

Internship Report
On
Financial Performance Analysis of Beacon
Pharmaceuticals Ltd.



Daffodil
International
University

Internship Report
on
Financial Performance Analysis of Beacon
Pharmaceuticals Ltd.

Supervised By:

Rafiqul Islam

Professor & Dean

Faculty of Business & Economics
Daffodil International University

Prepared By:

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ID: 163-14-2242

Program: MBA

Major: Finance

Department of Business Administration

Date of Submission:

Letter of Transmittal

Rafiqul Islam
Professor & Dean
Faculty of Business & Economics
Daffodil International University

Subject: Submission of Internship Report titled “Financial Performance Analysis of Beacon Pharmaceuticals Ltd.

Dear Sir,

I have the pleasure to submit here with the internship report titled “**Financial Performance Analysis of Beacon Pharmaceuticals Ltd**” for your kind evaluation.

It is a matter of immense pleasure for me to have the opportunity to analyse the “Financial Performance Analysis of Beacon Pharmaceuticals Ltd” one of the leading pharmaceutical company in Bangladesh. I am certain that the knowledge and experience acquired while conducting the study will help me in many ways in future.

I have tried my best to present my ideas and findings as clearly as I could within the time and resource available. I hope that the idea presented in the report will provide a clear picture about Beacon Pharmaceuticals Limited.

I would like to mention that there might be some unintentional errors in the report. I am optimistic and strongly believe that you will consider my shortcomings while you evaluate my paper.

Thanking you,
Sincerely Yours,

.....

Md, Arafat Zamil
ID No: 163-14-2242
Daffodil International University

Certificate of Approval

This is to certify that Md. Arafat Zamil, Id: 163-14-2242, Major in Finance, Department of Business Administration has completed his internship report titled Beacon Pharmaceuticals Ltd. under my supervision. The report is accepted for presentation and defense.

I wish him every success in life.

.....

Rafiqul Islam
Professor & Dean
Faculty of Business & Economics
Daffodil International University

Acknowledgement

At the very beginning of the paper I would like to convey my sincere gratitude to the all mighty Allah for providing me, the unique ability of analytical understanding and capacity to discover the knowledge while preparing this report.

I am very much grateful to my honorable supervisor Professor & Dean Rafiqul Islam for assigning the topic which enriched my academic as well practical knowledge and attitude.

I would like to thank all the officials of Beacon Pharmaceuticals Limited (BPL) for their cooperation especially, I'm grateful to:

- Mr. Md.Zahirul Islam, Acs, Deputy Manager
- Mr. Md. Khalilur Rahman, Acs, CA (Application Level), Assistant Manager
- Mr. Md.Delowar Hossain, CA (Application Level), Senior Executive

I'm also very grateful to the officials of library and publication sections and Finance & Accounts department of Beacon Pharmaceuticals Limited.

Executive Summary

The report has been prepared on the basis of the five-annual report of a reputed company, “Beacon Pharmaceutical Ltd” in respect to my partial MBA program. I have chosen five consecutive years 2013, 2014, 2015, 2016 and 2017 to analysis the ratios, and analysis to find the competitive position and the level of performance of the organizations in respect to the calculated ratios. In addition, I have analysis of both balance sheet and income statement to find the position of the organizations in respect of profitability. The organization is pharmaceutical company. The reason behind calculating the ratios of different years of a company gives us a complete view about company’s gradual improvement or decline. The chosen company has gained significant popularity in the market of Bangladesh and has been running the business for a considerable period.

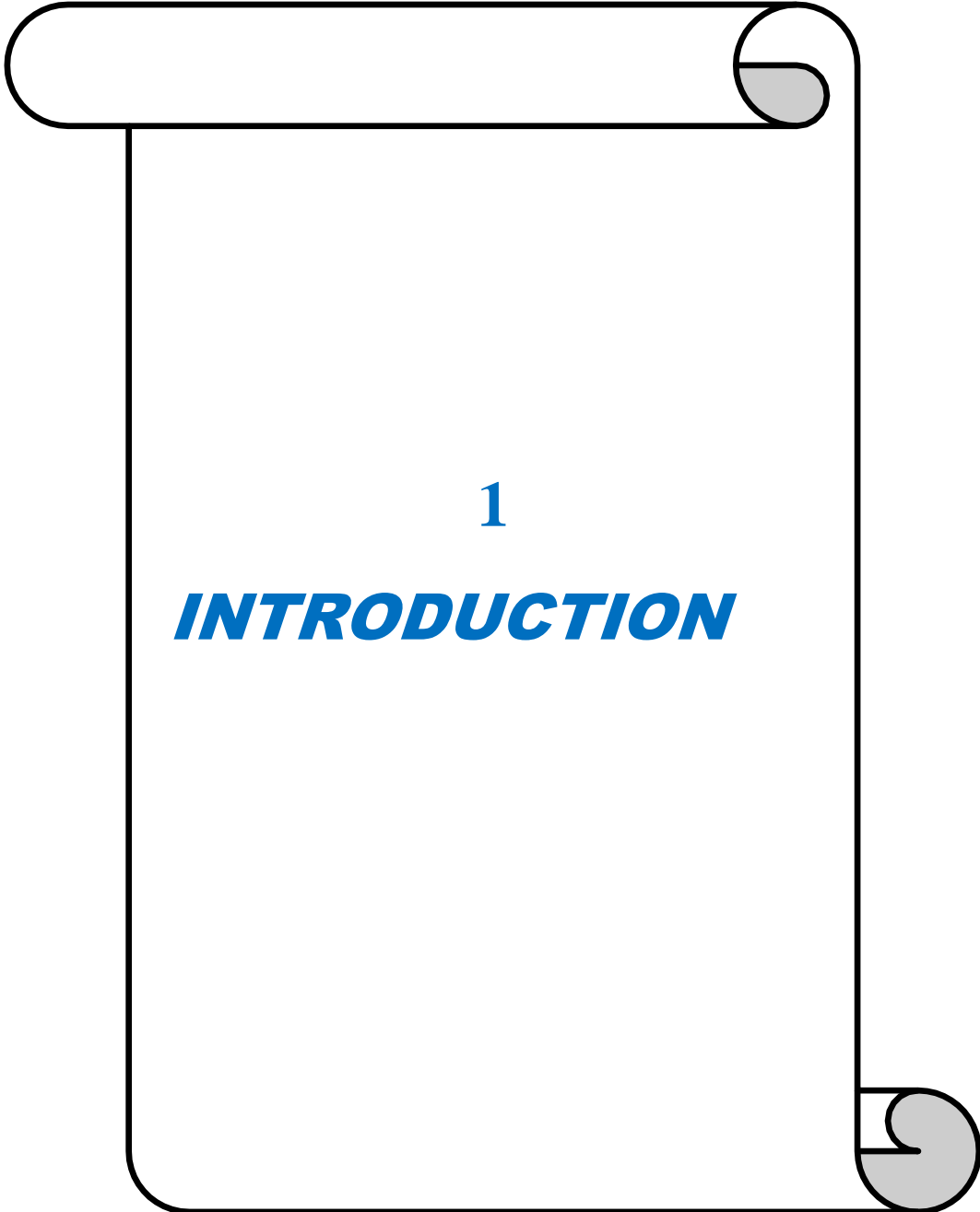
The report consists of five types of ratio analysis which are as follows:

1. Liquidity Ratio
2. Financial Leverage Ratios
3. Interest Coverage Ratio
4. Activity ratios

Under these primary categories there are several other sub categories. I calculated those ratios and provided interpretation of the results and also evaluated the company’s position interns of their results. Last but not the least we did the index analysis of the balance sheet and income statement. We found some problems in the financial activities of the company and provided recommendations based on that.



***Financial performance
Analysis of Beacon
Pharmaceuticals Ltd.***



1.1 INTRODUCTION

I have completed My internship with the Finance & Accounts Department of **Beacon Pharmaceuticals Ltd. (BPL)** which is one of the renowned pharmaceuticals of the Country and a Public Limited Company and is a great opportunity for me to complete my internship with **BPL**, which is listed with Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE), really helps me to enrich my knowledge & gather effective and efficient experience.

1.2 ORIGIN OF THE REPORT

The domestic market of Pharmaceutical products in Bangladesh has shown a tremendous growth over the last couple of years. There has been a marked value-wise growth of the market -- at the rate of 23.59% in 2012 over that of 2011, according to the data released by IMS Health Bangladesh. According to the IMS, the size of Bangladesh's domestic drug market was \$686 million in 2013, \$797 million in 2014, \$977 million in 2015, and it reached US \$1136 million in 2017 (Siddique, 2017). Now in Bangladesh the pharmaceutical sector is one of the most developed hi-tech sectors within the country's economy. After the promulgation of Drug Control Ordinance 1982, the development of this sector was accelerated. The professional knowledge, thoughts and innovative ideas of the pharmaceutical professionals working in this sector are the key factors for these developments. Due to recent development of this sector it is exporting medicines to global market including European market. This sector is also providing 97% of the total medicine requirement of the local market. Leading pharmaceutical companies are expanding their business with the aim to expand export market (bddrugs.com).

1.3 OBJECTIVE OF THE STUDY

General Objective:

The general objective of the study is to evaluate the “financial performance of Beacon Pharmaceuticals Ltd.”

Specific Objectives:

The main purposes of the report are as follows:

- To be familiar with the pharmaceutical industry.
- To gain some clear ideas about the ratio analysis
- To know about the financial condition of selected company
- To know the day to day activities of Techno Beacon pharmaceutical company.
- To examine the balance sheet of the company.
- To understand the different operations of Beacon pharmaceutical company.

1.4 SCOPE

Beacon Pharmaceuticals Limited is one of leading pharmaceuticals companies in Bangladesh. They locally sell & export their products in different countries of the world. The report covers the ratio analysis is based on income statement and balance sheet of this company.

1.5 METHODOLOGY

Data Collection

To prepare this report the data has been collected from two sources, such as primary source and secondary source.

Primary Sources

- ❑ Officers
- ❑ Supervisors
- ❑ Clients

Secondary Sources

Secondary sources are:

- ❑ Annual Report of Beacon Pharmaceuticals Ltd.
- ❑ Gather knowledge about the company from their company website.
- ❑ Publications obtained from different libraries and from internet.

Data Collection Technique

- ❑ Personal interview and conversation with employees of the organization.
- ❑ Face to face conversation with the respective officers.
- ❑ Practical deskwork.
- ❑ Software: MS Word, Microsoft Excel

1.6 LIMITATIONS OF THE REPORT

During the course of practical training, I have faced some problems, which might be termed as the limitation of the study. The problems which I faced are as follows:

Non-availability of adequate data: It was very tough to collect data for making a comparative study on the performance of the different area. So, I was not able to gather all information for preparing a more in-depth presentation.

Inadequate support from the administration: Since the company personnel of the Beacon Pharmaceuticals Ltd are very busy, in some case I could not communicate with them properly.

Fears to disclosure: The administration was afraid to disclose some information of the organizational . It was also a constraint for the study.



2

***COMPANY
OVERVIEW***

2.1 BACKGROUND AND HISTORY OF THE COMPANY

Beacon Pharmaceuticals Limited, a leading Pharmaceutical Company in Bangladesh in respect of producing high-tech products like anticancer and cardiovascular portfolio. **Beacon** is a Public Limited Company listed with Dhaka and Chittagong Stock Exchange, which was incorporated on 12th September, 2001 as a private limited company with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh under the Companies Act 1994 and subsequently converted into a Public Limited Company with a mission to improve the quality of human life by providing innovative pharmaceutical products through continuous research and development by ensuring stakeholders satisfaction with the aim of becoming one of the most value driven Pharmaceutical Companies in the Country. **Beacon** is a very popular name in the Pharmaceuticals Industries in Bangladesh due to its high quality products of Anticancer, cardiovascular, Gastrointestinal, Antibiotics, Anti-Coagulants, Protein Supplements, Muscle relaxant, Anti-histamine, Analgesics and NSAIDS etc. The Project is situated at Bhaluka, Mymensingh, Bangladesh measuring total land of 18 Acres with the covered area of more than 150,000 sft., the cost of the project stands at more than US\$. 50.00 Million. The manufacturing complex of **Beacon** has been engineered by European consultants in order to be one of the finest facilities in the world. **Beacon** is designed to conform world standard like US-FDA, UK-MHRA, TGA-Australia and WHO –cGMP. Existing facilities of the Project is going to be enhanced. Required machineries have already been imported. Most of the machineries already arrived and some are in the pipeline. The BMRE Project will be able to start its production hopefully in the beginning of the next year. BPL floated its shares from the year 2010 as a Public Limited Company under the Companies Act, 1994.

