoxylan Compound) for improving QOL in cancer patient, Certus (Lapatinib) for breast cancer, Dacarzin (Dacarbazine) for Advance hodgkin's disease, Vinorel (Vinorelbine) for NSCLC, Darbesis (Daebeapoetin Alpha) as Erythropoetin Stimulating agent, FXR (Obeticholic acid) for Non-Alcoholic fatty liver, Oliver (L-unhithine, L-Aspertate 110 mg) for Hepatic Encephalopathy etc.

Our Global Business:

We introduced our Global Patient Support Program in 2016 by which we are now serving our latest lifesaving drugs to the patients of more than 147 countries of the world including the developed countries of Europe, America, Australia, Africa & Asia. As lifesaving drugs are still beyond the reach of patients even in advanced countries, we introduced our products at a very affordable price and much lower than the originator's products. In this connection, the quality of our products is checked by International Standard Laboratories in USA, Australia and China, where satisfactory results have been received.

Besides this, Beacon has established it as No-1 Oncology Company in Nepal and Sri Lanka. Furthermore, Beacon is achieving glorious rounds of success in Myanmar, Kenya and Philippines.

Beacon is also the industrial partner of European society of Medical Oncologists, International Association for the study of lung cancer, Kenyan Society of Hematology and Oncology (KESHO), Nepalese Society of Medical Oncologists, American Society of Hematologists (ASH).

Dear shareholders, I have established this company with a global vision. Our Global Team continues adding new business spectrum in this journey. I hope that this team will make us globally more popular and Beacon becomes the trusted name to meet the scarcity of life saving drugs globally.



Our Commitment

Throughout the year, we have conducted various educational programs and scientific seminars in medical colleges and hospitals all over the country where thousands of practitioners and students participated. Beacon continuously facilitates doctors for acquiring updated and international standard treatment.

Moreover, Beacon has had its presence in numerous awareness programs like World Cancer Day, Colorectal Cancer Awareness Month, Breast Cancer Awareness Month, Lung Cancer Awareness Month, Cancer Survivors Program, Bangladesh International Cancer Congress etc.

Our National target has been achieved for various brands like Flexibac, Gaviflux, Xalcort, Paloxi, Bukof, Rupadin. etc . In addition to this, we are very proud to celebrate Ten glorious years of our Oncology wing. Thus, we are constantly putting effort to increase our market share and introduce new products.

Conclusion:

Finally, I express my sincere thanks to all the stakeholders of the Company for their confidence and valuable contribution to the company. The guidance from our Board of Directors has always been instrumental in shaping the success of the Company. We are grateful to millions of our consumers who have been with us, along with their smart choice and dedication towards us and our brands. We believe passionately in building value for our consumers and shareholders.

I look forward to having continuous support from you all in the coming years.

Sincere Thanks,



Md. Ebadul Karim
Managing Director

Our people are **OUR STRENGTH**

At Beacon, our people are our strength.

From Medical Information Officer to our functional executives and factory technicians, we work as a team. We are very proud of the work we do here. The sense of pride originates from catering to the distressed patients of cancerous diseases to minor ailments.

We ensure our employees get comfortable work sphere and function with freedom. We have exceptionally bright talents in the workforce. Multiple teams of Humans Resources and Administration Division are constantly looking after the needs of almost three thousand employees. There are competent teams to ensure everything from talent acquisition to management. We have dedicated efforts to meticulously design compensation and benefits for our hardworking employees. We acknowledge that our employees have ups and downs in life and giving them significant support to maintain their work life balance is our duty here. In this regard, we address their issues with much care.

It is in our sincere duty to constantly monitor health and safety standards at the factory and distribution depots. We also ensure that a culture of harmony and solidarity exists in all our divisional groups

We are thoroughly introducing new facilities for the human resources in our factory, field and head office. Recently, we have established a sophisticated day care facility in head office. Our employees have brought us where are today and this is part of Beacon's commitment to serve the broader society through its employees.

Together, we are crossing milestones one after another and weaving dreams which translates to an enlightened time ahead.



PERFORMANCE HIGHLIGHTS

Revenue

BDT in Thousands
4,646,865

Gross Profit

BDT in Thousands
2,282,056

Operating Profit

BDT in Thousands
322,608

NPAT (Net Profit After Tax)

BDT in Thousands
117,700

Return on Equity

3.95%

Return on Assets

2.42%

NAV Per Share BDT

12.90

EPS Per Share BDT

0.51

Market Price Per Share BDT (Closing)

20.10

Price Earnings Share BDT (Times)

39.41

BEACON - Spreading

Gala dinner in honour of Global Oncologists at Barcelona, Spain



Oncologists from Cambodia & Vietnam in BEACON's stall at the ESMO Breast 2019, Berlin, Germany



Meeting with the prominent Oncologists of Vietnam, Dr. Vo at BEACON's stall in European Lung Cancer Congress 2019, Geneva, Switzerland

Delegates and Oncologists from Sri Lanka at ESMO Asia Congress 19, Singapore



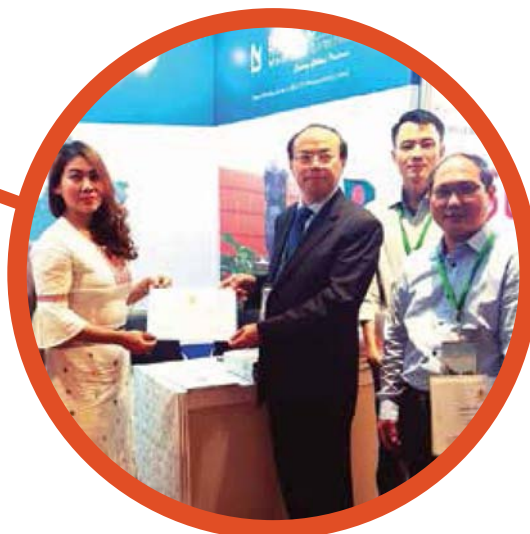
Footprints Across the Globe



African Oncologists in BEACON's stall at Aortic Conference 2019, Mozambique



The Oncology sales team of Nepal at NESMO 19, Nepal



BEACON's Regional Sales Manager in Myanmar, Ms. Jasmine receiving Appreciation certificate from the Charmian of Hematology Society, Myanmar



New business exploration:
Agreement Signing Ceremony with Alfamed Ltd, Azerbaijan

Gaviflux

Sodium Alginate USP, Sodium Bicarbonate USP & Calcium Carbonate BP

Faster Action, Faster Relief



from **Heartburn & Acid Reflux**

Flexibac

Baclofen BP

The Gold Standard Muscle Relaxant

is now



Quality Verified

New
Packaging



Alu-Alu Blister

Ensures strong protection of the tablet from light & moisture thus ensures the efficacy of the tablet more than the conventional one.

Braille Language

Ensures the detection of the brand to blind patients.

Eye Mark Technology

Ensures detail information of a tablet even when a patient purchases a single tablet.

CORPORATE GOVERNANCE

Directors' Report to the Shareholders
For the year ended 30th June, 2019

CORPORATE GOVERNANCE

Directors' Report to the Shareholders For the year ended 30th June, 2019

Dear Shareholders

The Directors have the pleasure to present their Annual Report together with the Audited Financial Statements of the Company for the year ended 30th June, 2019. These were approved by the Board of Directors on 24th October, 2019.

The Directors' Report has been prepared in compliance with section 184 of the Companies Act, 1994, Bangladesh Securities and exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June, 2018, 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.

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

The principal activities of the Company are manufacturing, marketing and selling of pharmaceuticals and lifesaving medicine in the local and international markets. Beacon is the first manufacturer of anti-cancer drugs in Bangladesh and proud introducer of isolator technology for processing anti-cancer products and lyophilized technology. Beacon is the second in world to manufacturing and marketing peginterferon medicine for hepatitis. Beacon is the first to introduce sophisticated biotech products Streptokinase and Urokinase injections for Acute MI disease. This year Beacon has launched 14 new products, out of which 6 are general products, 5 are oncology products and 3 are bio-tech products.

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

ii. 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 terms of 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.

iii. Risk and Concerns.

Risks are defined as uncertainties resulting in adverse variations of profitability or losses in financials or otherwise. The risk management of the company covers core risk areas of the business operation, 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.

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 calculated business risks that safeguards the asset, its financial resources and profitability from various businesses through its own measures and by implementing corporate guidelines.

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

Cost of Goods Sold for the year stands at Tk. 236,48,08,809 which is 22.70% higher than that of the previous year. This has occurred due to increase of sales by 23.56% compare to the previous year and Gross Margin has increased by 24.46% over the last year. Due to a major effect of Deferred Tax the net margin has decreased by 6.66% over the last year.

v. 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.

vi. Basis for related party transactions.

Related Party Transactions are disclosed in the notes 43 to the Financial Statements for the year ended 30th June, 2019.

vii. Remuneration to Directors

This information is incorporated in the Notes 38 of the notes to the financial statements on page 37 with reference to the "Payment to Directors" figures concerning the Board of Directors including Independent Directors.

CORPORATE GOVERNANCE

Directors' Report to the Shareholders For the year ended 30th June, 2019

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

During the financial year 2018-2019 no such proceeds are collected that would require adjustment or disclose in the annual report.

ix. 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.

x. Explanation of significance variance occurs between Quarterly Financial Performance and Annual Financial Statements.

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

xi. Remuneration to directors including independent directors.

Remuneration and other perquisites of the Directors are reviewed annually and approved by the Chairman of the Board. Non-Executive Directors including the Independent Directors are paid fees for attending the meetings only.

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

The financial statements together with the notes thereon have been drawn up 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.

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

Books of Accounts of the Company have been maintained properly.

xiv. Accounting Policies:

Appropriate accounting policies have been consistently

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

xv. Application of IAS and IFRS.

International Accounting Standard (IAS) and International Financial Reporting Standard (IFRS) as applicable in Bangladesh have been followed in preparing financial statements and any departure has been adequately disclosed.

xvi. 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.

xvii. 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.

xviii. 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 taking place.

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

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

CORPORATE GOVERNANCE

Directors' Report to the Shareholders For the year ended 30th June, 2019

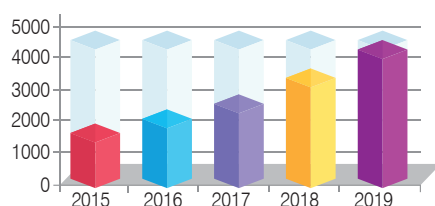
5 (Five) Years Financial Highlights:

Particulars			Year		
Financial Performance	2019	2018	2017	2016	2015
Total Assets	4,871,002,971	4,908,410,740	5,105,979,654	5,014,603,610	4,738,697,597
Total Liabilities	1,891,819,980	1,907,666,832	2,114,679,364	2,012,513,836	1,832,571,953
Current Assets	2,668,641,600	2,400,038,430	2,424,721,610	2,563,219,957	2,551,804,834
Current Liabilities	1,317,400,721	1,332,666,250	1,138,029,634	1,150,667,724	1,127,282,634
Non-Current Assets	2,202,361,371	2,508,372,310	2,681,258,044	2,451,383,653	2,186,892,763
Non-Current Liabilities	574,419,259	575,000,582	976,649,730	861,846,112	705,289,319
Shareholders' Equity	2,979,182,991	3,000,743,908	2,991,306,829	3,002,089,774	2,906,125,644
Operational Performance					
Revenue	4,646,865,410	3,760,786,106	2,948,456,509	2,491,804,435	2,052,938,834
Cost of Goods Sold	2,364,808,809	1,927,331,673	1,484,623,696	1,292,608,372	1,061,613,363
Operating Expense	1,959,448,364	1,563,846,092	1,196,557,774	935,102,873	706,291,686
Financial Expense	153,524,466	138,160,282	147,375,018	194,721,492	238,236,937
Gross Profit	2,282,056,601	1,833,454,433	1,463,832,813	1,199,196,063	991,325,471
Operating Profit	322,608,236	269,608,341	267,275,039	264,093,190	285,033,785
Net Profit before tax	163,400,976	126,035,753	115,895,985	68,308,534	51,407,588
Net Profit after tax	117,700,592	126,103,008	103,734,641	61,402,978	38,555,691
Financial Ratio					
Current ratio	2.03:1	1.80:1	2.13:1	2.23:1	2.26:1
Debt Equity Ratio	1:1.63	1:1.57	1:1.41	1:1.49	1:1.58
Financial Expense Coverage Ratio (Times)	2.10	1.95	1.81	1.36	1.20
Return on Equity	3.95%	4.20%	3.47%	2.04%	1.33%
Return on Assets	2.42%	2.57%	2.03%	1.22%	0.81%
Equity Parameters					
Authorized Capital	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Paid-up Capital	2,310,000,000	2,310,000,000	2,310,000,000	2,310,000,000	2,310,000,000
Shareholders' Equity	2,979,182,991	3,000,743,908	2,991,306,829	3,002,089,774	2,906,125,644
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	12.90	12.99	13.37	13.00	12.58
Earnings Per Share (EPS)	0.51	0.55	0.45	0.27	0.17
Market Price Per Share (Closing)	20.10	17.80	23.10	17.30	14.70
Price Earnings Ratio (Times)	39.41	32.36	51.33	64.07	86.47

