

# ANNUAL REPORT

2019-2020



## ONE HEALTH

for

Healthy People, Healthy Animals & Healthy Environment



**ACME**

# ANNUAL REPORT

# 2019-2020



Since 1954



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Annual Report 2019-2020  
[www.acmeglobal.com](http://www.acmeglobal.com)



# OUR VISIONARY LEADERS



Late Hamidur Rahman Sinha



Late Noor Jahan Sinha





Honorable past Chairmen including  
Founder Chairman

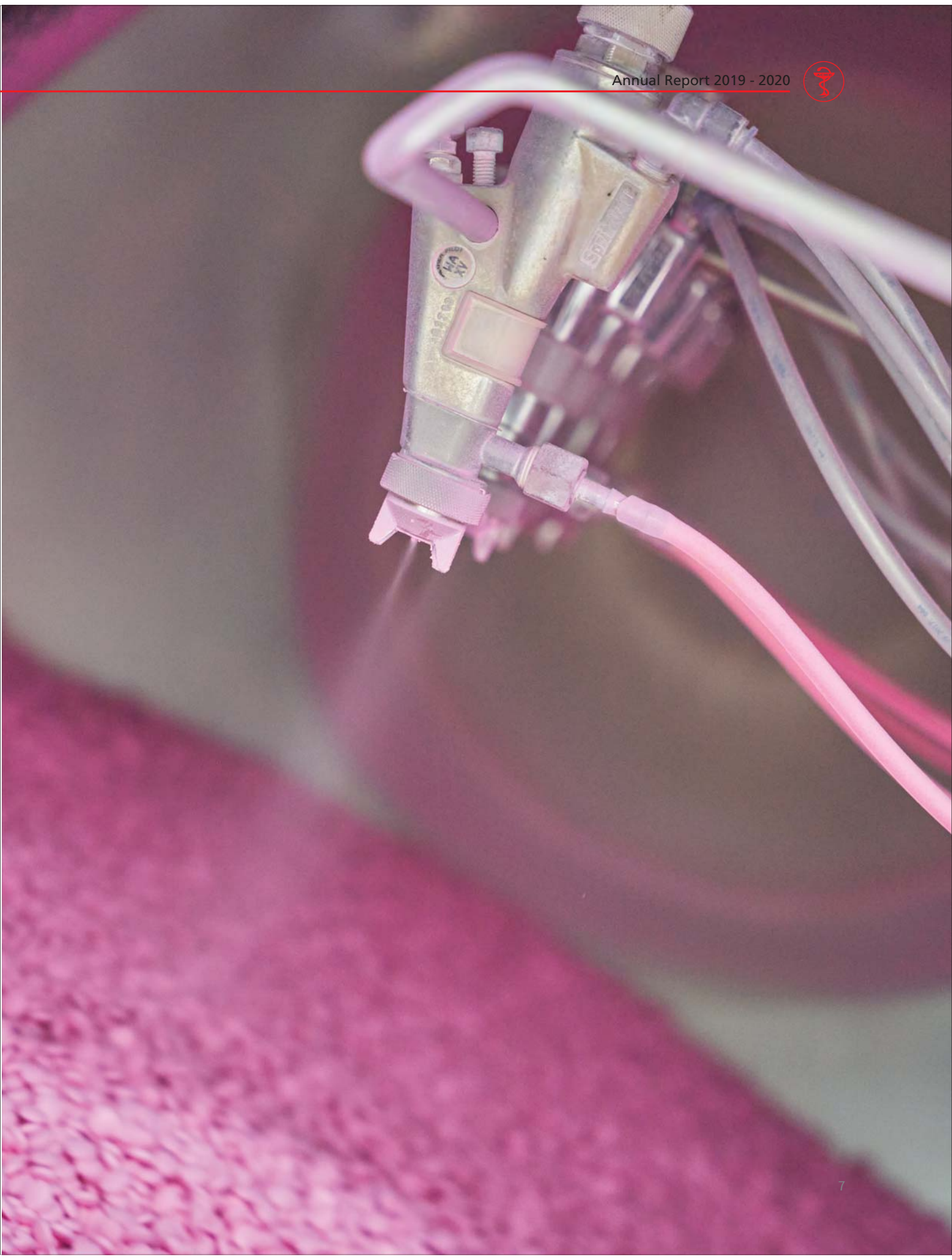


You were there  
**from the START**  
You are always  
**in our HEART**

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**AGM**  
**INVITATION**  
for our Shareholders

**44<sup>TH</sup>**  
**ANNUAL**  
**GENERAL MEETING**  
of  
The **ACME** Laboratories Ltd.

will be held on  
Thursday, 10 December  
2020 at 11:30 a.m.  
through Digital Platform  
(in pursuant to the BSEC's  
order no.  
SEC/SRMIC/94-231/25;  
dated: 08 July 2020)

**AGM HELPLINE**

Virtual AGM through the link:  
<http://acmelab.digitalagmbd.net>;  
**Md. Habibul Karim Sarker**  
e-mail: [hkarim.share@acmeglobal.com](mailto:hkarim.share@acmeglobal.com)  
Tel: 88 02 9004194-6,  
Ext.: 236



# TRANSMITTAL LETTER



19 November 2020

**The Members**  
**Bangladesh Securities and Exchange Commission**  
**Registrar of Joint Stock Companies and Firms**  
**Dhaka Stock Exchange Limited**  
**Chittagong Stock Exchange Limited**

**Subject: Annual Report for the year ended 30 June 2020.**

Dear Sir(s),

We are pleased to enclose herewith a copy of the Annual Report together with the Audited Financial Statements comprises of the Statement of Financial Position as at 30 June 2020, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2020 along with notes thereon of The ACME Laboratories Ltd. and all related Statements for your record and necessary measures.

Yours sincerely,

**Md. Rafiqul Islam, FCS**  
Company Secretary

## NOTICE



19 November 2020

NOTICE OF THE 44<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given to all respected **Members of The ACME Laboratories Ltd.** that the **44<sup>th</sup> Annual General Meeting (AGM)** of the Shareholders of the Company will be held on **Thursday, 10 December 2020 at 11:30 a.m.** through **Digital Platform** (in pursuant to the Bangladesh Securities and Exchange Commission's order no. SEC/SRMIC/94-231/25; dated: 08 July 2020) to transact the following businesses:

## AGENDA

<b>A 2020-44- 01 :</b>	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2020 and the Reports of the Directors' and the Auditors' thereon.
<b>A 2020-44- 02 :</b>	To approve the proposed dividend for the year ended 30 June 2020.
<b>A 2020-44- 03 :</b>	To elect/re-elect Directors of the Company in accordance with the provision of Articles of Association of the Company.
<b>A 2020-44- 04 :</b>	To appoint Auditors and to fix their remuneration.
<b>A 2020-44- 05 :</b>	To appoint Compliance Auditors and to fix their remuneration.
<b>A 2020-44- 06 :</b>	To approve the re-appointment of Managing Director.
<b>A 2020-44- 07 :</b>	To approve the appointment of Independent Directors.
<b>A 2020-44- 08 :</b>	To approve the re-arrangement of Use of IPO Proceeds.

By order of the Board

**Md. Rafiqul Islam, FCS**  
Company Secretary

## Notes:

- The record date was fixed on '10 November 2020'. The Shareholders, whose names were appeared in the Share Register/ Depository Register of the Company at the close of business on the 'Record Date' i.e. Tuesday, on 10 November 2020 will be entitled to attend at the 44th Annual General Meeting and receive the Dividend.
- A member eligible to attend and vote in the AGM through Digital Platform may appoint a proxy to attend and vote in his/her behalf. The Proxy Form duly completed and affixed a revenue stamp of Tk. 20 must be deposited at the registered office of the Company not later than 48 hours before the time fixed for the Annual General Meeting.
- Link for joining in AGM through Digital Platform is <http://acmelab.digitalagmbd.net>. Members can join the Virtual Annual General Meeting using their Laptop, PC, Mobile or Tab providing their respective Names, 16-digit Beneficial Owner (BO) Accounts and Number of shares. Full login/participation process of AGM through Digital Platform will be available in the Company's website: [www.acmeglobal.com](http://www.acmeglobal.com).
- In compliance with BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81; dated: 20 June 2018:
  - Annual Report, Attendance Slip and Proxy Form along with the notice are being sent in Soft Form to the members' e-mail address available in their Beneficial Owner (BO) Accounts with the depository as on Record Date.
  - The Annual Report 2020 is also available in the Company's website linked with the websites of both Dhaka and Chittagong Stock Exchange Ltd.
- The shareholders will join the virtual AGM through the link: <http://acmelab.digitalagmbd.net>. The shareholders will be able to submit their questions, comments electronically before 24 (Twenty Four) hours of commencement of the AGM through the link and also during the Annual General Meeting. In order to log-in for the virtual AGM, the shareholders need to click on the link and provide their Names, 16-digit Beneficial Owner (BO) Accounts and Number of shares.
- As per notification of BSEC No. SEC/SRMI/2000-953/1950; dated: 24 October 2000, no gift or any other kind of benefit will be given to the shareholders for attending at the AGM.



# AWARD & ACHIEVEMENT



**ACME**  
For Health, Vigour and Happiness

Achieved Certificate of GMP Compliance  
**from UK MHRA**  
(Medicines and Healthcare products Regulatory Agency of UK)  
for Solid Dosages Unit







Received Gold award for Corporate Governance Excellence in Pharmaceuticals and Chemicals category under 5<sup>th</sup> ICSB National Award 2017.



Awarded first position in 4<sup>th</sup> International Exhibition Organized by AHCAB.



Awarded for outstanding contribution to the mitigation of climate change jointly arranged by Global Climate Partnership Fund and The City Bank Ltd.





# 2019

## TQCSI Client of the Year – Bangladesh

*is awarded to*

### The ACME Laboratories Ltd.

*at the following address*

Court de la ACME, 1/4, Kallayanpur, Mirpur Road, Dhaka-1207, Bangladesh

Registration Number: BD053-QC  
Standards Certified: ISO 9001:2015  
Original Date of Certification: 20 December 2018

*The TQCSI Client of the Year is awarded to the organisation which best demonstrates excellence in management system development, implementation and maintenance, and, particularly, promotes their management system through continual improvement and international certification against the respective Standards.*

**Craig J Bates**  
President  
TQCS International Pty Ltd

**Sean C Bates**  
Accreditation Manager  
TQCS International Pty Ltd



TQCS INTERNATIONAL PTY LTD  
[www.tqcsi.com](http://www.tqcsi.com)



[www.aacb.com.au](http://www.aacb.com.au)



[www.iaf.nu](http://www.iaf.nu)



[www.jas-anz.org/register](http://www.jas-anz.org/register)





Best Client of the Year 2019, Award Giving Ceremony





# PERFORMANCE AT A GLANCE 2019-20



**BDT 19,003.66 mn.**  
Revenue

16.53%



**BDT 1,165.05 mn.**  
Export

78.78%



**BDT 7,274.72 mn.**  
Gross Profit

13.21%



**BDT 90.00**  
NAV per Share

3.82%



**BDT 1,450.50 mn.**  
Profit after Tax

0.70%



**BDT 6.85**  
Earnings per Share

0.59%





# TRIPLE BOTTOM LINE (TBL) AT A GLANCE TBL

In ACME, we believe that there is more to business than just making profit. Long term business success and sustainability relies on economic value, environmental health, and social progress. Our values are rooted in the concept of the 'Triple Bottom Line' (TBL) and we assume ourselves accountable in relationship to Profit, Planet and People.



## PEOPLE

**BDT 51,000**

has been spent for Graduate Students Internship Program (GSIP) in cash and kind.

**BDT 87,900,366**

was disbursed under the scheme of WPPF and WWF.

**BDT 58,848,124**

has been spent for the purpose of employee's group insurance.



## PLANET

**5 Lac 40 thousand**

liters' water in a day through Effluent Treatment Plant (ETP).

**16,000 Liters**

liters RO (Reverse Osmosis) reject water, cooling water and steam condensed water for gardening in a day.

**13,500 kg**

HFA gas through reducing the equivalent amount of CFC uses which is vital evils for global warming and ozone layer depletion.



## PROFIT

**Achieved 16.53%**

Sales growth during the year 2019-2020

**Net Sales ratio 7.63**

Percentage of Net Profit

**BDT 90.00**

net Assets Value per share is as at 30 June 2020

## PROUD CONTRIBUTOR FOR COMBATING COVID-19



ACME is always committed to extend support to any national emergency. During the outbreak of COVID-19, ACME has actively involved in various initiatives and supported different programs in response to the situational demand.

During pandemic period ACME has provided wholehearted support to the healthcare professionals. To ensure their safety, we have provided Personal Protective Equipment (PPE) including protective gowns, face masks, gloves and goggles. We have also provided emergency medicine for their treatment of COVID-19. Besides, this emergency

support, we have also provided hand sanitizers, antiviral Favipiravir as Piravir, protective desktop safety shield to different health care organizations.

To create public awareness we have gone through poster, TV program and several activities in social media. We have also conducted hand hygiene campaign to keep free from the pandemic virus at Cattle market during Eid -ul -Azha sponsored by our hand sanitizer Cleansol HP. We have also







# PROUD CONTRIBUTOR FOR COMBATING COVID-19



provided financial support to 'Bidyanondo' foundation; one of the country's leading volunteer organizations to accelerate their COVID-19 management.

As we are committed to ensure Health, Vigor & Happiness, we stepped our best to serve the country through our medicine and corporate social activity. We feel proud to be a part of the national crisis management during COVID-19 Pandemic.



**ACME** Proudly Introduces



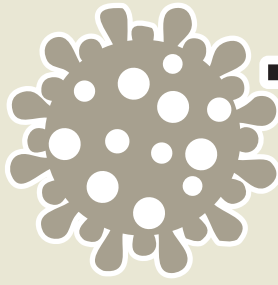
Tablet  
**Piravir 200**  
Favipiravir INN 200 mg

A promising treatment option for COVID-19

**Cleansol HP**





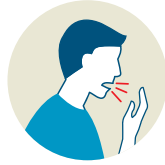


# করোনা ভাইরাস

## লক্ষণ সমূহ



জ্বর



কাশি



শ্বাসকষ্ট

কিভাবে এটি ছড়ায়

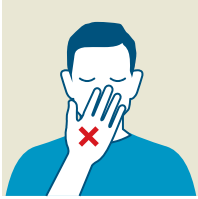


লক্ষণ সমূহ ২-১৪ দিন পরে দেখা যেতে পারে



কোন ভ্যাকসিন এখন পর্যন্ত তৈরি হয়নি

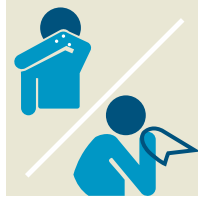
## প্রতিরোধ



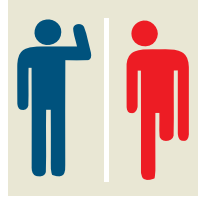
অপরিস্কার হাত দিয়ে চোখ, নাক, মুখ স্পর্শ করবেন না



সাবান অথবা স্যানিটাইজার দিয়ে হাত কমপক্ষে ২০ সেকেন্ড ধরে পরিষ্কার করুন



হাঁচি-কাশির সময় টিস্যু অথবা কাপড় দিয়ে বা বাহর ভাঁজে নাক-মুখ ঢেকে ফেলুন



সংক্রমিত ব্যক্তির সংস্পর্শ এড়িয়ে চলুন

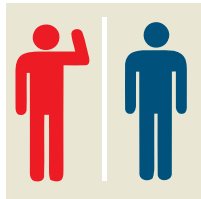


মাংস ও ডিম পরিপূর্ণ ভাবে সিদ্ধ করে রাখুন

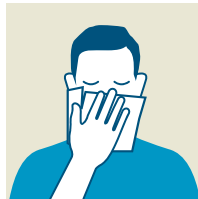
## আপনি যদি সংক্রমিত হয়ে থাকেন



বাসায় অবস্থান করুন



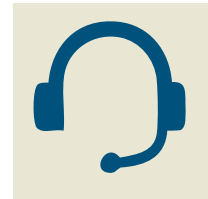
অন্যের সংস্পর্শ এড়িয়ে চলুন



হাঁচি দেওয়ার সময় আপনার নাক-মুখ ঢেকে রাখুন



মাস্ক পরিধান করুন



আইইডিসিআর এর হটলাইন নাম্বারে যোগাযোগ করুন

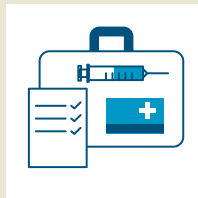
## ভ্রমণকালীন নির্দেশনা



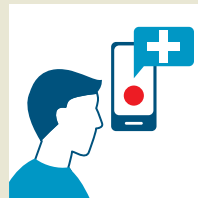
অপ্রয়োজনীয় ভ্রমণ বন্ধ রাখুন



জ্বর এবং কাশি থাকলে ভ্রমণ করা থেকে বিরত থাকুন



ভ্রমণের সময় প্রয়োজনীয় ঔষধ সঙ্গে রাখা নিশ্চিত করুন



ভ্রমণের সময় অসুস্থ হয়ে পড়লে দ্রুত চিকিৎসা নিন



চিকিৎসকের পরামর্শ নিন



# CORPORATE PROFILE



## VISION

To ensure Health, Vigour and Happiness for all.

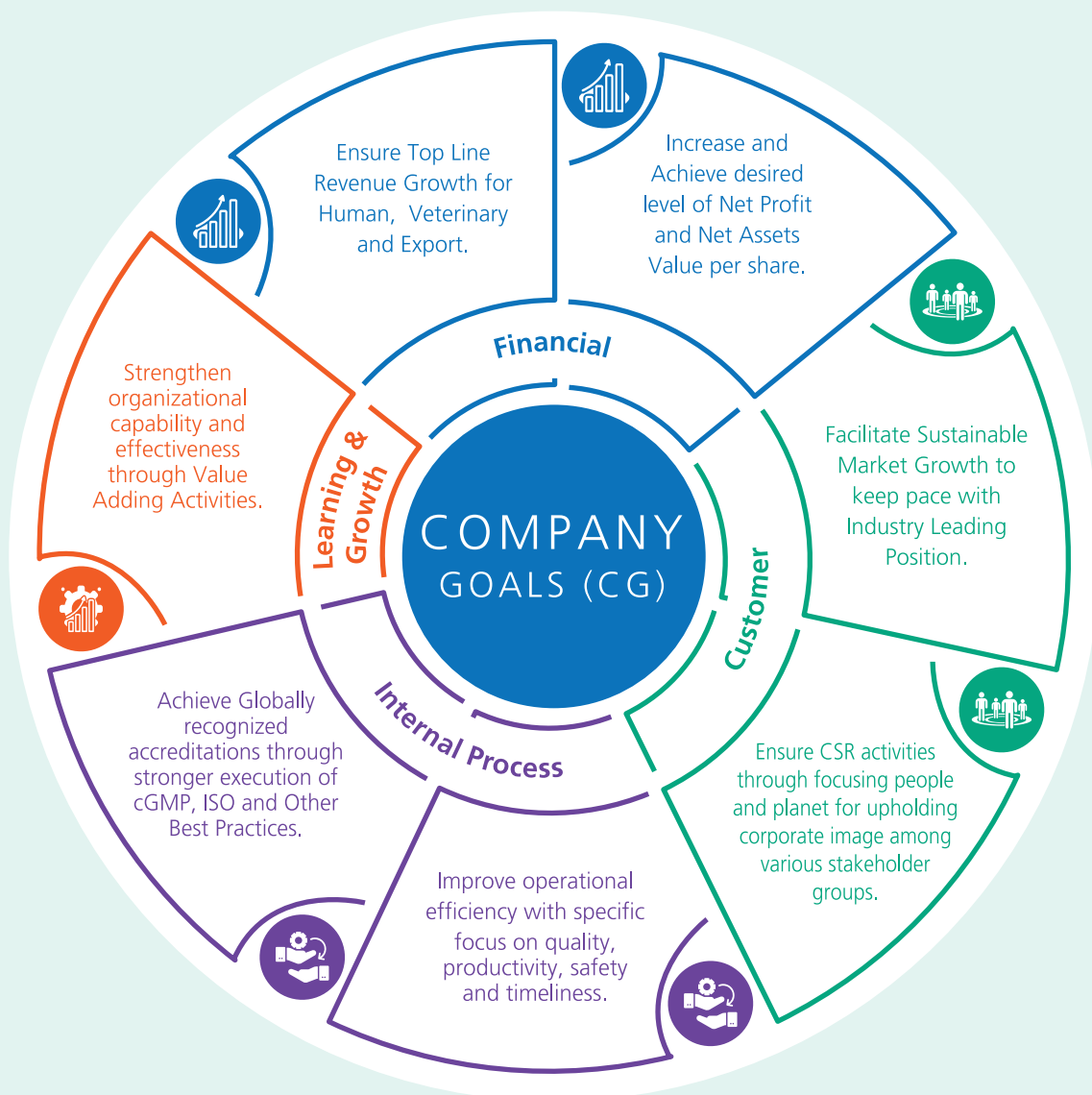


## MISSION STATEMENT

Our holistic approach is to ensure Health, Vigour and Happiness for all by manufacturing ethical drugs and medicines of the highest quality at affordable price and expanding in the local and global market.

We view ourselves as partners with the doctors, healthcare professionals, all other customers, our employees and harmonize with environmental issues.

# COMPANY GOALS

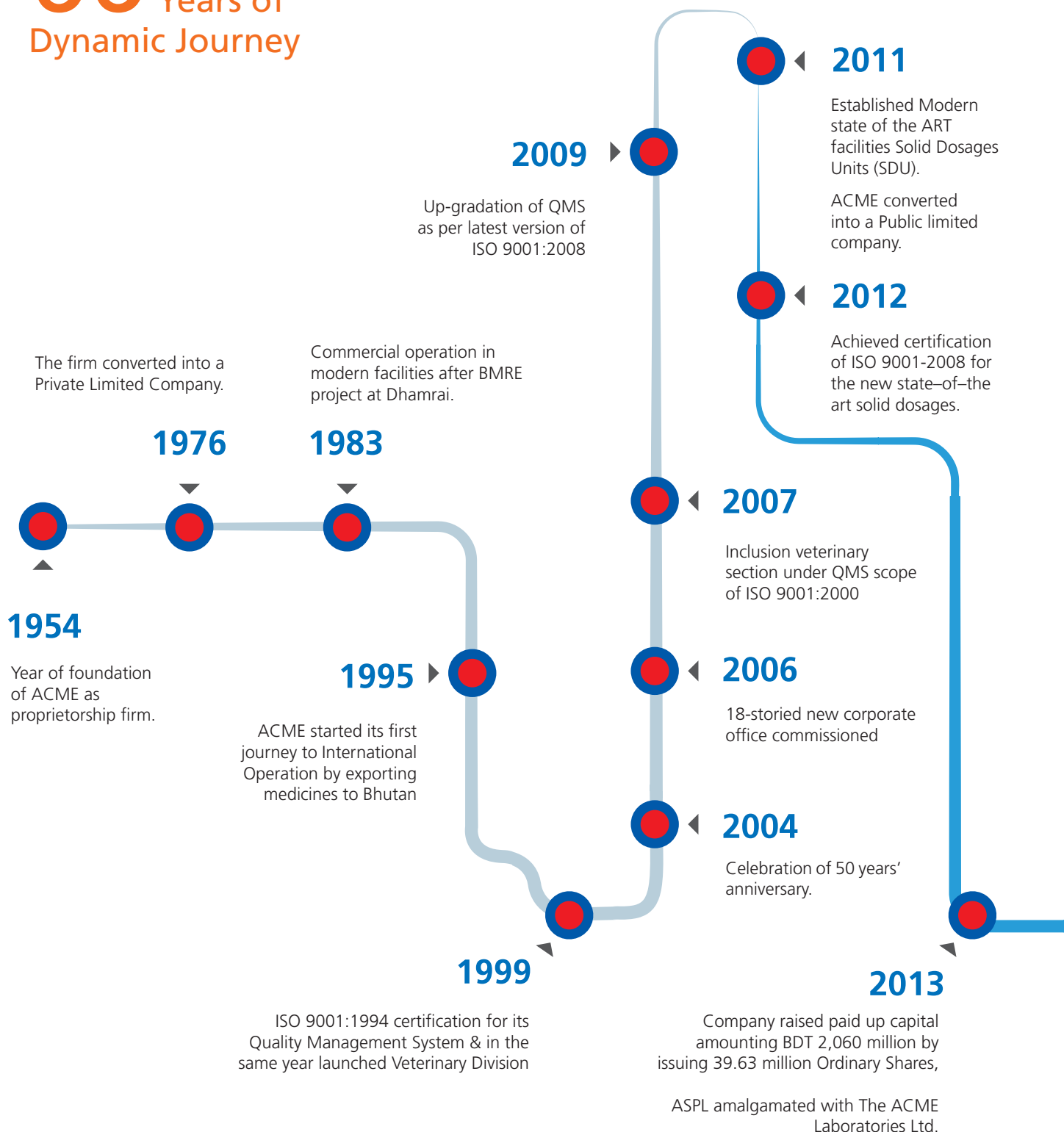




## PURPOSE

Business is the heritage of Sinha family and in fact, they were one of the renowned jute shippers in the then subcontinent. But founder of the Company Late Hamidur Rahman Sinha thought to do well- being of the poor fellow of the soil. Accordingly, he planned to establish a Pharmaceuticals Company and his beloved half also contributed on the same. Eventually, in the year 1954 the historic moment for Sinha family, the founder established a Partnership concern which was converted to a private limited Company: namely The ACME Laboratories Ltd. and set its purpose in mission statements as to ensure Health, Vigour and Happiness for all by manufacturing ethical drugs and medicine of the highest quality at affordable price and expanding in the domestic and global market. We view ourselves as partners with the doctors, healthcare professionals, all other customers, our employees and harmonize with environmental issues.