The Authorized Capital of the Company was Tk. 3,000,000,000 million of 300,000,000 Ordinary shares of Tk. 10 each as on 30 June, 2017. Paid-up Capital was Tk. 2,310,000,000 of 231,000,000 ordinary shares of Tk. 10 each. BPL got listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) in 2010 and shares are being traded as the category „Z“. BPL’s Head Office is located at 9/B/2 Toyenbee, Mothijeel, Dhaka-1000

2.2 CORPORATE PROFILE

Beacon pharmaceuticals ltd is a public limited company listed with Dhaka and Chittagong stock exchange. The Company was registered as a private limited company with the Registrar of Joint Stock Companies and Firms under the Company's Act, 1994 on 12th September, 2001 in the name of **Beacon pharmaceuticals ltd** having its factory at Kathali, Bhaluka, Mymensingh and head office at "Orion House" 153-154, Tejgaon Industrial Area, Dhaka, Bangladesh and subsequently the Company has been converted into a Public Limited Company.

Beacon has the following sister concerns:

- Beacon Developments Limited
- Beacon Point Limited
- Beacon Power Systems Limited
- Beacon Cephalosporin Limited
- Beacon Nutraceuticals Limited
- MEK Industries Limited
- MEK Auto Bricks Limited
- Mujibunnessa Medical College & Hospital Limited

Principal Bankers

- Janata Bank Limited
- Sonali Bank Limited
- Agrani Bank Limited
- Rupali Bank Limited
- Dutch Bangla Bank Limited
- Eastern Bank Limited
- Commercial Bank of Ceylon Plc
- Bank Asia Limited
- First Security Islami Bank Limited
- ICB Islamic Bank Limited
- The City Bank Limited
- Standard Chartered Bank
- Social Islami Bank Limited
- Shahjalal Islami Bank Limited
- The Hongkong and Shanghai Banking Corporation Limited.

2.3 LEGAL STATUS OF THE COMPANY

Date Of Incorporation	12 th September, 2001
Commencement Of Business	2006
Date of Publication of Prospectus	5 th May, 2010
Listed In Dhaka Stock Exchange	2010
Listed In CSE	2010
Fiscal Year End	June
Last Audit	30 th June, 2017
Company Secretary	Mr. Giash Uddin Ahmed FCMA
Statutory Auditors	M/S. Toha Khan Zaman & Co. Chartered Accountants
Corporate Governance Compliance Auditor	Poddar & Associates, Cost and Management Accountants, 333/1 (New 8/1) Segun Bagicha (2 nd & 3 rd Floor), Dhaka-1000.
Audit Opinion	Unqualified
Legal Advisor	Mr. AbulKhayer AbulKhayer & Associates
Registered Office	153 -154 Tejgaon I/A., Dhaka - 1208, Bangladesh. Tel: +880-2-8870133, 8870134 Fax: +880-2-8870109 E-mail: beacon@beaconpharma.com.bd Website: www.beaconpharma.com

2.4 VISION, MISSION AND GOAL OF BPL

Vision

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

Mission

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

Goal

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

2.5 CORE VALUES

Stakeholders	Maximizing Wealth of BPL
Employees	BPL always values its employees and consider them as its assets.
Clients	BPL assesses the needs of its clients and provide the effective and innovative solutions to their requirements.
Professionalism	BPL always adheres to the strict professionalism.
Honesty and Integrity	Honesty and Integrity is must.
Teamwork	All the members work as a strong and interrelated team.
Open Communication	The professional communication is open.
Work Ethics	Work ethics are followed with integrity.
Commitment	Fully achievable commitment.
Accountability	BPL is accountable for every sphere of operations.
Leadership	BPL grows perfect leadership.
Ownership	BPL works for owners and see the ownership positively.

2.6 ETHICAL PRINCIPLES / CODE OF CONDUCT

BPL's ambition for operational excellence and prime position in the industry practices a solid foundation of commitment to lawful and ethical conduct. The code of conduct describes its values of high ethical and legal standards for all business activities from strategic planning to day to day procedures in which it operates. BPL strictly adhere to the following:

- Focus on building deep and long-standing relationships with their clients, customers and constantly look to improve the quality of products and services;
- Focus on developing our human resource talents;
- Ensure balanced growth with a disciplined approach to the management of risks and costs Ensure adequate capital and liquidity to sustain the business over the long term.

2.7 PRODUCTS OF BPL

General Product			General Product		
Sl. No.	Product Name	Pack Size	Sl. No.	Product Name	Pack Size
1	Acebid Tablet	5x10	70	Protebon M Tablet	1x30
2	Acupain 30 Injection	1x5	71	Protebon Tablet	1x30
3	Acupain 30 Injection	1x5	72	Protebon-P Tablet	3x10
4	Acupain Tablet	3x10	73	Protoloc 20 Tablet	5x10
5	Agotin Tablet	1x10	74	Protoloc 40 Tablet	5x10
6	Alertadin Tablet	10x10	75	Quixin Tablet	3x10
7	Allion Tablet	1x30	76	Rabepes	5x10
8	Amekast 10	2x10	77	Rabepes Capsule	10x5
9	Amekast 4	3x10	78	Regab 25 Capsule	2x10
10	Amekast 5	3x10	79	Regab 50 Capsule	2x10
11	Bukof Syrup	1x1	80	Regab 75 Capsule	2x10
12	Bukof Tablet	3x10	81	Rejubion Injection	1x5
13	CoQ 30	3x10	82	Rejubion Tablet	1x30
14	CoQ 60	3x8	83	Roflast Tablet	3x10
15	Coxitor 60 Tablet	3x10	84	Rupadin	3x10
16	Coxitor 90 Tablet	2x10	85	Safoxol	4x8
17	Dapotin	2x10	86	Safoxol Syrup	1x1
18	Diacer Plus	3x10	87	Simpli-3 Injection	1x1
19	Doxoven	3x10	88	Simpli-3 PFS (20ml)	1x1
20	Doxoven 200	3x10	89	Simpli-3 PFS	1x1

				(35ml)	
21	Duratocin Injection	1x1	90	Simpli-3 PFS (50ml)	1x1
22	Esoprex 20 Capsule	7x8	91	Simpli-3 Tablet	1x8
23	Esoprex 20 Capsule	5x8	92	Sixvit Tablet	10x10
24	Esoprex 40 Capsule	5x6	93	Slipaid	5x10
25	Esoprex Injection	1x1	94	Spasverin Tablet	5x10
26	FAP-500 Tablet	10x20	95	Starcef 400	2x4
27	Fap-Plus	1x1	96	Starcef Capsule	2x4
28	Fap-Plus Tablet	20x10	97	Starcef PFS	50
29	Fapdol Tablet	3x10	98	Tenoflex Tablet	3x10
30	Flexibac 25 Tablet	2x10	99	Tericin Injection	1x1
31	Flexibac 5 Tablet	5x10	100	Tetrazin	10x2
32	Flexibac Tablet	5x10	101	Tinizol DS Tablet	5x10
33	Gabamax Tablet	2x10	102	Tivis Injection	1x5
34	Gastroloc Tablet	10x10	103	Tivis Tablet	5x10
35	Gemif Tablet	1x8	104	Traxef Injection	1x1
36	Heparon Injection	1x1	105	Trexonate 10 Tablet	3x10
37	Hexinor 5	10x5	106	Trexonate 2.5 Tablet	3x10
38	Hexinor Tablet	50	107	Veripel SR Capsule	4x8
39	Ilodon 2	5x10	108	Xalcort	3x10
40	Ilodon 6	5x10	109	Xbac 500mg Tablet	3x10
41	Infusol	1x1	110	Xbac 750 Tablet	2x10

42	Infusol Plus	1x1	111	Xbac IV Infusion	1x1
43	Kidcef (PFS)	1x1	112	Xbac Suspension	1x1
44	Levofed Injection	1x1	113	Xefrim 250	1x10
45	Liqu-E (Blis)	5x10	114	Xefrim 70ml	1x1
46	Liqu-E (Bot)	1x30	115	Xelopes 40 Capsule	5x6
47	Liquical Capsule	3x10	116	Xelopes Capsule	8x15
48	Liquimint Capsule	3x10	117	Xelopes Injection	1x1
49	Lubilax 24 Capsule	2x10	118	Xemocid Gold IV Inf.	1x1
50	Lubilax Capsule	2x10	119	Xemocid Infusion	1x1
51	Medrina Tablet	2x15	120	Xenofer 100 Injection	1x2
52	Merocon	1x1	121	Xenofer 50 Injection	1x1
53	Merocon 500	1x1	122	Xenofer injection	1x1
54	Migratol Tablet	3x10	123	Xenosol 100 ml	1x1
55	Milran 12.5	5x10	124	Xenosol 250 ml	1x1
56	Milran Tablet	2x10	125	Xenosol 500 ml	1x1
57	Mirapin Tablet	3x10	126	Xentoin Tablet	5x10
58	Noburn Tablet	10x10	127	Xeroder 150	1x8
59	Paloxi 0.075 Injection	1x1	128	Xeroder 50 Capsule	3x10
60	Paloxi 0.25 Injection	1x1	129	Xeroder IV Infusion	1x1
61	Paloxi Capsule	2x10	130	Xmec Tablet	10x5

62	Paloxi Tablet	2x10	131	Xolitra Tablet	5x10
63	Paraciv IV Infusion	1x1	132	Xovir 500	1x1
64	Pericon 1	1x10	133	Xovir IV Infusion	1x1
65	Plasmex IV Infusion	1x1	134	Xtrapel 100 Injection	1x5
66	Pradox Injection	1x1	135	Xtrapel 50 Capsule	2x10
67	Prokind Tablet	5x10	136	Xtrapel Capsule	3x10
68	Protebon D Tablet	1x30	137	Xvit Capsule	5x10
69	Protebon D Tablet	1x15	138	ZT Tablet	6x10

Oncology Product			Oncology Product		
Sl. No.	Product Name	Pack Size	Sl. No.	Product Name	Pack Size
1	Anastrol Tablet	3x10	36	Lexel Tablet	3x10
2	Bendamax	1x1	37	Linamide 10	1x1
3	Bevastim 400	1x1	38	Linamide 25	1x1
4	Bevastim Injection	1x1	39	Nab-Xelpac	1x1
5	Bical	3x10	40	Pegfilgrast	1x1
6	Carboplat 150 Inj.	1x1	41	Pemetrex	1x1
7	Carboplat 450 Inj.	1x1	42	Platinex 10 Injection	1x1
8	Cetuxim	1x1	43	Platinex 50 Injection	1x1
9	Criston 1 Injection	1x1	44	Rituxim 100 Injection	1x1
10	Criston 2 Injection	1x1	45	Rituxim 500 Injection	1x1
11	Cyclotox 200 Inj.	1x1	46	Rubicin Injection	1x1
12	Cyclotox Injection	1x1	47	Soranix Tablet	1x1
13	Cytabin	1x1	48	Sunitix Capsule	1x6
14	Cytabin 500	1x1	49	Sunitix Capsule	1x1
15	Dasanix	1x1	50	Tamolex 10 Tablet	3x10
16	Docexan 20 Injection	1x1	51	Tamolex 20 Tablet	3x10
17	Docexan 80 Injection	1x1	52	Temonix 100	1x1
18	Erlonix 100 Tablet	1x1	53	Temonix 250	1x1

19	Erlonix 150 Tablet	1x1	54	Topoxin Injection	1x1
20	Erubin 10	1x1	55	Trastunix Injection	1x1
21	Erubin 50	1x1	56	Trexonate Injection	1x1
22	Filgrast Injection	1x1	57	Xaloplat 100 Injection	1x1
23	Fluroxan 250 Inj.	1x1	58	Xaloplat 50 Injection	1x1
24	Fluroxan 500 Inj.	1x1	59	Xelpac 100 Injection	1x1
25	Folinex 50 Injection	1x1	60	Xelpac 30 Injection	1x1
26	Gefinix	1x1	61	Xelpac 300 Injection	1x1
27	Gemoxen 200 Inj.	1x1	62	Xevirol	1x1
28	Gemoxen Injection	1x1	63	Xevirol 5	1x1
29	Hydronix Capsule	7x4	64	Xifos1	1x1
30	Ifomes	1x2	65	Xifos2	1x1
31	Imanix 400 Tablet	1x1	66	Xitabin	1x1
32	Imanix Tablet	3x10	67	Xoleron Injection	1x1
33	Irinox 100	1x1	68	Xorubion 10 Injection	1x1
34	Irinox 40	1x1	69	Xorubion 50 Injection	1x1
35	Leukin Tablet	3x10	70	Zytix Tablet	1x1