CORPORATE GOVERNANCE

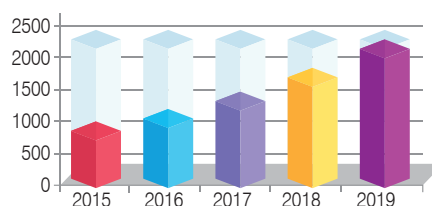
Directors' Report to the Shareholders For the year ended 30th June, 2019

Sales (million)



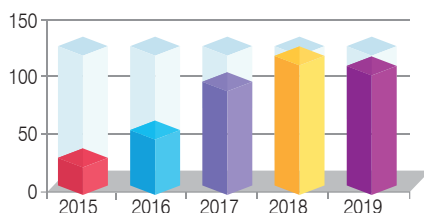
Net Revenue

Gross Profit (million)



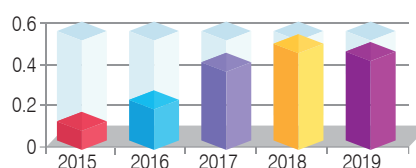
Gross Profit

Net Profit (million)



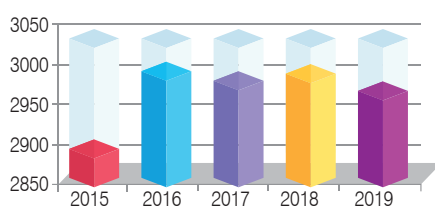
Net Profit

EPS (BDT)



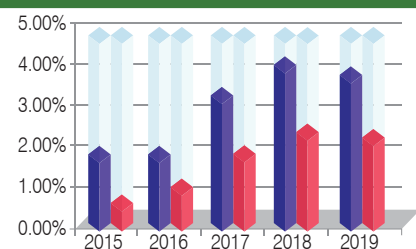
Earning Per Share

Shareholders Equity (million)



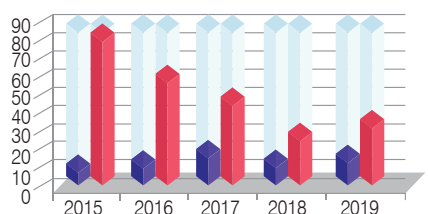
Shareholders Equity

ROE ROA



Return On Equity & Assets

Share Price PE Ratio



Market Price Per Share & PE Ratio

CORPORATE GOVERNANCE

Directors' Report to the Shareholders For the year ended 30th June, 2019

xx. Declaration of dividend

The Board of Directors of the Company has recommended 5% cash dividend for the year ended 30th June, 2019.

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

During the year 18 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.

Board Meeting and attendance during the year ended 30th June, 2019

Sl. No.	Name of Directors	Meeting held	No. of meeting attended
1.	Ms. Nurun Nahar Karim, Chairman	18	18
2.	Mr. Md. Ebadul Karim, Managing Director	18	18
3.	Mr. Md. Niazul Karim, Director	18	18
4.	Prof. (Dr.) Syed Modasser Ali, Independent Director	18	15
5.	Major M. A. Hussain (Retd.), Independent Director	18	4

Pattern of Shareholding

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

Sl. No.	Name	Designation with BPL	Entities where they have interest	No. of share held
1.	Mr. Md. Ebadul Karim	Managing Director	Beacon Developments Ltd.	600
			Beacon Cephalosporin Ltd.	25,50,000
			MEK Auto Bricks	25,000
			MEK Industries Ltd.	8,500
			MEK Pharmatech Ltd.	8,500
			Mujibunnessa Medical College & Hospital Ltd.	80,00,000
			Beacon Oncology Ltd.	85,000
			Beacon Power Systems Ltd.	85,000
			Beacon Nutraceuticals Ltd.	85,000
		Chairman	Beacon Point Ltd.	25,000
			Beacon Medicare Ltd.	42,500
			EREBA Capsules Ltd.	20,000
		Director	Beacon Economic Zone Ltd.	8,00,000
			Kohinoor Chemical Co. (BD) Ltd.	13,16,388

CORPORATE GOVERNANCE

Directors' Report to the Shareholders For the year ended 30th June, 2019

Sl. No.	Name	Designation with BPL	Entities where they have interest	No. of share held
2.	Ms. Nurun Nahar Karim	Chairman	Beacon Developments Ltd.	250
			Beacon Nutraceuticals Ltd.	5,000
			MEK Auto Bricks	12,500
			MEK Industries Ltd.	500
			MEK Pharmatech Ltd.	500
			Beacon Oncology Ltd.	5,000
			Mujibunnessa Medical College & Hospital Ltd.	5,00,000
			Beacon Cephalosporin Ltd.	1,50,000
		Vice-Chairman	Beacon Power Systems Ltd.	5,000
		Director	Beacon Point Ltd.	25,000
			Beacon Medicare Ltd.	2,500
			Beacon Economic Zone Ltd.	50,000
			Kohinoor Chemical Co. (BD) Ltd.	8,41,621

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

CORPORATE GOVERNANCE

Directors' Report to the Shareholders For the year ended 30th June, 2019

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

SL. No.	Name	Designation	No. of Shares Held
1	Mr. Md. Ebadul Karim	Managing Director	5,82,28,800
2	Ms. Nurun Nahar Karim	Director	47,25,000
3	Mr. Md. Niazul Karim	Director & CFO	63,54,000
4	Mr. Giash Uddin Ahmed	Director F & A and Company Secretary	Nil
5	Mr. Muhammad Mahbubul Alam	Head of Internal Audit	Nil
6	Spouse & Minor Children		Nil

(c) Executive

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

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

SL. No.	Name	Designation	No. of Shares Held
1	Mr. Md. Ebadul Karim	Managing Director	5,82,28,800

xxii. 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 18th Annual General Meeting and being eligible he will be offered for re-appointment.

xxiii. Appointment of Auditors:

a) As per section 210 of the Companies Act 1994, the Company's Statutory Auditors Messers Shafiq Basak & Co., Chartered Accountants retires at the 18th Annual General Meeting as auditors of the Company.

Pursuant to Bangladesh Securities and Exchange Commission (BSEC) order no SEC/CMRRCD/2009-193/104/Admin dated July 27, 2011 the retiring Auditors are eligible for reappointment as Statutory Auditors for 2019-20.

The Audit Committee recommended to appoint Messers Shafiq Basak & Co., Chartered Accountants as the auditors of the company for the year 2019-20.

The Directors endorsed recommendation of the Audit Committee for appointment of Messers Shafiq Basak &

Co., Chartered Accountants as the auditors of the company for the year 2019-20.

b) The Board also recommended appointment of existing corporate governance compliance auditors Podder & Associates, Cost and Management Accountants for the year 2019-20.

xxiv. Nomination and Remuneration Committee

In accordance with the condition 6 of Bangladesh Securities and Exchange Commission's Code of Corporate Governance, BSEC/CMRRCD/2006/158/207/Admin/80, dated 3rd June, 2018 the Nomination and Remuneration Committee was formed on 23rd September, 2018 as a sub-committee under the Board in place of previous Remuneration Committee and Nomination Committee. The committee consist of the following members:

- Major M.A Hussain (Retd.), Chairman
- Mr. Md. Ebadul Karim, Member
- Mr. Md. Niazul Karim, Member
- Mr. Giash Uddin Ahmed FCMA, Board Secretary

CORPORATE GOVERNANCE

Directors' Report to the Shareholders For the year ended 30th June, 2019

xxv. Corporate Governance Compliance Report:

Beacon Pharmaceuticals Limited adheres to appropriate good Corporate Governance principles, as described on pages 39 to 41. The Company also complied with all the requirements of Corporate Governance as required by the Bangladesh Securities and Exchange Commission. Accordingly, Corporate Governance Compliance checklist is shown in Annexure-1 of this report.

xxvi. Contribution to the National Exchequer

During the year under review, our company paid Taka 86.79 million to the national exchequer in the form of corporate income tax, customs duties and value added tax.

xxvii. Credit Rating

The Company achieved A₃ rating in long term and A₃ (LR) for short term for consecutive three years with a strong and stable outlook from Credit Rating Agency of Bangladesh Limited (CRAB).

xxiii. Reserves

The total Reserves of the Company stood at Tk. 266.26 million, details of which are given in Note 15 and in the Statement of Changes in Equity in the Financial Statements.

xxix. Events after Balance Sheet Date

The Board of Directors in their meeting held on 24th October, 2019 recommended cash dividend @ 5% for the year 2018-19.

xxx. CEO and CFO's Declaration to Financial Statements

The Chief Executive Officer and Chief Financial Officer are of the opinion that Financial Statements given on page 27 of this report present true and fair view of the company's affairs.

xxxi. Human Resources

A dynamic business environment requires having a well trained work force; therefore, the company develops the appropriate management skills to suit the business

environment. Various training programs and workshops were carried out during the year. The management and employee relationship in the company was excellent throughout the year.

xxxii. Compliance with Laws and Regulations

The company was not engaged in any activities contravening the laws and regulations. All those responsible for ensuring compliance with the provisions in various laws and regulations were able to do so within the stipulated time.

xxxiii. Environmental Protection

To the best of the Board's knowledge, the company was not engaged in any activity which might prove harmful to environment.

xxxiv. Conclusion:

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

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



Md. Ebadul Karim
Managing Director

CORPORATE GOVERNANCE

Audit Committee Report

Composition of Audit Committee:

The Board of Directors of Beacon Pharmaceuticals Limited has formed an Audit Committee comprising the following three Directors as per Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3rd June, 2018 of Corporate Governance Code of Bangladesh Securities and Exchange Commission.

1.	Prof. (Dr.) Syed Modasser Ali, Independent Director	Chairman of the Committee
2.	Mr. Md. Ebadul Karim, Managing Director	Member
3.	Ms. 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.

SL No.	Name of Directors	Position	Meeting Held	No. of meeting attended
1	Prof. (Dr.) Syed Modasser Ali	Chairman	4	4
2	Mr. Md. Ebadul Karim	Member	4	4
3	Ms. Nurun Nahar Karim	Member	4	4
4	Mr. Giash Uddin Ahmed FCMA	Secretary	4	4

Activities of Audit Committee:

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

Financial Reporting:

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

The annual and quarterly audit plans including the audit methodology in assessing and rating risks of auditable areas reviewed to ensure adequate scope and comprehensive coverage on the audit activities of the Company.

The Internal Audit reports encompassing the audit issues, audit recommendations and Management's responses reviewed. Improvement actions suggested

CORPORATE GOVERNANCE

Audit Committee Report

by the internal auditors in the areas of internal controls, systems and efficiency enhancements were discussed with Management.

The implementation of these recommendations through follow-up audit reports reviewed to ensure all key areas were addressed.

External Audit:

The Committee met with external auditors at the conclusion of the annual audit in the absence of the Management and also reviewed the findings following their observation, if any as well as and the Management's response thereto.

Their audit scopes, audit strategies, audit plans and performance for the year and their proposed fees for the statutory audit reviewed with the external auditors about.

The external audit reports reviewed and areas of concern highlighted in the Management letter including the Management's responses to the findings of the external auditors.

The committee reviewed statement of related party transaction as discussed in the Financial Statement to ensure all parties were added in compliance with IAS.

Internal Control and Risk Management System:

Based on the review of the effectiveness of the internal controls and the procedures established for identifying, assessing and managing risks, the Committee is of the view that adequate controls and procedures are in place to provide reasonable assurance that the company's assets are safeguarded and that the financial position of the Company is adequately reflected and disclosed.

Recommendation:

The Audit Committee recommended to the Board of Directors that Messrs Shafiq Basak & Co., Chartered Accountants may be appointed as auditors of the Company for the financial year 2019-2020 subject to the approval of the members of the Company at the 18th Annual General Meeting.

On behalf of the Audit Committee



Prof. Dr. Syed Modasser Ali
Independent Director
Chairman, Audit Committee
29th September, 2019

CORPORATE GOVERNANCE

Nomination and Remuneration Committee Report

Composition of Nomination and Remuneration Committee:

The Board of Directors of Beacon Pharmaceuticals Limited has duly constituted a Nomination and Remuneration Committee (NRC) comprising the following three Directors as per Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3rd June, 2018 of Corporate Governance Code of Bangladesh Securities and Exchange Commission:

1.	Major M.A Hussain (Retd.), Independent Director	Chairman of the Committee
2.	Mr. Md. Ebadul Karim, Managing Director	Member
3.	Mr. Md. Niazul Karim, Director	Member
4.	Mr. Giash Uddin Ahmed FCMA, Company Secretary	Secretary

The NRC assists the Board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and other top level executives. The NRC also assists the Board to formulate policy for formal and continued process of considering remuneration/honorarium of Directors and top-level executives. The NRC has a guiding role to the management to identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.