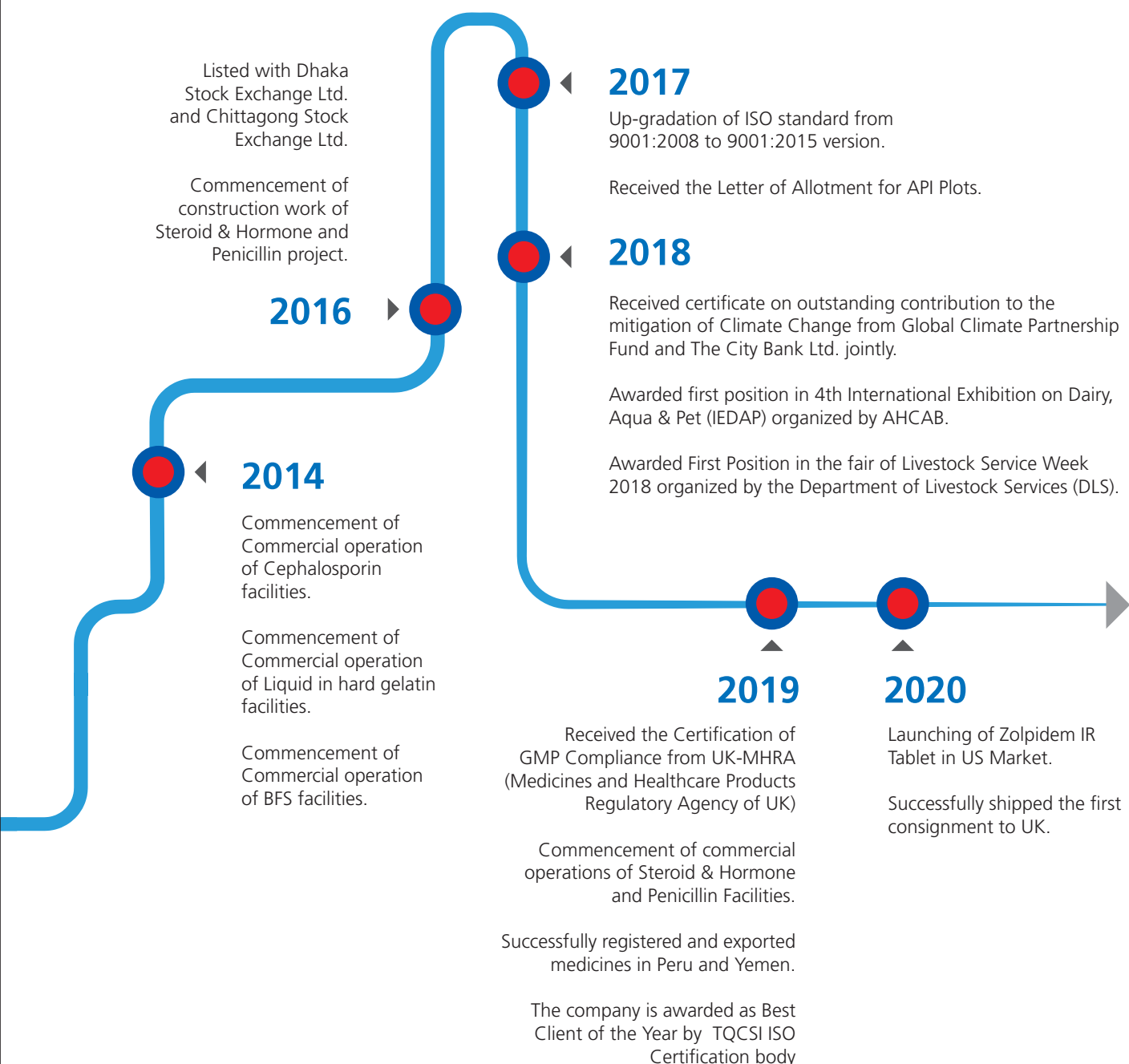
# 66 Years of Dynamic Journey







# Serving the nations since 1954...



# CORE VALUES



Our Company values are the measure for our thinking and actions. They are the core of what ties us together in the past, present and future. We do business on the basis of common values. Our success is based on customer focus, team spirit, desire to win, pro-activity, integrity, excellence, responses to social needs and conserving nature & protecting environment. These values determine our actions in our daily dealing with customers and business partners as well as in our teamwork and our collaboration with each other.





# STRENGTHENING COMMITMENTS TO OUR EMPLOYEES



The ACME Laboratories Limited has sound human resource policy to ensure the congenial working environment and better career path. We do believe its success immensely depends on performance of its human resources.

The Company is committed towards its Employee, Society and Other Stakeholder not just to making medicines but to making difference. Our utmost importance on the continuous development of human resources to enhance their competencies through continuous in-house and external training programs. The Company is always thankful to its employees for their tireless efforts.

## EMPLOYEE WELFARE FUND

With continuous commitment to the employees, the Company is maintaining an employee welfare (EWF) fund for the betterment of the employees. Employee welfare fund is made up by the joint contribution of the Company, Board of Directors (BOD) and the Employees. The Fund have been formed and utilized for unparallel objectives of its employee in case of Death, Total Disability, Medical Treatment, Marriage, Caesarean/Birth Assistance and Educational Assistance.







**Performance  
Mastery  
A Session with  
Ali Khan**

THE AWAY DAY  
**OFF-SITE  
STRATEGY  
SESSION**



**World  
Osteoporosis  
Day 2020**





Inter-Dept.  
**Badminton  
Tournament**



Inter-Dept.  
**Cricket  
Tournament**

Inter-Dept.  
**Cricket  
Tournament**



“ *We are striving strategically to play across the domestic and global markets in order to enrich the sustainable growth.* ”







# MESSAGE FROM THE CHAIRMAN



## Dear Shareholders,

With deep appreciation and respect, I on behalf of the Board of Directors welcome you all at this 44th Annual General Meeting of The ACME Laboratories Ltd. In view of the present pandemic due to COVID-19 all over the world, we had no option but to arrange the meeting through the virtual platform in order to maintain social distance and to avoid any health risk for all of us.

On this auspicious occasion, I would furnish before you the Annual Report for the Financial Year 2019-2020 showing the financial position, achievements and notable performance of the Company. I also express my heartfelt thanks and gratitude to all the investors who showed their continuous confidence on ACME by holding the securities and accompanied the journey of ACME towards enormous possibilities and prosperity.

I warmly welcome Ms. Tasneem Sinha, Mr. Tanveer Sinha, Mrs. Sabrina Juned and Mr. Fahim Sinha who joined in the Board during the year 2019-2020. As a part of succession plan as well as for smooth functioning of the Company, the Board inducted above mentioned 4 (four) Directors. I am very much hopeful that their relentless efforts and bold leadership will help the Company to reach into our next destination.

Valued members, presently, we are going through an unprecedented and uncertain times. The world has not faced a health crisis of this magnitude since the Spanish flu pandemic of 1918. Globally, the COVID-19 pandemic has caused massive disruptions across every sphere of human life and business activity. There has been an adverse economic impact on people, communities and countries. It is essential to have quality healthcare to build a strong society that will eventually lead to a progressive and prosperous nation. In an effort to combat the current pandemic, we have seen governments, public institutions, healthcare professionals, organizations, Pharmaceutical companies and citizens rallying together to fight this threat to human life.

Our Company is playing a vital role by enabling the supply of key medicines across the country and all over the globe as well, this makes it one of the safest and most resilient industries in such periods of uncertainty. The Company also made various contributions to the Government, health department, public healthcare workers, etc., as part of CSR activities and to fight against COVID-19 too.

We are pleased to report that in the financial year under review, ACME has maintained sustainable advancement in terms of Earnings Per Share (EPS), profit earnings and cash flow generation. With the continuous success of local market during the year, the company also strengthened its footing in the global market by launching of Zolpidem IR Tablet in the US Market and successfully shipped of its first consignment in the United Kingdom (UK). I do believe that the future development of ACME including the overall function of the Company alongside the sustainability would be ensured by your co-operation and support.

During the last two decades, the Pharmaceutical Industry of Bangladesh has been touched into a greater height. At present, the sector is meeting about 98% need of local demand and exporting the medicines to more than 147 countries. Bangladesh has already entered into the Highly Regulated Market and got the UK MHRA, US FDA, EU, Philippines, TGA Australia and GCC approval and some companies are in the process to get the US FDA and UK MHRA approval. Considering the above circumstances, we are very hopeful that the Pharmaceutical Market will step in to a new dimension and will further achieve substantial growth in the forthcoming years.

Based on the success of 2019-2020, on behalf of the Board of Directors, I would like to express my sincere acknowledgement for the tremendous contribution made by the management team and employees of all levels with their untiring efforts. I would also like to express my heartfelt gratitude to our valued Shareholders, Customers, Suppliers, Healthcare Professionals, Bankers, National Board of Revenue (NBR), Directorate General of Drug Administration (DGDA), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE), Central Depository Bangladesh Ltd. (CDBL), Registrar of Joint Stock Companies and Firms (RJSC), other Government Agencies and all concerned for their continued support and co-operation.

We are striving to play strategically across the domestic and global markets in order to enrich the sustainable growth. We once again extend our thanks to our shareholders who repeatedly foster our common vision to further develop ACME as a World Class Company.

Thank you all with best wishes and kindest regards,

*Nagina Afzal Sinha*

**Nagina Afzal Sinha**  
Chairman

“ *We pursue high quality pharmaceutical products to serve the globe with excellence for generations together.* ”







## MESSAGE FROM THE MANAGING DIRECTOR

### Dear Shareholders,

I, on behalf of the Management, would like to thank all of our shareholders, investors, management team and other stakeholders of the Company. I also take the privilege to thank you all on behalf of myself and Members of the Board for attending at the 44th Annual General Meeting of The ACME Laboratories Ltd.

For the first time, I am writing this report not from my office, but from what has become a new workspace for all of us, our home. The COVID-19 crisis has changed our lives and has forced us to quickly adapt to challenging circumstances. As Bangladesh attempts to find ways to get back, the road to recovery will be undoubtedly paved with the challenges. Our Company is working hard during the pandemic to put in place a clear and well-defined strategy for keeping the business operations on track.

Our Company is playing a vital role by enabling the supply of key medicines across the country and globe as well, this makes it one of the safest and most resilient industries in such periods of uncertainty. The Company also made various contributions to Government, health department, public healthcare workers, etc., as part of its COVID-19 CSR initiatives. We have supplied the latest antiviral Favipiravir as Piravir and also PPE through DGDA for healthcare professionals.

I firmly believe that unabated COVID-19 will not only grip the world on the pandemic but also it will present us with multiple opportunities to reflect and reimagine the future. At ACME, we swiftly deployed technology to ensure business continuity and offset the disruptions caused by nation-wide lockdowns. Our top priority will be to address patient needs and maintain a sharp focus on cost optimization in managing supply chain, R&D and marketing, while ensuring all our facilities are in a state of compliance and control.

During the year, the Company achieved sustainable growth and its total revenue stood BDT 19,003.66 million. Domestic sales continue to remain as the key driver with 93.87% of the total revenue. The Company is continuously pressing hard for expanding its International Market. During the year, the export earnings amounting BDT 1,165.05 million as against BDT 651.66 million in previous year, with 78.78% growth. You will be happy to know that, the Company has launched its first generic product Zolpidem (5 mg. and 10 mg.) tablet in the US Market through contract manufacturing. Besides, to explore the UK and EU Markets, during the year, the Company has successfully shipped its first consignment in the United Kingdom (UK). We are hopeful that our global operation would enter into a new phase and enable the Company to open a new chapter of operation both in production and turnover, with new dimension.

Bearing in mind the industry outlook, bright prospect and demand of both domestic and global market, The ACME Laboratories Ltd. proudly launched six (6) new products for the first time in Bangladesh. Besides during the year, 59 (Fifty Nine) new products have been added with the existing product portfolio of which 33 (thirty three) new products for Human and 21 (twenty one) new products for Veterinary and 5 (five) new products for Herbal & Ayurvedic. Production capacity increased significantly and marketing scope of ACME both in local and global has been expanded. This is the sign of our gradual growth that ensures the interest of the investors through accomplishment of our strategic goals and objectives. During the year 2019, the Company commenced the commercial operation of Steroid & Hormone and Penicillin projects. We are very much hopeful that in the coming years the mentioned projects will bring significant benefits to patients and to continue to maximize our current portfolio. Besides, the construction works of Active Pharmaceutical Ingredients (API) project is going on and will be completed within the timeframe thereon.

Being the Managing Director of the Company, I would like to assure you all that we will continue to discharge our sacred duties at the optimum level for the highest interest of the Company by means of good governance and transparency. We pursue high quality pharmaceutical products to serve the globe with excellence for generations together. We never overlook our social responsibilities with regard to socio-economic development of rural people through poverty alleviation, women empowerment, education, sports, environmental issues, national tragedies and disasters. The operations of the Company shall be continued with total commitment and sophistication in order to drive optimum return on your investment. Despite of several obstructive situations, ACME always tried to play steady during its more than 60 years' journey. I would, firmly, like to assure all the shareholders that their investments in ACME are safe, secure and full of possibilities.

On behalf of the Management of your Company, I express my sincere thanks to all shareholders of the Company for upholding their confidence in us and our employees for providing devoted contribution to ACME's success throughout the year 2019-2020. Further, guidance from our Board of Directors has been instrumental in shaping the year 2019-2020 as a successful and progressive one. I also express my sincere gratitude to all of our stakeholders, including Investors, Shareholders, Customers, Bankers, Medical Professionals and other participants for their whole-hearted support. We aim to passionately continue building value for our consumers and shareholders now and into the future.

Thanking you,

With warm regards,

**Mizanur Rahman Sinha**  
Managing Director

# BOARD OF DIRECTORS

*Sitting from left:*

**Md. Hasibur Rahman**  
Additional Deputy Managing Director

**Syed Shahed Reza**  
Independent Director

**Md. Abul Hossain**  
Director

**Mizanur Rahman Sinha**  
Managing Director

**Nagina Afzal Sinha**  
Chairman

**Jahanara Mizan Sinha**  
Deputy Managing Director

**Fouzia Haque, FCA**  
Independent Director

*Standing from right:*

**A.K.M. Mushiur Rahman Khan**  
Head of Internal Audit

**Tanveer Sinha**  
Director

**Sabrina Juned**  
Director

**Jabirul Rahman Sinha**  
Deputy Managing Director

**Tasneem Sinha**  
Director

**Fahim Sinha**  
Director

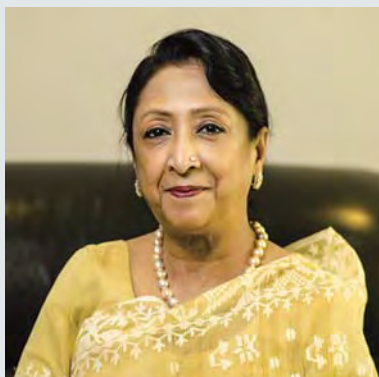
**Md. Arshadul Kabir, FCA**  
Head of Finance & Accounts

**Md. Rafiqul Islam, FCS**  
Company Secretary





## BRIEF PROFILE OF THE DIRECTORS



**Nagina Afzal Sinha**  
Chairman

Mrs. Nagina Afzal Sinha is a Non-Executive Director of The ACME Laboratories Ltd. since 1981. She was elected as the Chairman of the Company on 5 September 2018 and since then she has been putting in efforts to materialize the dream of her late husband and past Chairman, Late Afzalur Rahman Sinha.

She provides leadership and governance to the Board so as to direct overall Board's and individual Director's effectiveness and ensures that all key and appropriate issues are discussed by the Board in a timely manner. She also ensures that the Board as a whole, plays a full and constructive part in the development and determination of the Company's strategies and policies and that Board decisions taken are in the Company's best interests and fairly reflect Board's consensus. Under her able guidance the Company is experiencing rapid growth in terms of both business and development.

Mrs. Nagina Afzal Sinha is also Director of the ACME Consumer Products Ltd. and shareholder of The ACME Agrovet and Beverages Ltd. as well as of Sinha Printers Ltd. She is involved in many social and philanthropic works and committed to make positive changes in the society. At a personal level, she is relentlessly supporting the welfare of Senior Citizens living in old age homes as well as children living in orphanages.



**Mizanur Rahman Sinha**  
Managing Director

Mr. Mizanur Rahman Sinha, Managing Director of The ACME Laboratories Ltd. obtained his honors graduation in Commerce from University of Dhaka. After graduation, he joined the then Habib Bank Ltd. in 1964 and worked there in different senior positions. In 1975 he joined The ACME Laboratories Ltd. to fulfil the desire of his father, the founder of The ACME Laboratories Ltd. His wholehearted efforts and bold leadership made the organization's achievement a milestone in the Pharmaceuticals industry of the Country.

He is the Chairman of Sinha Fabrics Ltd., Sinha Knit Industries Ltd., Sinha Knit and Denims Ltd., Kalyar Packaging Ltd., Kalyar Replica Ltd. and ACME Overseas Trading Ltd. All of these organizations have achieved a very good export market within a short period of time under his guidance. He is also Director of The ACME Agrovet & Beverages Ltd., Sinha Printers Ltd. and ACME Consumer Products Ltd.

He is very popular among his fellow countrymen as a devoted social worker and philanthropist for his magnanimous contribution towards the wellbeing of the common masses through development of infrastructure, establishment of schools and construction of buildings and roads.

He was elected as Member of Parliament for two consecutive terms starting from 1996 and during the period 2001-2006 at the constituency of Louhajang, Sherajdekhan and Munshigonj, areas where he is immensely popular. He also served as State Minister of Health and Family Welfare Ministry of Government of People's Republic of Bangladesh.





**Dr. Jabilur Rahman Sinha**  
Deputy Managing Director

Dr. Jabilur Rahman Sinha has a B.Sc. in Chemistry from University of Dhaka, an M.Sc. in Pharmaceutical Chemistry from North Dakota State University, Fargo, North Dakota and a Ph.D. from University of Georgia, Athens, Georgia.

Since receiving his Ph.D., Dr. J. R. Sinha has done 2 years of post-doctoral work, of which one year in Medical College of Virginia, Virginia Commonwealth University, Richmond, Virginia and the other year in University of Missouri, Columbia, Missouri, both in synthetic and analytical chemistry. Following his post-doctoral experience, Dr. Sinha was involved in teaching and research for 29 years in several academic institutions in the United States. His expertise includes teaching General, Organic and Analytical Chemistry. His outstanding evaluation by his superiors, peers and students year after year testifies to his success as an academician. Dr. Sinha has been an active member of American Chemical Society, Rho Chi Honor Society, and Sigma Xi Honor Society.

Dr. Sinha took 2 years of sabbatical leave from his University in the U. S. and worked full time at ACME from 1995 to 1997 and finally joined ACME permanently in 2003. He was closely involved in ACME activities during the period 1997 to 2003 including working in ACME during those summers. Given his limitations during his tenure in ACME, Dr. Sinha has provided active leadership, training, planning and supervising personnel to exceed their performance goals, sharing the fiscal, manufacturing, and marketing responsibilities.



**Jahanara Mizan Sinha**  
Deputy Managing Director

Mrs. Jahanara Mizan Sinha is a Director of The ACME Laboratories Ltd. since 1981. She became the Deputy Managing Director of The ACME Laboratories Ltd. on 28 April 2019. Her constructive ideas and inspirational guidance are enabling ACME to pursue excellence with greater success.

Mrs. Jahanara Mizan Sinha is also the Chairman of J M Sinha Agriculture Food Processing Industries Ltd. and Sanjar Aviation Ltd. as well as Director of the ACME Agrovet & Beverages Ltd., Sinha Printers Ltd., ACME Consumer Products Ltd. and Kalyar Replica Ltd. She is also the member of Nomination and Remuneration Committee (NRC) of The ACME Laboratories Ltd. Mrs. Jahanara Mizan Sinha is a social entrepreneur which has given her an opportunity to make a difference in the society with an impact on the country. She is the Cabinet Member and Regional Chairperson HQ, Lions Clubs International. She is also the founder Director of Lions Club of Dhaka Shapla and past Vice President of Women's Voluntary Association (WVA).





**Mr. Md. Abul Hossain**  
Nominee Director

Mr. Md. Abul Hossain has joined as Managing Director of Investment Corporation of Bangladesh (ICB) on 21 August, 2019. He started his career as a System Analyst/Senior Principal Officer in ICB on 19 February 1998 and served different positions within the same organization. Before his joining, he acted as Managing Director at Karmasangsthan Bank (KB). During his service life, he served different Banks and Financial Institutions. He served as Managing Director (Additional Charge) and Deputy Managing Director at Bangladesh Krishi Bank (BKB). In addition to that, Mr. Md. Abul Hossain served as System Manager/Deputy General Manager and General Manager at Investment Corporation of Bangladesh (ICB). He completed his B.Sc. (Hon's) and M.Sc. degree in Statistics from Jahangirnagar University.

He has over 30 years of diversified experience in Investment Banking, Specialized and Commercial Banking, Islamic Banking, Asset Management and ICT works. He was always instilled by the changed, research oriented and dynamic management that focused on innovations, creativity and increasing organizational efficiency and effectiveness, which also resulted in higher value addition to the organizational, stakeholders and the society as well.

During his career's long journey, he served 16 (sixteen) organizations with different capacities. He served as a Chairman for 03 (three) organizations, of which two are the subsidiaries of ICB (ICB Asset Management Company Ltd. & ICB Securities Trading Company Ltd.) and the other is Aziz Pipes Ltd. In addition to this, he served as a Director, a number of organizations like Islami Bank Bangladesh Ltd., The Farmers Bank Ltd. (Now Padma Bank), Nitol Insurance Company Ltd., AllTex Industries Ltd., ICB Securities Trading Company Ltd., Aramit Ltd., Kay & Que (Bangladesh) Ltd., Business Automation Ltd., DNS Satcomm Ltd. and Upload Yourself Systems Ltd. He has also been contributing his professional expertise as the Chairman of ICB Capital Management Ltd.

Apart from that, he is now serving as the Director of British American Tobacco Bangladesh Co. Ltd. (BATBC), Linde Bangladesh Ltd., GlaxoSmithKline Bangladesh Ltd. (GSK), Renata Ltd., Bangladesh Krishi Gobeshona Endowment Trust (BKGET), Credit Rating Information and Services Ltd. (CRISL), Standard Bank Ltd., National Tea Company Ltd. (NTC), Apex Tannery Ltd., Central Depository Bangladesh Ltd. (CDBL), United Power Generation & Distribution Company Ltd. (UPGDCL), Aramit Ltd., Industrial Infrastructure Development & Finance Company Ltd. (IIDFC), Bangladesh Institute of Capital Market (BICM), Apex Footwear Ltd., Aramit Thai Aluminium Ltd., The Peninsula Chittagong Ltd., Lafarge Surma Cement Ltd., Standard Bank Securities Ltd., SBL Capital Management Ltd., Ratanpur Steel Re-rolling Mills Ltd. (RSRM), Heidelberg Cement Bangladesh Ltd., Padma Bank Ltd. and some other Directorships. Being the Managing Director of the Investment Corporation of Bangladesh (ICB), he joined as nominee Director of The ACME Laboratories Ltd. on 9 September 2019. He is also the member of Audit Committee and Nomination and Remuneration Committee (NRC) of the Company.



**Syed Shahed Reza**  
Independent Director

Syed Shahed Reza has obtained BA (Hons) in Political Science and M.A. in Public Administration from Dhaka University. He then proceeded for service in Saudi Arabia as Senior Executive (Finance, Accounts and Administration) at the PARSONS Ltd, an USA based multi-national Company, which was a Consultant of the Saudi Government Royal Commission for Yanbu Project from 1977-1985.