Biotech Product			Biotech Product		
Sl. No.	Product Name	Pack Size	Sl. No.	Product Name	Pack Size
1	Becovir Tablet	1x8	10	Eposis 5000 Injection	1x1
2	Caviral Tablet	1x10	11	Eptase Injection	1x1
3	Copeg Capsule	2x10	12	Interon Injection	1x1
4	Daclavir	10x1	13	Pegin 135	1x1
5	Daclavir	1x1	14	Pegin Injection	1x1
6	Darvoni Tablet	6x1	15	Soforal	1x8
7	Eposis 2000 Injection	1x1	16	Soforal	1x1
8	Eposis 3000 Injection	1x1	17	Uronase Injection	1x1
9	Eposis 4000 Injection	1x1			

Cardiac Product			Cardiac Product		
Sl. No.	Product Name	Pack Size	Sl. No.	Product Name	Pack Size
1	Amlocom Tablet	5x10	8	Eparin 60	1x1
2	Amlowide Tablet	5x10	9	Furo Plus Tablet	3x10
3	Amlozep-10 Capsule	3x10	10	Prasulet 10 Tablet	3x10
4	Amovast Tablet	2x10	11	Prasulet 5 Tablet	3x10
5	Cardisan Plus	3x10	12	Xerova 10 Tablet	10x3
6	Cardisan Tablet	3x10	13	Xerova 20 Tablet	10x2
7	Combiplat Tablet	3x10			

2.8 ORGANIZATIONAL STRUCTURE

The organizational structure of a company shapes the way employees behave and determines how they will act to achieve the ultimate goal of the organization effectively and efficiently. It is used to assign works to the employees and connect the activities of different departments. The organizational structure of BPL is very tall and centralized. It has two levels of managers, the Business level managers and the functional level managers. The Business level managers include Managing Director and the Head of Operations, Head of IT, Business Development and the Head of Finance & Human Resources. The Functional level managers are the managers of different departments.

The Managing Director of the company takes most of the internal decisions and oversees the development of strategies for the total organization. The heads of different department update and interpret the functional level managers about the specific objectives of the company and monitor them in achieving the goals. The functional level managers bear responsibilities of the functions and performances of the company. They work with the help of the all levels of employees to bring total customer satisfaction by providing high quality services, which lead the ultimate goal of the organization. The total number of employees of BPL are 1,970. This number includes all level of employees, also the Medical Promotion Officer (MPO).

2.9 BOARD OF DIRECTORS

The basic responsibility of the Board is to provide effective governance over the Company's affairs exercising its reasonable business judgments on behalf of the Company. The Company's business is conducted by its employees under the direction of the Managing Director and the overall supervision of the Board. The Board members have collective experience in diverse fields like finance, banking, economics, health, corporate laws and administration.

Members of the Board of Beacon pharmaceuticals ltd are as follows:

Mrs. Nurun Nara Karim Chairman	
Mr. Md. EbadulKarim Managing Director	Mr. Md. NiazulKarim Director
Mr. Abdul QaderSiddiqui Independent Director	Mr. Dr. SayedModasser Ali Independent Director

The Company holds at least four Board meetings in a year, one in each quarter inter-alia to review the financial results of the Company. The gap between the two Board Meetings does not exceed three months. Apart from the four scheduled Board Meetings, additional Board Meetings are also convened to address the specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation. During the year under review 11 (eleven) meetings of the Board were held.

The following information has been given to the Board either as a part of the agenda of the meeting or by way of presentation during the meeting:

- Annual operating plans, budgets and performances;
- Quarterly, half-yearly and annual results of the Company;
- Minutes of the meeting of other committees of the Board of Directors;
- Significant regulatory matters;
- Detailed risk analysis and asset liability management report;
- Details of Investments;
- Detailed recovery statements;
- Such other material and significant information.

The Board performs following functions in addition to overseeing the overall business and management:

- Review, monitor and approve major financial and business strategies and corporate actions;
- Assess critical risks facing by the Company – review options for their mitigations;
- Ensures that the processes are in place for maintaining the integrity of the Company;
- The financial statements;
- Compliance with law;
- Relationship with customers and shareholders;
- Delegation of appropriate authority to the Senior Executives of the Company for effective management of operations.

2.10 BOARD COMMITTEES

There are three committees constituted by the Board Members to assist the Board in discharging its responsibilities – the **Audit Committee, Executive Committee and Management Committee**. The Board at the time of constitution of each committee fixes the terms of reference for each committee and also delegates power from time to time. The minutes of the meetings of all the committees are circulated to the Board for its information.

2.11 COMPOSITION OF EXECUTIVE COMMITTEE

The Executive Committee is authorized to review all the proposals of loans and advances and some other major issues. The above authority delegated to the Managing Director & CEO. The Executive Committee of the Company last reconstituted on November 22, 2015 and the members are:

1. Mr. Md. EbadulKarim, Managing Director
2. Ms. RisanaKarim, Executive Director
3. Mr. AHM Quamruzzaman, Director (Plant Operation)
4. Mr. A.K.M. AnwarulHaq, EVP (Marketing)
5. Mr. GiashUddin Ahmed FCMA, EVP (Finance & Accounts)
6. Mr. ShahidurRahman, SVP (Factory Operation)
7. Mr. MonjurAlam, SVP (Business Development)
8. Mr. AnisurRahman Khan, VP (HR & Admin)

2.12 COMPOSITION OF MANAGEMENT COMMITTEE

1. Mr. AHM Quamruzzaman, Director (Plant Operations)
2. Mr. A. K. M. AnwarulHaq, EVP (Marketing)
3. Mr. Giash Uddin Ahmed FCMA, EVP (Finance & Accounts)
4. Mr. Shahidur Rahman, SVP (Factory Operations)
5. Mr. Monjur Alam, SVP (Business Development)
6. Mr. Anisur Rahman Khan, VP (HR & Admin)
7. Mr. Saiful Islam, VP (Production)
8. Mr. Sujit Kumar Kundu, Sr. Manager (PD & QA)
9. Mr. Saifullah Bari, National Sales Manager
10. Mr. Ziaur Rahman Shahin, Manager (IT)
11. Mrs. Syeda Shahnawas Shilpi Anny, In-Charge (Commercial)

2.13 INFORMATION TO INVESTORS & STAKEHOLDERS (AS ON 30TH JUNE,2017)

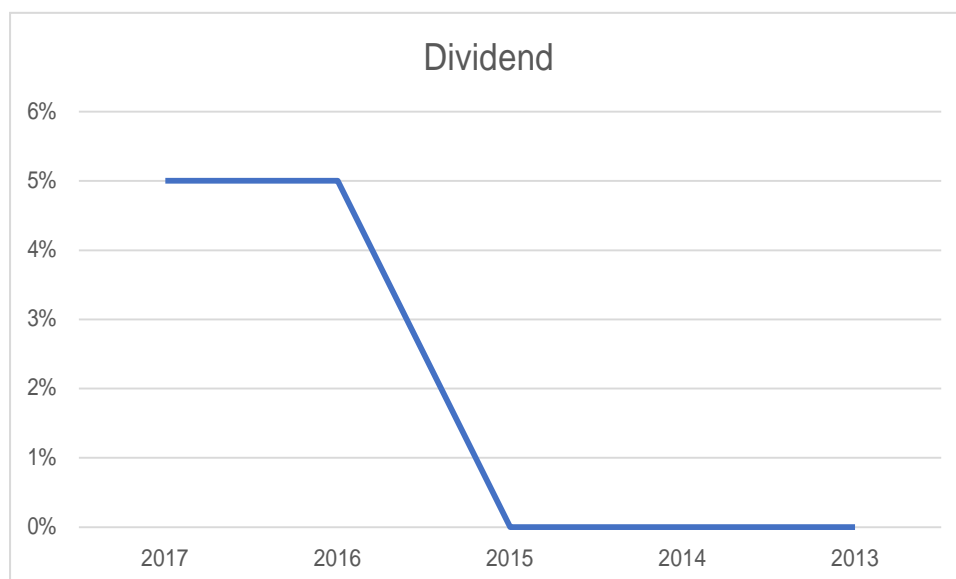
2.13.I SHARE CAPITAL STRUCTURE

The share capital structure of BPL is for the year ended on 30 June, 2017 is shown below:

Authorized Share Capital (300,000,000 Ordinary shares of Tk. 10 each)	Tk. 3,000,000,000
Issued and Fully Paid-up Capital (231,000,000 Ordinary shares @Taka 10 each)	Tk. 2,310,000,000

2.13.II Payment of Dividend for ordinary Shares of Tk. 10/- each to the Shareholders (last five years)

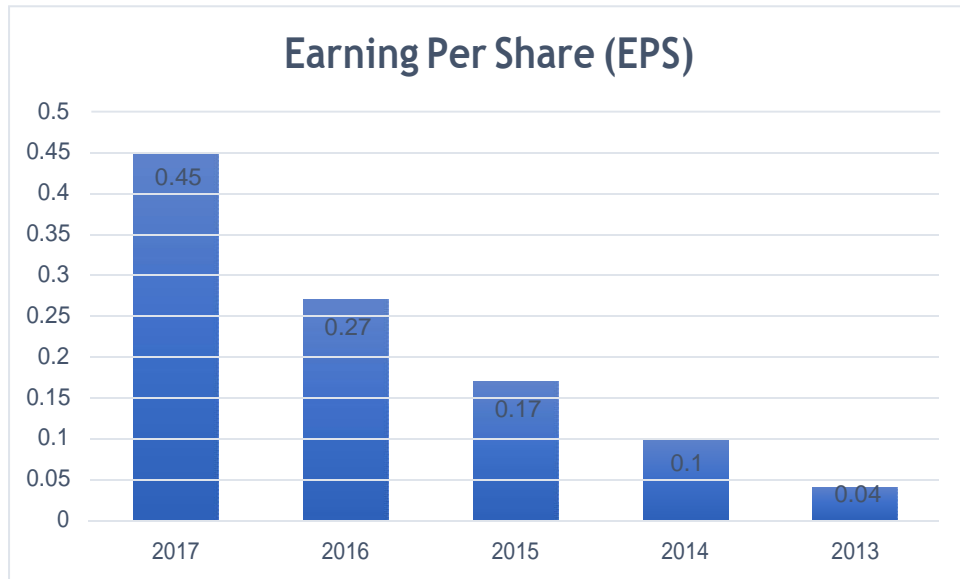
Beacon Pharmaceuticals Ltd. has been declared 5% Cash Dividend in the year 2016 & 2017 over last 5 (five) years.