Meetings held of the NRC:

One meeting was held of the Nomination and Remuneration Committee during the year where a detailed discussion was made relating to the nomination and remuneration policy and the evaluation criteria and activities of NRC.

Role and Responsibility of the Nomination and Remuneration Committee:

The purpose, authority, composition, duties and responsibilities of the Nomination and Remuneration

SL No.	Name of Directors	Position	Meeting Held	No. of meeting attended
1	Major M.A Hussain (Retd.), Independent Director	Chairman	1	1
2	Mr. Md. Ebadul Karim	Member	1	1
3	Mrs. Nurun Nahar Karim	Member	1	1
4	Mr. Giash Uddin Ahmed FCMA	Secretary	1	1

Committee are delineated in its Charter. Some of the major responsibilities of the NRC are as follows:

- Recommend a policy on Board's diversity taking into consideration age, gender, experience, education and nationality;
- Formulate the criteria for determining qualification and independence of Directors;
- Identify persons who are qualified to become Directors

- and in top level executives and recommend their appointment and removal;
- Formulate the criteria for evaluation of performance of Independent Directors and the Board;
- Recommend a policy to the Board relating to the remuneration of the Directors, and top level executives;
- Assess that the level and composition of remuneration

CORPORATE GOVERNANCE

Nomination and Remuneration Committee Report

is reasonable and sufficient to attract, retain and motivate suitable Directors to run the company successfully;

- Evaluate that remuneration to Directors and top level executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- Identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;
- Recommend and review annually the Company's human resources and training policies;
- Recommend the remuneration policy of the Company, particularly in relation to the yearly increment principle; and
- Recommend the Code of Conduct for the Chair of the Board, other Board Members and Chief Executive Officer of the Company.

Nomination, Election and Selection of Directors

The NRC is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous. The Board places great emphasis on ensuring its membership reflecting diversity in broader sense. A combination of age, gender, experience, ethnicity, educational background, nationality and other relevant personal attributes in the Board is important in providing a range of perspectives, insights and challenges needed to support right decision making. Recruitment and selection processes for Board members identify candidates with the most suitable skills, knowledge, experiences and personal values. Qualifications stated explicitly in Beacon's corporate governance promote the equitable and unbiased selection.

Evaluation of the Board

The NRC is responsible for ensuring the effectiveness of the Board. The Board shall carry out an evaluation once a year of its work, functions, performance as well as monitoring of internal control over financial reporting for the preparation of external financial statements and the safeguarding of assets. The evaluation process is led by the Chair of the Board and assisted by the Company Secretary. Each Director is required to complete a confidential pre-set questionnaire. The evaluation

includes a review of the administration of the Board and its committees covering their operations, agenda, reports, and information produced for consideration, and relationship with Management.

Top Level Executive Selection and Remuneration Policy

The performance of the Company depends upon the quality of its Directors and Top Level Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives. The recruitment process for Top Level Executives shall be transparent, non discriminatory, diversified and in alignment with the Codes of Conduct. Recruitment standards shall support Beacon's reputation as an attractive employer. The objective of Beacon's remuneration policy is to secure that reward for Top Level Executives shall contribute to attracting, engaging and retaining the right employees to deliver sustainable value for shareholders in accordance with the Beacon behaviour.

Remuneration for Board of Directors

Each Director shall receive reasonable remuneration from the Company for every meeting attended, plus travelling expenses from and to usual place of residence and an allowance per day for the number of days spent attending, travelling to and returning from Board meetings. The amounts will be determined by the Shareholders at the General Meeting.

For and on behalf of the Nomination and Remuneration Committee of Beacon Pharmaceuticals Ltd.



Major M.A Hussain (Retd.)

Independent Director

Chairman, NRC

2nd October, 2019

CORPORATE GOVERNANCE

Beacon Pharmaceuticals Limited Declaration by CEO and CFO

Date: 30th September, 2019

The Board of Directors

Beacon Pharmaceuticals Limited.

Beacon Business Center.

9/B/2, Toyenbee Circular Road, Motijheel.

Dhaka-1223

Subject: Declaration on Financial Statements for the year ended on 30th June, 2019.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated 3rd June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- 1) The Financial Statements of Beacon Pharmaceuticals Limited for the year ended on 30th June, 2019 have been prepared in compliance with International Accounting Standards (IAS) on International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- 3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- 5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- 6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriated and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- i) We have reviewed the financial statements for the year ended on 30th June, 2019 and that to the best of our knowledge and belief.
 - a) these statements do not contain any materiality untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Md. Ebadul Karim
Managing Director



Md. Niazul Karim
Director (Finance)

Daykof

Diphenhydramine HCL,
Guaifenesin and Levomenthol

MULTI SYMPTOM
Reliever
FOR DAYTIME COUGH



Sugar
Free



Relieves-



Daykof relieves day time cough, cold & helps to work people properly

Nytkof

Dextromethorphan HBr,
Phenylephrine HCl, Triprolidine HCl

A COMPLETE
Reliever
FOR NIGHTTIME COUGH



Sugar
Free



Relieves-



Dry Cough



Watery
Eyes



Runny
Nose



Sneezing



Nasal
Congestion



Nytkof relieves night time cough, cold & ensures sound sleep

BEACON[®]
Pharmaceuticals Limited
Light for life

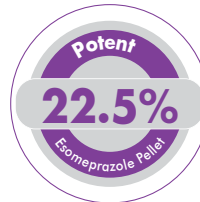
Esoprex

Esomeprazole USP

Quality from the start



Maximum Safety
Higher Efficacy
Optimum Quality



Faster Onset of Action
Smaller Size Capsule
Easy to Swallow

Capsule from COS grade Esomeprazole



Tablet from MUPS Technology



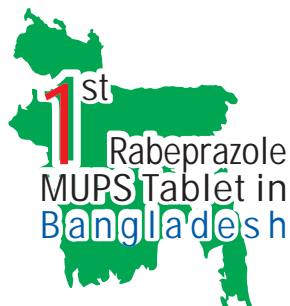
Injection from Lyophilized Technology



Rabepes MUPS

Rabeprazole BP 20 mg Tablet

Truly anytime Proton Pump Inhibitor



**Only Rabeprezole preparation in Bangladesh
which can be taken before or after meal, even with meal.**

CORPORATE GOVERNANCE

A Guideline of Transparency and Accountability

Corporate Governance

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

The Board

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

Board Meetings

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

Board Independence

As per Corporate Governance Guidelines, Prof. Dr. Syed Modasser Ali and Major M. A. Hussain (Retd.) have been re-appointed as Independent Director of the Company. They are considered by the Board to be

independent of the Company and the management and free of any business or other relationship that could interfere with the exercise of their independent judgment. The Board believes that, their experience and knowledge enable them to provide effective and constructive contribution to the Board.

Board Committee

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

Board Audit Committee

The Company's Audit Committee met fourth times in 2019 to consider its Annual Financial Statements for the year ended 30th June, 2019 and the Quarterly Reports in the same financial year. The committee comprises Prof. Dr. Syed Mudasser Ali, Mr. Mohd. Ebadul Karim and Ms.Nurun Nahar Karim.

Nomination and Remuneration Committee

The Company's Nomination and Remuneration Committee met one time in 2019 to developing, recommending and reviewing annually the company's human resources and training policies. The committee comprises Major M.A Hussain (Retd.), Mr. Md. Ebadul Karim and Mr. Md. Niazul Karim.

Internal Control

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

CORPORATE GOVERNANCE

Status of Compliance with the Corporate Governance Code (CGC) For the year ended 30th June 2019

Status of compliance with the conditions imposed by the Commission's Notification No.BSEC/CMRRC-D/2006-158/207/Admin/80, dated 3rd June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9.00)

Condition No.	Title	Complied	Not Complied	Remarks (if any)
1	Board of Directors.-			
1(1)	Size of the Board of Directors	✓		
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not to be less than 5 (five) and more than 20 (twenty).	✓		The BPL boards of Directors are comprised of 5 Directors.
1(2)	Independent Directors	✓		
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors;any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		There are two Independent Directors in the BPL Board .
1(2)(b)(i)	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
1(2)(b)(ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	✓		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2(two) financial years;	✓		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder,director, or officer of any stock exchange;	✓		
1(2)(b)(vi)	Who is not a shareholder, director excepting independent direct or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		

CORPORATE GOVERNANCE

Status of Compliance with the Corporate Governance Code (CGC) For the year ended 30th June 2019

Condition No.	Title	Complied	Not Complied	Remarks (if any)
1(2)(b)(vii)	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 or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2)(b)(viii)	Who is not an independent director in more than 5 (five) listed companies;	✓		
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	✓		
1(2)(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓		The appointments are duly approved at AGM
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days.	✓		No vacancy occurred
1(2)(e)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	✓		
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	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.	✓		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid -up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or bussiness association;	✓		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	✓		

CORPORATE GOVERNANCE

Status of Compliance with the Corporate Governance Code (CGC) For the year ended 30th June 2019

Condition No.	Title	Complied	Not Complied	Remarks (if any)
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	✓		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	✓		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		
1(3)(c)	The independent director(s) shall have at least 10(ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	✓		
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/ or Chief Executive officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		No such case as yet
1(5)	The Directors' Report to the Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		

CORPORATE GOVERNANCE

Status of Compliance with the Corporate Governance Code (CGC) For the year ended 30th June 2019

Condition No.	Title	Complied	Not Complied	Remarks (if any)
1(5)(ii)	The Segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications(gain or loss);	✓		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party,nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any others instruments;			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO). Rights Share Offer, Direct Listing, etc;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	✓		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that 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;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS)or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followedin preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		

CORPORATE GOVERNANCE

Status of Compliance with the Corporate Governance Code (CGC) For the year ended 30th June 2019

Condition No.	Title	Complied	Not Complied	Remarks (if any)
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no Significant doubt upon the issuer company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		The Company has 5% cash dividend declared
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend(cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares(along with name-wise details where stated below) held by:-	✓		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name -wise details);	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance their spouses and minor children (name- wise details);	✓		
1(5)(xxiii)(c)	Executives;	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details).	✓		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-	✓		
1(5)(xxiv)(a)	a brief resume of the director	✓		
1(5)(xxiv)(b)	nature of his/her expertise in specific functional areas;	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		

CORPORATE GOVERNANCE

Status of Compliance with the Corporate Governance Code (CGC) For the year ended 30th June 2019

Condition No.	Title	Complied	Not Complied	Remarks (if any)
1(5)(xxv)	A management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief disscission of changes in financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			N/A
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of fianacial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ; and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	✓		
1(6)	Meetings of the Board of Directors	✓		
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		

CORPORATE GOVERNANCE

Status of Compliance with the Corporate Governance Code (CGC) For the year ended 30th June 2019

Condition No.	Title	Complied	Not Complied	Remarks (if any)
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company	✓		
2	Governance of Board of Directors of Subsidiary Company:-			BPL doesn't have any subsidiary
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2(b)	At least 1 (one) independent director of the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary(CS):-			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		The Company has duly appointed the MD, CFO, CS and Head of Internal Audit
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		The MD, CFO, CS and Head of Internal Audit are Different Individuals

CORPORATE GOVERNANCE

Status of Compliance with the Corporate Governance Code (CGC) For the year ended 30th June 2019

Condition No.	Title	Complied	Not Complied	Remarks (if any)
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		In Practice
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3(2)	Requirement to attend Board of Director's Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer(CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
3(3)(a)(ii)	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;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that 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 code of conduct for the company's Board or its member;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		Disclosed in the Annual Report
4.	Board of Director's Committee.- For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee;	✓		
4(ii)	Nomination and Remuneration Committee	✓		
5.	Audit Committee.-			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		

CORPORATE GOVERNANCE

Status of Compliance with the Corporate Governance Code (CGC) For the year ended 30th June 2019

Condition No.	Title	Complied	Not Complied	Remarks (if any)
5(1)(b)	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;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10(ten)years of such experience;	✓		
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before 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 shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5(2)(e)	The company secretary shall act as the secretary of the Committee.	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the audit committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reason of absence of the regular chairperson shall be duly recorded in the minutes.	✓		

CORPORATE GOVERNANCE

Status of Compliance with the Corporate Governance Code (CGC) For the year ended 30th June 2019

Condition No.	Title	Complied	Not Complied	Remarks (if any)
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting(AGM):	✓		
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)	The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors.	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	✓		
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	✓		
5.5(h)	Review the adequacy of internal audit function;	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		

CORPORATE GOVERNANCE

Status of Compliance with the Corporate Governance Code (CGC) For the year ended 30th June 2019