After returning to Bangladesh, he joined Bangladesh Ministry of Foreign Affairs on 9 June 2009 as Secretary and Ambassador to the State of Kuwait and the Republic of Yemen. He served Bangladesh Embassy in Kuwait as an Ambassador. Presently he has been contributing in ACME's Board as an Independent Director. He is a renowned sport personality and sports organizer. He is currently discharging his responsibilities as National Chancellor (Bangladesh Chapter), International Association of Educators for World Peace (IAEWP), NGO UN (ECOSOC, UNDP, UNICEF, UNESCO and UNCEO across a number of positions such as, Member of the Olympic Council of Asia (OCA) International Relations Committee since 2011; Trustee member of Bangladesh Foundation for Development and Research on Liberation War and BANGABANDHU; Founder Joint Secretary General of Bangladesh Golf Federation & Vice President of Taikondo Federation Bangladesh; Founder Vice President of Bangladesh Rugby Association and Member Bangladesh Handball Federation. He was the former president of Dhaka Club Ltd. for consecutive two terms.

He has extensive experience in management, leadership, organizational effectiveness and diplomacy arena at National level. Mr. Reza extensively travelled all over the world and participated in a good number of conferences and training program at home and in abroad. He is also the Chairman of Nomination and Remuneration Committee and Member of the Audit Committee of the Company.



**Fouzia Haque, FCA**  
Independent Director

Ms. Fouzia Haque, FCA is a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). She obtained a Masters degree in Management from the University of Dhaka. Currently she is working as a Partner of FAMES & R, Chartered Accountants. FAMES & R Chartered Accountants is a merged Firm of Zaman Hoque & Co. and Shahadat Rashid & Co. She is the Director in the Board of Sadharan Bima Corporation and Board Member of Campaign for Popular Education (CAMPE). She joined in ACME's Board as an Independent Director on 9 September 2014. She is the Chairman of Audit Committee of the Company. Previously she served at BRAC, a renowned and world largest NGO in the world; BRAC University; Action on Disability and Development in Bangladesh (ADD); ACNABIN, a Chartered Accountants' firm and World Bank at various capacities.

She has Extensive experience in management and leadership. She has strong background in IAS/IFRS, ISA, Internal Control System, Company Law, BSEC Rules & Laws, Corporate Governance, Management Accounting Principles, ERP system and Development of Standard Operating Procedures.

Ms. Haque is well travelled and participated in good number of conferences and training programs at home and in abroad.



**Ms. Tasneem Sinha**  
Director

Ms. Tasneem Sinha is the daughter of Mr. Mizanur Rahaman Sinha, Managing Director and Mrs. Jahanara Mizan Sinha, Deputy Managing Director of the Company. Ms. Tasneem Sinha completed her education from Home Economics College under University of Dhaka and immediately after that, got involved with the family business as per her own aspiration and desire of her parents.

Ms. Tasneem Sinha started her own business, Kalyar Replica Ltd. and Kalyer Packaging Ltd., which is one of the leading Packaging Company in the country since 2008. Within a short span of time since its inception, it has been farmed and widely entrusted as one of the leading Flexible Packaging and Corrugated Packaging Company in Bangladesh already having working experience with local giant conglomerates and multinational companies.

Ms. Tasneem Sinha got officially enrolled in the Board of The ACME Laboratories Ltd. as a Director, on 10 September 2020. She is also the Chairman of AMBE Clearing Ltd., Managing Director of Kalyar Packaging Ltd., Kalyar Replica Ltd., Skye Rotogravure Printing Industries Ltd., and Director of J.M. Sinha & Agriculture Food Processing Industries Ltd., Sinha Knit and Denims Ltd., Sanjar Aviation Ltd., and The ACME Agrovet and Beverages Ltd.

Ms. Tasneem Sinha is one of the successful young women entrepreneurs of the country. She is a far sighted individual with excellent business development skills and hands on knowledge to lead diversified businesses. She holds excellent knowledge of supporting the Company's strategic alliances. She is closely involved with overall day-to-day business activities of The ACME Laboratories Ltd. since long and carrying out her assigned responsibilities with utmost sincerity and full dedication. She is experienced in supervising employees across cross functional departments in order to expedite targeted results. Ms. Tasneem Sinha is a seasoned professional belonging enormous knowledge on rules, regulations and corporate practice.

In recognition to her remarkable contribution as a Chairman of Kalyar Replica Ltd. and Kalyar Packaging Ltd. Ms. Taneem Sinha received the most prestigious award, 'An Icon Women Entrepreneur of the year – 2012' awarded by Business Asia under the title - "Business Asia Most Respected Company Award -2012.'

Ms. Tasneem Sinha is actively involved with many social and community development works of the Country. At a personal level, she is relentlessly providing her support for the well-being of the People, more specifically, for the welfare of Senior Citizens living in old homes, underprivileged children and women of the Society as well as the orphans. She is providing support to the physically and mentally disabled people of the society. Besides, she is also working for women empowerment of the country.



**Mr. Tanveer Sinha**  
Director

Mr. Tanveer Sinha, son of Mr. Mizanur Rahman Sinha, Managing Director and Mrs. Jahanara Mizan Sinha, Deputy Managing Director of the Company. Mr. Tanveer Sinha completed his graduation from Edinburgh Napier University, Scotland in the year 1997 and immediately after that, got involved with the family business as per his own aspiration and desire of his parents.

Mr. Tanveer Sinha got officially enrolled in the Board of The ACME Laboratories Ltd. as a Director, on 10 September 2020. Besides, he is the Chairman of The ACME Agrovet and Beverages Ltd., Sinha Poultry Ltd., Sinha Logistics and Transport Ltd., Sinha Sourcing Ltd., International Institute of Health Sciences (IIHS) and Medical Assistant Training School (MATS). Besides, he is also the Managing Director of Sinha Knit Industries Ltd., Sinha Fabrics Ltd., J.M. Sinha and Agriculture Food Processing Industries Ltd., Sinha Knit and Denims Ltd., Birgonj Fish Hatchery and Aquaculture Ltd., Coco Fashion Ltd., as well as the Director of the ACME Overseas Trading Ltd., Kalyar Packaging Ltd., Kalyar Replica Ltd. and Sanjar Aviation Ltd.

He is highly skilled in practicing leadership, formulating strategic planning, ensuring organizational effectiveness, building of corporate relationship, managing of corporate finance, quick sizing up & restructuring of business opportunities, customer interaction & communications, implementation of business objectives and ability to deal with the people at the highest level. He has creative knowledge with a strong sense of balance, corporate vision and has skill for implementation of corporate plan for achieving the goals. He has adequate knowledge on rules, regulations and corporate practice and process as per applicable provision of the law of the land.

He is one of the youngest entrepreneurs of the country with a proven track record of managing businesses successfully. His long term goal is to ensure that as an organization, ACME possesses a strategic road map for the short, medium & long term sustainable business development.

Mr. Tanveer Sinha is a social entrepreneur which has given him an opportunity to grow and make a difference in the social life in which he lives. Presently, he is the member of the Dhaka Club Ltd., Uttara Club Ltd. Narayangonj Club Ltd., Bangladesh Garments Manufacturers and Exporters Associations (BGMEA) and Bangladesh Computer Society (BCS).





**Mrs. Sabrina Juned**  
Director

Mrs. Sabrina Juned is the daughter of Late Afzalur Rahaman Sinha, Ex-Chairman and Mrs. Nagina Afzal Sinha, current Chairman of the Company. She completed her Masters of Business Administration (MBA) and after a while of her completion of MBA she got involved with the family business as per her own aspiration and desire of her parents.

Mrs. Sabrina Juned got officially enrolled in the Board of The ACME Laboratories Ltd. as a Director on 10 September 2020. She has extensive experience in formulating corporate vision and long term strategy, Supply Chain Management and Regulatory Compliances. Mrs. Sabrina Juned has a proven capability of contributing value in both family and business areas. She is also the Director of The ACME Agrovat and Beverages Ltd.

She is knowledgeable and experienced in successful operation and management of the respective business organization. She is highly skilled in practicing leadership, formulating strategic planning and ensuring organizational effectiveness. Besides, she is also closely involved with overall day-to-day business activities of The ACME Laboratories Ltd. since long and carrying out her assigned responsibilities with utmost sincerity and full dedication. Mrs. Juned is a seasoned professional possessing a great deal of knowledge on rules, regulations and corporate practice.

Mrs. Juned is a young woman entrepreneur which has given her an opportunity to grow and make a difference in the social life. She is also involved with many social and charitable works and committed to make positive changes in the society. At a personal level, she is relentlessly supporting the welfare of Senior Citizens living in old homes, underprivileged women of the Society as well as children living in orphanage.



**Mr. Fahim Sinha**  
Director

Mr. Fahim Sinha, son of Late Afzalur Rahaman Sinha, Ex-Chairman and Mrs. Nagina Afzal Sinha, current Chairman of the Company. After completing his Master of Business Administration (MBA), he immediately got involved with the family business as per his own aspiration and desire of his parents.

Mr. Fahim Sinha got officially enrolled in the Board of The ACME Laboratories Ltd. as a Director, on 10 September 2020. He is also the Managing Director of The ACME Agrovet & Beverages Ltd., Sinha Printers Limited, The ACME Overseas and Trading Ltd. & ACME IT Ltd. Besides, he is also acting as Director of Sinha Fabrics Ltd., Sinha Knit Industries Ltd. and Sinha Knit & Denims Ltd. He always possesses a passion for sports and represents Bangladesh in multiple local, national and international sports events.

He is knowledgeable and experienced in successful operation and management of the business organizations he is involved with. He is highly skilled in practicing leadership, formulating strategic planning and ensuring organizational effectiveness. Besides, he is also closely involved with overall day-to-day business activities of The ACME Laboratories Ltd. for a long time and carries out his assigned responsibilities with utmost sincerity and full dedication. Mr. Fahim Sinha is a seasoned professional possessing a great deal of knowledge on rules, regulations and corporate practice.

Mr. Fahim Sinha is a key sports organizer from a young age with a very solid and proactive enthusiasm for Cricket, Snooker, Pool and billiards. He is the counselor and operations committee member of Bangladesh Cricket Board (BCB). Presently, he is the member of the Dhaka Club Ltd., Uttara Club Ltd. and Azad Boys Club Ltd. He is also the Joint Secretary of Surjo Torun Club, member of Tournament Committee, Bangladesh Cricket Board and former Vice President of Sri Lanka Bangladesh Chamber of Commerce.



# MANAGEMENT COMMITTEE

*Standing back from left to right:*

Md. Arshadul Kabir, FCA  
Member Secretary

Md. Rafiqul Islam, FCS  
Member

Mohammad Ziauddin  
Member

Jahangir Hyder  
Member Secretary

A.K.M. Mushiur Rahman Khan  
Member

Md. Abu Zafor Mohiuddin  
Member

Tushar Kanti Kundu  
Member Secretary

Gobinda Goshwami  
Member

Asad Quader Shamsuddin  
Member

*Standing middle from left to right:*

Brahmmarpan Pikaso  
Member

Md. Humayun Kabir  
Member

Dr. Sheikh Maksudur Rahman  
Member

Md. Ferdous Khan  
Member

Tanveer Sinha  
Member

Sabrina Juned  
Member

Dr. Syed A.M. Mustafij Billah  
Member

*Standing front from left to right:*

Fahim Sinha  
Member

Motiur Rahman Sinha  
Member

Tasneem Sinha  
Co-Chairman

Mizanur Rahman Sinha  
Guest of Honour

Md. Hasibur Rahman  
Chairman

Rezaur Rahman Sinha  
Member







CORPORATE OFFICE  
Court de la **ACME**

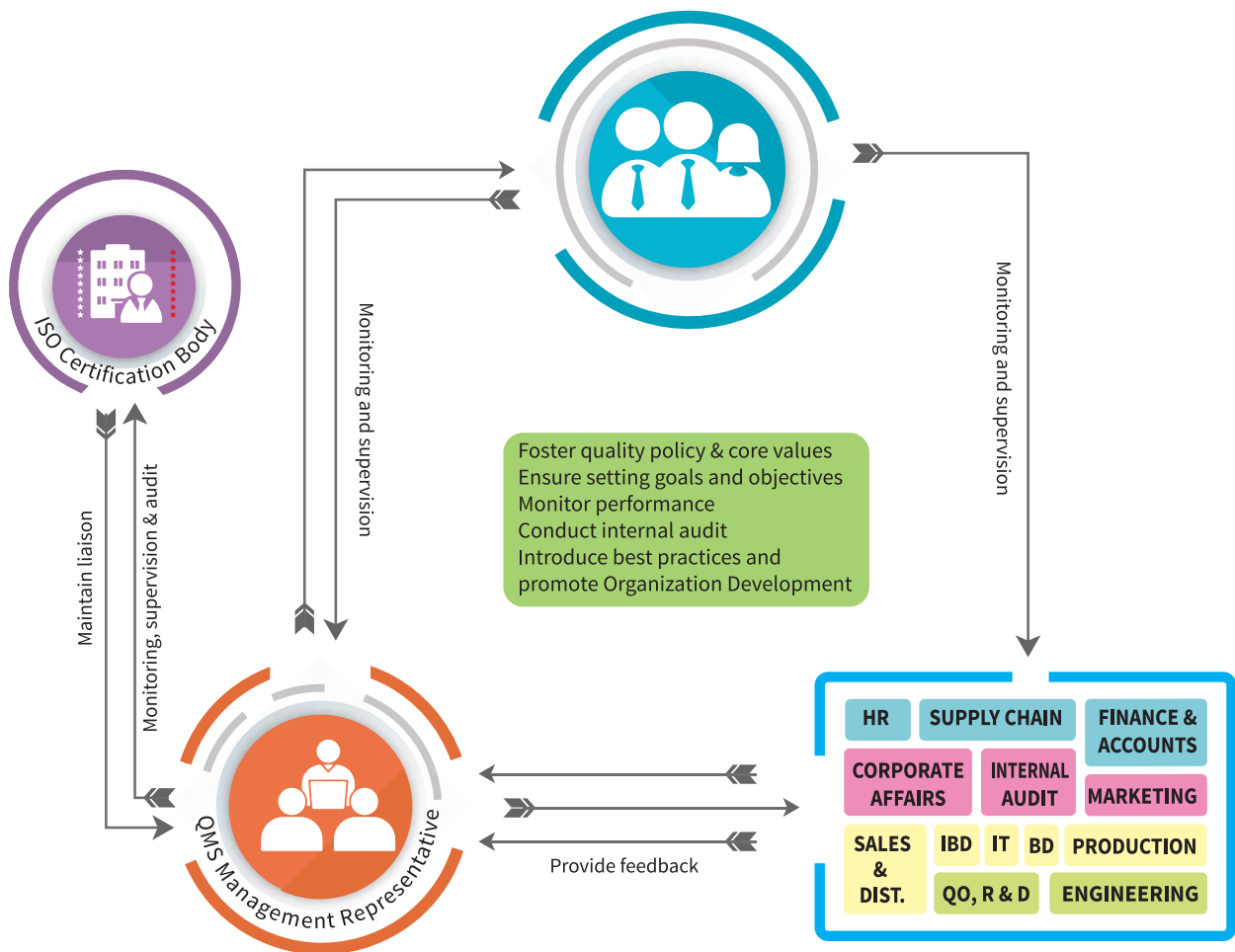




# QMS OPERATIONS



Our Board of Directors is highly influenced by Quality Management Operations that is monitored and supervised by ISO certification body.



QMS and OD department under HR division wing provides a variety of professional and management support across the organization in maintaining suitable system by the means of strategic integration of ISO, TQM, business excellence criteria and other best practices that are proven effective for the business. This division relentlessly contributes to the implementation of business metrics & performance management; organizations' re-structuring & change management and business-driven HR transformation that make Organization's Human Capital value added and trigger to the implementation of organization's health and effectiveness. At ACME, QMS & OD facilitates the development and communication of the organization's core values, vision, mission and ethical behaviors.









## MANUFACTURING COMPLEX, DHAMRAI



## BOARD'S STRUCTURE AND ITS ROLE



### Composition of the Board

The Board of ACME is comprised of eleven Directors, including one Nominee Director from Investment Corporation of Bangladesh (ICB) and two Independent Directors. Chairman is elected from amongst the Non-Executive Directors. All the members of the Board of Directors of the Company are highly seasoned professionals, skilled, well-experienced, extremely devoted, responsible, committed and reputed in their respective arena and they have prerequisite technical understanding about the Company's business affairs which combined with its diversity of culture and background, stands as the perfect platform to perform and deliver.

### Role of the Board

The Board of Directors is appointed by the Shareholders at the Annual General Meeting (AGM) and accountable to the Shareholders. The Board is responsible for formulating strategy, policy and ensuring that the business activities are soundly administered and effectively controlled. The Directors keep themselves informed about the Company's financial position and ensure that its activities, accounts and asset management are subject to adequate control. The Board also ensures that ACME's Policies, Procedures and Codes of Conduct are implemented and maintained and the Company adheres to generally accepted principles for good governance and effective control of the Company's activities.

### Board Meetings

As per Articles of Association of the Company, the Board is required to meet at least four times in a year. Dates for Board Meetings in a year are decided in earlier and notice of each Board Meeting is communicated in writing well in advance. Such notice contains detailed statements of business to be transacted at each meeting. The Board meets for both scheduled meetings and on other occasions to deal with urgent and important matters that require its attention.

### Role of Chairman

As per Articles of Association of the Company, the Members of the Board elected the Chairman from among the non-executive directors of the Company who is responsible to lead the Board and to ensure the effectiveness of the functions of the Board. It is the responsibility of the Chairman to see that the Annual General Meeting, Board Meetings and other Meetings are duly convened and constituted in accordance with the Companies Act, 1994 or any other applicable guidelines, rules and regulations before its proceeds to transact business. The Chairman should then conduct the proceedings of the meetings and ensure that only those items of business as have been set out in the agenda are transacted and generally in the order in which the items appear on the agenda. The Chairman should encourage deliberations and debate and assess the sense of the meetings. The Chairman should ensure that the proceedings of the meeting are correctly recorded and in doing so, he/she may include or exclude as he/she deems fit.

### Role of Managing Director

The roles of the Managing Director are eminent and description of respective roles and responsibilities is clearly Mention in the Articles of Association of the Company, set out in writing and agreed by the Board to ensure transparency and better Corporate Governance. The Managing Director is the authoritative head for day-to-day management in ACME. He acts for the best interest of the Company and ensures that ACME operates its business as per the Articles of Association; decisions are made by the Board and Shareholders, as well as according to Company's Policies, Procedures and applicable regulatory legislations.





## PENICILLIN UNIT



# DIRECTORS' REPORT



For the year ended 30 June 2020

## DEAR SHAREHOLDERS,

The Board of Directors of The ACME Laboratories Ltd. takes the pleasure to welcome you to the 44th Annual General Meeting of the Company. On behalf of the Board of Directors and Management, I hereby present the Directors' Report and Audited Financial Statements of the Company for the year ended on 30 June 2020, together with the Auditors' report thereon.

The Directors' report has been prepared in compliance with the Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Bangladesh Securities and Exchange Rules, 1987; Bangladesh Securities and Exchange Commission Notification no. BSEC/CMRRCD/2006-158/207/ Admin/80; dated: 03 June 2018, Financial Reporting Act 2015 and International Financial Reporting Standard (IFRS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

## PROFIT AND ITS APPROPRIATION

Particulars	(BDT in million)	
	2019-2020	2018-2019
Net Profit after Tax	1,450.498	1,440.379
Adjustment for depreciation on revaluation surplus	80.877	83.442
Profit brought forward from previous year	5,593.734	4,810.519
Total Profit Available for appropriation	7,125.109	6,334.340
<b>Appropriation</b>		
Final Cash Dividend for the year 2018-19 (Comparative year 2017-18)	(740.606)	(740.606)
Closing Retained Earnings at the year-end (before proposed Dividend)	6,384.503	5,593.734
Proposed cash dividend for the year 2019-2020 @ 25%	(529.004)	(740.606)
Retained earnings after Proposed Dividend	6,384.503	4,853.128

## DIVIDEND

During the year ended 30 June 2020, the Company has earned net profit before tax amounting to BDT 1,979.43 million which after provision of Income Tax stood at BDT 1,450.50 million. Considering the performance of the Company, the Board of Directors has recommended 25% cash dividend i.e. BDT 2.50 per share which comes to BDT 529.004 Million subject to the approval of the Shareholders in the 44th Annual General Meeting. During the year 2019-2020, the company has not declared any bonus or Stock as interim dividend.

## INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENT

Pharmaceuticals Industry is one of the success stories of Bangladesh in the last four decades. The sector is one of the most developed, knowledge based and technology driven industry, which is contributing in the country's economy. According to Bangladesh Bureau of Statistics, the industry has contributed 1.83% to the GDP in 2017-18. Currently, local Companies meet almost 98% of domestic demand with the market size of BDT 232,872 million. According to Bangladesh Association of Pharmaceutical Industries (BAPI) and Directorate General of Drug Administration (DGDA), approximately 257 licensed pharmaceutical manufacturers are operating in Bangladesh and about 143 are functional. These manufacturing companies meet around 98% of local demand and export to more than 125 countries.

Before the outbreak of Covid-19, the size of the domestic pharmaceutical industry of Bangladesh stood at equivalent BDT 220 billion as of 2019 with a CAGR of 15.80% over the last five years. The industry is on its way towards maintaining this growth momentum and according to the industry experts, the sector will grow 10 percent year-on-year to reach \$5.58 billion by 2025 and the contribution of Pharmaceutical sector to Bangladesh' economy will be the highest revenue earning sector by 2027.

The growth in the pharmaceutical sector has largely been driven by local players, particularly due to government policies favoring domestic players, Economic Growth of the country, Population Growth rate, Growing Income level of people, Increase in modern healthcare facilities, Lower cost of labor, Health awareness of mass people, Changing Life Style & High Life Expectancy. All these factors will make the pharma industry more sustainable which logically attracts the scope for further growth in investment for expansion





and development in this industry. Major generic hubs- India and China are losing cost advantages. Cost of labor in Bangladesh is 3 to 4 times lower than that of China and India. That is why, we are ensuring the best quality medicine with an affordable price.

The WTO-TRIPS Council, on 6 November 2015 granted the Least Developed Countries (LDCs) exemptions from Pharmaceutical patent until 2033. Due to the benefits of TRIPS agreement applicable for manufacturers in LDC, local players end up producing medicines at much cheaper rates, compared to their international counterparts. As a result, medicine prices have remained within reach of the mass population.

The sector is emerging as a developing export destination as a number of top local Pharmaceutical companies have received American & European regulatory approvals for exporting to developed markets. Alongside, pharmaceutical players are targeting to capture a significant market share in price sensitive African markets.

Bangladesh Pharma Industry is the only sector that has been comparatively less affected by COVID-19 pandemic situation though it was difficult to make available the APIs since we have to import 98% of APIs. International drug prices have increased and if COVID-19 persists, the limited supply of APIs and formulations in the international market will drive up prices of raw materials further.

In order to address the issue, the government has already handed over 42 plots of environment friendly Active Pharmaceutical Ingredient (API) Industrial park at Gazaria, Munshiganj to 28 Drug Manufacturers. Most of the top-ranking pharma companies got plots at the API Park and most of them are going to start the construction works over there at the earliest possible time.

Once the API Park is completed, Bangladeshi companies would be able to produce substantial portion of their raw materials from the units of the said API Park which will reduce the reliance of imports and lead time related to import of Raw Materials. Apart from this, we understand that from the said API Park, Bangladesh will be able to export substantial quantity of Raw Materials to different countries. API Park will also create job opportunity for about 25,000 unskilled and semi-skilled labourers.

At the API Park, The ACME Laboratories Ltd. has already started construction works. We are hopeful that the project will be completed within June 2022.

### **Covid-19 and its Impact in Pharma Industry in Bangladesh**

COVID-19, a pandemic caused by the novel Coronavirus, has emerged as an unprecedented challenge globally and to the pharmaceutical companies in particular, who have a

responsibility towards public health. As a participant in this ecosystem, the Company has taken a number of steps to respond to this unique situation. The Company has taken effective steps to ensure supply of essential medicines to its customers.

Temporarily, the COVID-19 outbreak is expected to lead a higher demand of sanitizing chemicals and other medications, as healthcare professionals and patients alike seek prevention and basic treatment measures. The industry has not suffering any potential lockdown, as pharmacy counters are considered a part of essential services.

The Contribution of the Pharma sector even more critical in the times of health emergencies. Pharma is playing an extremely important role by enabling the supply of key medicines across the country and globe as well, this makes it one of the safest and most resilient industries in such periods of uncertainty. The Company's Plant continues to remain operational at almost its usual capacity and the company has successfully supplied its medicine to its customer.

The Company has strictly followed the protocols on social distancing and provided safe working environment at its Corporate Office, Plant and depots as well. The company revised visitor guidelines, regular updates on health and travel advisory to all employees.