Source: Annual Report

2.13. III Earnings per ordinary share @ Tk. 10/- each (last five years)

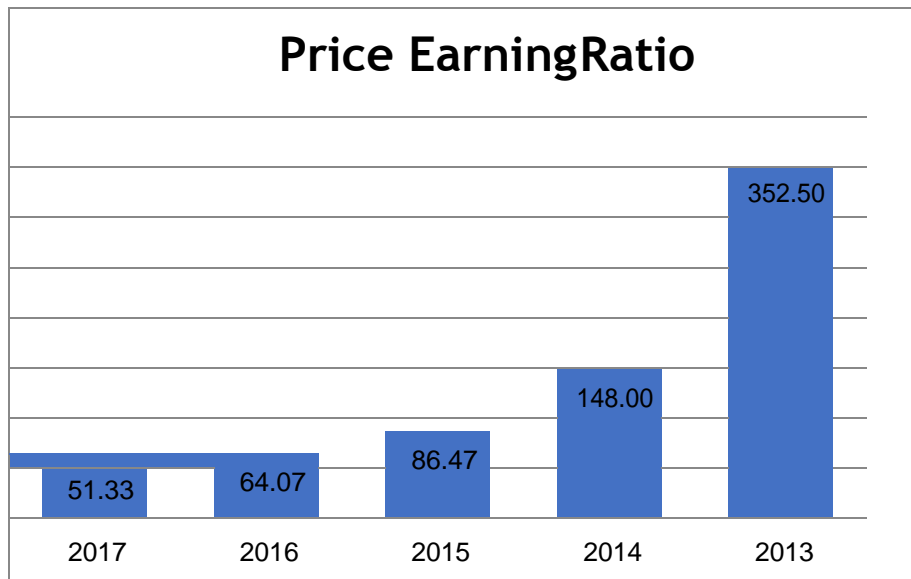
Last 5 (five) years' Earnings Per Share (EPS)



Source: Annual Report

2.1. IV Price Earnings Ratio (last five years)

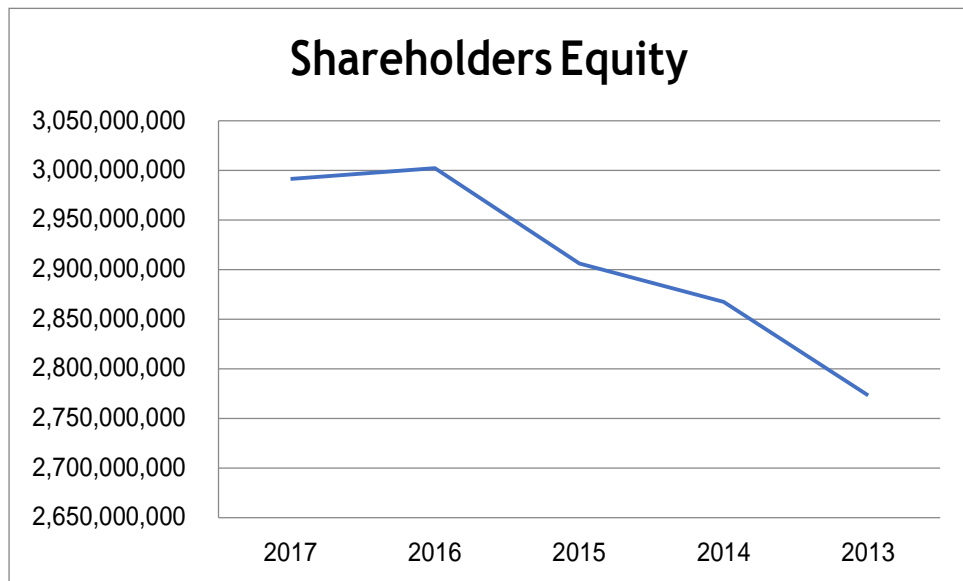
Last 5 (five) years Price Earnings Ratio (Times)



Source: Annual Report

2.13. v Shareholders' equity (last five years)

Shareholders' Equity of Last 5 (five) years (BDT in million)



Source: Annual Report

2.14 FINANCIAL HIGHLIGHTS OVER LAST 5 (FIVE) YEARS:

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

Particulars	Year				
	2017	2016	2015	2014	2013
Financial Performance					
Total Assets	5,105,979,654	5,014,603,610	4,738,697,597	4,589,825,300	4,251,619,886
Total Liabilities	2,114,672,825	2,012,513,836	1,832,578,665	1,722,443,291	1,478,361,558
Current Assets	2,424,721,610	2,563,219,957	2,551,804,833	2,157,357,740	1,526,460,823
Current Liabilities	1,138,023,095	1,150,667,724	1,097,166,405	1,030,696,923	702,348,389
Non-Current Asset	2,681,258,044	2,451,383,653	2,186,892,763	2,432,467,559	2,565,178,873
Non-Current Liabilities	976,649,730	861,846,112	735,412,260	691,746,368	776,013,169
Shareholders Equity	2,991,306,829	3,002,089,774	2,906,118,932	2,867,382,009	2,773,258,328
Operational Performance					
Revenue	2,948,456,509	2,491,804,435	2,052,938,834	1,690,363,446	1,226,906,195
Cost of Goods Sold	1,484,623,696	1,292,608,372	1,061,613,363	894,119,555	609,987,995
Operating Expense	1,196,557,774	935,102,873	706,291,687	553,676,280	409,526,225
Financial Expense	147,375,018	194,721,492	238,236,937	221,684,367	196,958,236
Gross Profit	1,463,832,813	1,199,196,063	991,325,471	796,243,891	616,918,200
Operating Profit	267,275,039	264,093,190	285,033,785	242,567,610	207,391,975
Net Profit Before Tax	115,895,985	68,308,534	51,407,588	37,274,146	14,609,706
Net Profit After Tax	103,734,641	61,402,978	38,555,691	24,228,195	9,131,066
Financial Ratio					
Current Ratio	2.13:1	2.22:1	2.32:1	2.03:1	2.17:1
Debt Equity Ratio	01:01.4	01:01.5	01:01.6	01:01.7	01:01.9
Financial Expense Coverage Ratio (Times)	1.81	1.35	1.2	1.09	1.05
Return On Equity	2.89%	2.04%	1.33%	0.85%	0.33%
Return On Asset	1.75%	1.25%	0.81%	0.53%	0.21%
Equity Parameters					
Authorized Capital	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Paid-Up Capital	2,310,000,000	2,310,000,000	2,310,000,000	2,310,000,000	2,310,000,000
Shareholder's Equity	3,088,979,719				

No. of Shares Outstanding	231,000,000	231,000,000	231,000,000	231,000,000	231,000,000
Net Asset Value (NAV) Per Share	13.37	13.00	12.58	12.41	12.01
Earnings Per Share (EPS)	0.45	0.27	0.17	0.10	0.04
Market Price Per Share (Closing)	23.10	17.30	14.70	14.80	14.10
Price Earnings Ratio (Times)	51.33	64.07	86.47	148.00	352.50



3
ANALYSIS
&
EVALUATION

3.1 LIQUIDITY RATIOS:

3.1.1 Current Ratio = Current Assets / Current Liability

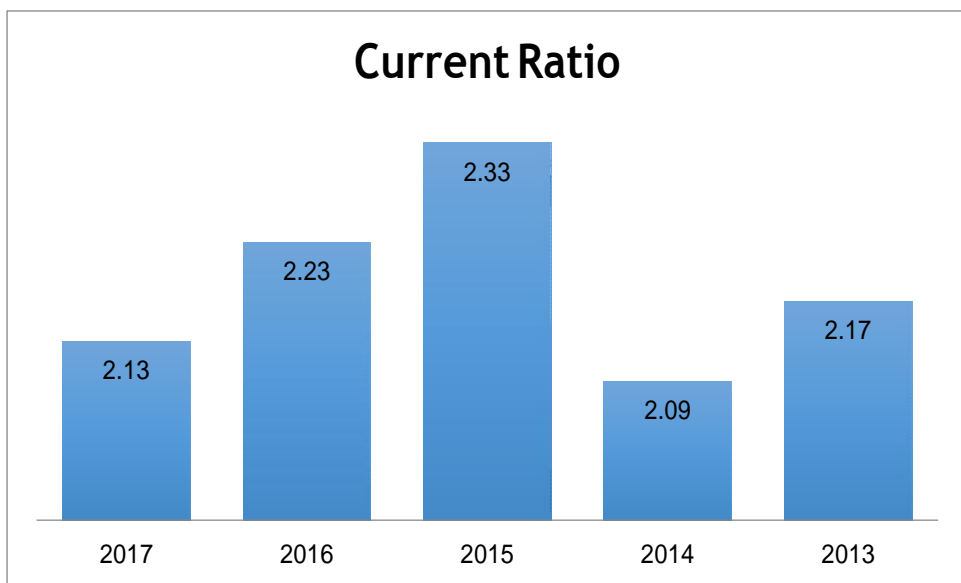
Year	Current Asset	Current Liabilities	Ratio
2017	2,424,721,610.00	1,138,023,095	2.13 times
2016	2,563,219,957.00	1,150,667,724	2.23 times
2015	2,551,804,833.00	1,097,166,405	2.33 times
2014	2,157,357,740.00	1,030,696,923	2.09 times
2013	1,526,460,823.00	702,348,389	2.17 times

Source: Annual Report

Analysis: Initially pharmaceuticals limited had a very high current ratio. But over the next four years it shows an decreasing trend. In 2013 the current ratio was 2.17, which gradually decreased to 2.13 in 2017

Interpretation: Current ratio shows the firm's short-term debt paying ability. In case of pharmaceuticals limited, it's current ratio of year 2017 shows 2.13 which is greater than 1. This implies that the firm is capable of meeting its current liabilities by its current assets. The firm has the capacity of paying Taka 2.13 to pay off Taka 1 of its current liability. This current ratio makes the firm more attractive to the bankers and trade creditors, and as well as shareholders.

Figure: Last 5 years Current Ratio (Times)



Source: Annual Report

3.1.2 Quick Ratio:

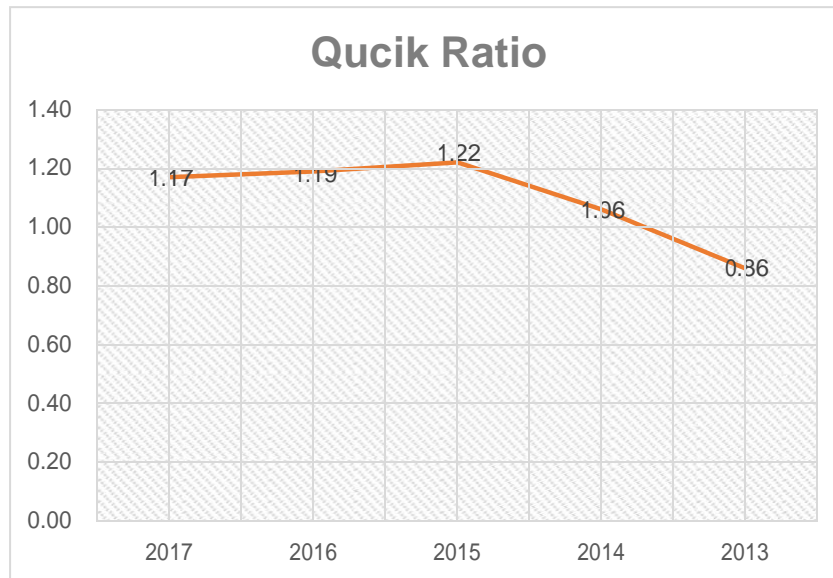
$$\text{Quick Ratio} = (\text{Current Assets} - \text{Inventory}) / \text{Current Liability}$$

Year	Current Asset	Inventories	Current Liabilities	Ratio
2017	2,424,721,610.00	1,088,458,711	1,138,023,095	1.17
2016	2,563,219,957.00	1,188,597,897	1,150,667,724	1.19
2015	2,551,804,833.00	1,214,003,104	1,097,166,405	1.22
2014	2,157,357,740.00	1,064,947,942	1,030,696,923	1.06
2013	1,526,460,823.00	920,497,475	702,348,389	0.86

Analysis: For pharmaceuticals limited, quick ratio also shows an increasing trend. In 2013, the quick ratio of pharmaceuticals limited was 0.86. In 2014, the ratio was 1.06. In 2015, it was 1.22. In 2016, it was 1.19 and in 2017, it was 1.17.

Interpretation: Quick ratio measures the immediate ability to meet its current debts. For pharmaceuticals limited, the quick ratio of year 2017 was 1.17. The firm has only Taka 1.17 to meet its Taka 1 of current debts. This implies the firm have enough cash to pay off its current debt. Since over the five years quick ratio shows a decreasing trend, so it is not good sign for the company.