Condition No.	Title	Complied	Not Complied	Remarks (if any)
5(5)(m)	Oversee whether the proceeds raised through Initial public Offering(IPO) or Repeat public Offering(RPO) or Rights Share offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission:			N/A
5(6)(a)	Reporting of the Audit Committee			
5(6)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5(6)(a)(iii)(a)	report on conflicts of interests;			No such Incidence arose
5(6)(a)(iii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal internal audit and compliance process or in the financial statements;control system;			No such Incidence arose
5(6)(a)(iii)(c)	suspected infringement of laws,regulatory compliances including securities related laws, rules and regulations;			No such Incidence arose
5(6)(a)(iii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such Incidence arose
5(6)(b)	Reporting to the Authorities:-			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board 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 for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such reportable incidence arose
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		

CORPORATE GOVERNANCE

Status of Compliance with the Corporate Governance Code (CGC) For the year ended 30th June 2019

Condition No.	Title	Complied	Not Complied	Remarks (if any)
6.	Nomination and remuneration Committee(NRC).-			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).			The TOR is available
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All member of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		The NRC members are appointed by the Board.
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			No such case in arose
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion form such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such occurrence during the year
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			

CORPORATE GOVERNANCE

Status of Compliance with the Corporate Governance Code (CGC) For the year ended 30th June 2019

Condition No.	Title	Complied	Not Complied	Remarks (if any)
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.			
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such case in arose
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	✓		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;			
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			No such case in arose
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);			
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			
6(5)	Role of the NRC			The NRC has taken steps to comply the role of NRC as set by BSEC Corporate Governance Code
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			

CORPORATE GOVERNANCE

Status of Compliance with the Corporate Governance Code (CGC) For the year ended 30th June 2019

Condition No.	Title	Complied	Not Complied	Remarks (if any)
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	✓		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		The policy criteria and activities of NRC are disclosed in the Annual Report.
7.	External or Statutory Auditors			
7(1)	The issuer shall not engage its external or statutory auditors to perform the following services of the company, namely :--			
7(1) (i)	Appraisal or valuation services or fairness opinions;	✓		
7 (1) (ii)	Financial information system design and implementation;	✓		
7 (1) (iii)	Book-keeping or other services related to the accounting records or financial statement;	✓		

CORPORATE GOVERNANCE

Status of Compliance with the Corporate Governance Code (CGC) For the year ended 30th June 2019

Condition No.	Title	Complied	Not Complied	Remarks (if any)
7 (1) (iv)	Broker –dealer services;	✓		
7 (1) (v)	Actuarial services;	✓		
7 (1) (vi)	Internal audit services or special audit services;	✓		
7 (1) (vii)	Any services that the Audit Committee determines.	✓		
7 (1) (viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1);	✓		
7 (1) (ix)	Any other service that creates conflict of interest	✓		
7(2)	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; his or her family members also shall not hold any shares in the said company:	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8.	Maintaining a website by the Company.-			
8(1)	The Company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s)	✓		
9.	Reporting and Compliance of Corporate Governance.-			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of Corporate Governance Code of the Commission and such certificate shall be disclosed in the Annual Report.	✓		Required certification has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants for the year ended 30th June 2019.
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting.	✓		Board recommended the Professional for due appointment by the Shareholders in 18 th AGM on 24 th December, 2019
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		



Report to the Shareholders of BEACON PHARMACEUTICALS LTD. on compliance on the Corporate Governance Code.

We have examined the compliance status to the Corporate Governance Code by **BEACON PHARMACEUTICALS LTD.** for the year ended on June 30, 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission.
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws ; and
- (d) The governance of the company is satisfactory.

For Podder & Associates

Jayanta Kumer Podder
Cost & Management Accountants

Place: Dhaka
Dated: 6th November 2019



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DIRECTORS' RESPONSIBILITIES

for the Financial Statements



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, Bangladesh Securities and Exchange Commission Rules 1987, International Financial Reporting Standards (IFRS) 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) 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 International 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, International Accounting Standards and the regulations of the Dhaka / Chittagong Stock Exchanges.

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

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

By order of the Board,

BEACON Pharmaceuticals Ltd.,

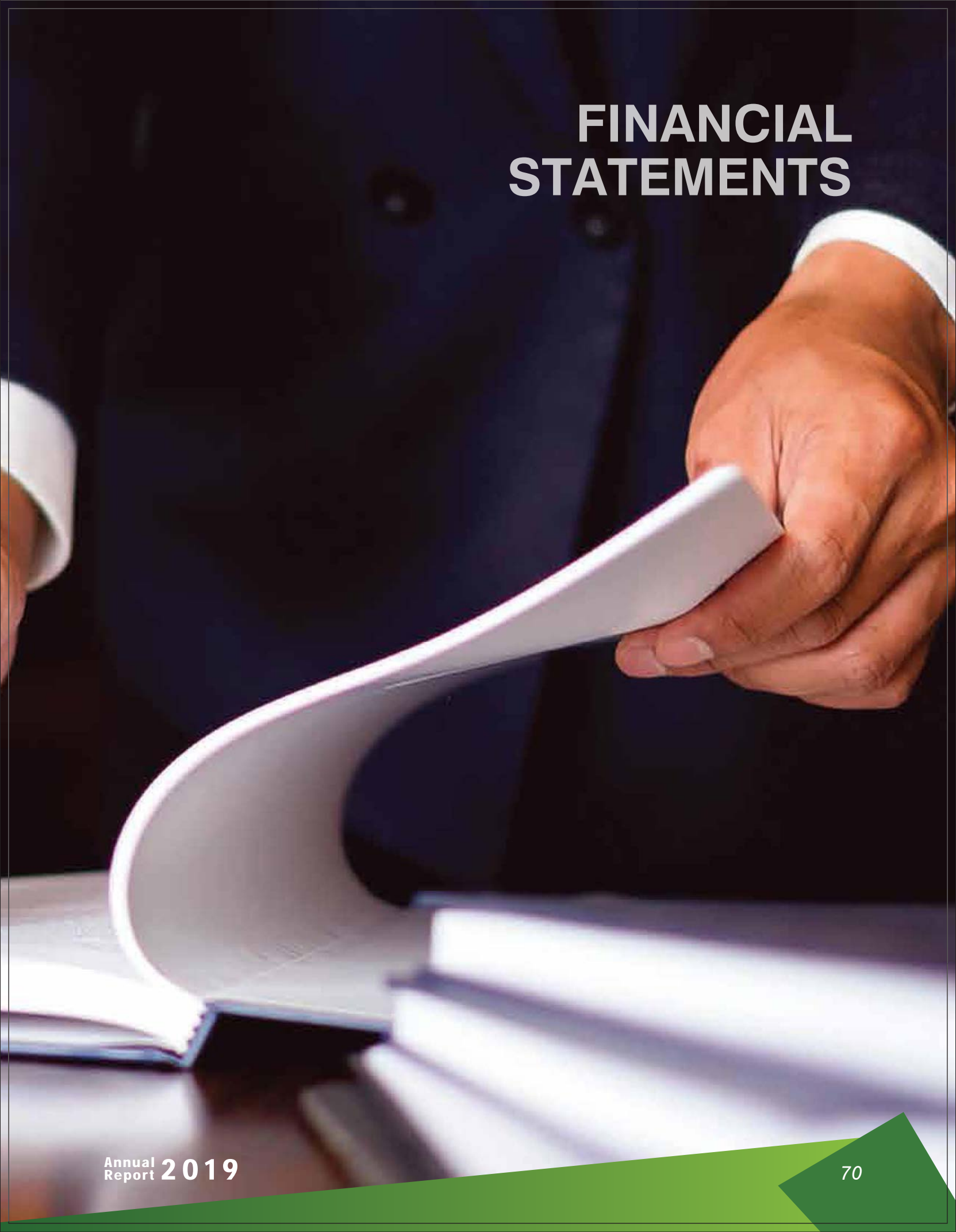


Md. Ebadul Karim
Managing Director

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

FINANCIAL STATEMENTS



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

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Independent Auditor's Report (continued)

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

Recognition of deferred tax assets	
See Note 11.00 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Company has recognized deferred tax assets for deductible temporary differences that it believes are recoverable.</p> <p>The recoverability of recognized deferred tax assets is in part dependent on the Company's ability to generate future taxable profits sufficient to utilize deductible temporary differences.</p> <p>We have determined this to be a key audit matter, due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences.</p>	<p>Our audit procedures in this area included, among others:</p> <p>Using our own tax specialists to evaluate the tax strategies that the Company expects will enable the successful recovery of the recognized deferred tax assets taking into account the Company's tax position and our knowledge and experience of the application of relevant tax legislation;</p> <p>Assessing and evaluating the prospective profits by evaluating historical and projected growth rates to assume that it will be sufficient to recover deductible temporary differences; and</p> <p>We also assessed the appropriateness of presentation of disclosures against IAS 12 - Income Tax.</p>
Workers Profit Participation Fund:	
See Note 24.00 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Contribution to workers' profit participation fund:</p> <p>As per section 234(1)(b) of Bangladesh Labour Act 2006 (as amended in 2013) 5% of the net profit of each year, not later than nine (9) months from the close of that period, is required to be transferred to the Fund, the proportion of the payment to the Participation Fund and the Welfare Fund being 80:10. The remaining 10% of the amount of net profit shall be paid by the Company to the Workers' Welfare Foundation Fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act, 2006. Of the 80% being transferred to the participation fund, two-third has to be distributed in equal proportions to all the members (beneficiary) of the fund in cash and one-third has to be invested in accordance with the manner as stated in section 242 of that Act.</p>	<p>We have checked the adequacy of WPPF fund provision and distribution there of and observed that, the requirement of the Labour Act 2006 (as amended in 2013) not followed properly.</p> <p>After distribution of some amount, balance of the fund has been transferred to a separate account meant for WPPF for future distribution without any interest payable on the undistributed amount.</p>

Independent Auditor's Report (continued)

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

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

Other Information

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

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

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

Independent Auditor's Report (continued)

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

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditor's Report (continued)

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

However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other Legal and Regulatory Requirements

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Place: Dhaka
Dated: 24th October, 2019


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

BEACON PHARMACEUTICALS LIMITED

Statement of Financial Position

As at 30 June 2019

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

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


Company Secretary


Managing Director


Chairman

Signed in terms of our separate report of even date annexed
Place: Dhaka
Dated: 24 October, 2019


(Shafiq Basak & Co.)
Chartered Accountants

BEACON PHARMACEUTICALS LIMITED

Statement of Profit & Loss and Other Comprehensive Income

For the year ended 30 June 2019

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

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


Company Secretary


Managing Director


Chairman

Signed in terms of our separate report of even date annexed
Place: Dhaka
Dated: 24 October, 2019


(Shafiq Basak & Co.)
Chartered Accountants

BEACON PHARMACEUTICALS LIMITED

Statement of Changes in Equity

For the year ended 30 June 2019

Amount in Taka

Particulars	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Available for Sale Reserve	Retained earnings	Total Equity
Year 2018-2019:						
Balance at the beginning of the year	2,310,000,000	279,712,368	5,503,099	(915,323)	406,443,764	3,000,743,909
Net Profit transferred from Income Statement	-	-	-	-	117,700,592	117,700,592
Unrealized gain on quoted shares	-	-	-	(661,510)	-	(661,510)
Revaluation Reserve adjustment	-	(25,267,512)	-	-	25,267,512	-
Deferred Tax on Revaluation Adj.	-	6,316,878	-	-	(6,316,878)	-
Cash Dividend	-	-	-	-	(138,600,000)	(138,600,000)
Balance at the end of the year	2,310,000,000	260,761,735	5,503,099	(1,576,833)	404,494,990	2,979,182,991

Amount in Taka

Particulars	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Available for Sale Reserve	Retained earnings	Total Equity
Year 2017-2018:						
Balance at the beginning of the year	2,310,000,000	298,663,002	5,503,099	244,066	376,890,123	2,991,300,290
Net Profit transferred from Income Statement	-	-	-	-	126,103,008	126,103,008
Unrealized gain on quoted shares	-	-	-	(1,159,389)	-	(1,159,389)
Revaluation Reserve adjustment	-	(25,267,512)	-	-	25,267,512	-
Deferred Tax on Revaluation Adj.	-	6,316,878	-	-	(6,316,878)	-
Cash Dividend	-	-	-	-	(115,500,000)	(115,500,000)
Balance at the end of the year	2,310,000,000	279,712,369	5,503,099	(915,323)	406,443,764	3,000,743,909

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


Company Secretary


Managing Director


Chairman

Signed in terms of our separate report of even date annexed
Place: Dhaka
Dated: 24 October, 2019


(Shafiq Basak & Co.)
Chartered Accountants

BEACON PHARMACEUTICALS LIMITED

Statement of Cash Flows

For the year ended 30 June 2019

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

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


Company Secretary


Managing Director


Chairman

Signed in terms of our separate report of even date annexed
Place: Dhaka
Dated: 24 October, 2019


(Shafiq Basak & Co.)
Chartered Accountants

BEACON PHARMACEUTICALS LIMITED

Notes to the Financial Statements

For the year ended 30 June 2019

1.00 BACKGROUND AND ACTIVITIES OF THE COMPANY:

1.01 Background of the Company:

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

1.02 Address of the Registered and Corporate Office:

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

1.03 Nature of Business Activities:

The company is engaged in manufacture and marketing of pharmaceutical finished formulation products and lifesaving Intravenous (I.V) Fluids, Active Pharmaceuticals Ingredients (APLs), Bio-tech products and genetic engineering products which the company sales in the local markets as well as international markets. The company also provides contract manufacturing and tool manufacturing services.