The Company has monitored the impact of COVID-19 on all aspects of its business. The Company will continue to ensure supply of essential medicines and take steps to mitigate any risks associated with COVID-19 pandemic. The detail financial disclosures are given in our Audited Financial Statements in note number 5.25.

### **COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN**

During the year the company generated better top line revenue growth comparing to the previous year despite of Covid-19 outbreak all over the world. The amount of Cost of Goods Sold for the Financial Year 2019-2020 is BDT 11,728.94 million which is 61.72% of the revenue of the Company. In the previous year the same was BDT 16,308.63 million which was 60.60% of the revenue. On the other hand, Gross Profit margin and Net Profit margin for the financial years 2019-2020 are 38.28% and 7.63%, with compare to the previous year the same was 39.40% and 8.83% respectively. Due to Covid-19 outbreak the scarcity of materials in international markets has been increased. Moreover, moderate domestic inflation and unfavorable fluctuation of BDT against foreign currencies also adversely impact the Material Cost. The Management is trying their best to reduce the cost by using different effective cost cutting tools.

## EXTRAORDINARY ACTIVITIES

The company is relentlessly working to establish strong footing in the domestic market which also facilitated to expand its presence in the global market. During the year, the company earned substantial export sales growth rate of 78.78% than the previous year. To boost the export sales and to encourage domestic pharmaceuticals company, the Government has declared 10% cash incentive on Net Free on Board (FOB) value of Pharmaceutical finished products. Any incentive received from Government is reported under the head of Other Income in the Audited Financial Statements for the year ended 30 June 2020.

## RELATED PARTY DISCLOSURES

The Company carried out a number of transactions with related parties in the normal course of business and on arm's length basis. The Directorship of the company is mostly in common. Details of the transactions are provided in the note 41 of Financial Statements for the year ended 30 June 2020.

Besides, there is a Supply Chain relationship between ACME and Sinha Printers Limited. The ACME Laboratories Limited procure Materials from Sinha Printers Limited; Balance of which sometimes exceeds 1% of the Revenue. The ACME Laboratories Limited transact with Sinha Printers Limited for the following reasons:

- To comply with the CGMP guidelines of the Regulator and other internal regularities compliances.
- To control facsimile from market like currency note.
- To ensure the better quality, on time supply and cost efficiency most of the Pharmaceutical companies in our country procure packaging materials from in-house entity under common ownership.

## PRESENT STATUS OF UTILIZATION OF IPO PROCEEDS AND PROPOSED RE-ARRANGEMENT

The ACME Laboratories Ltd. accorded the consent from Bangladesh Securities and Exchange Commission (BSEC) on 15 March 2016 for raising its capital through Initial Public Offering (IPO) by issuing 5.00 Crore Ordinary Shares and collected BDT 409.60 Crore for the purpose of 3 (three) projects namely (1) Steroid and Hormone, (2) Oncology and (3) Ayurvedic, Modern Herbal and Nutraceuticals.

Considering the greater interest of the Shareholders, the Board of Directors of the Company in its 93rd Meeting held on 2 October 2018 recommended the re-arrangement of use of IPO proceeds which was approved by the shareholders in its 42nd Annual General Meeting held on 6 December 2018.

Re-arrangement of IPO proceeds approved by the shareholders in its 42nd Annual General Meeting is as follows:

Sl.	Name of the Projects	Estimated Project Costs (In BDT crore)
a)	Steroid and Hormone	166.05
b)	Penicillin	40.00
c)	Repayment of bank borrowing	136.00
d)	Active Pharmaceuticals Ingredients (API) Project	60.61
e)	IPO Expenses	6.83

The decision of the Shareholders has been duly intimated to Bangladesh Securities and Exchange Commission and other regulators as per condition of the Letter of Consent of the BSEC.

The Status of IPO proceeds as on 30 June 2020 are mentioned below:

Name of The Projects & Others	Allocated Cost as per resolution of 42 <sup>nd</sup> AGM (BDT in Crore)	Amount used up to 30 June 2020 (BDT in Crore)	Un-Utilized Balance Amount (BDT in Crore)	Status of Implementation
Steroid and Hormone	166.05	1,66.05	Nil	Commercially Launched
Penicillin	40.00	40.00	Nil	Commercially Launched
Active Pharmaceuticals Ingredients (API)	60.61	35.41	25.20	To be completed within June 2022
Repayment of Bank Borrowing	1,36.00	136.00	Nil	Completed
IPO Expenses	6.83	6.83	Nil	Completed

## Proposed Re-arrangement of IPO Proceeds:

As we mentioned above, two projects namely (a) Steroid & Hormone and (b) Penicillin have been completed and commercially launched within stipulated time schedule. The construction work of Active Pharmaceuticals Ingredients (API) project is going on and supposed to be completed within June 2022. Out of total allocated fund of BDT 606,132,545 of API project, the Company has already utilized BDT 354,120,593 i.e. 58.67% of total allocated cost of API project under the head of Civil Construction. Rest of the fund was allocated for the purpose of Machineries & Equipment. Right now, the company stopped taking funds from IPO Proceeds for the purpose of Construction works of API Project since the company has already utilized the allocated fund for Civil Construction. As such, all expenditures incurred for the construction work is being borne from the company's





organic source of funds. Moreover, since construction work is yet to complete and the completion of construction work will take another couple of quarters, the company does not open any L/C for Machineries and Equipment. In this regards, considering all aforesaid factors and greater interest of the shareholders, the Board of Directors propose to re-arrange the fund of Machineries and Equipment to Civil Construction for an amount of BDT 250,495,241 subject to necessary approval from the shareholders in its upcoming 44th AGM and necessary intimation to Bangladesh Securities and Exchange Commission. The recommendation of the Board regarding proposed rearrangement of IPO proceeds is as under:

(Amount in BDT)

S.L	Name of Projects & Others	Timeline as per 42nd AGM	Cost Breakdown	Amount as per resolution of 42nd AGM	Amount as per proposed Re-arrangement
1	Steroid and Hormone Project	Within June 2019	Civil Construction	334,934,878	334,934,878
			Machinery & Equipment	933,900,000	933,900,000
			Utility	353,700,000	353,700,000
			Warehouse	21,986,000	21,986,000
			Vehicle	5,000,000	5,000,000
			Consultancy fee	1,200,000	1,200,000
			Contingencies	9,870,308	9,870,308
			<b>Sub Total</b>	<b>1,660,591,186</b>	<b>1,660,591,186</b>
2	Penicillin Project	Within June 2019	Civil Construction	142,922,303	142,922,303
			Machinery & Equipment	79,768,602	79,768,602
			Utility	146,345,797	146,345,797
			Warehouse	21,641,545	21,641,545
			Vehicle	2,901,503	2,901,503
			Consultancy fee	1,420,250	1,420,250
			Contingencies	5,000,000	5,000,000
			<b>Sub Total</b>	<b>400,000,000</b>	<b>400,000,000</b>
3	Active Pharmaceuticals Ingredients (API)	Within June 2022	Civil Construction	355,637,304	606,132,545
			Machinery & Equipment	250,495,241	-
			Utility	-	-
			Warehouse	-	-
			Vehicle	-	-
			Consultancy fee	-	-
			Contingencies	-	-
			Initial Working Capital	-	-
			<b>Sub Total</b>	<b>606,132,545</b>	<b>606,132,545</b>
4	Repayment of Bank Borrowing at 40th AGM	N/A		1,360,000,000	1,360,000,000
5	IPO Expenses	N/A		68,291,870	68,291,870
<b>Total</b>				<b>4,095,015,601</b>	<b>4,095,015,601</b>

**SUBSEQUENT RESULTS AFTER INITIAL PUBLIC OFFERING (IPO)**

In the year 2016, the Company listed its securities with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. by issuing 50,000,000 Ordinary Shares of BDT 10.00 each. The Company commenced its trade with both the Exchanges from 07 June 2016 under the trade name of ACMELAB. After completion of Initial Public Offering (IPO) successfully, the financial results of the Company have been increased consistently which has been more fully explained in the Page No. 55 under the head of Financial Highlights for last 5 years.

**REMUNERATION PAID TO THE DIRECTORS INCLUDING INDEPENDENT DIRECTORS**

During the year 2019-2020, a remuneration of BDT 19,200,000 has been paid to the whole time Directors of the Company. The Company did not pay any remuneration to its Independent Directors except sitting fees for attending at the meetings of the Board of Directors and respective committees to whom they are members. A Statements regarding payment of remuneration to its Directors is as under:

Amount in BDT

Particulars	2019-2020	2018-2019
Director	19,200,000	20,025,806
Independent Director	-	-

**FAIRNESS OF THE FINANCIAL STATEMENTS**

The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994 and Securities & Exchange Rules, 1987. These statements fairly present the company's state of affairs, the results of its operations, cash flow and changes in equity.

In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code; dated: June 3, 2018, Chief Executive Officer and Chief Financial Officer have given the declaration about the fairness of the financial statements which is shown on page 102 & 103 of the report.

**BOOKS OF ACCOUNTS**

Proper books of accounts have been maintained by the Company as per Section 181 of Companies Act, 1994.

**CONSISTENCY OF APPROPRIATE ACCOUNTING POLICIES**

Accounting policies adopted by the Company have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgement. The accounting policies adopted and applied by the Company are appropriate in view of the nature of its business operations of the Company.

**APPLICATION OF INTERNATIONAL ACCOUNTING STANDARDS (IAS) OR INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

The International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), Bangladesh Securities and Exchange Rules, 1987, Stock Exchanges (Listing) Regulations, 2015 and as applicable any other laws in Bangladesh, have been duly followed by the Company in preparation of the financial statements and any departure there from has been adequately disclosed.

**INTERNAL CONTROL**

The system of internal control is sound in design and has been effectively implemented and monitored by the Company and dully examined by the Internal and external auditors. The Company continuously give due emphasis for further improvement of internal control system, if any, can be done.

**INTEREST OF MINORITY SHAREHOLDERS**

As a constant policy of the Company, the management has protected Interest of Minority shareholders meticulously. The management protects interest of Minority Shareholders from abusive actions by or in the interest of, controlling shareholders acting either directly or indirectly and has system of effective means of redress in place.

**GOING CONCERN**

There is no doubt upon the Company's ability to continue as a going concern; accordingly, the financial statements of the Company have been prepared on going concern basis.

**SIGNIFICANT DEVIATIONS FROM THE LAST YEAR'S OPERATING RESULTS OF THE COMPANY**

There is no deviation during the current financial year from the last year's operating results of the Company.



## KEY OPERATING AND FINANCIAL DATA OF LAST PRECEDING 5 (FIVE) YEARS

A statement of key operating and financial data of last preceding 5 (five) years are as under:

### Financial Highlights For Last 5 Years

Amount in BDT (in million)

Particulars	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
<b>Shareholders' Equity</b>					
Share Capital	2,116.02	2,116.02	2,116.02	2,116.02	2116.02
Share Premium	5,127.60	5,127.60	5,127.60	5,127.60	5127.60
Revaluation Surplus	5,238.75	5,319.64	5,402.71	5,487.67	5642.93
Gain/(Loss) on Marketable Securities (Unrealized)	(2.16)	6.94	8.72	6.23	2.25
Tax Holiday Reserve	179.46	179.46	179.46	179.46	172.25
Retained Earnings	6,384.51	5,593.73	4,810.52	4,039.29	3303.42
Total Shareholders' Equity :	19,044.18	18,343.39	17,645.03	16,956.28	16,364.47
Non Current Liabilities	6,392.29	4,578.02	4,615.51	3,675.91	3958.45
<b>Total</b>	<b>25,436.47</b>	<b>22,921.41</b>	<b>22,260.55</b>	<b>20,632.19</b>	<b>20,322.92</b>
<b>Application of Fund</b>					
Property, Plant and Equipment	24,602.56	23,751.66	21,105.68	18,220.23	17,240.11
Right of Use Assets	86.37	-			
Intangible Assets	0.04	0.08	0.12	0.16	0.20
Investment in Shares	23.77	33.88	34.89	32.41	19.86
Investment Property	-	-	21.34	23.10	26.19
Current Assets	14,705.52	12,135.98	11,462.21	11,671.33	11,603.36
Current Liabilities	(13,981.79)	(13,000.19)	(10,363.70)	(9,315.04)	(8,566.79)
<b>Total</b>	<b>25,436.47</b>	<b>22,921.41</b>	<b>22,260.55</b>	<b>20,632.19</b>	<b>20,322.92</b>
<b>Financial Result</b>					
Revenue	19,003.66	16,308.63	14,813.91	13,576.32	12,644.91
Cost of Goods Sold	11,728.94	9,882.88	8,942.40	8,039.83	7,770.61
Gross Profit	7,274.72	6,425.75	5,871.52	5,536.49	4,874.30
Profit before Taxation	1,979.43	1,953.34	1,954.84	2,035.55	1,402.10
Profit after Taxation	1,450.50	1,440.38	1,426.57	1,397.85	1,101.27
Change in Turnover (%)	16.53%	10.09%	9.12%	7.37%	9.99%
Change in Cost of goods sold (%)	18.68%	10.52%	11.23%	3.46%	8.00%
Change in Profit After Tax (%)	0.70%	0.97%	2.05%	26.93%	19.45%
<b>Financial Performance</b>					
Number of shares	211.60	211.60	211.60	211.60	211.60
Earning per share (Taka)	6.85	6.81	6.74	6.61	6.55
Current Ratio - (Times)	1.05	0.93	1.11	1.25	1.35
Net operating cash flow per share (Taka)	5.42	7.81	7.46	6.70	6.25
Net Asset Value Per Share (Taka)	90.00	86.69	83.38	80.13	77.34

**AN EXPLANATION ON THE REASONS IF THE ISSUER COMPANY HAS NOT DECLARED DIVIDEND (CASH OR STOCK) FOR THE YEAR**

The Company always maintains Consistent Dividend Policy and has been paying Dividend constantly. During the year the Company proposed 25% Cash Dividend to its Shareholders.

**THE TOTAL NUMBER OF BOARD MEETINGS HELD DURING THE YEAR AND ATTENDANCE BY EACH DIRECTOR**

Eleven Board Meetings were held during the year under review. The attendance records of the Directors are mentioned below:

**BOARD'S STATEMENT TO THE EFFECT THAT NO BONUS SHARE OR STOCK DIVIDEND HAS BEEN OR SHALL BE DECLARED AS INTERIM DIVIDEND**

No Bonus share or stock dividend has been declared by the Board as interim dividend during the financial year 2019-2020.







Name of Directors	Position	No. of Meetings attended
Mrs. Nagina Afzal Sinha	Chairman	09
Mr. Mizanur Rahman Sinha	Managing Director	09
Dr. Jabilur Rahman Sinha	Deputy Managing Director	04
Mrs. Jahanara Mizan Sinha	Deputy Managing Director	09
Syed Shahed Reza	Independent Director	10
Ms. Fouzia Haque, FCA	Independent Director	09
Mr. Md. Abul Hossain	Nominee Director	09
Mr. Kazi Sanaul Hoq	Nominee Director	02*

\*Investment Corporation of Bangladesh (ICB) withdrawn the nomination of Mr. Kazi Sanaul Hoq on 9 September 2019 and nominated Mr. Md. Abul Hossain as a nominee Director in the Board of The ACME Laboratories Ltd. in place of Mr. Kazi Sanaul Hoq at the same date. Accordingly, the Board of Directors in its 107th Meeting held on 09 September 2019 inducted Mr. Md. Abul Hossain as a Director of the Company.



## A REPORT ON THE PATTERN OF SHAREHOLDING AS ON 30 JUNE 2020

A report on the pattern of shareholding as on 30 June 2020 disclosing the aggregate numbers of shares (along with name-wise details) are stated below:

### a. Parent or Subsidiary or Associated Companies and other related parties:

The ACME Laboratories Ltd. does not have any Parent or Subsidiary or Associated Companies as on 30 June 2020. However, other related parties do not hold any shares of the Company.

### b. Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children

SI	Name and Particulars	Designation	Number of holding
01.	Mrs. Nagina Afzal Sinha	Chairman	11,888,433
02.	Mrs. Sabrina Juned, D/O Late Mr. Afzalur Rahman Sinha	Shareholder	9,102,613
03.	Mr. Fahim Sinha, S/O Late Mr. Afzalur Rahman Sinha	Shareholder	9,375,961
04.	Mr. Mizanur Rahman Sinha	Managing Director	20,761,565
05.	Mrs. Jahanara Mizan Sinha	Dy. Managing Director	10,519,744
06.	Ms. Tasneem Sinha, D/O Mr. Mizanur Rahman Sinha	Shareholder	715,788
07.	Mr. Tanveer Sinha, S/O Mr. Mizanur Rahman Sinha	Shareholder	715,562
08.	Dr. Jabilur Rahman Sinha	Dy. Managing Director	4,860,696
09.	Mrs. Hasina Jabil Sinha, W/O. Dr. Jabilur Rahman Sinha	Shareholder	4,859,245
10.	Ms. Sylvana Sinha, D/O Dr. Jabilur Rahman Sinha	Shareholder	6,886,366
11.	Ms. Tanya Quader Sinha, D/O Dr. Jabilur Rahman Sinha	Shareholder	68,88,866
12.	Mr. Md. Abul Hossain	Nominee Director of ICB	8,419,940
13.	Syed Shahed Reza	Independent Director	-
14.	Ms. Fouzia Haque, FCA	Independent Director	-
15.	Mr. Md. Rafiqul Islam, FCS and his spouse including minor child	Company Secretary	N/A
16.	Mr. Md. Arshadul Kabir, FCA and his spouse including minor child	Head of Finance & Accounts	N/A
17.	Mr. A.K.M. Moshir Rahman Khan, FCMA and his spouse including minor child	Head of Internal Audit	N/A

### Executive

Sl.	Name and Particulars	Designation	Number of holding
01.	Mr. Md. Hasibur Rahman	Additional Deputy Managing Director	60,180
02.	Dr. Syed A.M. Mustafij Billah	Executive Director-Factory Admin & HR	N/A
03.	Mr. Md. Ferdous Khan	Director- Sales & Distribution	N/A
04.	Mr. Asad Quader Shamsuddin	Director-Engineering Division	N/A
05.	Dr. Sheikh Maksudur Rahman	Director –API	N/A



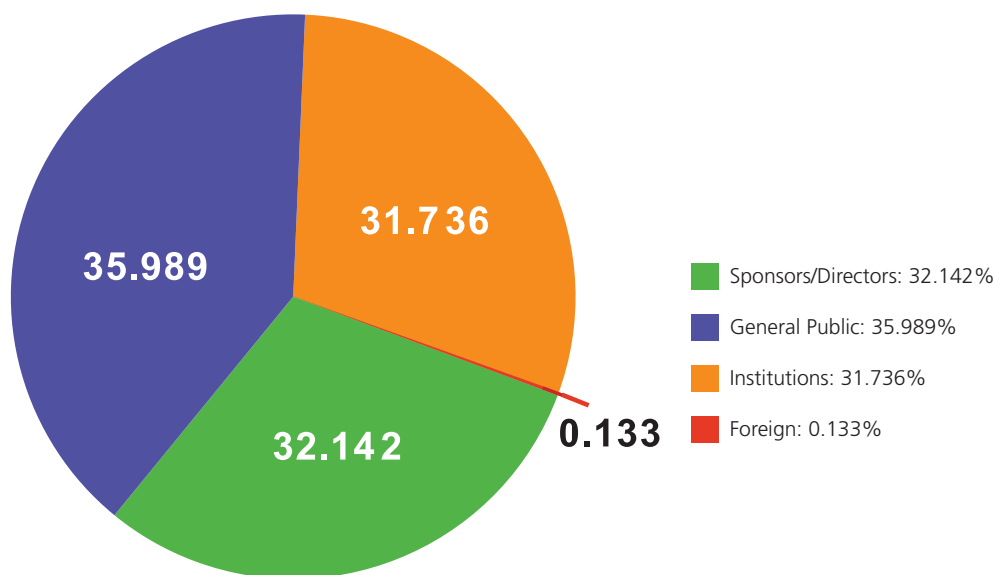
### Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)

There is no shareholder who holds 10% or more shares of The ACME Laboratories Ltd.

### COMPOSITION OF SHAREHOLDING POSITION

Shareholding Position as on 30 June 2020 of the Company is given below:

Name of the Shareholders	Designation	No. of Shares	% of holding
Mrs. Nagina Afzal Sinha	Chairman	11,888,433	5.618%
Mr. Mizanur Rahman Sinha	Managing Director	20,761,565	9.812%
Dr. Jabilur Rahman Sinha	Dy. Managing Director	4,860,696	2.297%
Mrs. Jahanara Mizan Sinha	Dy. Managing Director	10,519,744	4.971%
Mrs. Parveen Akhter Nasir	Sponsor Shareholder	11,561,922	5.464%
Mrs. Khurshid Jahan Dabir (Mrs. Laizu Dabir)	Sponsor Shareholder	725	0.000%
Investment Corporation of Bangladesh	Shareholder	8,419,940	3.98%
Institute	Shareholder	67,153,760	31.736%
Foreign	Shareholder	281,800	0.133%
General Public	Shareholder	76,153,115	35.989%
Total		211,601,700	100.00%





**IN CASE OF THE APPOINTMENT OR RE-APPOINTMENT OF A DIRECTOR, A DISCLOSURE ON THE FOLLOWING INFORMATION TO THE SHAREHOLDERS**

- a) A brief resume of the Directors;
- b) Nature of his/her expertise in specific functional areas;
- c) Name of Companies in which the person also holds the Directorship and the Membership of Committees of the Board;

**RE-APPOINTMENT OF MANAGING DIRECTOR**

As per provision of the Companies Act, 1994 Managing Directors are appointed for a period of five years. The tenure of Mr. Mizanur Rahman Sinha, Managing Director of the Company expired on 20 September 2020. The Board after due evaluation of his performance, has re-appointed him as Managing Director of the Company for another period of 5 years with effect from 12 August 2020 subject to the confirmation of the Shareholders in the 44th Annual General Meeting. The credential of Mr. Mizanur Rahman Sinha is given in the Directors' Profile section of this Annual Report at Page No.35.

**APPOINTMENT/RE-APPOINTMENT OF DIRECTORS**

Mrs. Jahanara Mizan Sinha, Deputy Managing Director of the Company will retire by rotation as per Articles 148 the Articles of Association of the Company and being eligible, offered herself for re-election. The credential of Mrs. Jahanara Mizan Sinha is given in the Directors' Profile section of this Annual Report at Page No.36.

Besides, the Board of Directors in its 114th Meeting held on 11 March 2020 appointed Ms. Tasneem Sinha, Mr. Tanveer Sinha, Mrs. Sabrina Juned and Mr. Fahim Sinha as members of the Board which was confirmed on 118th Meeting held on 10 September 2020 after completing necessary regulatory formalities. All the above mentioned Directors of the Company will be retire at the 44th Annual General Meeting (AGM) and being eligible they offer themselves for reappointment. Brief Resume of the Directors including their expertise and Directorship /Membership with other Companies/Committees are provided in the Directors' Profile section of this Annual Report at page no. 39-42.

**APPOINTMENT OF INDEPENDENT DIRECTORS**

Subject to the approval of the Shareholders in the forthcoming Annual General Meeting, the Board will appoint 3 (three) Independent Directors for a period of 3 (three) years.

**STATEMENT SIGNED BY CEO OR MD FOCUSING ON COMPANY'S POSITION AND OPERATIONS**

A management's discussion and analysis signed by the CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the Financial Statements has been presented in the Page No. 64-66.

**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**

Declaration or certification by the CEO and the CFO to the Board is appended in this Annual Report under Annexure A, Page No. 102-103.

**THE REPORT AS WELL AS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF THIS CODE AS REQUIRED UNDER CONDITION NO. 9.**

The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 has been presented under Annexure -B and Annexure -C in the page No. 104-118.

**APPOINTMENT OF AUDITORS**

The existing auditor of the Company, M/s. Shiraz Khan Bashak & Co., Chartered Accountants (An associate firm of D.N. Gupta & Associates, Chartered Accountants, India) has carried out the Audit for the year ended 30 June 2020. M/s. Shiraz Khan Bashak & Co. Chartered Accountants, the Auditors of the Company retires at this Annual General Meeting and being eligible offered themselves for re-appointment as Auditors of the Company for the year 2020-2021 at a remuneration of BDT 5,50,000.00 (Five Lac Fifty Thousand) only.

The Board after due consideration of the proposal made by the Audit Committee recommends for reappointment of M/s. Shiraz Khan Bashak & Co., Chartered Accountants as auditors for the year 2020-2021.

**APPOINTMENT OF COMPLIANCE AUDITOR**

The existing Auditors of the Company M/s. M. Z. Islam & Co., Chartered Accountants, retires at this Annual General Meeting and being eligible have offered themselves for re-appointment as Compliance Auditors of the Company for the year 2020-2021 with a remuneration of BDT 40,000



(Taka Forty Thousand) only subject to the approval of the Shareholders in its forthcoming 44th Annual General Meeting.