Figure: Last 5 years Quick Ratio



Source: Annual Report

3.1.3 Super Quick/Acid Test Ratio:

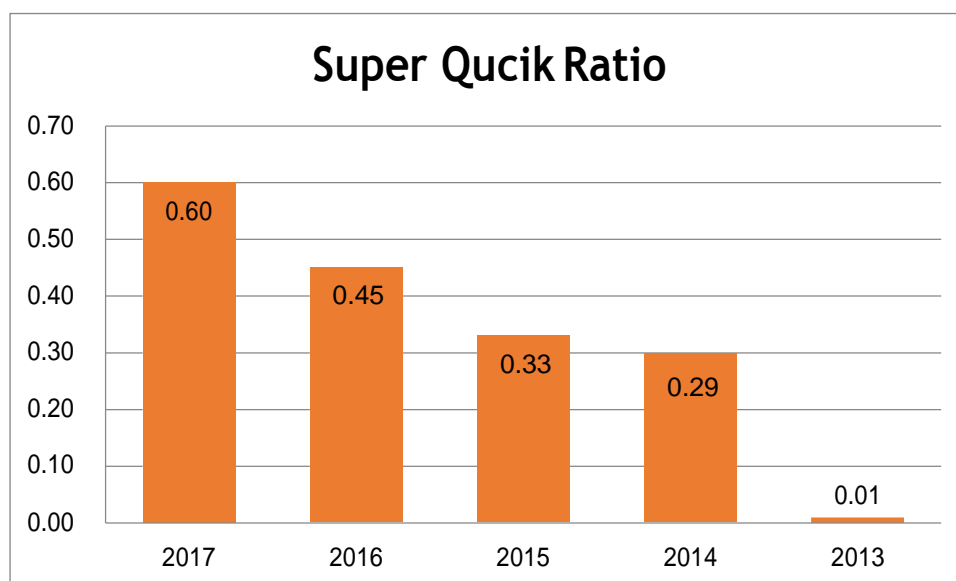
$$\text{Super Quick Ratio} = (\text{Cash} + \text{Marketable Securities}) / \text{Current Liabilities}$$

Year	Cash	Marketable Securities	Current Liabilities	Ratio
2017	233,643,078	444,650,345	1,138,023,095	0.60
2016	104,994,839	409,630,227	1,150,667,724	0.45
2015	60,757,224	298,929,314	1,097,166,405	0.33
2014	28,620,341	272,766,267	1,030,696,923	0.29
2013	7,673,698	-	702,348,389	0.01

Analysis: In 2013, the quick ratio of pharmaceuticals limited was 0.01. In 2014, the ratio was 0.29. In 2015, it was 0.33. In 2016, it was 0.45 and in 2017, it was 0.60, which shows that 's cash inflow increased sharply over the years.

Interpretation: It is the most stringent measure in this perspective. It deals with extremely liquid assets like cash and bank balance against current liabilities. The company had relatively good cash position in the year 2017.

Figure: Last 5 years Super Quick Ratio



Source: Annual Report

3.2 LEVERAGE RATIOS

3.2.1 Debt to Equity Ratios:

Debt to Equity Ratio: (Total Liabilities / Total Shareholders' Equity)

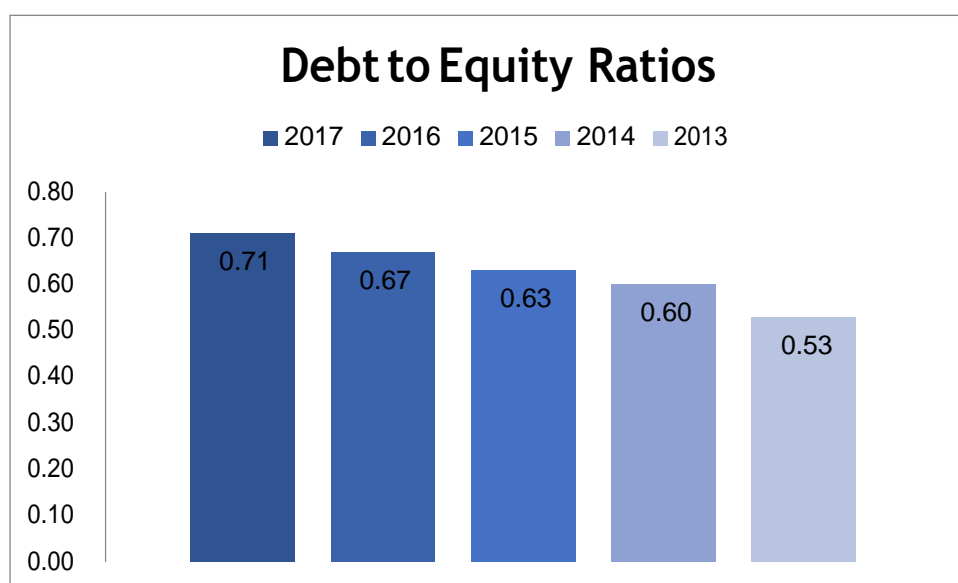
Year	Total Liabilities	Total Shareholder's Equity	Ratio
2017	2,114,672,825	2,991,306,829	0.71
2016	2,012,513,836	3,002,089,774	0.67
2015	1,832,578,665	2,906,118,932	0.63
2014	1,722,443,291	2,867,382,009	0.60
2013	1,478,361,558	2,773,258,328	0.53

Source: Annual Report

Analysis: Debt to equity ratio for the company was 0.53 in 2013. The ratio almost same 0.60 in 2014. In 2015, it was 0.63. In 2016, it was 0.67. However, in 2017 it increased to 0.71.

Interpretation: Debt to Equity ratio shows the relationship between debt financing and equity financing. A high ratio shows a large share of financing by the creditors and Vis"-a'-vis. By using debt capital or trading on equity, company can magnify the shareholders profit. In 2013, the company's liabilities were Taka 0.53 compare to the Shareholder's equity of Taka 1. Although, it was increased to Taka 0.71 in 2017, it is still below the standard rate

Figure: Last 5 years Debt to Equity Ratio



Source: Annual Report

3.2.2 Debt of Total Asset:

Debt of Total Asset: (Total Liabilities / Total Assets)

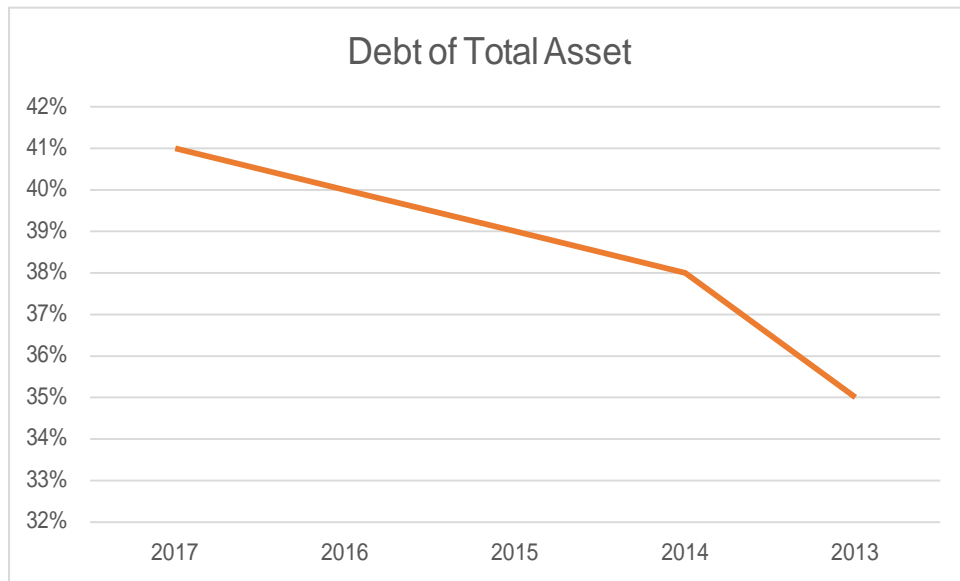
Year	Total Liabilities	Total Assets	Ratio
2017	2,114,672,825	5,105,979,654	41%
2016	2,012,513,836	5,014,603,610	40%
2015	1,832,578,665	4,738,697,597	39%
2014	1,722,443,291	4,589,825,300	38%
2013	1,478,361,558	4,251,619,886	35%

Analysis: The debt to total Assets shows an increasing trend for the average companies. In case of Pharmaceuticals Limited, in 2013 it was 35%. However, it was slightly increased in 2014 is 38% and in 2015 it was 39%. In 2016 it was to 40% and in 2017 it was 41%.

Interpretation: Debt to total assets shows the proportion of total assets financed by debt. The debt ratio year of 2013 is 35% that means lenders has financed 35% of the capital employed. So, the owner has financed $1 - .35 = .75$ i.e., 75% of net assets.

This ratio indicates that the Pharmaceuticals Limited is using less debt capital than the owner's capital and it is also indicates that BPL is low riskier company.

Figure: Last 5 years Debt to Total Asset Ratio



Source: Annual Report

3.2.3 Equity Ratio

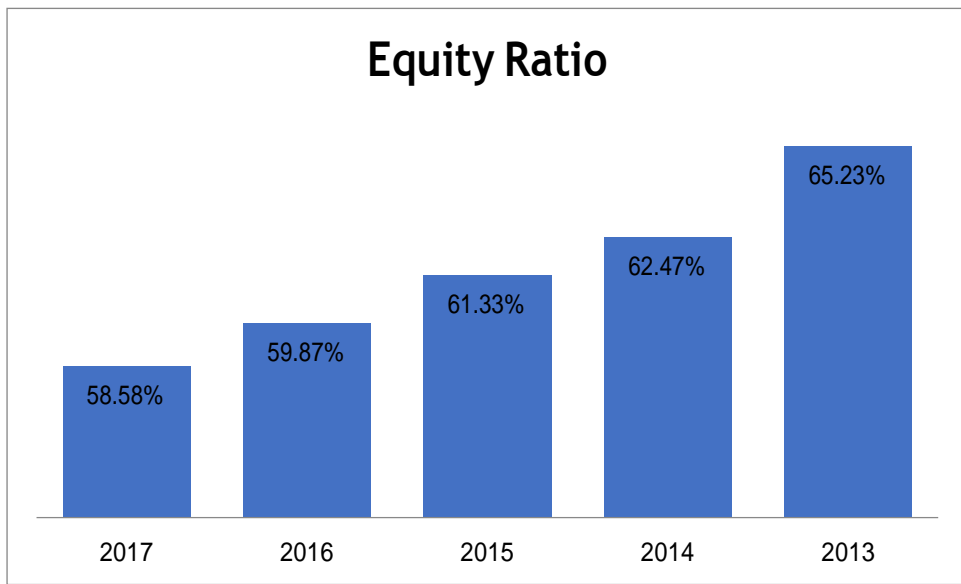
Equity Ratio: (Total Shareholder's Equity / Total Assets)

Year	Total Shareholder's Equity	Total Assets	Ratio
2017	2,991,306,829	5,105,979,654	58.58%
2016	3,002,089,774	5,014,603,610	59.87%
2015	2,906,118,932	4,738,697,597	61.33%
2014	2,867,382,009	4,589,825,300	62.47%
2013	2,773,258,328	4,251,619,886	65.23%

Analysis: In 2013, the equity ratio for SPL was 65.23%. However, it decreased to 62.47% in 2014, 61.33% in 2015 and 59.87% in 2016. In 2017 it was 58.58%.

Interpretation: Equity ratio shows the protection of total assets financed by equity. In case of BPL, 65.23% of the total assets was financed by the shareholders equity.

Figure: Last 5 years Equity Ratio



Source: Annual Report

|

3.3 ACTIVITY RATIOS:

3.3.1 Inventory turnover:

Inventory Turnover: (Cost of Goods Sold / Average Inventories)

Year	COGS	Average Inventories	Ratio
2017	1,484,623,696	1,088,458,711	1.36
2016	1,292,608,372	1,188,597,897	1.09
2015	1,061,613,363	1,214,003,104	0.87
2014	894,119,555	1,064,947,942	0.84
2013	609,987,995	920,497,475	0.66

Analysis: The inventory turnover ratio for BPL showed a gradually increasing trend over the last five years. In 2013, the ratio was 0.66. But within the next three years the ratio upward to 0.84, 0.87, 1.09 and 1.36 respectively.

Interpretation: Inventory turnover shows the effectiveness of investments in inventories. Increase the inventory turnover is a good sign for BPL. It indicates the increase of net income of the firm.

3.3 .2 Inventory Turnover in days:

Inventory Turnover in days: (Days in a year/Inventory Turnover)

Year	Days in a year	Average Inventories	Days
2017	360	1.36	264
2016	360	1.09	331
2015	360	0.87	412
2014	360	0.84	429
2013	360	0.66	543

Analysis: In 2013, the firm's inventory turnover was 543 days, which increases over the period of time. In 2007, it decreased to 429 days, which ultimately reached 264 days in 2017.

Interpretation: Average inventory shows the number of days to convert inventory into sales. For BPL, which indicates inventory management system is good shape.