1.04 Production Unit:

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

2.00 SIGNIFICANT ACCOUNTING POLICIES:

2.01 Basis of Preparation and Presentation of the Financial Statements:

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

2.02 Accounting Convention and Assumption:

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

2.03 Principle of Accounting Policies:

The specific accounting policies have been selected and applied by the company's management for significant transactions and events that have a material effect within the Framework for the preparation and presentation of Financial Statements. Financial Statements have been prepared and presented in compliance with applicable IASs. Previous year's figures were re-arranged where necessary to conform

BEACON PHARMACEUTICALS LIMITED

Notes to the Financial Statements

For the year ended 30 June 2019

current years' presentation. There were no significant changes in the accounting policies and valuation policies affecting the financial position and performance of the company. However, changes (as applicable) made to the presentation are explained into the note for the respective items.

2.04 Application of accounting Standards

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

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

2.05 Valuation of Inventories:

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

Category of Stocks	Basis of Valuation
Raw Materials and Packing Materials	: Moving average (weighted) cost
Work in Process	: Actual Cost
Finished Goods	: Actual Cost
Others	: Actual Cost

BEACON PHARMACEUTICALS LIMITED

Notes to the Financial Statements

For the year ended 30 June 2019

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

2.06 Statement of Cash Flows:

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

2.07 Accounting Policies, Changes in Accounting Estimates and Errors:

As per IAS 8 The preparation of financial Statements in conformity with the International Accounting Standards requires management to make judgment to estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statement.

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

2.08 Taxation:

2.08.01 Current Tax:

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

Deferred Tax:

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

2.09 Property, Plant and Equipment:

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

BEACON PHARMACEUTICALS LIMITED

Notes to the Financial Statements

For the year ended 30 June 2019

2.09.01 Measurement and recognition:

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

2.09.02 Subsequent costs:

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

2.09.03 Disposal of property, plant and equipment:

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

2.09.04 Impairment of Assets:

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

2.09.05 Depreciation of Fixed Assets:

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

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

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

2.10 Leases:

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

2.11 Revenue Recognition:

In compliance with the requirements of IFRS 15 Revenue, Revenue is recognized only when; Revenue

BEACON PHARMACEUTICALS LIMITED

Notes to the Financial Statements

For the year ended 30 June 2019

receipts from customers against sales are recognized when products are dispatched to the customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer recovery of the consideration is probable, the associated cost and possible return of goods can be estimated reliable and there is no continuing management involvement with the goods. Interest income is accounted for on accrual basis as per bank statement received from bank. Income is derived this year from export of finished products.

2.12 Employee Benefits (IAS 19):

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

2.13 Benefit Plans:

2.13.01 Defined Benefit Plans (Provident Fund):

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

2.13.02 Retirement Benefit Obligation (Gratuity Fund):

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

2.13.03 Contribution to workers' profit participation fund:

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

2.14 Financial Instruments:

2.14.01 Initial recognition and subsequent measurement:

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

2.14.02 Recognition:

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

BEACON PHARMACEUTICALS LIMITED

Notes to the Financial Statements

For the year ended 30 June 2019

2.14.03 Subsequent Measurement:

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

2.15 The Effects of Changes of Foreign Exchange Rates:

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

2.16 Credit Risk:

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

2.17 Liquidity Risk:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's approach toward managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed

BEACON PHARMACEUTICALS LIMITED

Notes to the Financial Statements

For the year ended 30 June 2019

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

2.22 Related Parties disclosure

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

2.23 Earning per Shares:

2.23.01 Basic Earnings Per Share

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

2.23.02 Diluted Earnings Per Share:

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

BEACON PHARMACEUTICALS LIMITED

Notes to the Financial Statements

For the year ended 30 June 2019

2.24 Provision:

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

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

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

2.25 Intangible Assets:

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

2.26 Cash and Cash Equivalents:

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

2.27 Trade and Other Payable:

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

2.28 Repairs and Maintenance Charges:

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

2.29 Bad and doubtful debts:

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

2.30 Promotional Expenses:

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

2.31 Insurance Coverage:

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

3.00 COMPLIANCE AND OTHERS:

3.01 Compliance with Local Laws:

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

BEACON PHARMACEUTICALS LIMITED

Notes to the Financial Statements

For the year ended 30 June 2019

3.02 Compliance with International Accounting Standards (IAS):

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

3.03 Reporting Currency and Level of Precision:

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

3.04 Comparative Information:

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

3.05 Events after the reporting period:

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

3.06 Directors' responsibility statement:

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

3.07 Reporting Period:

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

3.08 Approval of Financial Statement:

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

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

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

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
06.00	INVESTMENT IN SHARE: TK. 1,100,591			
	Opening Balance		1,762,101	2,921,490
	Add: Unrealized gain or (Loss)		(661,510)	(1,159,389)
	Closing Balance		<u>1,100,591</u>	<u>1,762,101</u>

Breakup of the above amount is given below:

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

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

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

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

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

Sl. No.	Materials/Product	Unit	Quantity	Amount in Tk.
01	Raw Materials (Active)	GM	95,697	113,382,241
		KG	38,186	251,705,645
		Ltr	4	3,891,002
		MG	20	12,851
		ML	13,000	5,412,644
		Pcs	200	2,633,537
Sub-Total				377,037,920

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

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

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

08.00 ACCOUNTS RECEIVABLE: TK. 702,432,429

Barisal Sales Center	9,738,541	18,567,901
Bogura Sales Center	7,234,555	9,202,142
Chittagong Sales Centre	14,924,356	15,941,568
Maizdee/Chowmuhony Sales Centre	6,796,844	6,565,456
Cumilla Sales Centre	14,647,322	12,846,502
Dhaka Sales Centre/Dhaka North	53,256,810	61,753,152
Faridpur Sales Centre	3,475,070	2,044,829

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
	Khulna Sales Centre		5,430,637	6,570,578
	Mymensingh Sales Centre		5,835,214	24,631,029
	Narayangonj Sales Centre		7,589,826	10,696,799
	Rajshahi Sales Centre		11,629,964	13,178,058
	Rangpur Sales Centre		15,738,385	15,841,480
	Sylhet Sales Centre		16,721,794	27,903,497
	Cox's Bazar Sales Center		9,397,166	8,060,345
	Dhaka Sales Center-Mohd. Pur Kakrail/Dhaka South		37,420,124	46,602,335
	Brahman Baria Sales Centre		15,689,979	12,156,142
	Feni Sales Centre		13,215,576	14,136,802
	Beacon Privilege Point		39,849,858	56,259,060
	Jessore Sales Centre		6,828,604	7,270,437
	Dinajpur Sales Centre		10,385,476	10,093,356
	Tangail Sales Centre		951,012	2,174,686
	Beacon Medicare Ltd		387,011,987	-
	Receivable from Export Sales	Note-8.01	8,663,329	54,339,974
			702,432,429	436,836,128

08.01 Receivable from Export Sales: Tk. 8,663,329

Nepal	-	9,750,457
Srilanka	1,289,065	29,176,961
Philippine	3,484,449	5,834,953
Thailand	2,893,814	9,577,603
Myanmar	996,000	-
	8,663,329	54,339,974

Aging of the above balance is given below:

Below 30 days	643,963,146	327,757,587
Below 90 days	8,663,328	54,339,974
Below 180 days	49,805,955	54,738,567
	702,432,429	436,836,128

- i) The above receivables are considered good by the management.
- ii) The above amount is receivable from customers against credit sales.
- iii) No amount was due from the Directors, Managing Director and other officers of the Company and any of them or jointly with any other person.
- iv) The Accounts Receivables have no securities except their personal securities.

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
09.00	ADVANCE, DEPOSITS & PREMENTS: TK. 623,568,041			
	Advance against VAT	Note-9.01	331	53,908,992
	Advance to employees	Note-9.02	12,001,297	6,485,238
	Advance for Earnest Money & Security Deposit	Note-9.03	53,086,363	41,473,750
	Advance against Import	Note-9.04	387,503,858	188,982,632
	Other Advance	Note-9.05	170,976,192	167,269,704
			623,568,041	458,120,316
09.01	Advance against VAT: Tk. 331			
	VAT		331	53,908,992
			331	53,908,992
09.02	Advance to employees: Tk. 12,001,297			
	Salary		258,538	189,313
	Marketing expense		(120,451)	4,412,890
	Advance against Motorcycle		11,723,075	-
	Mobile Set		140,135	1,883,035
			12,001,297	6,485,238
09.03	Advance for Earnest Money & Security Deposit: Tk. 53,086,363			
	Earnest Money & Security Deposit - Tender		42,072,005	30,459,392
	Security Deposit - Titas Gas		10,428,218	10,428,218
	Security Deposit - Electricity		56,140	56,140
	Security Deposit - T & T Board		30,000	30,000
	Security Deposit - CDBL		500,000	500,000
			53,086,363	41,473,750
09.04	Advance against Import: Tk. 387,503,858			
	Advance Against L/C		387,503,858	188,982,632
			387,503,858	188,982,632
09.05	Other Advance: Tk. 170,976,192			
	Advance against Office Space		98,621,933	119,399,480
	Advance against Land		42,421,036	42,421,036
	Advance against Depot Rent		4,640,223	5,449,188
	Advance against WPPF		25,293,000	-
			170,976,192	167,269,704

There is no aggregate amount due from Directors.

There is no claim against the Company, which can be acknowledged as bad debt.

No amount is due by the associated undertakings.

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
10.00	SHORT TERM INVESTMENT: TK. 0			
	Beacon Glass Industries Ltd.(Renamed as MEK Auto Bricks Ltd.)	-	-	103,005,125
	Mujibunnesa Medical College & Hospital Ltd.	-	-	94,809,180
	Beacon Cephalosporin Ltd.	-	-	72,200,000
	Beacon Power Systems Ltd.	-	-	69,195,172
	Closing Balance		-	339,209,477
	Above investments have duly been realised from the parties/concerns through banking channel.			
11.00	DEFERRED TAX ASSETS: TK. 41,883,317			
	Opening Balance		46,733,455	15,157,262
	Deferred tax (income)/ expenses		4,850,138	(31,576,193)
	Closing Balance		41,883,317	46,733,455
	Deferred Tax (Income)/Expenses			
	The break up is given below:			
	Carrying amount			
	Fixed Assets (Excluding Land & Land Development)		1,378,836,016	1,713,408,059
	Provision for Gratuity		(33,028,942)	(28,336,371)
	Provision for Provident Fund		(6,028,011)	-
			1,339,779,063	1,685,071,688
	Tax Base			
	Fixed Assets (Excluding Land & Land Development)		1,172,245,796	1,872,005,506
	Provision for Gratuity		-	-
			1,172,245,796	1,872,005,506
	Taxable /(deductible) temporary difference		167,533,267	(186,933,817)
	Tax rate		25%	25%
	Deferred tax (assets)/liabilities		41,883,317	(46,733,454)
	Less: Opening Balance		46,733,455	15,157,262
	Deferred tax(income)/expenses		4,850,138	(31,576,193)
12.00	Investment in FDR: Tk. 13,845,783			
	Rupali Bank Limited A/C: 0014140007281		5,350,877	5,107,756
	One Bank Limited A/C:0018035004648		8,494,906	7,825,800
			13,845,783	12,933,556
13.00	CASH & CASH EQUIVALENTS: TK. 282,654,541			
	Cash in Hand	Note-13.01	23,248,517	34,901,339
	Cash at Bank	Note-13.02	259,406,024	49,767,442
			282,654,541	84,668,781

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
13.01	Cash in Hand: Tk. 23,248,517			
	Head Office		16,002,046	12,186,433
	Factory Office		823,389	2,931,310
	Chattagram Sales Office		404,004	1,653,302
	Mymensingh Sales Office		315,557	622,688
	Sylhet Sales Office		497,864	1,276,231
	Cumilla Sales Office		51,615	263,261
	Barishal Sales Office		43,115	1,011,574
	Faridpur Sales office		16,910	550,675
	Rangpur Sales Office		86,229	1,643,899
	Rajshahi Sales Office		398,457	1,563,097
	Narayanganj Sales Office		94,596	1,010,202
	Maizdee Sales Office		102,645	123,071
	Khulna Sales Office		471,727	505,426
	Bogura Sales Office		165,148	1,254,808
	Coxs's Bazar Sales Office		384,154	2,283,142
	Dinajpur Depot		77,724	846,648
	Mohammadpur from Dhaka North Depot		2,013,811	2,370,793
	Kakrail from Dhaka South Depot		430,473	254,478
	Feni Depot		360,304	598,477
	B. Baria Depot		133,840	133,183
	Beacon Privilege Point Depot		59,561	52,689
	Jessore Depot		272,806	463,708
	Tangail Depot		22,309	1,255,975
	CDC		20,233	46,269
			23,248,517	34,901,339