### BUY BACK OF COMPANY'S SECURITIES

During the Financial year 2019-2020, the Capital Market of the Country was moving toward the bearish trend, the General Investors of the Company including Affected Small Investors incurred huge loss on their investment. To protect the interest of the investors including Non-Resident Bangladeshi (NRB), Affected Small Investors of the Capital Market, the Managing Director requested the Sponsors/Director/Promoters and their family members to invest 25% of their Dividend income 2018-2019 in the Capital Market for procuring of the securities of The ACME Laboratories Ltd.

In response, following Sponsors/Director/Promoters and their family members bought the securities of the Company from Secondary Market during July 2019 to June 2020, detail of which are as follows:

Sl.	Name	Quantity
01.	Mr. Mizanur Rahman Sinha	3,35,000
02.	Ms. Tasneem Sinha	1,87,260
03.	Mr. Tanveer Sinha	1,87,413
04.	Mr. Fahim Sinha	2,73,682
05.	Mr. Motiur Rahman Sinha	39,000
06.	Mr. Md. Zillur Rahman	1,300
<b>Total</b>		<b>10,23,655</b>

### CONTRIBUTION TO NATIONAL EXCHEQUER

During the year 2019-20, your Company paid BDT 2,408.35 million to the National Exchequer in the form of Corporate Income Tax and Value Added Tax (VAT) and Import Duties.

### CORPORATE GOVERNANCE

Corporate Governance is a system of rules, policies and practices that dictate how a company's Board of Directors manages and oversees the operations of a Company. Corporate governance includes principles of transparency, accountability and security. A company's corporate governance is important to investors since it shows a Company's direction and business integrity. Good Corporate Governance helps Companies build trust with shareholders and other stakeholders. As a result, Corporate Governance helps promote financial viability by creating a long-term investment opportunity for market participants. Shareholders, Board and Board Committees, External Auditors, Internal Auditors, Management & Staff and other Stakeholders are the key contributors of Good Corporate Governance Practice.

We recognise good corporate governance promotes and safeguards the interests of our shareholders and other stakeholders. In order to enhance Corporate Governance Practice for the interest of investors and the Capital Market; Bangladesh Securities and Exchange Commission (BSEC) has imposed some further conditions and issued a revised notification vide No. BSEC/CMRRCD/2006-158/207/ Admin/80; Dated: 3 June 2018. Compliance status of the above-mentioned Code by The ACME Laboratories Ltd. has been depicted in the Page No. 105-118 of the Annual Report as Annexure: C.



## BOARD OF DIRECTORS

The Board of Directors is the highest governance body of the Company and represents the interests of all shareholders and stakeholders, irrespective of who elected its Directors. The Board of the Company comprises with 11 (Eleven) Directors, of whom 8 (Eight) Directors are Shareholder Directors, 1 (one) nominee Director and 2 (two) Independent Directors. Independent Directors are appointed as per provision of the Corporate Governance Codes of Bangladesh Securities and Exchange Commission (BSEC). The Board's essential role is to approve the Company's strategy and oversee compliance.

## AUDIT COMMITTEE

In compliance with the condition # 5 of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) vide reference no. BSEC/CMRRCD/2006-158/207/Admin/80; dated: 3 June 2018, the audit committee of the Company is functioning as a Sub-Committee of the Board. The main aim of the Audit Committee is to assist the Board in ensuring that the Financial Statements reflect true and fair view of the states of the affairs of the Company. The committee also assists the Board with regard to the strategies adopted to manage the business-related risks and continuously oversee the internal control environment of operations. Presently, the Committee is comprising with the following members:

Sl.	Name	Position in Audit Committee	Position in Board
01.	Ms. Fouzia Haque, FCA	Chairman	Independent Director
02.	Syed Shahed Reza	Member	Independent Director
03.	Mr. Md. Abul Hossain	Member	Nominee Director of ICB
04.	Mr. Md. Rafiqul Islam, FCS	Member Secretary	Company Secretary

## NOMINATION AND REMUNERATION COMMITTEE (NRC)

In compliance with the condition # 6 of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) vide reference no. BSEC/CMRRCD/2006-158/207/ Admin/80; dated: 3 June 2018 the Nomination and Remuneration Committee (NRC) of the Company is functioning. The Nomination and Remuneration Committee is a sub-Committee of the Board, 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 executives. Presently, the Committee is comprising with the following members:

Sl.	Name	Position in Nomination and Remuneration committee	Position in Board
01.	Syed Shahed Reza	Chairman	Independent Director
02.	Mr. Md. Abul Hossain	Member	Nominee Director of ICB
03.	Mrs. Jahanara Mizan Sinha	Member	Director
04.	Mr. Md. Rafiqul Islam, FCS	Member Secretary	Company Secretary

## APPRECIATION

The Board of Directors take this opportunity to appreciate Shareholders, Doctors, Customers, Bankers, Suppliers, Vendors, Insurance Companies, Employees, Regulatory Bodies including Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd.(DSE), Chittagong Stock Exchange Ltd.(CSE), Central Depository of Bangladesh Ltd. (CDBL), National Board of Revenue (NBR), Directorate General of Drug Administration & Licensing Authority (DGDA), Registrar of Joint Stock Companies and Firms (RJSC), Insurance Development and Regulatory Authority (IDRA) for their continued support and co-operation extended to us and sincerely look forward the same in future as well.

On behalf of the Board,

*Nagina Afzal Sinha*

Nagina Afzal Sinha  
Chairman





CEPHALOSPORIN UNIT



## STATEMENT SIGNED BY CEO OR MD FOCUSING ON COMPANY'S POSITION AND OPERATIONS

### (a) Accounting policies and estimation for preparation of financial statements:

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the reported value of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates arise because of uncertainties inherent within them but this does not undermine reliability. However, the estimates and underlying assumptions are reviewed as an on-going basis and the revision is recognized in the year in which the estimates are revised.

### (b) Changes in accounting policies and estimation, if any

The company selects accounting policies based on principles enunciated in the IAS or IFRS and followed them consistently year after year. Changes in the accounting policy are incorporated with the amendments, if any, in the IAS or IFRS by the IASB to keep the accounting policies in line with the principles stated in the IAS or IFRS or to comply the requirement of the statute.

During the financial year 2019-2020, The Company adopted IFRS 16 in its Financial Statements.

### (c) Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for immediate preceding five years

Amid a cut throat competition among the pharmaceutical companies in Bangladesh, in line with the growth of the pharmaceutical market in the country, the financial performance or results and financial position of the company is also growing. The related financial data for immediate preceding five years are as under:

Particulars	2019-2020		2018-2019		2017-2018		2016-2017		2015-2016	
	Amount in BDT	Growth (%)	Amount in BDT	Growth (%)	Amount in BDT	Growth (%)	Amount in BDT	Growth (%)	Amount in BDT	Growth (%)
Revenue (in million)	19,003.66	16.53%	16,308.63	10.09%	14,813.91	9.12%	13,576.32	7.37%	12,644.91	9.99%
Net Profit After Tax (in million)	1,450.50	0.70%	1,440.38	0.97%	1,426.57	2.05%	1,397.85	26.93%	1,101.27	19.45%
Net Asset Value Per Share	90.00	3.82%	86.69	3.97%	83.39	4.06%	80.13	3.62%	77.34	9.89%
EPS	6.85	0.63%	6.81	1.04%	6.74	2.03%	6.61	0.80%	6.55	14.88%
Operating Cash Flows Per Share	5.42	-30.62%	7.81	4.74%	7.46	13.03%	6.70	5.56%	6.25	-3.79%

Overall business performance of the company has been found to be sustainable over the years. The reported revenue of the company stood at BDT 19,003.66 million in Financial Year 2019-2020 against BDT 12,644.91 million in Financial Year 2015-2016 indicating a Compound Annual Growth Rate (CAGR) is 10.72% in last five years.





The net profit growth, Net assets value per share (NAVPS), Earnings per Share (EPS) and other financial performance of the company is found remarkable over the last five years. Moreover, it has been revealed that the company has generated sufficient operating cash flows from its own source, which helped to meet its internal as well as external demand.

#### **(d) Comparison of financial performance or results and financial position as well as cash flows with the peer industry scenario**

As the most of the top leading Pharmaceutical Companies are Private Limited Company or Proprietorship Concern, therefore, they are not disclosing their financial data to the Public. Besides, current year financial data of the companies which are listed with Stock Exchanges are yet to publish. For this reason, it is difficult to make a comparison of financial performance or results and financial position as well as cash flows with the peer industries.

However, considering the overall Industry scenario it has been observed that financial results along with Financial Performance and Cash Flows of The ACME Laboratories Ltd. are consistently growing and sustainable.

#### **(e) Financial and Economic Scenario of the Country and the Globe**

The Economic Growth in South Asian Region is projected to contract as a result of the COVID-19 pandemic, damaging consumption, tourism, and other services activities. Despite aggressive monetary policy, inadequate health systems and weak infrastructure mean that a large-scale domestic outbreak of COVID-19 could have humanitarian consequences. High debt could further compound global financial market stress and may hinder monetary policy effectiveness. While low oil prices may provide some support, they will weaken remittance flows, especially from the Gulf Cooperation Council.

The Honorable finance minister of the government of the people's republic of Bangladesh rolled out the budget for the next financial year with projected GDP growth of 8.2 per cent. The Global Economic Prospects, a flagship report of the World Bank Group, said in Bangladesh, growth is expected to slow to 1.6 percent, as the recovery in industrial production is reversed by COVID-19-related disruptions such as mitigation measures and global exports plunge, and as remittances fall. The same report also predicts that in the 2020-2021 the growth will be slower to 1.00 percent.

The full impact of the COVID-19 pandemic to the overall world including in Bangladesh is still not clear. However, to overcome the possible impact on the economy in Bangladesh, the government has declared stimulus Package to provide working capital support to the affected industries

and service sectors with low interest rate in April 2020.

Considering the above circumstances, we are hopeful that the Pharmaceutical Market will get new dimension for its further growth and the Compound Annual Growth Rate (CAGR) will exceed 25% by the year 2025.

#### **(f) Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company**

Currently Bangladesh along with other parts of the globe is passing through a tunnel of crisis in terms of health management, social as well as financial for the pandemic of COVID-19. The company has been monitoring the impact of COVID-19 on all aspects of its business. The management has exercised due care, in concluding on significant accounting judgments, policies and estimates while preparing the Financial Statements for the year ended 30 June 2020.

Besides, organizations are not free from risks that might arise both from internal and external fronts. Like any other business or industry, ACME Pharma operating in a dynamic and competitive market is exposed to risks that may affect its business. The senior management of the Company oversees risk management processes on a continual basis. Management of risks involves identification and assessment of risks; setting standard on Company's risk appetite; and designing, implementing and monitoring policies to appropriately address various financial and non-financial risks. The identified risks, which could potentially affect the achievement of strategic, operational, financial and/or compliance objectives, are reported to the Board. Based on the nature and extent of the risk, the senior management of the Company takes appropriate mitigating measures to avoid, eliminate or reduce risks at functional, business and corporate level on a regular basis to safeguard the Company's assets and to protect shareholders' interests.

However, details description on Risks is described in our Annual Audited Financial Statements in the Note Number 5.26

#### **(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**

Pharmaceutical sector is technologically the most developed manufacturing industries in Bangladesh and the second largest industry in terms of contribution to government's exchequer. The industry contributes more than 1% of the total GDP. Pharmaceutical Industry of Bangladesh has come a long way in the past four decades and has already established itself in domestic as well as in global market.



Considering industry outlook and bright prospects, the company has started construction work of Central utility, Raw material warehouse and renovation work of General unit for the purpose of ensuring one stop utility service, strengthening backward linkage and enhancing the production capacity of general unit respectively.

The Company is expecting that current year top line growth will be sustained in future as well and as part of strategic capacity plan, the company is expanding its existing capacity in a normal course of business to make room for future growth.

In addition to that, the Company is also going to complete the API Project soon. Once the API Park is completed, Bangladeshi companies would be able to produce substantial portion of their raw materials from the units of the said API park which will reduce the reliance of imports and lead time related to import of Raw Materials. Apart from this, we understand that from the said API Park, Bangladesh will be able to export substantial quantity of Raw Materials to different countries. API Park will also create job opportunity for about 25,000 unskilled and semi-skilled labourers.



Mizanur Rahman Sinha  
Managing Director





# TRIPLE BOTTOM LINE (TBL) REPORTING TBL

In ACME, we believe that there is more to business than just making profit. Long term business success and sustainability relies on economic value, environmental health, and social progress. Our values are rooted in the concept of the 'Triple Bottom Line' (TBL) and we assume ourselves accountable in relationship to Profit, Planet and People. We strongly believe that earning profit cannot be the only goal of any organization, well-being of the people and environments are also equally important. Moreover, it is our constitutional obligation as well to protect and improve the environment, bio-diversity etc. for the present and future citizen of Bangladesh. Hence, ACME has adopted Triple Bottom Line concept as its business philosophy.

## The TBL dimensions synergistically include three Ps;

- PEOPLE – in the context of Society
- PLANET – in the context of Environment and/or Ecology
- PROFIT – in the context of Finance

### PEOPLE:

- Ensured zero discrimination in performance appraisal, career development process and hiring process to establish Equal Opportunity Employment (EOE) culture in workplace.
- Initiated Periodic Health Monitoring and Diagnosis Programs to ensure healthy workplace.
- Ensured appropriate PPE in Risky & Hazardous operational areas where almost zero non-compliance has been found by HSE monitoring team.
- In order to develop human resources and uphold the knowledge and skills of the medicinal plant Local Service Providers, the Company produced a comprehensive training manual titled, “প্রশিক্ষণ নির্দেশিকা নির্বাচিত ঔষধি উদ্ভিদের পরিচিতি ও চাষাবাদ” in line with relevant WHO guideline. Another training manual has been developed namely, “ঔষধি উদ্ভিদ চাষীদের জন্য ব্যবহারিক শিক্ষা” targeting the illiterate and semi-illiterate farmers. The manual focused on Bengali alphabet learning, identification & cultivation technique of medicinal plants and other topics useful for the farmers (e.g. basic mathematics, weight & measures, primary health care, sanitation etc.).
- In order to meet the consistent practice of maintaining the quality standard of herbal raw materials the Company contributed for establishing Primary Collection & Multipurpose Centers and Sub Centers in the new

areas of medicinal plant cultivation.

- Due to well understanding, good coordination and unique relationship between ACME and the medicinal plant growers despite of several constraints and natural disasters thousands of small and marginal farmers predominantly women have been producing huge quantity of selective herbs. They are regularly supplying medicinal plant materials to ACME and other medicine manufacturing companies of the country which provides additional income and also helping them to become self-reliant.
- Approximately BDT 51,000 has been spent for Graduate Students Internship Program (GSIP) in cash and kind.
- Introduced following employees' well-being programs:
  - BDT 87,900,366 was disbursed under the scheme of WPPF and WWF.
  - In addition to company's contribution, BDT 16,233,650 was spent, contributed by both Officers' and Directors' of the Company, to support deceased employee's family.
  - BDT 5,848,124 has been spent for the purpose of employee's group insurance.
- In addition to above, the company Introduced the following programs/activities in broader way:
  - The scope of Best Employee Award and innovative Idea Man Award.
  - Support Employment for the special and/or incapacitate people

### PLANET

- Recycled approximately 5 Lac 40 thousand liters' water in a day through Effluent Treatment Plant.
- Reused approximately 16,000 liters RO (Reverse Osmosis) reject water, cooling water and steam condensed water for gardening in a day.
- Recycled all residues of herbs extraction and kitchen garbage and reduced the same by composting for re-using in the garden.
- As a consequence of conversion of inhaler facility from CFC based to HFA based, during the year 2019-20 the company used 13,500 kg HFA gas through reducing the equivalent amount of CFC uses which is vital evils for global warming and ozone layer depletion.
- Saved energy consumption significantly through using energy saving electronic equipment (i.e. light, fan, computers, etc.)
- Minimized the risk of air pollution by using/installing HVAC systems in each and every manufacturing facility.
- The company is upgrading its Effluent Treatment Plant

(ETP) facility to make it more environments friendly. For this purpose, in the coming year we are going to implement zero discharge ETP water from our plants.

- The Company signed agreement with two international NGOs namely, United Purpose and HEVETAS Swiss Inter-cooperation, in order to ignite cultivation of different medicinal plants including those are facing extinction crisis throughout the country for improving health of Human, animal, environment and biodiversity.

## PROFIT

- Achieved 16.53% Sales growth during the year 2019-2020;
- During the year 2019-20, Percentage of Net Profit to Net Sales ratio is 7.63;
- During the year 2019-20, Earnings Per Share is BDT 6.85 on one Equity Share of BDT 10.00 each;
- Net Assets Value per share is BDT 90.00 as at 30 June 2020;
- During the year The Board of Directors recommend 25% Cash Dividend.

## Our performance

### Business Journey

The ACME Laboratories Ltd., one of the oldest and top-ranking Pharmaceutical Companies of the Country, has been engaged in manufacturing, marketing and distribution of Pharmaceuticals formulation products. Initially, in the year 1954, the Company was a proprietorship concern engaged manufacturing in few oral liquid products. Later on, the enterprise converted into a private limited Company on 17 March 1976 and it was converted into a public limited Company on 30 November 2011.

ACME has an outstanding record of all-around excellence and growth in the relevant business activities. It is one of the largest manufacturer, distributor and exporter of Human, Herbal and Animal Health Pharmaceutical Products in Bangladesh and abroad. Since inception in 1954, it has been working relentlessly with a vision to ensure Health, Vigor and Happiness for all. The quality slogan of the Company is: "Perpetual Quest for Excellence". The ACME Laboratories Ltd. is committed to maintain state-of-the-art manufacturing facilities for ensuring best quality products to the customers. ACME is committed to achieve excellence by proper execution of ISO 9001:2015 standard, WHO cGMP standard and best practices that are proven effective.

In the year 1999, the Company awarded ISO: 9001 certifications. In this year, the Company launched its veterinary division. The Company added Dry Powder Inhaler (DPI) and Suppository to its product line in the year 2003

and Metered Dose Inhaler (MDI) added its product line in the year 2004. The ACME Laboratories Ltd. was awarded 'Enterprise of the Year – 2006' organized by DHL and the Daily Star. In the year 2006, the Company started marketing Baby Zinc which was a R&D of ACME and ICDDR. The Company added IV Infusion products in its products line in the year 2007.

In the way of success, in 2008, ACME family built another milestone in its core business activities by establishing The ACME Specialized Pharmaceuticals Limited (ASPL), a subsidiary of The ACME Laboratories Ltd., in order to cater upcoming national and global demand of various types of products and also to meet the challenges of 21st century. However, The honorable Supreme Court of Bangladesh, High Court Division, vide its judgment dated 20.11.2013 approved the scheme of amalgamation of the "The ACME Specialized Pharmaceuticals Ltd. (ASPL)" (the transferor Company) with "The ACME Laboratories Ltd." (the Transferee Company)" whereby the entire undertaking of the Transferor Company as a going concern together with all the assets and liabilities relating there to be transferred to and vest in the Transferee Company. In this regard, the Board of Directors of the Transferee Company and the Transferor Company in its respective meetings held on 27.12.2013 resolved that the books of accounts of the Transferor Company to be closed through transferring all balances to the books of the Transferee Company by/as of 31.01.2014. The amalgamation pave the way for availing International Accreditation benefit for the products being produced in the ASPL unit with International GMP compliance as earlier enjoyed by the Company.

As a part of continuous improvement policy, the Company renewed and upgraded its ISO Certification to ISO 9001:2008 in the year 2009. The Company started functioning of its own distribution hub at Bogura, Braahmanbaria, Narayngonj, Rangpur, Barishal, Mymensingh, Dhaka City North, Savar and Central sales center.

In the year 2011, the company upgraded its MDI facility to HFA based from CFC based in order to make the project more environments friendly. On 4 November 2013, the Company has successfully completed and launched separate Cephalosporin facility. The facility of Blue Fill Seal (BFS) -LVP & SVP products already has been commissioned and commercially launched its productions in October 2014.

In the year 2016, the Company listed with Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE). Besides, the Company started the construction works of Steroid & Hormone and Penicillin projects during the period.

In the year of 2017, The ACME Laboratories Ltd. endorsed with immense pleasure the certificate of up gradation of ISO standard from 9001:2008 to 9001:2015 version after a thorough audit of all relevant departments of Plant, Head





Office and Depots by Orion Registrar, Inc., USA, "The Quality Management System is applicable to Marketing Human Resources and Supply chain etc. of Human and Veterinary Pharmaceutical products" of the Company.

In the year of 2018, the Company received Certificate on Outstanding Contribution to the Mitigation of Climate Change from Global Climate Partnership Fund and The City Bank Limited Jointly.

In the year of 2019, The Company successfully commence the commercial Operation of Steroid & Hormone and Penicillin Project. The Company also achieved UK MHRA Certification during the year.

In the year 2020, the company launches its products to US Market and in the same year the company exports its first consignment to UK market.

## Performance 2019-2020

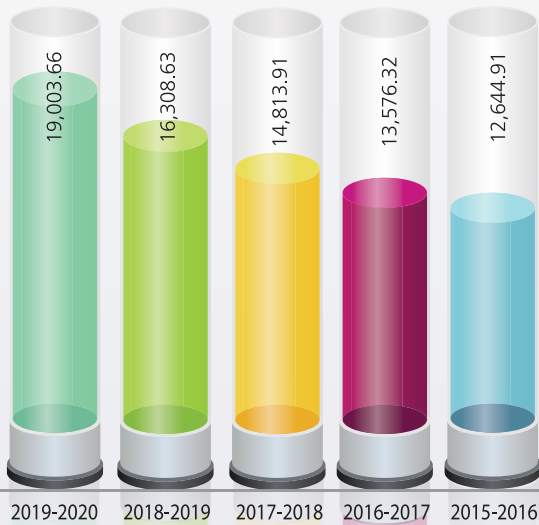
During the financial year 2019-2020, revenue has been increased by 16.53% and reached to BDT 19,003.66 million, compared to BDT 16,308.63 million in 2018-2019. Gross profit margin is 38.28% and the net income ratio is 7.63%. The fixed assets are increased by 3.58% implying higher capacity to generate future long-term economic benefits. Net Assets Value per share has reached at BDT 90.00 and the Earnings per share (EPS) reached at BDT 6.85 as well. In summary, during 2019-2020, the Company has met the target revenue and earning goals which was driven by an increasingly diversified portfolio of generic pharmaceuticals formulation products which include human, veterinary, herbal & ayurvedic and hormonal drugs.