3.3.3 Average Collection Period:

A/R Turnover Ratio= Sales/Average (A/R)

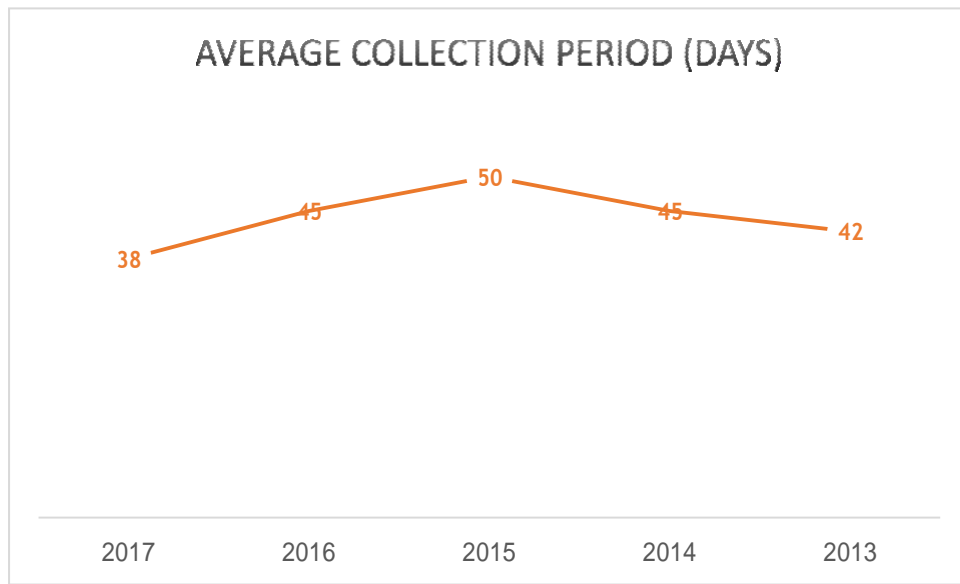
Average Collection Period=360/A/R Turnover Ratio

Year	Sales	Average A/R	A/R Turnover Ratio	Average Collection Period (Days)
2017	2,948,456,509	310,806,864	9	38
2016	2,491,804,435	314,104,797	8	45
2015	2,052,938,834	285,003,308	7	50
2014	1,690,363,446	211,333,954	8	45
2013	1,226,906,195	141,768,432	9	42

Analysis: The average collection period for BPL showed gradually increased and decreased over the last five years. In 2013, the firm's average *collection* period was 42days, which increases over the period of time. In 2014, it increased to 45 days, in 2015 is 50 days, in 2016 it was 45 days, which ultimately decreased38 days in 2017.

Interpretation: Average Collection Period is used to evaluate the company's ability to collect its credit sales in a timely manner. The trend shows high increase in collection which blocks the cash hence cash management problem occurred. They had constant collection period during the years 2013-2017 it was increased, ranging from 38 days to 50 days. This indicates that customers are not paying their bills on time. Though BPL tried to reduce the collection period.

Figure: Last 5 years Average Collection Period (Days)



Source: Annual Report

3.3.4 Fixed Asset turnover:

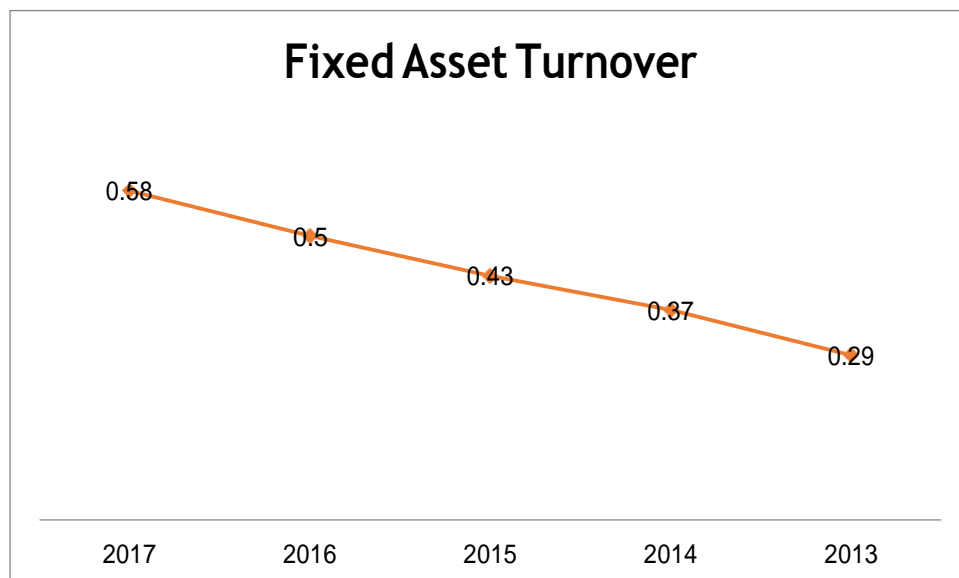
Formula:
$$\frac{\text{Sales}}{\text{Net Asset}}$$

Year	Sales	Net Asset	Ratio
2017	2,948,456,509	5,105,979,654	0.58
2016	2,491,804,435	5,014,603,610	0.50
2015	2,052,938,834	4,738,697,597	0.43
2014	1,690,363,446	4,589,825,300	0.37
2013	1,226,906,195	4,251,619,886	0.29

Analysis: The Fixed Asset turnover ratio for BPL showed a gradually moving trend over the last five years. In 2013, the ratio was 0.29. But within the next four years the ratio increasing to 0.37,0.43,0.50 and 0.58 respectively.

Interpretation: The fixed assets turnover ratio measures how effectively the firm uses its plant and equipment to help generate sales. The ratio of BPL shows the higher trend from the year 2013 to 2017 This indicating that the company is used its fixed assets as intensively (efficiently).

Figure: Last 5 years Fixed Asset Turnover Ratio



Source: Annual Report

3.3.5 Total Asset Turnover:

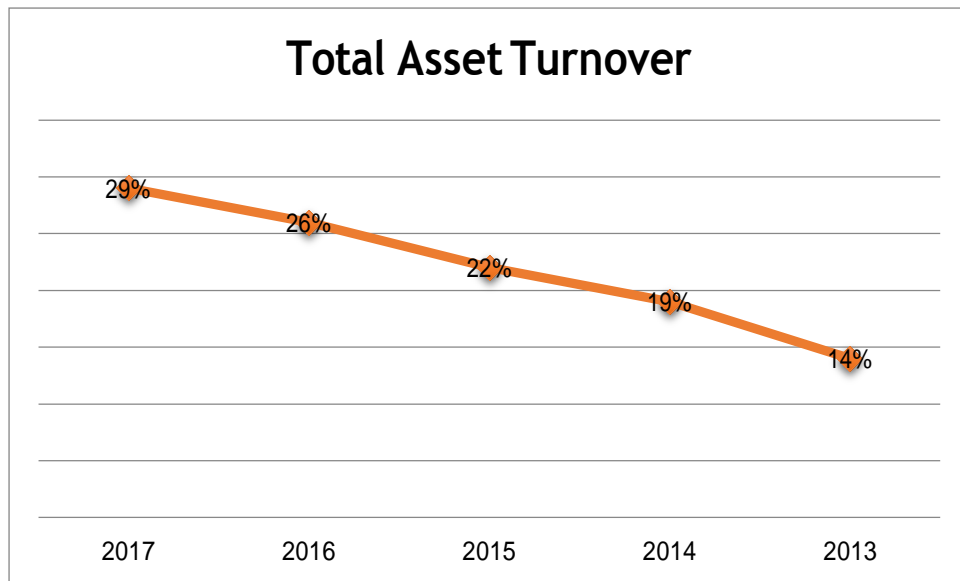
$$\text{Formula: } \frac{\text{Sales}}{\text{Average Total Assets}}$$

Year	Sales	Average Total Asset	Ratio
2017	2,948,456,509	10,120,583,264	0.29
2016	2,491,804,435	9,753,301,207	0.26
2015	2,052,938,834	9,328,522,897	0.22
2014	1,690,363,446	8,841,445,186	0.19
2013	1,226,906,195	8,763,044,667	0.14

Analysis: The firm's asset turnover ratio has increased over the last five years. In 2017, it was 0.29 compare to 0.26 in 2016, 0.22 in 2015, 0.19 in 2014 and 0.14 in 2013

Interpretation: Asset turnover ratio shows how efficiently assets are used to generate sales. In case of BPL, the total asset turnover of is 0.14, 0.19, 0.22, 0.26 and 0.29 times implies that SPL generates a sale of Taka 0.14, 0.19, 0.22, 0.26 and 0.29 for one Taka investment in fixed and current assets together. Increasing trend is good sign for the company. To become more efficient, company sales should be increased.

Figure: Last 5 years Total Asset Turnover Ratio



Source: Annual Report

3.3.6 Accounts Receivable

Turnover Ratio:

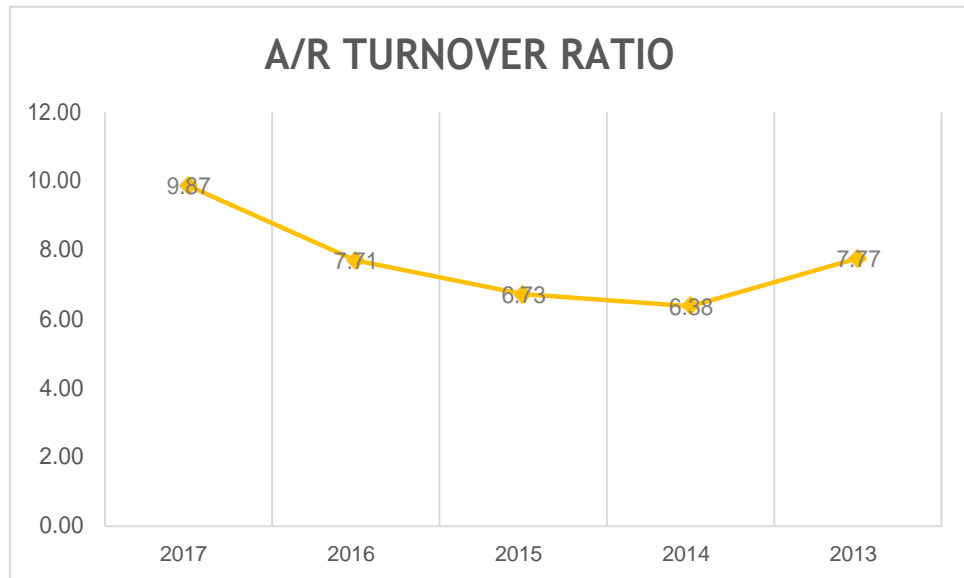
$$\text{Formula: } \frac{\text{Sales}}{\text{Accounts Receivables}}$$

Year	Sales	A/R	Ratio
2017	2,948,456,509	298,602,388	9.87
2016	2,491,804,435	323,011,340	7.71
2015	2,052,938,834	305,198,254	6.73
2014	1,690,363,446	264,808,362	6.38
2013	1,226,906,195	157,859,545	7.77

Analysis: The firm's Accounts Receivable turnover ratio has gradually increased & decreased over the last five years. In 2013, it was 7.77 compare to 6.38 in 2014, 6.73 in 2015, 7.71 in 2016 and 9.87 in 2017. These show an increasing and decreasing trend in debtor's turnover.

Interpretation: Debtor's turnover shows the effectiveness of the collection of debtor's accounts. In case of BPL the collection from debtors have increased and decreased. And it is indicating that the credit management policy of BPL is satisfactory and sometimes not satisfactory.