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

13.02	Cash at Bank: Tk. 259,406,024			
	HSBC - CD A/C. No. 001143379011		96,054	96,054
	First Security Islamic Bank Ltd. CD A/C No. 1110001246		3,060,589	715,378
	Janata Bank Ltd. CD A/C. No. - 1014203		(6,792,852)	1,371,411
	Shahjalal Islami Bank Ltd. AWA A/C. No. 10078		12,508	13,888
	The City Bank Ltd., Dinajpur Br. CD A/C. No. 1102358521001		5,696	5,696
	The City Bank Ltd., Sylhet Br. CD A/C. No. 1102193550001		26,568	26,568
	ICB Islami Bank Ltd. Principal Br., CD A/C.No.001000200071157		83,626	85,006

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
	Dutch Bangla Bank Ltd. CD A/C. No. 0105110000016107		89,028,120	16,430,617
	Dutch Bangla Bank Ltd. STD A/C. No. 010511000001641		77,590,358	(1,113,330)
	Rupali Bank Ltd., Local Office Branch, Motijheel, Dhaka. CD A/C. 89649		1,518,497	1,459,538
	Sonali Bank Ltd., Dilkusha Corporate Branch, Motijheel, Dhaka. CD A/C. 33028459		13,651	14,917
	Janata Bank Ltd., Bhaluka Branch. STD A/C. 0000131		2,103	979,393
	Janata Bank Ltd. FC A/C. 402000449		11,922,403	7,981,797
	Bank Asia Ltd. CD A/C. 004433010401		5,851	8,151
	Social Islami Bank Ltd. Cd A/C. No. 21330052331		1,011	2,161
	Dutch Bangla Bank Ltd., CD A/C No. 105.110.28382		15,869,487	5,135,422
	FSIB Ltd. Gulshan Br., FCA US Dollar, A/C-112 1650000001		56,467	56,467
	Eastern Bank Ltd., Credit Card. A/C. No. 4698210304985413		(114,453)	(183,179)
	Bank Asia Ltd. CD A/C. 04633000196		362,619	365,277
	Commercial Bank of Ceylon PLC. A/C. # 1817000818		2,326,767	(629,283)
	Commercial Bank of Ceylon, ERQ A/C. # 1802011076		14,285,775	1,962,231
	Modhumoti Bank Ltd., CD A/C No: 110111100000174		4,250	5,400
	Janata Bank Sundry A/Cs -70104001		2,358,050	(1,988,680)
	Rupali Bank Ltd. Sundry A/Cs		10,687,937	10,687,937
	Dutch Bangla Bank-STD-00000340		2,921,050	3,071,985
	Dutch Bangla Bank-CD-105-120-0003909		2,543,325	2,166,284
	Brac Bank Ltd. CD-150-520-1786608001		1,322,198	1,040,337
	Shimanto Bank Ltd. A/C: 410000140		98,620	-
	Dutch Bangla Bank-CD-105-120-0004082		5,330,409	-
	Dutch Bangla Bank-CD-281-110-0003384		4,398,576	-
	Dutch Bangla Bank (WPPF)-CD-1051200004098		20,380,764	-
	Total		<u>259,406,024</u>	<u>49,767,442</u>

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

14.00 SHARE CAPITAL: TK. 2,310,000,000

Authorized Capital:

300,000,000 ordinary shares of Tk. 10 each 3,000,000,000 3,000,000,000

Issued, Subscribed and Paid-up Capital:

231,000,000 ordinary shares of Tk. 10 each fully paid up 2,310,000,000 2,310,000,000

Shareholding Position was as follows:

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

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

Category of Shareholder	30-06-2019			30-06-2018		
	No. of Share	No. of Shareholders	% of Total Shares	No. of Share	No. of Shareholders	% of Total Shares
Sponsors/Directors	69,312,000	7	30%	69,312,000	3	30%
Institutions	55,794,764	210	23%	54,259,590	231	23%
Public	105,893,236	19,241	47%	107,428,410	22,459	47%
Total	231,000,000	19,458	100%	231,000,000	22,693	100%

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

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

Classification of shareholders by holding

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

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

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

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

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

15.01 Revaluation Reserve: Tk. 260,761,735

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

Particulars	Revaluation Surplus as on 01.07.2018	Deferred tax on Revaluation Surplus	Depreciation adjustment	Deferred tax on Depreciation Adjustment	Revaluation Reserve as on 30-06-2019
Land & Land Development	168,084,972	-	-	-	168,084,972
Building	12,592,753	-	1,072,484	268,121	11,788,390
Vehicles	17,740,452	-	9,461,575	2,365,394	10,644,271
Electrical Installation	1,293,935	-	742,928	185,732	736,739
Office Equipments	(7,787,386)	-	-	-	(7,787,386)
Machineries	94,319,453	-	13,990,525	3,497,631	83,826,559
Furniture & Fixtures	(6,531,810)	-	-	-	(6,531,810)
Total	279,712,368	-	25,267,512	6,316,878	260,761,735

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

15.02 Tax Holiday Reserve is being carried forward from 2010.

5,503,099

5,503,099

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

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

16.00 RETAINED EARNINGS: TK. 404,494,990

Opening Balance	406,443,764	376,890,123
Add: Net Profit during the year	117,700,592	126,103,008
Add: Revaluation Reserve adjustment	<u>25,267,512</u>	<u>25,267,512</u>

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
			549,411,868	528,260,642
	Less: Dividend		138,600,000	115,500,000
	Less: Deferred Tax Adjustment		6,316,878	6,316,878
	Closing Balance		404,494,990	406,443,764
17.00	LONG TERM LOAN: TK. 574,419,259			
	Janata Bank Ltd.	Note-17.01	-	-
	Janata Bank Ltd. (Take Over Loan)	Note-17.02	-	-
	Agrani Bank Ltd.	Note-17.03	-	-
	Sonali Bank Ltd.	Note-17.04	-	-
	Rupali Bank Ltd.	Note-17.05	554,619,020	515,251,218
	Prime Finance & Investment Ltd.	Note-17.06	-	5,728,719
	Bangladesh Finance and Investment Company Ltd.	Note-17.07	-	27,446,899
	BRAC Bank Ltd.	Note-17.08	19,800,239	26,573,746
	Closing Balance		574,419,259	575,000,582
17.01	Janata Bank Limited: Tk. 0			
	Opening balance with current portion		43,814,935	57,404,198
	Add: Received during the year		212,498	-
	Add: Interest during the year		2,744,384	5,910,737
	Less: Paid during the year		46,771,817	19,500,000
	Less: Transfer to current portion of long term loan		-	43,814,935
	Total		-	-
	Details are as under:			
	Limit Amount	: Tk. 177,500,000		
	Purpose	: Factory Construction & Machineries		
	Security	: Land & Buildings		
	Interest Rate	: 11% per annum		
	Mode of Payment	: From own sources		
	Type of Facility	: Project loan		
	Validity	: Up to 2018		
17.02	Janata Bank Ltd. (Take Over Loan): Tk. 0			
	Opening balance with current portion		(3,810,813)	106,033,143
	Add: Received during the year		7,676,085	-
	Add: Interest during the year		183,247	7,032,129
	Less: Paid during the year		4,048,519	116,876,085
	Less: Transfer to current portion of long term loan		-	(3,810,813)
	Total		-	-

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

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

Details are as under:

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

17.03 Agrani Bank Ltd: Tk. 0

Opening balance	14,531,633	31,388,797
Add: Received during the year	13,200	-
Add: Interest & bank charge during the year	902,143	2,642,836
Less: Paid during the year	15,446,976	19,500,000
Less: Transfer to current portion of long term loan	-	14,531,633
Total	-	-

Details are as under:

Limit Amount	: Tk. 197,500,000
Purpose	: Factory Construction & Machineries
Security	: Land & Buildings
Interest Rate	: 13% per annum
Mode of Payment	: From own sources
Type of Facility	: Project Loan
Validity	: Up to 2018

17.04 Sonali Bank Ltd: Tk. 0

Opening balance	58,171,884	93,058,482
Add: Received during the year	37,060	-
Add: Interest during the year	3,812,630	9,313,402
Less: Paid during the year	62,021,574	44,200,000
Less: Transfer to current portion of long term loan	-	58,171,884
Total	-	-

Details are as under:

Limit Amount	: Tk. 220,000,000
Purpose	: Factory Construction & Machineries
Security	: Land & Buildings
Interest Rate	: 12.5% per annum

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
	Mode of Payment	: From own sources		
	Type of Facility	: Project Loan		
	Validity	: Up to 2018		
17.05	Rupali Bank Ltd: Tk. 554,619,020			
	Opening balance		687,001,624	687,588,104
	Add: Received during the year		90,712,874	41,881,062
	Add: Interest during the year		50,789,477	75,460,146
	Less: Paid during the year		134,380,719	117,927,688
	Less: Transfer to current portion of long term loan		139,504,236	171,750,406
	Total		554,619,020	515,251,218
	Details are as under:			
	Limit Amount	: Tk. 700,000,000		
	Purpose	: Land & Land Development		
	Security	: Land & Buildings		
	Interest Rate	: 14.5% per annum		
	Mode of Payment	: From own sources		
	Validity	: UP to 2022		
	Nature of Security	: Mortgage of Land, Buildings & Machineries		
17.06	Prime Finance & Investment Ltd: Tk. 0			
	Opening balance		11,457,438	14,233,470
	Add: Received during the year		524,230	-
	Add: Interest during the year		767,169	3,514,728
	Less: Paid during the year		12,748,837	6,290,760
	Less: Transfer to current portion of long term loan		-	5,728,719
	Total		-	5,728,719
	Details are as under:			
	Limit Amount	: Tk. 20,000,000		
	Purpose	: Procurement of fixed assets		
	Security	: Vehicles		
	Interest Rate	: 11.75% per annum		
	Mode of Payment	: Through post dated cheque		
	Type of Facility	: Term finance		
	Validity	: Up to 2019		
17.07	Bangladesh Finance and Investment Company Ltd: Tk. 0			
	Opening balance		36,595,865	12,755,180

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
	Add: Received during the year		843,405	31,131,000
	Add: Interest during the year		3,899,389	4,684,267
	Less: Paid during the year		41,338,659	11,974,582
	Less: Transfer to current portion of long term loan		-	9,148,966
	Total		-	27,446,899

Details are as under:

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

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

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

Details are as under:

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

18.00 CURRENT PORTION OF LONG TERM LOAN: TK. 149,170,236

Janata Bank Ltd.	-	43,814,935
Janata Bank Ltd. (Take Over Loan)	-	(3,810,813)
Agrani Bank Ltd.	-	14,531,633
Sonali Bank Ltd.	-	58,171,884
Rupali Bank Ltd.	139,504,236	171,750,406

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
	Prime Finance & Investment Ltd.		-	5,728,719
	Bangladesh Finance and Investment Company Ltd.		-	9,148,966
	BRAC Bank Ltd.		9,666,000	8,857,915
	Closing Balance		149,170,236	308,193,645
19.00	SHORT TERM LOAN: TK. 1,061,396,505			
	PAD - Rupali Bank Ltd., Dhaka.	Note-19.01	-	-
	LC/TR - First Security Bank Ltd., Gulshan Branch, Dhaka	Note-19.02	60,756,059	6,604,515
	LC-Janata Bank Ltd., Janata Bhaban Branch, Motijheel, Dhaka	Note-19.03	-	-
	CC (Hypo)- Janata Bank Ltd., Corporate Bhaban Branch	Note-19.04	1,000,640,446	896,765,760
	Closing Balance		1,061,396,505	903,370,275
	Short term loan has been taken to meet up the working capital requirement and is secured by Inventories.			
19.01	PAD - Rupali Bank Ltd., Dhaka: Tk. Nil			
	Opening balance		-	6,946,140
	Add: Received during the year		-	-
	Add: Interest during the year		-	-
	Less: Paid during the year		-	6,946,140
	Total		-	-
19.02	LC/TR - First Security Bank Ltd., Gulshan Branch, Dhaka: Tk. 60,756,059			
	Opening balance		6,604,515	24,995,796
	Add: Received & interest during the year		1,209,776,041	65,415,500
	Less: Paid during the year		66,824,497	83,806,781
	Total		60,756,059	6,604,515
	Details are as under:			
	Limit Amount	: Tk. 100,000,000		
	Purpose	: Import of Materials Packing materials, Spares and others items		
	Security	: Land & Buildings		
	Interest Rate	: 16% per annum		
	\Mode of Payment	: From own sources		
	Nature of Securities	: Mortgage of Land & Building		
19.03	LC - Janata Bank Ltd., Janata Bhaban Branch, Motijheel, Dhaka: Tk. Nil			
	Opening balance		-	3,115,822
	Add: Received during the year		-	1,180,378
	Add: Interest during the year		-	-
	Less: Paid during the year		-	4,296,200
	Total		-	-