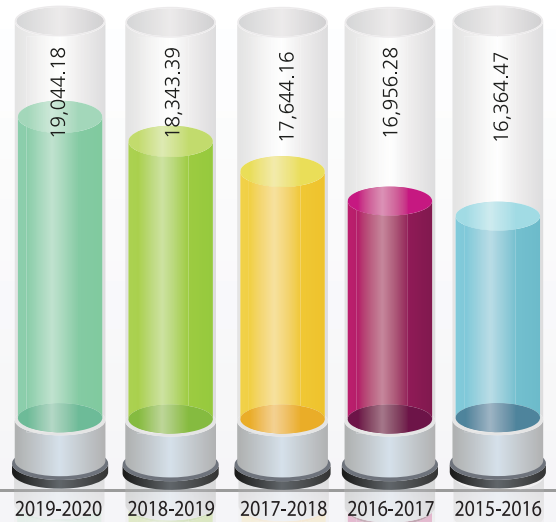
## Selected Growth Indicators

BDT in million

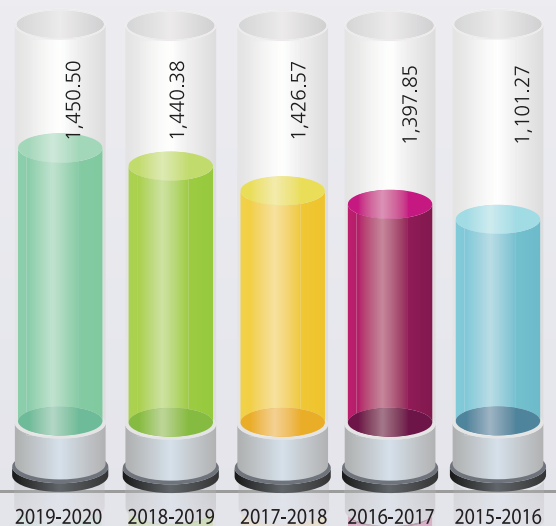
### Shareholders Equity

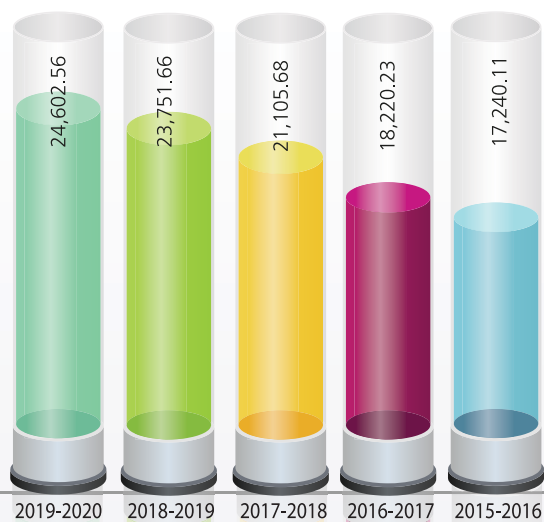


### Revenue



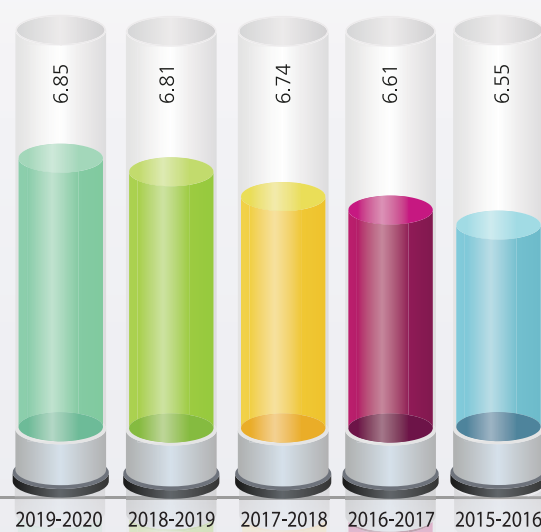
### Profit after Tax





Property, Plant and Equipment

Earnings Per Share

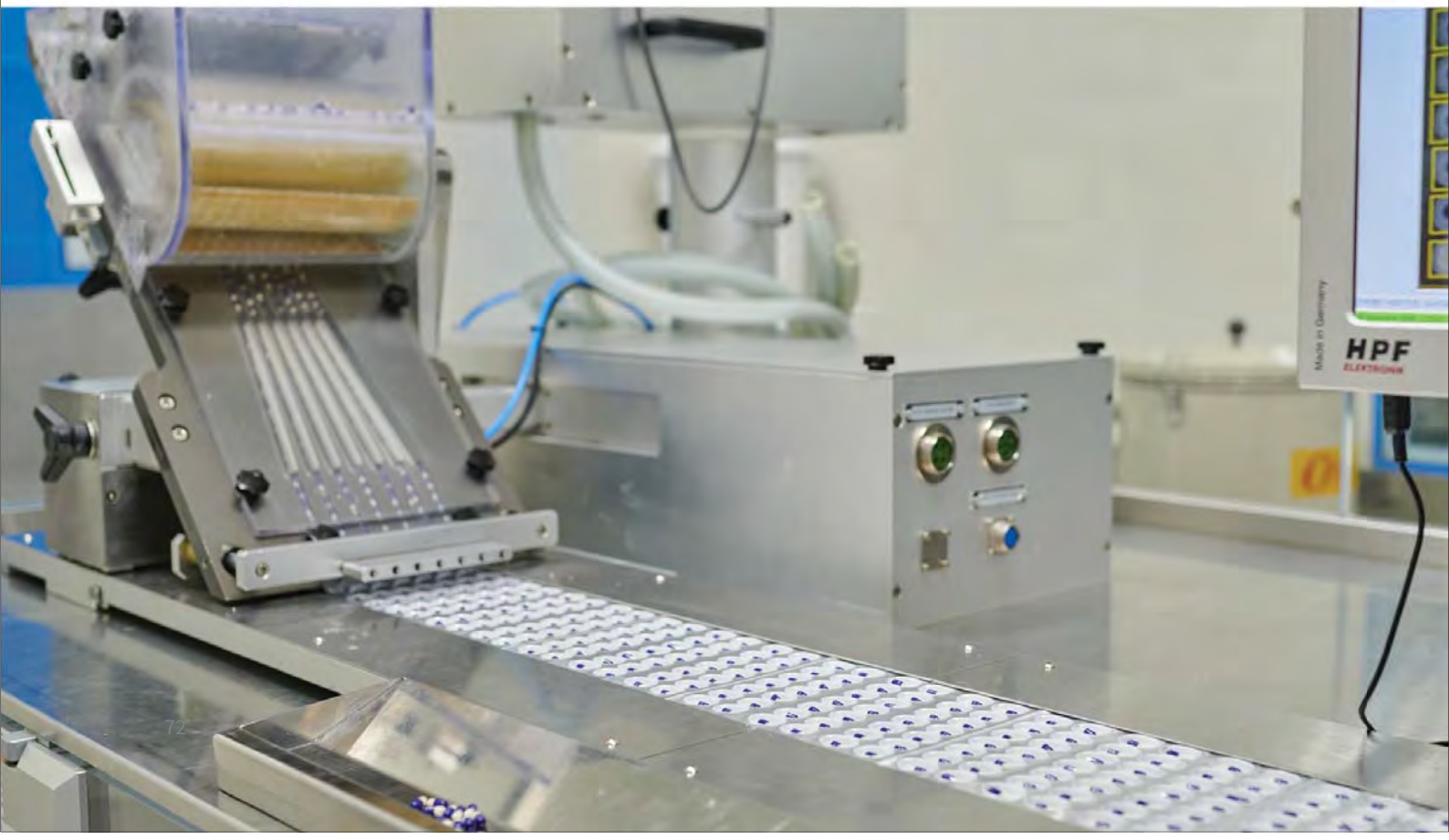


Net Asset Value Per Share (NAVPS)





## SOLID DOSAGES UNIT





## OUR ROLE IN BANGLADESH



From 2010 phase-wise, The ACME Laboratories Ltd. has been introducing "Integrated Pharmaceutical Marketing - Ideas for New Vision" as its main business philosophy. Integrated Marketing serves the whole business. The operating policies, values, decision-making and practices of promotion, medical education, public relations, the sales force, personnel of other divisions of the company and CRM technology should be aligned around a service based ideal marketing."

### ACME's Marketing & Distribution Strengths

- Novel Mission, Vision and commitments
- More than 65 years' company brand image
- Consistent Quality Policies
- Fool-proof scientific integrated marketing strategy
- Time-tested high quality products
- Excellent relationship with doctors, chemists and other concerned persons.
- Mega sales force comprising of more than three thousand experienced, skilled and devoted persons.
- Diverse range of products
- World class manufacturing facilities
- Comprehensive marketing and distribution network (Both in domestic and international markets)

In order to best use of the aforesaid strengths, we are establishing our strong distribution network by commissioning own sales centers all over the country. This will ensure smooth operations of distribution channel thereby reaching at the doorstep our customers.





# EXPANDING THE HORIZON



In continuation with the relentless efforts, the success in the domestic market prompted the Company to establish its strong footing in the global market. In the year 1995, the Company exported its first consignment to Bhutan. By this time, it has strong footprint in 22 countries across the continents. Being, one of the leading Pharmaceutical Companies of the Country, ACME is continuously trying to strengthen its competencies and enhancing its capacity horizontally as well as vertically. With the use of its sophisticated cutting edge technologies and quality management system, ACME achieved UK-MHRA certificate in 2018 and successfully shipped its first consignment to UK. As a part of successful step, the Company has also launched antiviral tablet namely Zolpidem IR Tablet in US Market. The Company has also taken remarkable initiatives some of which has already been implemented and some are under process. However, the notable initiatives of the Company are mentioned below:

- ▶ ACME already launched one generic prescription product in September and another one is scheduled to be launched within 2020;
- ▶ Another two prescription products are expected to obtain US FDA approval in 2021;
- ▶ Some OTC (Over the Counter) drugs are expected to launch in early 2021;

- ▶ In 2020 ACME signed a contract manufacturing agreement for exporting of prescription product to EU from ACME's manufacturing facilities;
- ▶ Negotiations are underway for acquisition of Marketing Authorizations & Contract manufacturing for general and hormone products into EU and UK as well as technology transfer into ACME's compliant facilities.

For enhancing the capacity of the Company more, the Company has planned and accordingly in some cases necessary steps has already been taken to add some other products by implementing number of new projects.

We hope that the projects will not only strengthen the footing of ACME but also advance the Pharmaceutical industry of the country as a whole. With the implementation of these projects, ACME will not only fulfill the domestic demands but also will be able to serve the global markets.





# STRATEGY AND OUTLOOK FOR SUSTAINABLE TOMORROW



ACME was established in 1954 with a vision to ensure Health, Vigour and Happiness for all. Today, we have grown to become one of the largest pharmaceutical companies in Bangladesh that aims to augment the affordability and access of global health care. We view our business development activity as an enabler of our strategies, and we seek to generate profitability revenue growth and enhance shareholders value by pursuing a disciplined, strategic and financial approach to evaluating business development opportunities.

The global pharmaceutical industry operates in a dynamic environment. It is subjected to multiple forces: government scrutiny, pricing pressures, increased competition, sector consolidation and geo-political volatility, among others, 2020 also brought the COVID-19 pandemic, amplifying global economic vulnerability and considerable disruption. Given the multiple shades of this healthcare and financial crisis, we have identified global challenges to build reinforcements and shock-proof our business. We have also identified opportunities to create new growth levers and pivot our business models towards future readiness.



**Guidance for 2020-2021**

- Strategy to faces global challenges like COVID-19
- Ensure maximization of shareholders' wealth through increasing operational performance;
- Effective application of Corporate Governance Code;
- Compliance of Financial Reporting and Disclosure;
- Establishment of Strong brand and company image through quality products;
- Strengthening our existing market share, cope with the changing scenario in the pharmaceuticals industry to ensure higher business growth, transparency and launching of new products and services for our existing and potential customers;
- Seek new ways of working to improve efficiency and ensure sustainability;
- Provide utmost efforts, by all available means, for stabilization and development of our position in both local and global pharma market;
- Ensure commercial operation and best utilization of newly developed facilities like Steroid & Hormone, Penicillin and Extension unit of Solid Dosages projects.
- Continue to grow the net asset value of the Company and increase earnings per share by:
  - maximizing free cash flow from existing operations;
  - enhancing export by penetrating new markets and exploiting contract manufacturing opportunities;
  - advancing our pipeline of compliance and capacity building projects;
  - Continue trend of strong earnings and cash flow generation;
- Providing Priority to facilitate efficient distribution network.

The ACME Laboratories Limited, as a responsible enterprise is committed to the conservation of nature and the growth of society. The company is involved in a series of activities including plantation of medicinal and Herbal plants, training, poverty alleviation, women empowerment and education.



# REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE 2019-2020



## Audit Committee of the Board:

In compliance with the condition 5 of Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission (BSEC), the report on the activities of the Audit Committee (AC) presented which provides independent oversight of the Company's Financial Reporting, Internal Control Systems and compliance to governing rules and regulation during the period 2019 -2020.

The Committee was comprised of Ms. Fouzia Haque, FCA (Independent Director & Chairman of Audit Committee), Syed Shahed Reza (Independent Director) and Mr. Md. Abul Hossain (Nominee Director of ICB & Member of the Audit Committee). All members of the Committee are non-executive Directors and the Chairman of Audit Committee is an Independent Director. As required, all members of the Audit Committee are 'Technically sound, literate & financially solvent' and are able to analyze and interpret financial statements to effectively discharge their duties and responsibilities.

## Purpose of Audit Committee:

The role of the Audit Committee is to monitor and review the integrity of the financial statements of the Company and make recommendations to the Board on business risks, internal controls and compliances. The Committee satisfies itself, by means of suitable steps and collecting appropriate information in proper way and satisfactory internal control systems are in place to identify and contain business risks. Finally, the Committee members are satisfied that the Company's Business is conducted in a systematic and sound manner. The Audit Committee assists the Board of Directors to ensure that the financial statements reflect a true and fair view of the state of affairs of the Company and ensuring a good monitoring system within the business. The Audit Committee is responsible to the Board of Directors. The duties of the Audit Committee are clearly defined in its Terms of Reference (ToR).

## Responsibilities and Duties:

The responsibilities and duties of the Audit Committee are:

Financial Reporting:

- To review the quarterly and annual financial statements of the Company, focusing particularly on:

- o Any significant changes to accounting policies and practices;
- o Significant adjustments arising from the audits;
- o Compliance with applicable Financial Reporting Standards and other legal and regulatory requirements; and
- o The going concern assumption.

## Related Party Transactions:

- To review statement of significant related party transactions submitted by the management and conflict of interest situations that may arise within the Company, including any transaction, procedure or code of conduct that may raise questions of management integrity.

## Audit Reports:

- To prepare the annual Audit Committee report and submit to the Board which includes the composition of the Audit Committee, its terms of reference, number of meetings held, a summary of its activities and the existence of internal audit services and summary of the activities for inclusion in the Annual Report; and
- To review the Board's statements on compliance with the BSEC Codes of Corporate Governance for inclusion in the Annual Report.

Internal Control:

- To consider annually the Risk Management Framework adopted within the Company and to be satisfied that the methodology deployed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Company to minimize losses and maximize opportunities;
- To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored;
- To review the extent of compliance with established internal policies, standards, plans and procedures;
- To obtain assurance that proper plans for controlling



have been developed prior to the commencement of major areas of change within the Company; and

- To recommend to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors and from the consultations of the Audit Committee itself.

#### **Internal Audit:**

- To be satisfied that the strategies, plans, manning and organization for internal auditing are communicated down through the Company. Specifically:
  - o To review the internal audit plans and to be satisfied as to their consistency with the Risk Management Framework used and adequacy of coverage;
  - o To be satisfied that the Internal Audit has the competency and qualifications to complete its mandates and approved audit plans.
  - o To review status reports from the Internal Audit and ensure that appropriate actions have been taken to implement the audit recommendations;
  - o To recommend any broader reviews deemed necessary as a consequence of the issues or concerns identified;
  - o To ensure that Internal Audit has free access to all activities, records, property and personnel necessary to perform its duties; and
  - o To request and review any special audit which it deems necessary.

#### **External Audit:**

- To review the external auditors' nature and scope of the audit plan, audit report as well. The Audit Committee will consider a consolidated opinion on the quality of external auditing at one of its meetings;
- To review the Statement on Risk Management and Internal Control of the Company for inclusion in the Annual Report;
- To review any matters concerning the appointment and re-appointment, audit fee and resignation or dismissal of the external auditors;
- To review and evaluate factors related to the independence of the external auditors and assist them in preserving their independence;
- To be advised of and decide to or not to make significant use of the external auditor in performing non-audit services within the Company, considering both the types of services rendered and the fees, so

that its position as auditors are not deemed to be compromised; and

- To review the external auditors' findings arising from audits, particularly any comments and responses in management letters as well as the assistance given by the employees of the Company in order to be satisfied that appropriate action is being taken.

#### **Other Matters:**

To act on any other matters as may be directed by the Board.

### **REPORTING OF THE AUDIT COMMITTEE:**

#### **Reporting to the Board of Directors:**

- The Audit Committee reports on its activities to the Board of Directors. The Audit Committee immediately reports to the Board of Directors on the following findings, if any:
  - o Report on conflicts of interests;
  - o Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;
  - o Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;
  - o Any other matter which the audit committee deems necessary shall be disclosed to the Board immediately.

#### **Reporting to the Authorities:**

The Audit Committee reports to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the Management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Committee shall report such findings to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.

#### **Reporting to the Shareholders and General Investors:**

Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii) of the BSEC Corporate Governance Notification during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the Annual Report of the Issuer Company.



### Authority:

The Audit Committee is authorized by the Board to review any activity within the business as per its terms of reference. It is authorized to seek any information or attendance it requires from any director or member of management at any of its meetings. All employees are expected to cooperate with any request made by the Committee. The Committee is also authorized to have information and advice from the Company's Legal Advisor, Tax Consultant and Statutory Auditor if required. The terms of reference of Audit Committee may be amended from time to time as required for the business in line with BSEC notifications subject to approval by the Board.

### Meeting Attendance:

The Audit Committee met with the internal auditors on an annual basis without any Member of the Management being present. The Company Secretary is the Member Secretary of the Audit Committee, who facilitates the Chairman and other members for effective functioning of the Committee as per its terms of reference as well as Corporate Governance notification of BSEC. The details of attendance of each member at the Audit Committee meetings during 2019-2020 are given below:

Name of Directors	Position	No. of Meetings held	No. of Meetings attended
Ms. Fouzia Haque, FCA	Chairman	06	06
Mr. Md. Abul Hossain	Member	06	*05
Syed Shahed Reza	Member	06	06
Mr. Kazi Sanaul Hoq	Member	06	01

\* Inducted as a member of the Committee on 9 October 2019 in place of Mr. Kazi Sanaul Hoq.

### Summary of Activities during the Year:

In 2019-2020 the Audit Committee reviewed its terms of reference in line with requirements of BSEC notification on Corporate Governance. The Audit Committee carried out its responsibilities and duties in accordance with the terms of reference and carried out the following activities in the year 2019-2020.

### Financial Reporting:

Reviewed the Quarterly and Annual Financial Statements of the Company focusing on particularly significant changes to accounting policies and practices, adjustments arising from the audit compliance with accounting standards and other legal requirements before recommending them to the Board of Directors for approval and concluded that the

financial statements are presented a true and fair view of the Company's financial performance.

### Internal Control:

- Reviewed the Company's Risk Management Programme, including deep drive into the key functional risks for the Company and work plan for Risk Management Programme.
- Reviewed and recommended to the Board regarding steps to improve the Company's changes on accounting policies and practices, adjustments arising from the audits.
- Received updates on breaches of the Standards of Business Conduct and whistle blowing incidents.

#### Internal Audit:

- Reviewed internal audit plans as to their consistency with the Risk Management Framework used and adequacy of coverage.
- Reviewed status reports from internal audit to ensure that appropriate actions had been taken to implement the audit recommendations.

- Reviewed and enhanced the internal control processes. Where appropriate, the Audit Committee instructed to rectify and improve the internal control processes based on internal audit.

#### External Audit:

- Reviewed the Company's quarterly and annual financial statements focusing on findings arising from audits, particularly comments and responses in the management letter as well as assistance given by the employees of the Company before recommending them to the Board of Directors for approval.
- Reviewed the external auditors' audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and coordination of the external auditors.
- Reviewed the external auditors' findings arising from audits, particularly comments and responses in management letters as well as the assistance given by the employees in order to be satisfied that appropriate action is being taken.
- Exercised its right to hold meetings with the external auditor (private audience with statutory auditor) without the presence of the Executive Directors or management. These private sessions help to reinforce the independence of the external audit function of the Company.
- Reviewed the overall performance of the external auditors for the year 2019-2020.

**Related Party Transactions:**

- Reviewed reports of related party (where the Directors of different concerned are mostly common) transactions and possible conflict of interest transactions to ensure that all related party transactions are undertaken on an arm's length basis and on normal commercial terms, consistent with the Company's usual business practices and policies, which are generally not more favorable than those generally available to the public and other suppliers and are not detrimental to the minority shareholders.
- Reviewed the estimated recurrent related party transactions mandate for the running year and recommended to the Board to seek shareholders mandate at the upcoming Annual General Meeting of the Company.

- Undertake special reviews requested by the Audit Committee and/or management.
- Review the findings and action plans resulting from internal audits.
- During the financial year, the audits conducted by Internal Audit are as follows:
  - o Field Force Management;
  - o Health & Safety;
  - o Requisition to Pay;
  - o Record to Report.

This Audit Committee Report is made in accordance with the guideline of the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC).

**Ethical and Integrity Areas:**

- Deliberated on reports on Whistle Blowing and Standards of Business Conduct Breach incidents.
- Deliberated on the security and safety matters and loss reports.
- Deliberated on the Environmental Health and Safety review reports.



**Ms. Fouzia Haque, FCA**  
Chairman of Audit Committee

**Annual Reporting:**

- Reviewed disclosures required by the Statement on Corporate Governance, Audit Committee Report, Standards of Business Conduct, Statement on Risk Management and Internal Control for the financial year ended 30 June 2020 for inclusion in the Annual Report for the year 2019-2020 and recommended their adoption by the Board.

**Focus Internal Audit:**

The role of Internal Audit for the Company is designed in line with the laws of the land. This approach ensures a high level of independence and gives access to more skilled and specialized resources than would otherwise be available within the Company. The Audit Committee formally approves the internal audit plan and reviews the plan on a quarterly basis. Any subsequent changes to the internal audit plan are approved by the audit committee. The scope of Internal Audit covers the audits of all divisions and operations. Internal Audit adopts a risk-based approach towards the planning and conduct of audits which is consistent with the Company's established framework in designing, implementing and monitoring its control systems. Other main activities performed by the Internal Audit are as follows:





# REPORT ON THE ACTIVITIES OF THE NOMINATION AND REMUNERATION COMMITTEE 2019-2020

## Nomination and Remuneration Committee of the Board:

In compliance with the condition # 6 of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC), the Board of Directors of The ACME Laboratories Ltd. in its 107th Meeting held on 09 September 2019 re-constituted the Nomination and Remuneration Committee (NRC) to assist the Board broadly in formulation of policy with regard to 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 and Top Level Executives.

A brief of the NRC and its roles, responsibilities and functions are appended below:

### Composition and Meetings:

The NRC of The ACME Laboratories Ltd. comprises of three (3) members who are Non-Executive Directors, including one (1) Independent Director. The Board re-constituted the Nomination and Remuneration Committee (NRC) with the following members:

01. Syed Shahed Reza, Chairman
02. Mrs. Jahanara Mizan Sinha, Member
03. Mr. Md. Abul Hossain, Member

The Independent Director, Syed Shahed Reza acts as Chairman of the Committee. As per regulatory guidelines, the Company Secretary, Mr. Md. Rafiqul Islam, FCS acts as Secretary to the Committee. The NRC, accordingly, performs in coherence and ensures compliance with the Corporate Governance Code promulgated by the Bangladesh Securities and Exchange Commission (BSEC).

Permanent invitees to the meetings are the Head of Finance & Accounts and the Head of Human Resources. Relevant heads of divisions and other members of the Management team will also attend the meetings at occasions, as required.

### Major Responsibilities of NRC:

The purpose, authority, composition, duties and responsibilities of the Nomination and Remuneration 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 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;
- 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 judicious. 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 ACME'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 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 ACME's reputation as an attractive employer. The objective of ACME'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 ACME's culture and practice.

### Remuneration for Board of Directors:

Each Director has received reasonable remuneration and/or sitting allowance from the Company for every meeting attended.

### Meeting Attendance:

The details of attendance of each member at the NRC meetings during 2019-2020 are given below:

Name of Directors	Position	No. of Meetings held	No. of Meetings attended
Syed Shahed Reza	Chairman	01	01
Mrs. Jahanara Mizan Sinha	Member	01	01
Mr. Md. Abul Hos-sain	Member	01	01

### Activities of the NRC during the reporting period:

In the year 2019-2020, the Committee met once. The NRC noted the nomination and remuneration initiatives ensuring

the standards and compliance accordingly. The major activities of the NRC during the year were as follows:

- Reviewed and recommended the Annual Performance Appraisal for the year 2019.
- Recommended for appointment of 4 (four) new Directors in the Board of the Company.

This Nomination and Remuneration Committee Report is made in accordance with the guideline of the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC).



**Syed Shahed Reza**

Chairman, Nomination and Remuneration Committee



## BLOW-FILL-SEAL (BFS) LVP & SVP & LIQUID & SEMI-SOLID UNITS





# HUMAN PRODUCTS



# VETERINARY PRODUCTS







World class indoor facilities







CANTEEN AT PLANT



## 43<sup>rd</sup> AGM







Annual Sales & Marketing Conference 2019 at Cox's Bazar



Annual Sales & Marketing Conference 2019 at Cox's Bazar



Annual Sales & Marketing Conference 2019 at Cox's Bazar





Uthan Boithak for medicinal plant growers on primary health care & sanitation, Bengali alphabet learning and medicinal plant cultivation technique



Nursing of medicinal plant



Uthan Boithak for medicinal plant



Medicinal plant garden





# STEROID & HORMONE UNIT





Proudly Launched  
**6** Brands

**1<sup>st</sup>** Time in Bangladesh *in 2020*

## Ascon-F

Beclomethasone Dipropionate BP & Formoterol Fumarate Dihydrate BP

HFA Inhaler  
100/6 & 200/6



Asthma & COPD

## Briva

Brivaracetam INN

Tablet 25 mg & 50 mg  
Oral Solution 50 ml  
(10 mg/ml)



Epilepsy

## Elago 200

Elagolix Sodium INN

Tablet  
200 mg



Endometriosis Pain

## Halotaz

Halobetasol Propionate USP 0.01% & Tazarotene INN 0.045%

Lotion  
45 g



Plaque Psoriasis

## Nystat Plus

Chlorhexidine Hydrochloride BP 1% & Nystatin USP 100000 IU

Cream  
30 g



Candidal Infection

## Suma

Sumatriptan BP

Nasal Spray  
10 mg/spray



Acute Migraine



## Introduction

## COVID-19 Pandemic

The diagram illustrates the transmission of COVID-19 through droplets. At the top, an **Infected person** is shown. An arrow points down to a circle containing blue droplets, labeled **Droplets**. From this circle, two arrows branch out: one to the left pointing to a circle of larger blue droplets labeled **Droplets > 5μm**, and one to the right pointing to a circle of smaller grey droplets labeled **Droplets ≤ 5μm**. From the **Droplets > 5μm** circle, three arrows point down: one to the left to a circle containing a door handle and a light switch labeled **Fomites**, one in the middle to a circle containing a hand labeled **Hands**, and one to the right to a circle labeled **AIRBORNE**. From the **Hands** circle, an arrow points left to the **Fomites** circle, and another arrow points right to a circle labeled **Not infected person**. The arrow from **Hands** to **Not infected person** is labeled **INDIRECT CONTACT**. The arrow from **Droplets ≤ 5μm** to **Not infected person** is labeled **AIRBORNE**. The arrow from **Droplets > 5μm** to **Hands** is labeled **DIRECT CONTACT**.