Figure: Last 5 years A/R Turnover Ratio



Source: Annual Report

3.4 PROFITABILITY RATIOS

3.4.1 Net Profit Margin:

$$\text{Formula: } \frac{\text{Profit after taxes}}{\text{Sales}}$$

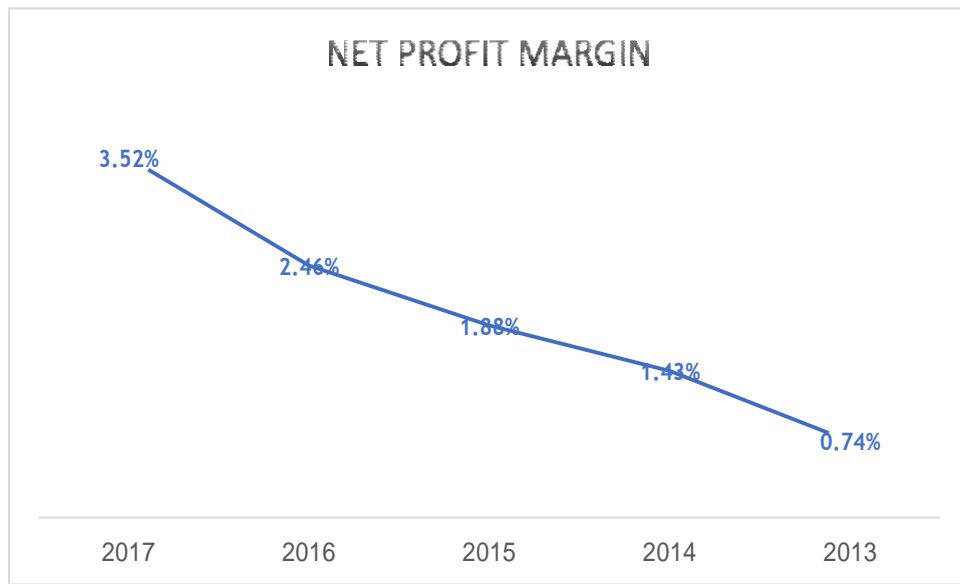
Year	Profit After Tax	Sales	Ratio
2017	103,734,641	2,948,456,509	3.52%
2016	61,402,978	2,491,804,435	2.46%
2015	38,555,691	2,052,938,834	1.88%
2014	24,228,195	1,690,363,446	1.43%
2013	9,131,066	1,226,906,195	0.74%

Analysis: The net profit margin ratio for Pharmaceuticals Limited was 0.74% in 2013. And it sharply increased over the next 4 years. In 2014 it was 1.43%, in 2015, it was 1.88%, it was 2.46% in 2016 and it was 3.52% in 2017.

Interpretation: The net profit margin ratio indicates the efficiency of management in turning over the company's goods at a profit. A high profit margin ratio is a high sign of a good management and a relatively low profit margin is definitely a danger signal warranting a careful and detailed analysis of the factors responsible for it.

From the above figure it can be observed that the net profit margin was comparably stable in the year 2013-2017.

Figure: Last 5 years Net Profit Margin Ratio



Source: Annual Report

3. 4.2 Gross Profit Margin:

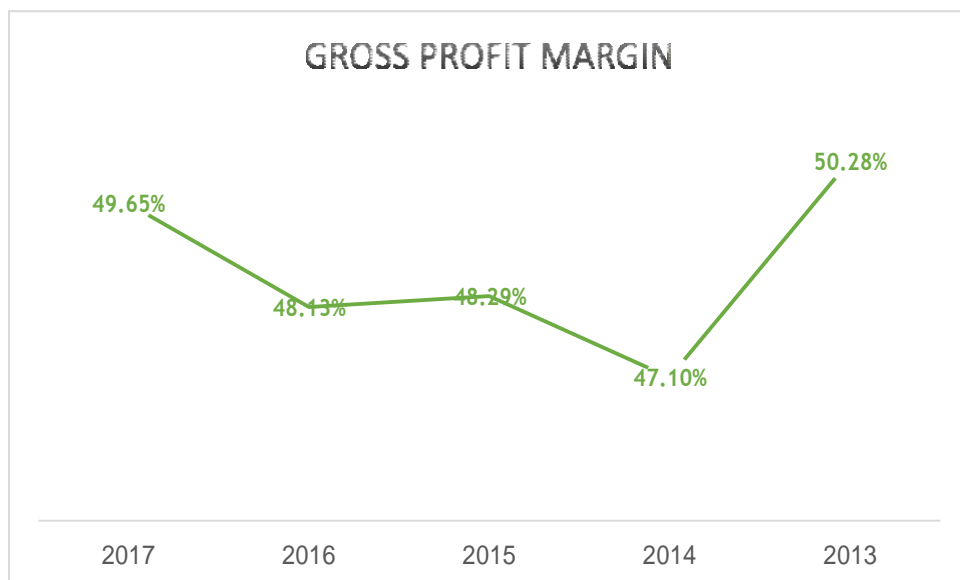
Formula
$$\frac{\text{Gross Profit}}{\text{Sales}} \times 100$$

Year	Gross Profit	Sales	Ratio
2017	1,463,832,813	2,948,456,509	49.65%
2016	1,199,196,063	2,491,804,435	48.13%
2015	991,325,471	2,052,938,834	48.29%
2014	796,243,891	1,690,363,446	47.10%
2013	616,918,200	1,226,906,195	50.28%

Analysis: The firm's gross profit margin has increased and decreased rapidly over the four years. In 2013, the firm's gross profit margin was 50.28%. In 2014 it was 47.10% and in 2015 it was 48.29% but in 2016 it decreased to 48.13%. Again, it increased to 49.65% in 2017.

Interpretation: Gross profit margin indicates the efficiency of management in turning over the company's goods at a profit the gross profit margin measures the percentage of each sales remaining after the company has paid for its goods. The higher the gross profit margin indicates that the company is in good position/ which can be viewed in the year 2013. In 2013 the company converted its gross profit to Taka 50 of per 100 Taka sales. But afterwards it's declined in the year 2014 and then increased in the year 2017. So the gross profit margin of **BPL** is in ups and downs or fluctuating position from 2013-2017.

Figure: Last 5 years Gross profit Margin Ratio



Source: Annual Report

3.4.3 Operating Expenses Ratio:

$$\text{Formula: } \frac{\text{Operating Expense}}{\text{Sales}} \times 100$$

Year	Operating expense	Sales	Ratio
2017	1,196,557,774	2,948,456,509	40.58%
2016	935,102,873	2,491,804,435	37.53%
2015	706,291,687	2,052,938,834	34.40%
2014	553,676,280	1,690,363,446	32.75%
2013	409,526,225	1,226,906,195	33.38%

Analysis: The Operating Expense ratio for BPL was of 33.88% in 2013 and lowest was of 32.75% in 2015. But it gradually increased over the next three years. In 2015, it was 34.40%, in 2016 it was 37.53%, in 2017 it was 40.58%

Interpretation: This ratio indicates that 33.38%, 32.75%, 34.40%, 37.53% and 40.58% of sales have been consumed by the operating and financial expenses. And this implies that the remaining percentage of sales i.e., 66.62%, 67.25%, 65.6%, 62.47% and 59.42% were left to interest, taxes, and earnings to owner of the last five years of 2013, 2014, 2015, 2016 & 2017 respectively.

3.4.4 Return on Total Assets:

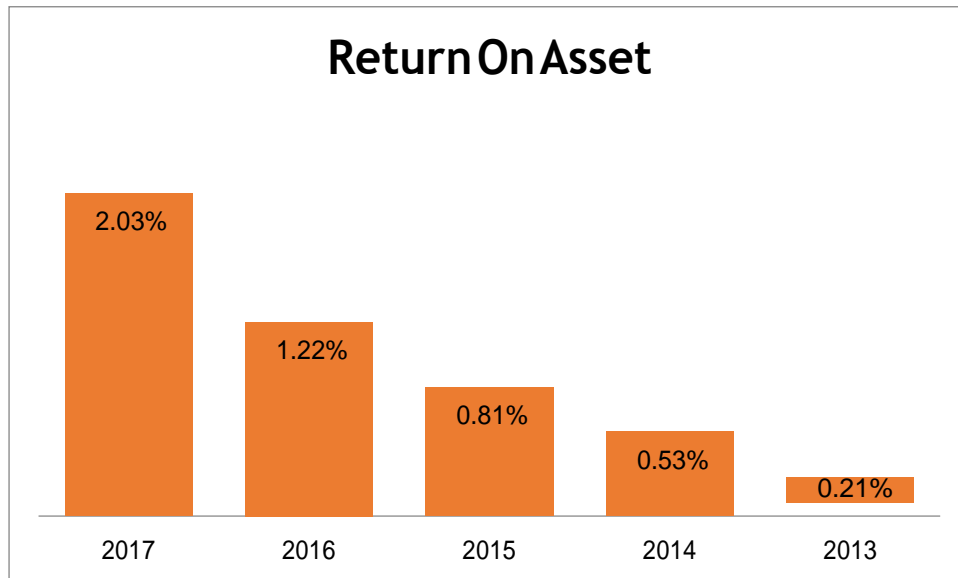
$$\text{Formula} \quad \frac{\text{Net Income}}{\text{Total Assets}} \times 100$$

Year	Net income	Total asset	Ratio
2017	103,734,641	5,105,979,654	2.03%
2016	61,402,978	5,014,603,610	1.22%
2015	38,555,691	4,738,697,597	0.81%
2014	24,228,195	4,589,825,300	0.53%
2013	9,131,066	4,251,619,886	0.21%

Analysis: The firm's return on assets has sharply increasing over the five years period. In 2013 it had the return on assets of 0.21%. In 2014 it was 0.53% of total assets, in 2015 it was 0.81%, in 2016 it was 1.22% and in 2017 it was highest 2.03% of total assets.

Interpretations: Return on assets shows the overall earning power of total assets irrespective of capital structure. The higher the return on total assets is better. But the trend of BPL' sreturn on assets shows upward trend and declined in only 2013 at a lower rate can be observed. The reason of the decline was due to the more investment in total assets.

Last 5 years Return on asset Ratio



Source: Annual Report

3.4.5 Earning Per Share:

Net Profit after taxes

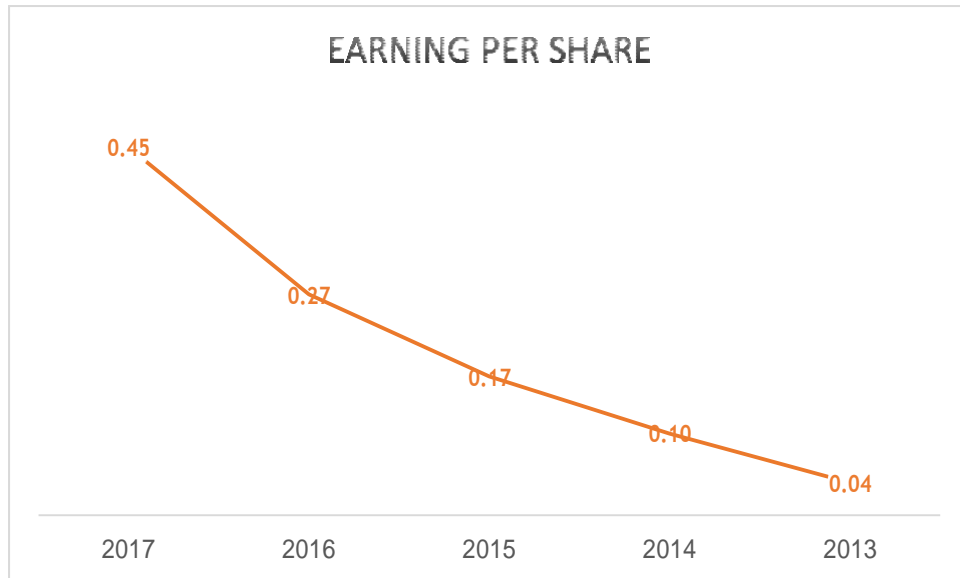
Formula:
$$\frac{\text{Net Profit after taxes}}{\text{No. of common Share outstanding}}$$

Year	Net income	No of outstanding share	Ratio
2017	103,734,641	231,000,000	0.45
2016	61,402,978	231,000,000	0.27
2015	38,555,691	231,000,000	0.17
2014	24,228,195	231,000,000	0.10
2013	9,131,066	231,000,000	0.04

Analysis: Earning per share shows an increasing trend for BPL in 2013-2017. In 2013 it was Taka 0.04 per share. It increased to Taka 0.10 in year 2014 and Taka 0.17 in year 2015. But it rapidly increased to Taka 0.27 in year 2016 and Taka 0.45 in year 2017. **Interpretation:** Earning per share facilitates comparisons of earnings

between companies. In case of Pharmaceuticals Limited, earning per share is quite good. Earnings per share was high in the year 2017.