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
19.04	CC (Hypo)- Janata Bank Ltd., Corporate Bhaban Branch: Tk. 1,000,640,446			
	Opening balance		896,765,760	884,347,297
	Add: Received during the year		210,780,558	249,867,088
	Add: Interest during the year		45,330,232	91,669,877
	Less: Paid during the year		152,236,104	329,118,502
	Total		<u>1,000,640,446</u>	<u>896,765,760</u>
	Details are as under:			
	Limit Amount	: Tk. 1,400,000,000		
	Purpose	: Meeting the requirement of working capital of the company		
	Security	: Inventory & Land		
	Interest Rate	: 12% per annum		
	Mode of Payment	: From own sources		
	Type of Facility	: CC Hypo		
	Nature of Security	: Mortgage of Inventory & Land		
20.00	SHARE APPLICATION MONEY REFUNDABLE: TK. 4,323,613			
	Opening balance		4,323,613	4,333,613
	Payment made during the year		-	10,000
	Closing Balance		<u>4,323,613</u>	<u>4,323,613</u>
	Share application money refundable amount as on 30.06.2019 was Tk. 4,323,613. The company has not paid or refund any amount during the year under audit and the balance amount remain unpaid as no claim was received during the year.			
21.00	ACCOUNTS PAYABLE: TK. 40,896,364			
	Payable to Suppliers	Note-21.01	18,991,082	30,054,621
	Depot Expenses Payable	Note-21.02	8,616,262	2,935,521
	Others Payable	Note-21.03	13,289,020	18,215,997
			<u>40,896,364</u>	<u>51,206,139</u>
21.01	Payable to Suppliers: Tk. 18,991,082			
	Against Raw Materials		4,294,450	1,991,431
	Against Laboratory Chemicals		11,197,602	1,923,860
	Against Computer & Accessories		1,433,283	1,385,962
	Against Plastic Items		3,750,996	1,811,584
	Against Machinery & Equipment		(7,605,535)	8,907,529
	Against Printing & Packaging Materials		38,820,482	8,023,546
	Against PVC & Foil suppliers		2,421,635	1,617,870
	Against Clearing & Forwarding		(7,753,559)	8,903,467

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
	Against Maintenance & Service		(3,318,299)	(4,227,778)
	Against Vehicles suppliers		-	(27,129,602)
	Against Construction Materials Suppliers		(11,886,947)	27,998,348
	Against Advertising		(1,707,605)	(687,885)
	Against Promotional Items		(12,933,888)	(11,624,796)
	Against Travel Agencies		(1,743,596)	(508,784)
	Against Transport & Courier		2,739,922	(355,461)
	Against Glass Item - Suppliers		(156,653)	(1,348,889)
	Against Furniture & Fixture		(511,220)	(368,384)
	Against Insurance Premium		29,258,876	13,742,520
	Against Misc. Suppliers		(26,964,581)	183,623
	Against Spare Parts		(183,540)	(183,540)
	Against Training & Developments		(736,667)	-
	Against Stationeries & Suppliers		575,926	-
	Closing Balance		18,991,082	30,054,621
21.02	Depot Expenses Payable: Tk. 8,616,262			
	Rangpur Depot		73,264	847,086
	Bogura Depot		333,985	301,025
	Rajshahi Depot		(91,104)	(234,575)
	Khulna Depot		126,384	(78,757)
	Barisal Depot		(28,934)	(281,176)
	Faridpur Depot		84,291	(79,810)
	Mymensingh Depot		590,281	617,074
	Narayangonj Depot		33,740	5,762
	Cumilla Depot		2,898,395	190,702
	Sylhet Depot		910,871	741,142
	Maizdee Depot		122,836	(116,002)
	Chittagong Depot		224,707	241,600
	Central Distribution Centre		(703,753)	325,279
	Cox's Bazar		6,539	86,761
	Mohammadpur from Dhaka North Depot		366,419	(326,421)
	Kakrail from Dhaka South Depot		26,795	(52,962)
	Privilege Point		75,456	220,894
	B. Baria Depot		1,073,544	316,804
	Feni Depot		134,109	123,956

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
	Jessore Depot		(82,861)	(50,584)
	Dinajpur Depot		1,186,930	120,872
	Tangail Depot		1,254,368	16,851
	Closing Balance		8,616,262	2,935,521
21.03	Others Payable: Tk. 13,289,020			
	Received against Motor Cycle		-	9,753,810
	Earn leave payable		1,174,956	560,978
	Against Motor Car		12,114,064	7,901,209
	Closing Balance		13,289,020	18,215,997
	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.			
22.00	ACCRUED EXPENSES: TK. 60,878,822			
	Salary & Allowances		57,703,696	48,340,779
	Gas Bills		2,697,626	1,316,302
	Audit Fees		315,000	237,000
	Credit Rating Fees		140,000	150,000
	Compliance Audit Fees		22,500	25,000
	Closing Balance		60,878,822	50,069,081
23.00	VAT PAYABLE: TK. 10,861,489			
	Trade Creditors		6,053,344	10,015,059
	House rent		4,741,006	3,159,948
	Audit Fees		52,500	39,500
	Credit Rating Fees		10,889	25,000
	Compliance Audit Fees		3,750	4,167
	Advertisement & Publicity		-	-
	Closing Balance		10,861,489	13,243,674
24.00	LIABILITY FOR EWF & WPPF: TK. 21,077,144			
	Employees Welfare Fund (EWF)	Note-24.01	-	2,686,246
	Workers Profit Participation Fund (WPPF)	Note-24.02	21,077,144	20,092,848
	Closing Balance		21,077,144	22,779,094
24.01	Employees Welfare Fund (EWF): Tk. 0			
	Opening Balance		2,686,246	2,581,344
	Add: Contribution during the year		202,976	762,972
	Total Contribution		2,889,222	3,344,316
	Less: Paid to the employees		2,889,222	658,070
	Closing Balance		-	2,686,246

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
24.02	Workers Profit Participation Fund: Tk. 21,077,144			
	Opening Balance		20,092,848	16,771,060
	Add: Contribution during the year		10,535,847	6,301,788
	Total Contribution		30,628,695	23,072,848
	Less: Distributed among the employees		9,551,551	2,980,000
	Closing Balance		21,077,144	20,092,848
25.00	PROVISION FOR EMPLOYEES' PROVIDENT FUND: TK. 6,028,011			
	Opening Balance		6,352,182	10,966,918
	Addition made during the year		37,824,210	31,650,430
	Total		44,176,392	42,617,348
	Less: Paid to the Fund during the year		38,148,381	36,265,166
	Closing Balance		6,028,011	6,352,182
26.00	PROVISION FOR GRATUITY: TK. 33,028,942			
	Opening Balance		28,336,371	16,053,742
	Addition made during the year		19,182,643	16,306,881
	Total		47,519,014	32,360,623
	Less: Gratuity paid during the year		14,490,072	4,024,252
	Closing Balance		33,028,942	28,336,371
27.00	TAX PAYABLE: TK. -125,266,081			
	Corporate Tax Liability	Note-27.01	(139,561,354)	(93,603,174)
	Other Tax Liability	Note-27.02	14,295,273	3,931,840
			(125,266,081)	(89,671,334)
27.01	CORPORATE TAX LIABILITY : TK.-139,561,354			
	Opening Balance		(93,621,734)	(41,819,183)
	Tax on current year's profit		40,850,243	31,508,938
	Total tax liabilities		(52,771,491)	(10,310,245)
	Less: TDS/Advance paid tax			
	For income year 2017-18		86,789,863	83,292,929
	Total Corporate Tax Liability		(139,561,354)	(93,603,174)
27.02	OTHER TAX LIABILITY: TK. 14,295,273			
	TDS from Salary & Allowances		1,025,395	473,450
	TDS from Trade Creditors		5,427,189	771,526
	TDS from Office Rent		1,245,318	983,509
	TDS from Managing Director's Remuneration		6,520,276	1,616,875

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
	TDS from Gas Bills		24,039	40,702
	TDS from Audit Fee		35,000	26,333
	TDS from Compliance Audit Fee		2,500	2,778
	TDS Credit Rating Fee		15,556	16,667
	Closing Balance		14,295,273	3,931,840
28.00	DIVIDEND PAYABLE: TK. 55,005,676			
	Opening Balance		34,463,510	17,042,997
	Add: Addition during the Year		138,600,000	100,560,591
			173,063,510	117,603,588
	Less: Dividend paid during the year		118,057,834	83,140,078
	Closing Balance		55,005,676	34,463,510
29.00	TURNOVER: TK. 4,646,865,410			
	Local Sales		4,412,133,530	3,571,203,459
	Export Sales		234,731,880	189,582,647
	Net Turnover		4,646,865,410	3,760,786,106

Details of Turnover are as under:

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

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

Materials Consumed	Note-30.01	1,606,776,074	1,131,911,400
Factory Overhead	Note-30.02	837,682,049	733,713,416
Total Manufacturing Cost		2,444,458,123	1,865,624,816
Add: Opening Work-in-Process		135,588,281	85,102,385
Total Work-in-Process		2,580,046,404	1,950,727,201

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
	Less: Closing Work-in-Process		165,399,943	135,588,281
	Cost of Production		2,414,646,461	1,815,138,920
	Add: Opening Finished Goods		226,034,317	338,227,070
	Finished Goods available for Sale		2,640,680,778	2,153,365,990
	Less: Closing Finished Goods		275,871,969	226,034,317
	Cost of Goods Sold		2,364,808,809	1,927,331,673
30.01	Materials Consumed: Tk. 1,606,776,074			
	Opening Inventory (Raw & Packing Material)		635,310,539	659,545,918
	Add: Purchase		1,456,399,134	1,107,676,021
	Materials available for use		2,091,709,673	1,767,221,939
	Less: Closing Raw & Packing Material		484,933,599	635,310,539
	Total		1,606,776,074	1,131,911,400
30.02	Factory Overhead: Tk. 837,682,049			
	Salaries & Allowances		162,654,814	149,744,140
	Co's Contribution to P.F		2,844,614	2,774,311
	Gratuity		3,079,513	2,575,744
	Local Travel & Conveyance		676,508	518,263
	Foreign Travel		1,762,998	1,918,428
	Entertainment		1,356,429	1,325,574
	Employee Fooding		31,219,863	27,281,076
	Employee Pick & Drop		9,448,238	5,850,674
	Telephone, Fax, Internet		28,457,792	2,510,297
	Utilities		3,007,410	25,633,987
	Fees & Renewal		438,658	609,801
	Books, News Paper & Periodicals		816,708	12,268
	Printing & Stationery		12,652,564	10,768,848
	Legal & Consultancy Fees		738,760	1,839,489
	Insurance Premium		3,239,760	591,087
	Handling & Carrying Expense		434,000	259,900
	Research & Development Expense		41,317,970	14,993,744
	Repairs & Maintenance		4,242,850	15,820,810
	Training Expense		4,568,206	1,611,324
	Advertisement & Publicity		75,975	89,762
	Misc. Expense		276,554	129,123
	Tool Manufacturing Expense		24,841,872	16,049,611

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
	Fire Insurance		-	-
	Depreciation		499,529,993	450,805,155
	Total		<u>837,682,049</u>	<u>733,713,416</u>
31.00	ADMINISTRATIVE EXPENSES: TK. 286,081,646			
	Salaries & Allowances		126,611,978	106,218,037
	Co's Contribution to P.F		2,109,476	1,656,115
	Gratuity		2,206,560	3,897,451
	Local Travel & Conveyance		2,526,650	1,938,982
	Foreign Traveling Expenses		1,767,971	2,761,533
	Entertainment		7,017,781	4,668,745
	Employee Fooding		30,514,860	26,266,500
	Office Rent		19,405,578	19,227,468
	Employee Pick & Drop		22,934,491	16,757,242
	Utilities		6,651,224	5,917,796
	Telephone, Fax, Courier		5,491,084	4,795,305
	Fees & Renewals		2,752,485	4,819,047
	Books, News Paper & Periodicals		62,693	58,457
	Printing & Stationery		6,514,523	4,209,848
	Audit Fee		431,250	382,056
	Legal & Consultancy Fees		5,142,670	2,170,394
	Insurance Premium		3,199,088	3,109,137
	Bank Charge & Other Expense		2,440,485	1,007,025
	Company Secretarial & Share Exe.		2,585,238	-
	Handling & Carrying Expense		596,793	1,115,634
	Repairs & Maintenance		3,591,596	2,244,230
	Advertisement & Publicity		4,514,860	2,502,034
	Training Expense		631,101	1,484,122
	Misc. Expense		4,423,849	2,567,256
	Depreciation		21,957,362	19,815,611
	Total		<u>286,081,646</u>	<u>239,590,025</u>
	Salaries and allowances increased due to the increase of the numbers of employees and increment as well.			
32.00	MARKETING, SELLING & DISTRIBUTION EXPENSES: TK. 1,673,366,718			
	Salaries & Allowances		596,745,479	517,022,714
	Co's Contribution to P.F		13,474,247	11,367,574
	Gratuity		13,896,570	9,833,686