93

The pandemic circling the globe is only the latest instance of an infectious pathogen that jumped from animals to humans, known as a zoonotic disease. COVID-19 likely came from a bat.



*The Greater Horseshoe Bat*

Evidence suggests that the genetic origin of the COVID-19, was most likely a coronavirus living in horseshoe bats. However, we cannot at this point say where, when and via what species exactly this virus evolved and eventually spread from animals to humans. AIDS, Severe Acute Respiratory Syndrome (SARS), Ebola, West Nile and Lyme disease also originated in animals.



*Live Animal (Wet Market), Myanmar*



*Live Animal (Wet Market), Indonesia*

The COVID-19 pandemic and other emerging infectious diseases, as well as the continuing threat of antimicrobial resistance (AMR), are reminding us of the close connections between human, animal and environmental health and the urgent need to address them in a holistic manner. Among newly discovered or emerging infectious diseases (EIDs), 75 percent are zoonotic (i.e. transmitted from animals to humans) (Taylor, Latham and Woolhouse, 2001). Zoonotic disease outbreaks have been occurring more often since the 1940s as an expanding human population pushes deeper into forests for hunting, agriculture, mining and housing. Demand for exotic meat also brings live wildlife to food markets, where they can transmit viruses to other animals and humans. Deforestation and other land use changes have an important part in the emergence of disease (Wilcox and Ellis, 2006). It is well known that the benefits of forests span a far greater range than straight forward timber production. They serve as a source of food, medicine and fuel for billions of people. They act as carbon sinks, alleviating the effects of climate change; they nurture our soils, play a crucial role in water and air purification. A good number of researchers and environmentalists say preserving wildlife and biological diversity is key to preventing more outbreaks of zoonotic diseases.

## One Health

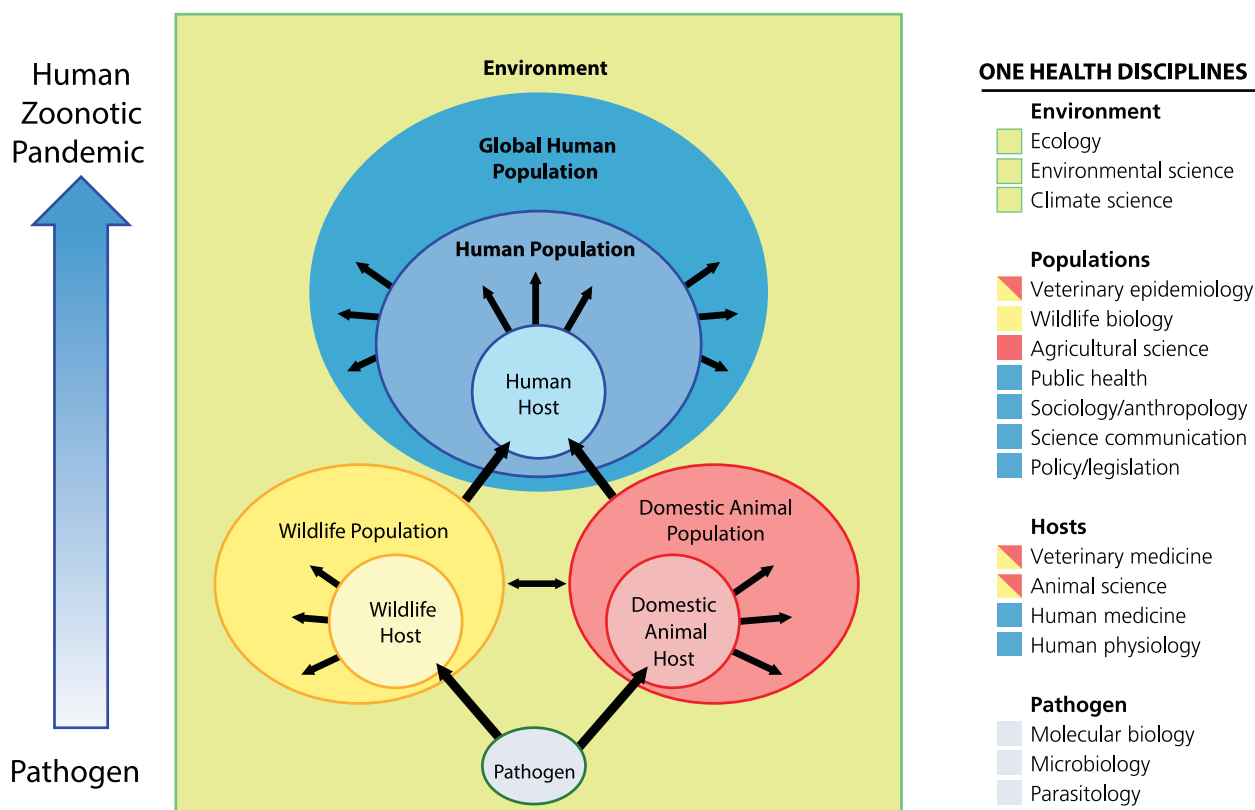
As per the Lancet COVID-19 Commission Statement on the occasion of the 75th session of the UN General Assembly **"To protect humanity from these zoonotic diseases, we need to put more emphasis on the One Health approach. We require new precautions on many fronts: ending deforestation, respecting and protecting conservation areas and endangered species, intensifying the monitoring and surveillance for zoonotic events, and ensuring safe practices ....."**(Lancet COVID-19 Commission Statement on the occasion of the 75th session of the UN General Assembly, Sep 14, 2020).



*The One Health interconnectivity nature of human, non-human animal and environmental health.*



One Health has been defined by the WHO as “an approach to designing and implementing programmes, policies, legislation and research in which multiple sectors communicate and work together to achieve better public health outcomes” (WHO 2020).



One Health disciplines along the pathway from pathogen to human zoonotic pandemic. Arrows indicate pathogen movement or transmission; multiple arrows indicate spread of pathogens from the initially infected host to multiple hosts through multiple transmission events; colors and patterns in the boxes adjacent to discipline names correspond to specific aspects of the pathway that each discipline typically works within.

WHO recognizes that the health and well-being of humans, animals and the environment are intricately linked. In practice, this means that experts from a range of sectors, notably human health, animal health, plant health and the environment, work together in building a response infrastructure that emphasizes the sharing of information and the coordination of actions across multiple sectors.



## One Health: Bangladesh Scenario

Bangladesh is a highly densely populated country where peoples are very close to animals and coordinating, communicating & collaborating initiative in respect of One Health are seldom in practice. It has a very good species diversity of flora and fauna. The tropical semi-evergreen forests in the country are botanically amongst the richest in the Indian subcontinent, and they also support a good diversity of mammals and great diversity of birds, aquatic life etc.



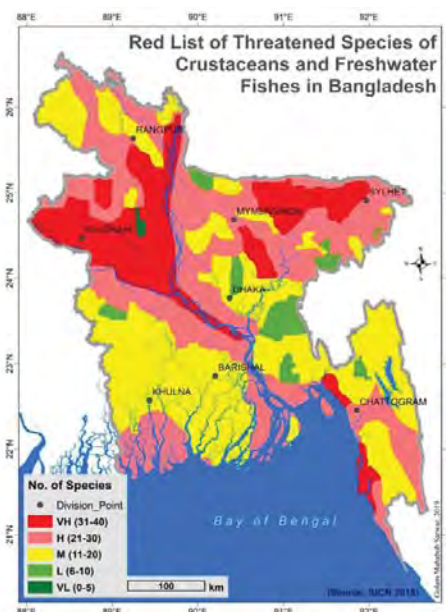
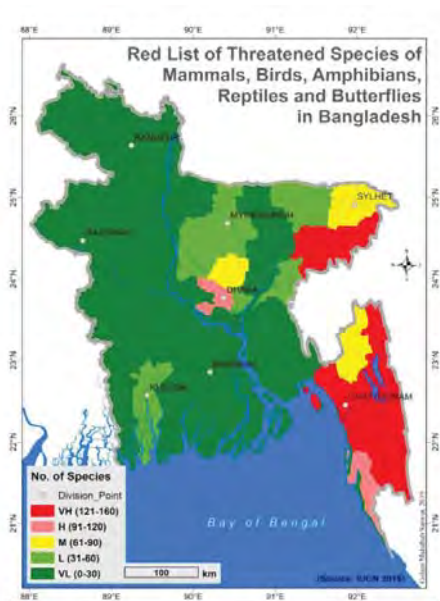






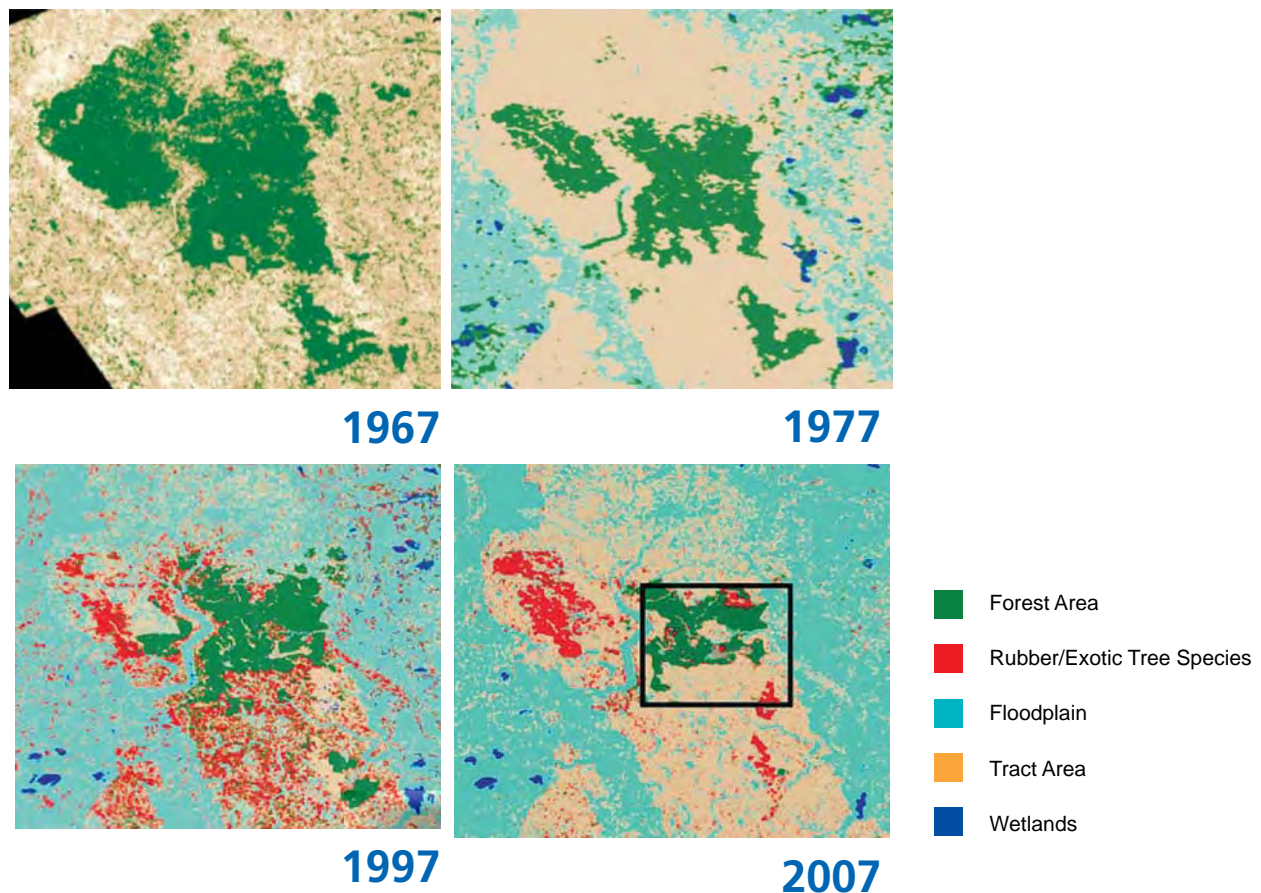


For a small country like Bangladesh, the species richness is relatively large but population size of most of the species has declined drastically. There are many causes for the drastic decline of most of the species due to changes in land use, massive deforestation, high intensity of pollution, introduction of invasive alien species, unsustainable exploitation of resources and weak management system, gaps in spatial information, lack of public awareness etc.



Reference: 6th National Report for the Convention on Biological Diversity

## Changes in Land use/ Landcover in Madhupur National Park (MNP) between 1967 to 2007



*Reference: Overview of Biodiversity Status, Trends and Threats*

### Conclusion

Save for a few developed countries, status of One Health practices in the rest of the world are still shambolic. Zoonotic diseases of viral and bacterial origin and Multiple Drug Resistance (MDR) infections in human are very much common throughout the world. It is known to all that prevention is always better than cure. As such, in order to prevent further recurrence of COVID-19 like pandemic in future, all stakeholders both nationally and globally should work together under the umbrella of One Health and promote One Health from concept to practice. Researchers, in the relevant field, across the globe should extend their best efforts for finding out ways and means to make One Health approach more effective and user friendly. Public health planners throughout the world should come forward proactively to make appropriate strategic plan for implementing One Health practice globally within the shortest possible time.



# VALUE ADDED STATEMENT



(BDT in Thousand)



Gross turnover &  
Other income



Less: Brought in  
material & Services

Total value added

Application:



Duties and Taxes to  
Govt. Exchequer



Salaries and Benefits



Dividend



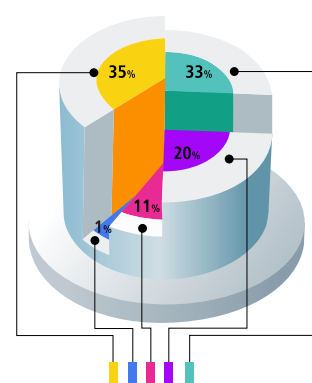
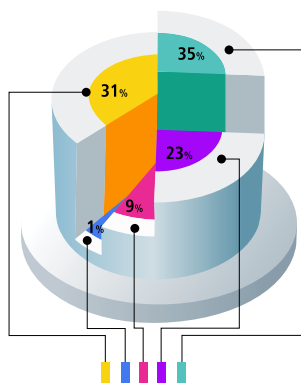
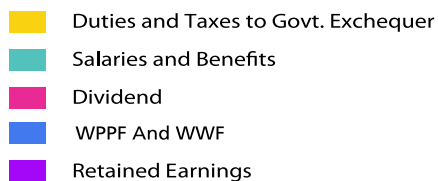
Workers Profit  
Participation Fund



Retained earnings

2019-2020	
Amount	%
22,090,032	60.8%
14,229,467	39.2%
7,860,565	100%
Application:	
2,408,325	31%
2,770,775	35%
740,606	9%
98,972	1%
1,841,887	23%
7,860,565	100%

2018-2019	
Amount	%
18,816,025	60.8%
12,133,688	39.2%
6,682,337	100%
Application:	
2,320,160	35%
2,220,312	33%
740,606	11%
97,667	1%
1,303,591	20%
6,682,337	100%







# The ACME Laboratories Ltd.

MANUFACTURERS OF ETHICAL DRUGS & MEDICINES

ISO 9001: 2015 CERTIFIED COMPANY

Annexure-A

As per condition No.4(5) (xxvii)

Date: 08.10.2020

The Board of Directors  
The ACME Laboratories Limited  
36, Kallyanpur, Mirpur Road  
10, Aksh-120, Bangladesh

Subject: Declaration on Financial Statements for the year ended on 30 June 2020

Dear Sirs,

Pursuant to the condition No. (2) (xxvii) imposed vide the Commission's Notification No. BSE/C/MNR/CD/2006-155/207/Admtr/80 Dated 3 June 2008 under section 200 of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- 1) The Financial Statements of The ACME Laboratories Limited for the year ended on 30 June 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure therefrom has been adequately disclosed;
- 2) The estimates and judgments relative 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 corresponding state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure efficacy, the Company has taken proper and adequate steps for establishing 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 properly followed; and
- 6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate 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.

Corporate Office:  
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Aksh-120, Bangladesh  
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Fax: +88-022411045  
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Page 1 of 2

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Phone: +88-02 27269 12  
Fax: +88-02 27269 13  
E-mail: [info@acmelab.com](mailto:info@acmelab.com)



# The ACME Laboratories Ltd.

MANUFACTURERS OF ETHICAL DRUGS & MEDICINES

ISO 9001: 2015 CERTIFIED COMPANY

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30 June 2020 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements 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, in 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. Asraful Kabir FCA  
Head of Finance and Accounts

  
Mizanur Rahman Sinha  
Managing Director



**এম, জেড, ইসলাম এন্ড কোং**  
**M. Z. ISLAM & CO.**  
 Chartered Accountants

13/A, 14, Sadar Road, 7/Fee Floor  
 50 B.T. Ersaria Road, Nayaghat  
 Dhaka- 1000. Tel: 880-2-9550997, 95512953  
 Email: mzi@mzi.com.bd, info@mzi.com.bd

**Annexure-B**  
**[Certificate as per condition No. 1(5) (xxvii)]**

**REPORT TO THE SHAREHOLDERS OF THE ACME  
 LABORATORIES LTD. ON COMPLIANCE ON  
 THE CORPORATE GOVERNANCE CODE**

We have examined the compliance status to the Corporate Governance Code of The ACME Laboratories Ltd for the year ended on 30 June 2020. This Code relates to the Notification No. BSEC/CMIR/CD/2008 156/2007/Amir/50, dated 3 June 2012 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 a security and verification and an independent audit on compliance of the condition of the Corporate Governance Code as well as the provisions of relevant Bangladesh Securities Standards (BSSs) as adopted by Institute of Chartered Secretaries & Bangladesh (ICSEB) in as far as those standards are not in contravention with any provision of the 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 abovesummarized Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Securities Standards (BSSs) as adopted by the Institute of Chartered Secretaries & Bangladesh (ICSEB) as required by the 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 highly satisfactory.

Date: 4 November 2020  
 Pace Dhaka



**Mohammad Fakhru Alam Patwary FCA**  
 Managing Partner  
 M. Z. Islam & Co.  
 Chartered Accountants



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## Annexure -C

[As per condition No.1 (5) (xxvii)]

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

## (Report under Condition No.9)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.	BOARD OF DIRECTORS:			
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	<b>Independent Directors:</b> All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:			
1(2)(a)	At least 1/5 <sup>th</sup> of the total number of Directors in the Company's Board shall be Independent Directors;	√		
1(2)(b) (i)	Independent Director does not hold any share or holds less than one percent (1%) shares of the total paid-up Shares of the Company;	√		
1(2)(b) (ii)	Independent Director is not a Sponsor of the Company or 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 concern, subsidiaries and parents or holding entities who holds 1% or more shares to the total paid-up share of the Company on the basis of family relationship and his/her family members all shall not hold above mentioned shares in the company	√		
1(2)(b)(iii)	Independent Director should not be an executive of the Company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	Independent Directors does not have any other relationship, whether pecuniary or otherwise, with the Company or its Subsidiary or Associated Companies;	√		
1(2)(b)(v)	Independent Director is not a member or TREC (Trading Right Entitlement Certificate) holder, Director or Officer of any Stock Exchange;	√		
1(2)(b)(vi)	Independent Director is not a shareholder, Director excepting independent director or officer of any member or TREC holder of Stock Exchange or an intermediary of the Capital Market;	√		
1(2)(b)(vii)	Independent Director 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;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(viii)	Independent Director is not Independent Director in more than 5 (five) Listed Companies;	√		
1(2)(b)(ix)	Independent Director 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)	Independent Director has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days;	√		
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) tenure only;	√		
<b>1(3)</b>	<b>Qualification of Independent Director: -</b>			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
<b>1(3)(b)</b>	<b>Independent Director shall have following qualifications:</b>			
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 Business 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;	√		
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;	√		



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(c)	The Independent Director 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.			N/A
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and / or Chief Executive Officer (CEO) are 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.	√		
<b>1(5)</b>	<b>The Directors' Report to Shareholders</b>			
1(5)(i)	An Industry outlook and possible future developments in the industry;	√		
1(5)(ii)	Segment-wise or product-wise performance;	√		Company operates in a single product segment
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 any other instruments;	√		



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 performances 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 judgement;	√		
1(5)(xiv)	A Statement that International Accounting Statement (IAS) / International Financial Reporting standard (IFRS), as applicable in Bangladesh, have been followed in 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;	√		
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 doubts upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons thereof 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 there of shall be explained;			N/A
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (Five) years shall be summarized;	√		
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;	√		
1(5)(xxii)	The total number of Board Meetings held during the year and attendance by each Director shall be disclosed;	√		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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/Subsidiary/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 and 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);			N/A
1(5)(xxiv)	In case of the appointment or re-appointment 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 Memberships of Committees of the Board;	✓		
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 discussion of changes in the 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 effect of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediately 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 risks and concerns mitigation plan of the Company;	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 <b>Annexure-A;</b>	√		
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 <b>Annexure-B and Annexure-C.</b>	√		
<b>1(6)</b>	<b>Meetings of the Board of Directors</b>			
	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.	√		
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, 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 including, among others, prudent conduct and behavior; confidentiality, conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
<b>2.</b>	<b>GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY:-</b>			
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 on 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





Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), Chief Financial Officer (CFO), and Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
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;	√		
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 Directors’ 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 in violation of the code of conduct for the Company’s Board or its members;	√		
3(3)( c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
4.	BOARD OF DIRECTORS' COMMITTEE:-			
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;	√		
5(1)(b)	The Audit Committee shall assist the Board 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)	Constitution of the Audit committee:			
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 member 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 Audit Committee;	√		
5(2)(f)	The quorum of Audit Committee meeting shall not constitute without at least 1 (One) Independent Director.	√		
5(3)	Chairperson of the Audit Committee:			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent Director;	√		



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
<b>5(4)</b>	<b>Meeting of the Audit Committee:</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	√		
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.	√		
<b>5(5)</b>	<b>Role of Audit Committee</b> 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;	√		



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	√		
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 purposes stated in relevant offer document or prospectus approved by the Commission:	√		
<b>5(6)</b>	<b>Reporting of the Audit Committee</b>			
5(6)(a)	<b>Reporting to the Board of Directors:</b>			
5(6)(a)(i)	The Audit Committee shall report on it activates to the Board.	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any: -			
5(6)(a)(ii)(a)	Report on conflicts of interests;	√		
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the Financial Statements;	√		
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, rules and regulation;	√		
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	√		
<b>5(6)(b)</b>	<b>Reporting to the Authorities:</b>			
	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.	√		
<b>5(7)</b>	<b>Reporting to the Shareholders and General Investors:</b>			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 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.	√		
<b>6.</b>	<b>NOMINATION AND REMUNERATION COMMITTEE (NRC).</b>			
<b>6(1)</b>	<b>Responsibility to the Board of Directors:</b>			



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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).	✓		
<b>6(2)</b>	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an Independent Director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and 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 another cases of vacancies the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		
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 from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	✓		
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;	✓		
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.	✓		
<b>6(3)</b>	<b>Chairperson of the NRC:</b>			
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;	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(3)(c)	The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders.	√		
<b>6(4)</b>	<b>Meeting of the NRC:</b>			
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;	√		
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.	√		
<b>6(5)</b>	<b>Role of NRC:</b>			
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:	√		
6(5)(b)(i)	Formulating the criteria for determining qualification, positive attributes and independence of a Directors and recommend a policy to the Board, relating to the remuneration of the Directors, top level executives 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;	√		
6(5)(b)(i)(c)	The remuneration to Directors, top level executive involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to 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;	√		





Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(v)	Identifying 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;	√		
<b>7.</b>	<b>EXTERNAL OR STATUTORY AUDITORS:</b>			
7(1)	The issuer company 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 systems design and implementation;	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or Financial Statements;	√		
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 service 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 may create conflict of interest	√		
7(2)	No partner or employees of the External or Statutory Auditors 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 share in the said Company;	√		
7(3)	Representative of External or Statutory Auditors shall remain present in the Shareholders Meeting (Annual General Meeting or Extra-ordinary General Meeting) to answer the queries of the shareholders.	√		
<b>8.</b>	<b>MAINTAINING A WEBSITE BY THE COMPANY:</b>			
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 listing regulations of the concerned Stock Exchanges(s);	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.;	√		
9(2)	The professional who will provide the certificate on compliance of Corporate Governance Code shall be appointed by the Shareholders in the Annual General Meeting;	√		
9(3)	The directors of the Company shall state, in accordance with the <b>Annexure-C</b> attached, in the Directors’ Report whether the Company has complied with these conditions or not.	√		





# AUDITED FINANCIAL STATEMENT 2019-2020





# Independent Auditor's Report



## To the Shareholders of The ACME Laboratories Limited Report on the Audit of the Financial Statements.

### Opinion

We have audited the financial statements of **The ACME Laboratories Limited** (the Company), which comprise the Statement of Financial Position as at 30 June 2020, and Statement of Profit or Loss & 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, of the financial position of the company as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and 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 company in accordance with the 'International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, 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 judgment, 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.