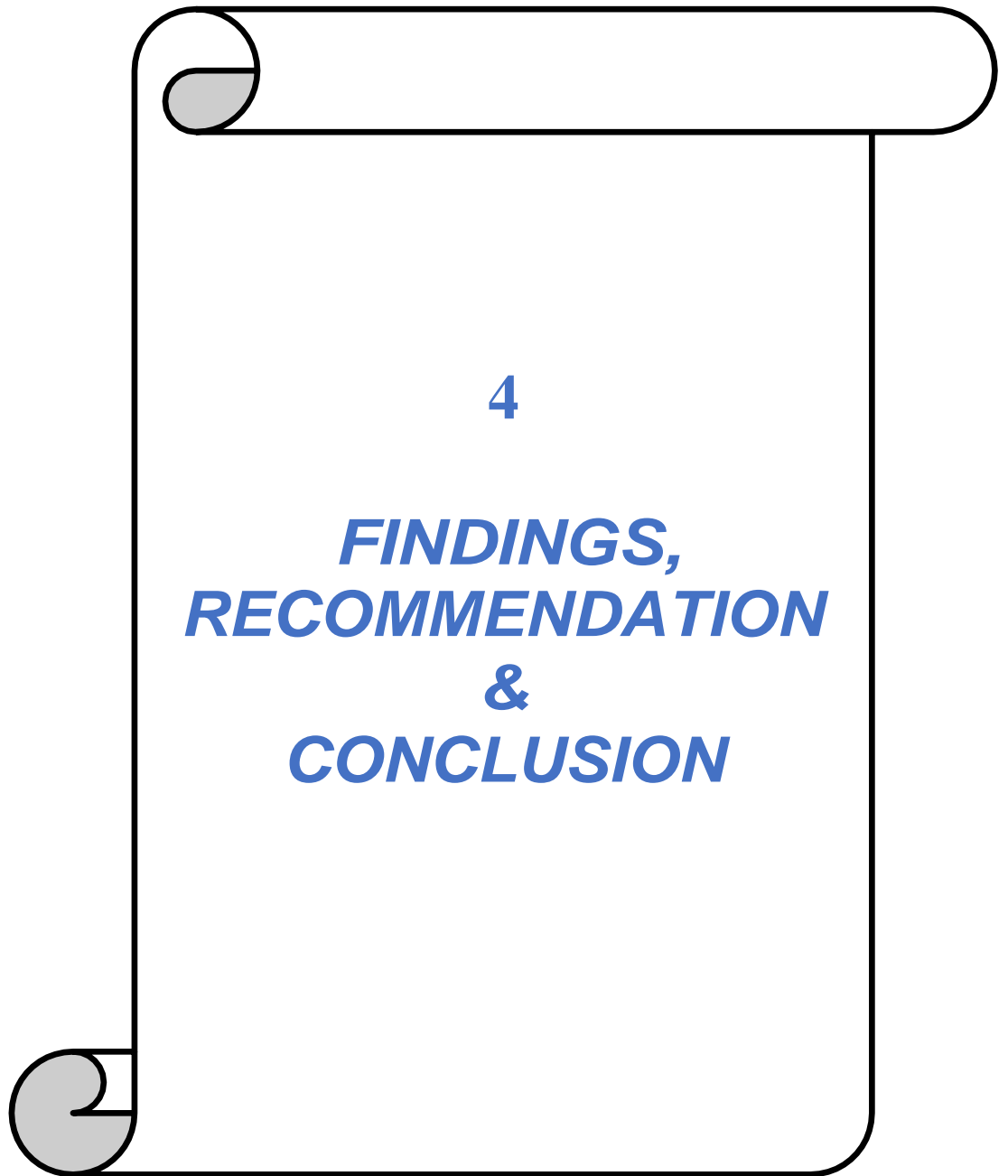
Figure: Last 5 years Earning per share



Source: Annual Report

3.5 Comparative Analysis of Beacon Pharmaceuticals Ltd. & Square Pharmaceuticals Ltd. Last two Years Financial Highlights from Year 2016 to Year 2017:

Beacon Pharmaceuticals Ltd.	2016	2017	Square Pharmaceuticals Ltd.	2016	2017
Liquidity Ratios:			Liquidity Ratios:		
Current Ratio	2.23	2.13	Current Ratio	1.31	1.57
Quick Ratio	1.19	1.17	Quick Ratio	0.58	0.71
Super Quick Ratio	0.45	0.60	Super Quick Ratio	0.0035	0.0037
Activity Ratios			Activity Ratios		
Inventory Turnover Ratio	1.09	1.36	Inventory Turnover Ratio	1.45	1.2
Inventory Turnover in Days	331 Days	264 Days	Inventory Turnover in Days	250 Days	300 Days
Average Collection Period	45	38	Average Collection Period	64.19	82.37
Fixed Asset Turnover Ratio	0.50	0.58	Fixed Asset Turnover Ratio	0.52	0.37
Total Asset Turnover Ratio (%)	0.26	0.29	Total Asset Turnover Ratio (%)	40	31
A/R Turnover Ratio	7.71	9.87	A/R Turnover Ratio	5.61	4.37
Profitability Ratio			Profitability Ratio		
Net profit Margin (%)	2.46	3.52	Net profit Margin (%)	13.62	10.92
Gross profit Margin (%)	48.13	49.65	Gross profit Margin (%)	35.4	37.9
Operating Expenses Ratio (%)	37.53	40.58	Operating Expenses Ratio (%)	13.68	18.22
Return on Total asset (%)	1.22	2.03	Return on Total asset (%)	5.05	2.8
Earnings Per share	0.27	0.45	Earnings Per share	6.71	4.41



4.1 FINDINGS

Findings regarding various aspects of financial performance of Beacon Pharmaceuticals Ltd. is presented below:

- The liquidity position of the company is satisfactory, because the company's current ratio and quick ratio is in an increasing trend. The liquidity ratios show that they have very alarming condition for meeting the outside liabilities from their current assets.
- Leverage is the ability of a company to increase the Earning Per share (EPS) by using debt capital. Pharmaceuticals Ltd. is using more equity capital than the long-term debt capital but it is good sign that the debt is increasing from year to year, in terms of leverage ratio.
- Activity ratios are not much impressive in case of Pharmaceuticals Ltd. Particularly close attention should be increase in such areas as inventory turnover, average collection period and fixed asset turnover.
- The total profitability of BPL was quite good from 2013 to 2018, but the last two years profitability has suffered a bit, although the gross profit margin has increased in 2010.
- The possible causes of fall of return on asset, return on equity, basic earnings ratio may be rise in cost of production, administrative cost, financial cost etc.
- The Price Earnings Ratio of the industry indicates that how much the invested is ready to offer against EPS. The market measure position of SPL is satisfactory due to increasing price earning and high rate of dividend pay-out ratio.

Here this ratio indicated that the BPL is a good growing company & if they maintain the cost of production and relative cost in operating then BPL will be a good position in the near future.

4.2 RECOMMENDATIONS

The overall performance of Pharmaceuticals Ltd shows a satisfactory position although they are suffering a bit last few years. The liquidity ratios show that they have very impressive ability to meet the outside liabilities from current assets. On the other hand, the profitability as well as total assets are in increasing trend. Although they have very low return on asset at the end of the study but it can be said that there is every possibility to get better financial condition and improvements by taking appropriate and accurate actions to protect decreasing tendency.

Whereas due to fall in earning yield, Return on Asset, return on equity, Basic earning power ratio, there is every possibility of further fall in market price of share. Appropriate measures should be taken to improve the above ratios.

The problem of Pharmaceuticals Ltd. can be solved to certain extend. The following suggestion can be made in order to solve the problem:

1. Improvement of productivity through work-study and training of front line supervisors.
2. Contribution analysis for each of the product lines to optimize profit in light of demand factors.
3. Effects to bring selling prices in line with costs having regard to competition and other market factors.
4. They have to be more careful about utilization of working capital.
5. Close attention should be given to inventories and debtors.
6. Rationality and planning in materials purchases to avoid unnecessary inventory build up or shortage of materials.

4.3 CONCLUSIONS

Thus, we can say that there are lots of applications of financial analysis in the modern days of business. To assess any business condition financial analyses, give a clear financial picture of any business organization. Which helps to evaluate the trend and condition of that organization.

From small to big business organization financial analysis helps a great deal in decision-making process. As it helps to give idea about the financial condition, thus it helps in future financial projection and decision-making process of any business house.

Eventually one can assess- how important is financial analysis in the modern days of business. It gives the exact picture of the financial condition and helps future projection of any organization.

Beacon Pharmaceuticals Ltd. is one of the market leaders and in some cases market leader in the Pharmaceuticals Industry of Bangladesh. It is gradually expanding its asset base and able to proper utilize its assets well. The overall financial position of the company may be said to be satisfactory over the years. Since BPL is a good concern of Square Group so, the position may again be improved if management becomes more careful of/income and expenditure, use of working capital.

4.4 BIBLIOGRAPHY

Books & Articles

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1. <https://www.beaconpharma.com.bd/>
2. <http://www.sec.gov.bd/>
3. <http://www.dsebd.org/>

4.5 APPENDICES

Beacon Pharmaceuticals Ltd.					
9/B/2, Toyenbee Circular Road, Mothijeel, Dhaka-1000					
Statement of Financial Position					
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
	(Year)	(Year)	(Year)	(Year)	(Year)
Non-Current Assets	2,717,742,901	2,565,178,873	2,432,467,559	2,186,892,763	2,451,383,653
Property, Plant and Equipment	2,698,805,180	2,550,094,661	2,218,349,300	1,970,371,463	1,685,581,553
Capital work in progress	--	880,923	202,471,300	207,018,146	763,856,485
Investment in Subsidiary	--	--	--	--	1,945,615
Other Investment	--	--	11,646,959	9,503,154	--
IPO and Subscription charges	18,937,721	14,203,289	--	--	--
Current Assets:	1,793,681,880	1,686,441,013	2,157,357,741	2,551,804,834	2,563,219,957
Inventories	997,651,472	920,497,475	1,064,947,942	1,214,003,104	1,188,597,897
Trade Debtors & Other Receivables	125,677,319	157,859,545	264,808,362	305,198,254	--
Advance, Deposits and Prepayments	428,150,505	440,430,105	526,214,829	672,916,938	536,985,654
Short term loan/Investment	--	--	--	298,929,314	409,630,227
Investment in marketable securities	235,000,000	159,980,190	272,766,267	--	--
Cash and Cash equivalents	7,202,584	7,673,698	28,620,341	60,757,224	104,994,839
Others Receivable	--	--	--	--	323,011,340
Total Assets	4,511,424,781	4,251,619,886	4,589,825,300	4,738,697,597	5,014,603,610
Shareholders' Equity	2,764,127,262	2,773,258,328	2,867,382,009	2,906,125,644	3,002,089,774
Share Capital	2,310,000,000	2,310,000,000	2,310,000,000	2,310,000,000	2,310,000,000

General Reserve	--	--	--	--	- 731,809
Revaluation Reserve	--	--	--	303,038,374	--
Other Reserve and surplus	354,275,787	336,552,059	318,828,331	187,944	323,116,735
Retained Earnings	99,851,475	126,706,269	238,553,678	292,899,326	369,704,848
Non-Current Liabilities	850,076,683	776,013,169	660,360,017	735,412,260	861,846,112
Long term loans secured	850,076,683	776,013,169	660,360,017	735,412,260	--
Other Liabilities	--	--	--	--	861,846,112
Current Liabilities	897,220,836	702,348,389	1,062,083,274	1,097,159,693	1,150,667,724
Creditors for goods	21,020,482	20,837,254	31,109,038	10,554,970	1,655,390
Short term borrowing	623,092,288	512,496,894	947,034,749	1,027,609,263	1,080,899,505
Accrued Expense	19,553,351	24,512,591	46,865,131	48,332,078	54,851,846
Provision for employee benefit	13,811,090	14,869,712	11,780,229	1,437,842	8,130,962
Income Tax Payable	63,994,738	60,362,027	- 11,313,361	- 19,026,839	- 23,630,764
Liabilities for other finance	--	--	--	--	17,761,641
Withholding tax and VAT	--	629,057	565,044	436,360	4,050,057
Long term borrowings Current maturity	150,567,892	63,684,240	31,386,351	--	27,106,181
Share Application money refundable	5,180,995	4,956,614	4,656,093	4,633,373	4,333,613
Interest payable	--	--	--	--	- 40,104,830
Others Liabilities	--	--	--	23,182,646	15,614,123
Book Value Per Share	12	12	12	13	13
Total Liabilities & Shareholders' Equity	4,511,424,781	4,251,619,886	4,589,825,300	4,738,697,597	5,014,603,610