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Notes to the Financial Statements

For the year ended 30 June 2019

Notes Sl. No.	Particulars	Note Ref.	Amount in Taka	
			30 June 2019	30 June 2018
	Local Travel & Conveyance		28,351,828	25,112,955
	Foreign Travel		2,780,928	15,448,497
	Entertainment		10,470,305	4,758,265
	Employee Fooding		18,771,924	6,641,470
	Depot Rent		16,526,403	11,396,575
	Employees Pick & Drop		4,170,033	3,500,272
	Utilities		2,213,610	1,872,110
	Telephone, Fax, Internet		11,366,941	9,809,015
	Fees & Renewal		1,712,841	1,883,750
	Books, News Paper & Periodicals		-	25,704
	Printing & Stationery		14,988,788	14,432,882
	Legal & Consultancy Fees		50,000	310,776
	Insurance Premium		3,539,062	4,532,846
	Bank Charges		3,082,348	2,486,655
	Handling & Carrying		137,518	1,087,692
	Repairs & Maintenance		5,527,890	1,861,223
	Research & Product Development		4,456,147	3,107,270
	Field Force Expenses (TA/DA)		119,573,909	91,310,534
	Sales Incentive		18,407,044	7,379,190
	Training Expense		3,619,102	4,608,659
	Conference, fair and product launching		14,457,885	58,799,283
	Promotional Expense		634,287,684	403,565,711
	Advertisement & Publicity		5,397,168	3,601,389
	Distribution & Collection Expenses		89,089,620	81,706,478
	Misc. Expense		8,824,741	2,023,378
	Depreciation		27,446,703	24,769,514
	Total		<u>1,673,366,718</u>	<u>1,324,256,067</u>
33.00	FINANCIAL EXPENSES: TK. 153,524,466			
	Interest on Consortium Loan	Note-33.01	66,758,761	44,766,236
	Interest on Short Term Loan	Note-33.02	85,879,465	91,644,877
	Bank Charges Other	Note-33.03	886,240	1,671,213
	Total		<u>153,524,466</u>	<u>138,082,326</u>
33.01	Interest on Consortium Loan : TK. 66,758,761			
	Janata Bank Ltd.		2,744,384	5,910,737

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

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

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

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

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

Particulars	Proportion	30 June 2019	30 June 2018
Contribution to Participatory Fund	80%	6,536,039	5,041,430
Contribution to Welfare Fund	10%	817,005	630,179
Contribution to WWFF	10%	817,005	630,179
Total Taka		8,170,049	6,301,788

36.00 UNREALIZED (LOSS)/GAIN ON QUOTED SHARES : TK. -661,510

Unrealized Gain Realized	-	-
Unrealized (loss)/gain during the year	(661,510)	(1,159,389)
Total Taka	(661,510)	(1,159,389)

37.00 EARNINGS PER SHARE (EPS): TK. 0.51

Basic Earnings Per Share

Breakup of the above amount is given below:

Net Profit After Tax	117,700,592	26,103,008
Ordinary Shares Outstanding During the year	231,000,000	231,000,000
Earnings Per Share:	0.51	0.55

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

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

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

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

39.00 CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBT:

None as on 30-06-2019.

40.00 CREDIT FACILITIES NOT AVAILED:

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

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

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

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

Total number of Employees Drawing Remuneration is as follows:

Breakup of the above amount is given below

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

42.00 Capacity Utilization:

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

Major product/Unit	Capacity (In Millions)	30 June 2019		30 June 2018	
		Actual Production (In Millions)	Utilization (%)	Actual Production (In Millions)	Utilization (%)
Tablets	2,520	1764.00	70%	1420.58	68%
Capsules (Filled with Pellets)	760	592.80	78%	298.25	76%
Capsules (Filled with Powder)	850	612.00	72%	591.50	70%
Powder for suspension(Bottles)	15	11.25	75%	11.02	73%
Injection (Ampoules)	10	6.50	65%	3.15	63%
Injection (Lyophilized)	9	7.02	78%	3.80	76%
Large Volume Parenteral	4	2.80	70%	2.78	70%
Pre-filled Syringe	4	3.12	78%	3.11	78%
Total	4,172	2,999		2,325	

43.00 RELATED PARTY DISCLOSURES: TK. NIL

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

BEACON PHARMACEUTICALS LTD.

Notes to the Financial Statements

For the year ended 30 June 2019

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

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

44.00 EVENT AFTER THE REPORTING PERIOD:

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

45.00 CONTINGENT LIABILITIES:

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

BEACON PHARMACEUTICALS LTD.

FIXED ASSETS SCHEDULE

For the year ended 30 June 2019

Annexure-A

Particulars	COST				DEPRECIATION				Written Down Value as on 30.06.19
	Balance as on 01.07.2018	Addition During the year	Adjustment During the year	Balance as on 30.06.2019	Rate (%)	Depreciation as on 01.07.2019	Charged During the year	Adjustment During the year	Depreciation as on 30.06.2019
Land & Land Development	503,090,574	-	-	503,090,574	-	-	-	-	-
Factory Building	917,954,184		-	917,954,184	5%	261,416,337	45,897,709	-	307,314,046
Corporate Head Office Building	60,456,584		-	60,456,584	5%	3,037,300	3,022,829	-	6,060,129
Vehicles	167,490,840	72,074,980	-	239,565,820	20%	46,701,246	36,437,251	-	83,138,497
Electrical Installations	88,659,745	28,021,844	-	116,681,589	10%	44,837,399	10,088,254	-	54,925,653
Office Equipment	107,438,588	17,329,004	-	124,767,592	10%	37,040,294	11,470,237	-	48,510,531
Production Machinery & Equipment	2,822,267,300	81,777,209	-	2,904,044,509	15%	2,180,188,944	425,670,758	-	2,605,859,702
Furniture & Fixture	155,664,680	15,158,978	-	170,823,658	10%	33,302,341	16,347,021	-	49,649,362
30-06-2019	4,823,022,495	214,362,015	-	5,037,384,510		2,606,523,861	548,934,059	-	3,155,457,920
30-06-2018	4,180,593,419	642,429,076	-	4,823,022,495		2,111,133,581	495,390,280	-	2,606,523,861

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

Corporate Office:

BEACON Business Centre
9/B/2 Toyenbee Circular Road (Box Culvert Road),
Motijheel C/A, Dhaka-1223, Bangladesh.
Tel : +880-2-57165371-76, Fax : +880-2-57165379
E-mail : beacon@beaconpharma.com.bd
Website : www.beaconpharma.com.bd

NOTICE OF THE 18th ANNUAL GENERAL MEETING

Notice is hereby given that the 18th Annual General Meeting of the Shareholders of BEACON Pharmaceuticals Limited will be held on Tuesday, 24th December, 2019 at 11.00 a.m at its Registered Office at Kathali, Bhaluka, Mymensingh (Factory Premises) to transact the following business:

Agenda

1. To receive, consider and adopt the Directors' and Auditors' Report and the Audited Accounts of the Company for the year ended 30th June, 2019.
2. To declare dividend for the year ended 30th June, 2019.
3. To elect Directors.
4. To appoint External & Compliance Auditors and fix their remuneration.
5. To approve the re-appointment of Independent Directors.
6. To transact any other business with the permission of the Chair.

By order of the Board



Giash Uddin Ahmed FCMA
Company Secretary
22 November, 2019

Corporate Office

Beacon Business Centre
9/B/2, Toyenbee Circular Road, Motijheel C/A
Dhaka-1223, Bangladesh.

1. Shareholders whose names appeared at the record date i.e. 17th November, 2019 in the share register of the Company or in the depository register on that date will be eligible to attend and vote in the Annual General Meeting.
2. Member entitled to attend at the Annual General Meeting may appoint a proxy to attend and vote on his / her behalf. The proxy form must be affixed with requisite revenue stamp and must be submitted to the Corporate Office of the Company not later than 48 hours before the time fixed for the Annual General Meeting.
3. The concerned brokerage houses & merchant bankers are requested to provide us with a statement with the details (shareholders name, BO ID number, e-TIN number, gross dividend receivable, applicable tax rate, and net dividend receivable) of their margin loan holders who hold shares of the Company as on the Record Date, along with the name of the contact person in this connection. The brokerage houses & merchant bankers are also requested to provide us with their Bank Account Name, number, routing number etc. on or before 5th December, 2019.
4. The concerned trustee board of approved superannuation fund or pension fund or gratuity fund or recognize provided fund or workers profit participation fund are requested to provide us update tax rebate certificate on or before 5th December, 2019.
5. The Annual Report will be send to the respective shareholders e-mail account and available in the Company's website at www.beaconpharma.com.bd

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

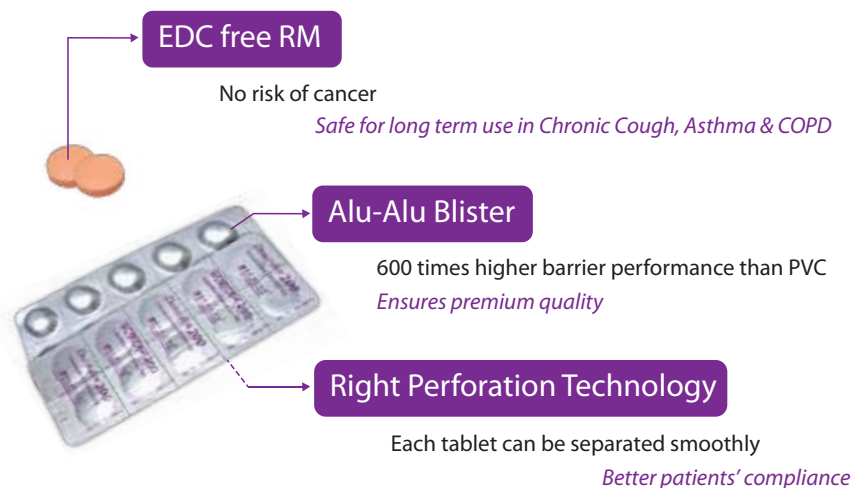
(As per directive of the Bangladesh Securities and Exchange Commission (BSEC), no gift/food/coupon/conveyance allowance will be offered in the upcoming Annual General Meeting)

In Breathing Difficulties (Chronic Cough, Asthma & COPD)

Doxo^{ven} 200

Doxophylline INN 200 mg Tablet

The Multifunctional Bronchodilator



Perfex

Fexofenadine Hydrochloride USP

Perfect Antihistamine that Makes A Day



Perfex ensures symptoms relief within 1 hour from-



Allergic
Rhinitis



Runny
Nose



Sneezing



Red & Itchy
Eyes



Sore Throat



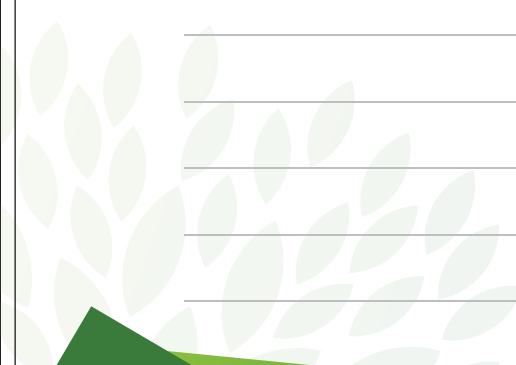
Wheezing



Urticaria

Annual General Meeting 2018





Proxy Card

This Proxy card is for use at the Annual General Meeting of BEACON Pharmaceuticals Limited to be held on Tuesday, December 24, 2019.

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 18th Annual General Meeting of the Company to be held on Tuesday, December 24, 2019 at 11.00 a.m at the Registered Office of BEACON Pharmaceuticals Limited at Kathali, Bhaluka, Mymensingh (Factory Premises) and at any adjournment thereof.

Signature of Proxy

Revenue
Stamp of
Tk. 20/-

Signature of the Shareholder

Notes: This form of proxy, duly completed, must be deposited at least 48 hours before the meeting at the Company's Share department at Corporate Office, Beacon Business Centre, 9/B/2, Toyenbee Circular Road, Motijheel C/A, Dhaka-1223, 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 18th Annual General Meeting of the Company to be held on Tuesday, 24 December 2019 at 11.00 a.m at the Registered Office of BEACON Pharmaceuticals Limited at Kathali, Bhaluka, Mymensingh (Factory Premises).

Name of the Shareholder :

Folio No : Nos. of shares held :

BO ID :

Signature of the Shareholder/Proxy

Dated :

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