Risk	Our response to the risk
<b>Revenue Recognition</b>	
<p>During the year ended 30 June 2020, total reported revenue is of Tk. 19,003,659,657. The company generates revenue from sale of goods to local market, Government &amp; Non-Government Institutions and export as well.</p> <p>The timing of the revenue recognized and realized increases the risk of exposure of revenue to foreign exchange fluctuations.</p> <p>There is a risk that invoices may be issued to local customers or Government &amp; Non-Government Institutional customers erroneously. There may be duplication of invoice placed to customers as there are huge number of customers.</p> <p>The revenue recognition has been considered as key audit matter, since it is one of the key performance indicators of the company and also the key financial element which would eventually increase the inherent risk of the company.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period.</li> <li>• Segregation of duties in invoice creation and modification (if any) and timing of revenue recognition.</li> <li>• Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards.</li> <li>• Obtaining supporting documents for sale transaction along with checking the recording period of revenue recognition.</li> <li>• Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation.</li> <li>• Critically assessing manual journals posted to revenue to identify unusual or irregular items, and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards</li> </ul>
Please see note no. 30 to the statement of profit or loss & other comprehensive income.	

Risk	Our response to the risk
<b>Valuation of Inventory</b>	
<p>As at 30 June 2020, The reported amount of inventory is Tk. 3,917,967,826 held in plants, warehouses and twenty-six depots situated at different locations across the country.</p> <p>Most of the inventories are of specialized in nature and required to be maintained in controlled environment. Regular monitoring is required as the inventories are material by its value, quantity and its nature.</p> <p>On reporting date, inventories are carried at the lower of cost and net realizable value. As such, the company apply judgment in determining the appropriate values of Inventory in accordance with International Accounting Standards.</p> <p>Considering the risk as stated above and the sensitivity of the products as well, the valuation of Inventory is a key audit matter to the financial Statements.</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory as per International Accounting Standard (IAS) by:</p> <ul style="list-style-type: none"> <li>• Evaluating the design and implementation of key inventory controls operating across the factory, Depot and warehouse.</li> <li>• Checked and verified the stock count report done by the management as on date.</li> <li>• We have reconciled the inventory with purchase production and sales to ensure the physically shown stock as on date was accurate.</li> <li>• We have considered the risk of inventory being expired/damaged due to the effect of COVID-19 and checked whether any provision was required for any such expiry/obsolescence.</li> <li>• Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year</li> <li>• Obtaining a detailed review with the subsequent sales to compare with the net realizable value.</li> </ul>
Please see note no. 10 to the financial statements	





Risk	Our response to the risk
<b>Valuation of Property, Plant and Equipment</b>	
<p>The carrying value of the PPE is Tk. 24,602,564,373 as at 30 June, 2020. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>The expenditures are classified as an asset, if it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.</p> <p>The useful lives of PPE items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of useful life of the assets is a matter of judgment based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> <li>• We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.</li> <li>• We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured during the year.</li> <li>• We checked and verified the relevant documents of IPO proceeds, which was used for the purpose of implementation of new projects.</li> <li>• We verified the invoices and L/C documents on sample basis to segregate the capital and operating expenditure and found that the transactions are appropriately classified.</li> <li>• We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, physical condition of the assets and its uses.</li> <li>• We checked whether the depreciation of PPE items was commenced from the date of ready to use and found the depreciation had been started accordingly.</li> </ul>
Please see note no. 6 to the financial statements	

Risk	Our response to the risk
<b>Long Term Loan and Loan &amp; Overdrafts</b>	
<p>As at 30 June 2020, the reported amount of total long-term loan and Short-term loan &amp; overdraft is Tk. 7,565,907,754 (Current &amp; Non-current portion) &amp; Tk. 8,315,320,639 respectively. The company borrowed fund from various Bank &amp; Non-banking financial institutions for the purpose of acquisition of non-current assets and working capital as well.</p> <p>The company may face difficulties due to unfavorable movement in interest rate, monetary policy and adverse variance between import &amp; export that may result in short-term cash flow crisis.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that the proper use of loan.</li> <li>• We verified sanction letter, loan schedule and bank statements to confirm the loan outstanding and found that the balance had been reported in the financial statements accurately. We also submit the balance confirmation to the respective banks and financial institutions</li> <li>• We also checked the financial expenses and classification of loan and repayment schedule as well.</li> <li>• We had checked the recording date of transactions and found the recording date is in line with the loan disbursement date. We also confirmed that the company had paid its installments within due time.</li> </ul>
Please see note no. 21, 24 & 25 to the financial statements	

Risk	Our response to the risk
<b>Recoverability Assessment of Trade Receivable</b>	
<p>The total amount of trade receivable is Tk. 1,910,829,633 at 30 June, 2020. There are significant large number of individual small customers. Customers in different business segments and jurisdictions are subject to their independent business risk.</p> <p>The increasing challenges over the economy and operating environment in the manufacturing industry during the year have increased the risks of default on receivables from the customers. In particular, in the event of insolvency of customers, the company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.</p> <p>Accordingly, we identified the recoverability of trade receivables as a key audit matter because of the significance of trade receivables to Company's Financial Position and because of the significant degree of management judgment involved in evaluating the adequacy of the allowance for doubtful debts.</p>	<p>Our audit procedures of assess the recoverability of trade receivables including the following:</p> <ul style="list-style-type: none"> <li>• Tested the accuracy of aging of Trade receivable at year end on a sample basis;</li> <li>• Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards;</li> <li>• Assessing the classification of trade receivables in the trade receivable ageing report by comparison with sales invoice and other underlying documentation on a taste basis;</li> <li>• Assessed the recoverability of the receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers; and</li> <li>• Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to trade receivable balances at 30 June 2020;</li> </ul>
Please see note no.11 to the financial statements	

## Other Matters

Due to the pandemic situation of COVID-19 all over the world, physical verification of inventory could not be held by us for the the year ended June 30, 2020 considering the health risks. However, during the course of our audit we have carried out audit procedures to ensure the value of inventory as on 30 June, 2020 is appropriate and free from any material misstatement. Detailed audit procedures are described in the key audit matter paragraph of this report.

## Other Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.



## **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 financial statements in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations 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 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- 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 accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements we are responsible for the direction, supervision and performance of the company audit. We solely responsible for our audit opinion.



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 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 auditor's 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, The Securities and Exchange Rules 1987, relevant notifications issued by Bangladesh Securities and Exchange Commission and Financial Reporting Council Bangladesh guideline, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purpose of the Company's business.

Dhaka  
Dated: 14 October 2020



Ramendra Nath Basak, FCA  
Partner  
**Shiraz Khan Basak & Co.**  
Chartered Accountants



# The ACME Laboratories Ltd.


## Statement of Financial Position

As at 30 June 2020

PARTICULARS	NOTES	Amount in Taka	
		30 June, 2020	30 June, 2019
<b>ASSETS</b>			
<b>Non-Current Assets :</b>		<b>24,712,740,493</b>	<b>23,785,620,542</b>
Property, Plant and Equipment	6	24,602,564,373	23,751,657,485
Right-of-Use Assets	7.A	86,369,645	-
Intangible Assets	8	37,125	78,750
Investment in Securities	9	23,769,350	33,884,307
<b>Current Assets:</b>		<b>14,705,522,689</b>	<b>12,135,978,847</b>
Inventories	10	3,917,967,826	3,572,384,216
Trade Receivable	11	1,910,829,633	1,600,062,384
Other Receivable	12	19,729,469	20,296,828
Advance, Deposits & Pre-Payments	13	2,683,622,048	1,917,113,434
Advance Income Tax	14	2,762,563,924	2,365,624,805
Material In Transit	15	1,312,625,960	762,231,856
Term Deposit	16	274,367,312	520,503,605
Cash and Cash Equivalents	17	1,823,816,517	1,377,761,719
<b>TOTAL ASSETS</b>		<b>39,418,263,182</b>	<b>35,921,599,389</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity :</b>		<b>19,044,180,165</b>	<b>18,343,391,846</b>
Share Capital	18	2,116,017,000	2,116,017,000
Share Premium	19	5,127,599,728	5,127,599,728
Revaluation Surplus	6.A	5,238,752,312	5,319,635,386
Gain/(Loss) on Marketable Securities (Unrealized)	9.A	(2,162,257)	6,941,204
Tax Holiday Reserve	Ref- SOCE	179,464,241	179,464,241
Retained Earnings	20	6,384,509,141	5,593,734,287
<b>Non Current Liabilities:</b>		<b>6,392,286,374</b>	<b>4,578,020,122</b>
Long Term Loan- Net off Current Maturity	21	5,106,567,547	3,556,975,950
Long Term Lease Liability	7.B	66,780,466	-
Provision For Gratuity	22	361,679,351	336,558,221
Deferred Tax Liability	23	857,259,010	684,485,951
<b>Current Liabilities:</b>		<b>13,981,796,643</b>	<b>13,000,187,421</b>
Loans & Overdrafts	24	8,315,320,639	8,287,743,650
Current Maturity of Long Term Loans	25	2,459,340,207	2,122,725,287
Trade Payable	26	398,967,527	321,405,105
Provision for Income Tax	27	2,366,744,574	2,011,594,657
Current Lease Liability	7.B	11,643,390	-
Liability for Expenses and Others	28	423,044,663	239,394,833
Dividend Payable	29	6,735,643	17,323,889
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>39,418,263,182</b>	<b>35,921,599,389</b>
<b>Net Asset Value Per Share (NAVPS)</b>	<b>18.4</b>	<b>90.00</b>	<b>86.69</b>

The annexed notes 1 to 50 form an integral part of Financial Statements


  
Md. Rafiqul Islam FCS  
Company Secretary

  
Md. Arshadul Kabir FCA  
Head of Finance & Accounts

  
Mizanur Rahman Sinha  
Managing Director

  
Nagina Afzal Sinha  
Chairman

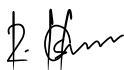
Dated: Dhaka, 14 October 2020

  
Shiraz Khan Basak & Co.  
Chartered Accountants  
An associate firm of D.N Gupta & Associates

**The ACME Laboratories Ltd.**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2020**

PARTICULARS	Notes	Amount in Taka	
		July 2019 to June 2020	July 2018 to June 2019
Revenue	30	19,003,659,657	16,308,627,037
Less: Cost of Goods Sold	31	11,728,937,307	9,882,879,199
<b>Gross Profit/(Loss)</b>		<b>7,274,722,350</b>	<b>6,425,747,838</b>
Add: Other Income	32	74,986,576	96,382,118
		<b>7,349,708,926</b>	<b>6,522,129,956</b>
Less: Selling, Marketing and Distribution Expenses	33	2,679,085,139	2,389,580,093
		<b>4,670,623,787</b>	<b>4,132,549,863</b>
Less: Administrative Expenses	34	807,968,326	591,955,304
		<b>3,862,655,461</b>	<b>3,540,594,559</b>
Less: Financial Expenses	35	1,784,251,649	1,489,586,026
<b>Profit Before Contribution to WPPF and WWF</b>		<b>2,078,403,812</b>	<b>2,051,008,533</b>
Less: Contribution to WPPF and WWF	36	98,971,610	97,667,073
<b>Net Profit Before Tax</b>		<b>1,979,432,202</b>	<b>1,953,341,460</b>
Less: Current Tax Expenses	37A	355,149,917	333,572,829
Less: Deferred Tax (Income)/Expenses	37B	173,784,555	179,389,788
<b>Net Profit After Tax</b>		<b>1,450,497,730</b>	<b>1,440,378,843</b>
<b>Other Comprehensive Income</b>			
Gain/(Loss) on Marketable Securities (Unrealized)		(10,114,957)	(1,008,360)
<b>Total Comprehensive Income for the year</b>		<b>1,440,382,773</b>	<b>1,439,370,483</b>
<b>Earnings Per Share (on the Equity share of Tk. 10 each)</b>	38	<b>6.85</b>	<b>6.81</b>

The annexed notes 1 to 50 form an integral part of Financial Statements



Md. Rafiqul Islam FCS  
Company Secretary



Md. Arshadul Kabir FCA  
Head of Finance & Accounts



Mizanur Rahman Sinha  
Managing Director



Nagina Afzal Sinha  
Chairman



Shiraz Khan Basak & Co.  
Chartered Accountants  
An associate firm of D.N Gupta & Associates

Dated: Dhaka, 14 October 2020





Shiraz Khan Basak & Co.  
Chartered Accountants

## The ACME Laboratories Ltd.

### Statement of Changes in Equity

For the year ended 30 June 2020

Particulars	Amount in Taka						
	Share Capital	Share Premium	Revaluation Surplus	Gain/(loss) on Marketable Securities (Unrealized)	Tax Holiday Reserve	Retained Earnings	Total
Balance as at July 01, 2019	2,116,017,000	5,127,599,728	5,319,635,386	6,941,204	179,464,241	5,593,734,287	18,343,391,846
Net Profit after Tax for the year ended 30 June 2020	-	-	-	-	-	1,450,497,730	1,450,497,730
Final Dividend for the year 2018-2019	-	-	-	-	-	(740,605,950)	(740,605,950)
Gain/(loss) on Marketable Securities (Unrealized)	-	-	-	(10,114,957)	-	-	(10,114,957)
Adjustment for Depreciation on Revaluation Surplus	-	-	(80,876,878)	-	-	80,876,878	-
Adjustment for disposal of Motor Vehicle	-	-	(6,196)	-	-	6,196	-
Deferred Tax on Unrealized Gain/Losses on Investment in Securities	-	-	-	1,011,496	-	-	1,011,496
<b>Balance as at 30 June 2020</b>	<b>2,116,017,000</b>	<b>5,127,599,728</b>	<b>5,238,752,312</b>	<b>(2,162,257)</b>	<b>179,464,241</b>	<b>6,384,509,141</b>	<b>19,044,180,165</b>

### Statement of Changes in Equity

For the year ended June 30, 2019

Particulars	Amount in Taka						
	Share Capital	Share Premium	Revaluation Surplus	Gain/(loss) on Marketable Securities (Unrealized)	Tax Holiday Reserve	Retained Earnings	Total
Balance as at 01 July 2018	2,116,017,000	5,127,599,728	5,402,713,591	7,848,728	179,464,241	4,810,519,458	17,644,162,746
Net Profit after Tax for the year ended 30 June 2019	-	-	-	-	-	1,440,378,843	1,440,378,843
Final Dividend for the year 2017-2018	-	-	-	-	-	(740,605,950)	(740,605,950)
Gain/(loss) on Marketable Securities (Unrealized)	-	-	-	(1,008,360)	-	-	(1,008,360)
Adjustment for Depreciation on Revaluation Surplus	-	-	(82,487,406)	-	-	82,487,406	-
Adjustment for disposal of Motor Vehicle	-	-	(590,799)	-	-	954,530	363,731
Deferred Tax (Income)/Expenses on Unrealized Gain/(Losses) on Investment in Securities	-	-	-	100,836	-	-	100,836
<b>Balance as at 30 June 2019</b>	<b>2,116,017,000</b>	<b>5,127,599,728</b>	<b>5,319,635,386</b>	<b>6,941,204</b>	<b>179,464,241</b>	<b>5,593,734,287</b>	<b>18,343,391,846</b>

The annexed notes 1 to 50 form an integral part of Financial Statements

Md. Rafiqul Islam FCS  
Company Secretary

Md. Arshadul Kabir FCA  
Head of Finance & Accounts

Mizanur Rahman Sinha  
Managing Director

Nagina Afzal Sinha  
Chairman

Shiraz Khan Basak & Co.  
Chartered Accountants  
An associate firm of D.N Gupta & Associates

Dated: Dhaka, 14 October 2020

# The ACME Laboratories Ltd.

## Statement of Cash Flows

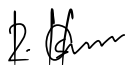
For the year ended 30 June 2020

Shiraz Khan Basak & Co.  
Chartered Accountants

Particulars	Amount in Taka	
	July 2019 to June 2020	July 2018 to June 2019
<b>Cash Flows From Operating Activities:</b>		
Collection from Sales and others	18,764,510,739	16,311,726,800
Payment to Suppliers & Others	(15,360,249,230)	(12,638,634,365)
Payment to WPPF & WWF	(87,900,366)	(87,967,983)
Cash generated from operation	3,316,361,143	3,585,124,452
Financial Expenses	(1,773,085,133)	(1,487,057,301)
Income Tax Paid	(396,939,119)	(444,959,669)
<b>A. Net Cash Generated From Operating Activities</b>	<b>1,146,336,891</b>	<b>1,653,107,482</b>
<b>Cash Flows From Investing Activities:</b>		
Acquisition of Property, Plant & Equipments	(2,104,536,549)	(3,520,175,068)
Encashment of Term Deposit	246,136,293	583,275,564
Sale of Property, Plant and Equipment (Motor Vehicles)	4,237,000	1,090,000
Dividend received from Investment in Marketable Securities	682,261	1,024,420
<b>B. Net Cash Used in Investing Activities</b>	<b>(1,853,480,995)</b>	<b>(2,934,785,084)</b>
<b>Cash Flows From Financing Activities:</b>		
Dividend Paid	(751,194,196)	(727,091,354)
Principal Portion payment of Lease Liability	(9,390,408)	-
Net Increase / (Decrease) in Loans and Overdrafts	27,576,989	2,462,201,509
Net Increase / (Decrease) in Long Term Borrowings	1,886,206,517	(210,740,791)
<b>C. Net Cash Generated/(Used) From Financing Activities</b>	<b>1,153,198,902</b>	<b>1,524,369,364</b>
Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	446,054,798	242,691,762
Cash and Cash Equivalents at the Opening	1,377,761,719	1,135,069,957
<b>Cash and Cash Equivalents at the Closing</b>	<b>1,823,816,517</b>	<b>1,377,761,719</b>
<b>Net Operating Cash Flow Per Equity Share (NOCFPS)</b>	<b>5.42</b>	<b>7.81</b>
(Net cash generated from operating activities divided by no. of ordinary Shares outstanding during the year)		

Ref: Note-39

The annexed notes 1 to 50 form an integral part of Financial Statements



Md. Rafiqul Islam FCS  
Company Secretary



Md. Arshadul Kabir FCA  
Head of Finance & Accounts



Mizanur Rahman Sinha  
Managing Director



Nagina Afzal Sinha  
Chairman



Shiraz Khan Basak & Co.  
Chartered Accountants  
An associate firm of D.N Gupta & Associates

Dated: Dhaka, 14 October 2020



# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at & for the year ended 30 June, 2020

### 1.00 Corporate Information

The ACME Laboratories Limited was founded in the year 1954 as a Proprietorship Firm and it was converted into a Private Limited Company on 17th March, 1976 vide registration no. C-4745/163 of 1975-76 under the Companies Act-1913. Thereafter, it was converted into a public limited company on 30th November, 2011.

In the Year 2016, the Company achieved one of the major mile stone of public offering and listing of its 50,000,000 Ordinary Shares of Tk. 10 each at Dhaka Stock Exchange Ltd (DSE) & Chittagong Stock Exchange (CSE) Ltd with effect from 31 May 2016. Trading of the shares of the ACME Laboratories Limited commenced from 07 June 2016 at both the stock exchanges under the trade name ACMELAB and trading codes -18491 and 13031 respectively.

#### 1.01 Address of Registered Office and Factory

The Registered Office of the Company is situated at 1/4, Kallayanpur, Mirpur Road, Dhaka-1207, Bangladesh and the Factory is situated at Dhulivita, Dhamrai, Dhaka, Bangladesh.

### 2.00 Nature of business of the Company

The Company is engaged in manufacturing, marketing and distribution of generic pharmaceuticals formulation products which includes human drugs comprising dosages form like tablet, capsule, dry syrup, cream, ointment, powder, injection, dry powder inhaler, metered dosage inhaler, suppository, eye and nasal drop, liquid, liquid in hard gelatine, Blow Fill Seal (BFS) products, sachet products; veterinary drugs comprising dosages form like bolus, liquid, injection, water soluble powder, premix and herbal drugs comprising dosages form like liquid, capsule, tablet, cream & ointment. The products of the company are sold in domestic and in international markets respectively.

### 3.00 Share Capital

Details of Authorized, Issued, Subscribed and Fully Paid up Capital as at 30 June, 2020 and 30 June, 2019 are as under:

Particulars	30 <sup>th</sup> June 2020 (Tk.)	30 <sup>th</sup> June 2019 (Tk.)
<b>Authorized Capital:</b>		
500,000,000 Ordinary Shares @ Tk. 10 each	5,000,000,000	5,000,000,000
<b>Total</b>	<b>5,000,000,000</b>	<b>5,000,000,000</b>
<b>Issued, Subscribed and Fully Paid up Capital:</b>		
211,601,700 Ordinary Shares @ Tk.10 each.	2,116,017,000	2,116,017,000
<b>Total</b>	<b>2,116,017,000</b>	<b>2,116,017,000</b>

### 4.00 Basis of Preparation of Financial Statements

#### 4.01 Directors' Responsibility Statement

The Board of Directors of the Company take the responsibility for the preparation and presentation of these Financial Statements.



## **The ACME Laboratories Ltd.**

### **Notes to the Financial Statements**

**As at & for the year ended 30 June, 2020**

#### **4.02 Basis of measurement**

The Financial Statements have been prepared on the historical cost basis except; "Land and Land Development; Buildings; Machinery & Equipment; Motor Vehicle; Utilities, Electrical Installations & Engineering; Office Equipment and Investment Property," which had been revalued by an independent valuer M/S Mashi Muhit Haque & Co. Chartered Accountants, Dhaka, Bangladesh in the financial year 2015-2016. The entire class of above mentioned Property, Plant and Equipment and Investment Property had been revalued on the basis of Current Cost Accounting (CCA) Method, as applicable. The valuation report of the valuer had been prepared in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), notification dated 18th August, 2013 issued by the Bangladesh Securities and Exchange Commission in this regard and other applicable laws, rules, regulations and guidelines. The Financial Statements however, do not take into consideration the effects of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

The revaluation surplus is not available for distribution as dividend to the shareholders.

#### **4.03 Accrual Basis of Accounting**

The Financial Statements of the Company are prepared as per accrual basis of accounting except for cash flows information. Accordingly, The Company recognises items of assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definition and recognition criteria as per the accounting framework.

#### **4.04 Materiality, Aggregation and Offsetting**

The Company presents material items separately. Financial Statements is a result of processing a large number of transactions or events that are aggregated into classes according to the nature or function. However, the company does not offset assets and liabilities or income and expenses unless required or permitted by IAS or IFRS.

#### **4.05 Statement of compliance**

These Financial Statements have been prepared in accordance with Framework, applicable International Accounting Standards (IASS) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), Companies Act 1994, Bangladesh Securities and Exchange Rules 1987 and other relevant laws and regulations applicable in Bangladesh.

#### **4.06 Presentation of Financial Statements**

The Financial Statements are presented in accordance with guidelines provided by IAS 1: 'Presentation of Financial Statements'.

The Financial Statements comprises of:

- (i) Statement of Financial Position as at 30 June, 2020;
- (ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020;
- (iii) Statement of Changes in Equity for the year ended 30 June, 2020;
- (iv) Statement of Cash Flows for the year ended 30 June, 2020; and
- (v) Notes, comprising a summary of significant accounting policies and explanatory information.



## **The ACME Laboratories Ltd.**

### **Notes to the Financial Statements**

**As at & for the year ended 30 June, 2020**

#### **4.07 Reporting Period**

The Financial Statements cover the financial year commencing from 01 July, 2019 to 30 June, 2020.

#### **4.08 Authorisation for Issue**

The Financial Statements have been authorised for issue by the Board of Directors of the Company in their meeting held on October 14, 2020.

#### **4.09 Functional and Presentation Currency**

The Financial Statements have been prepared and presented in Bangladeshi Currency (Taka), which is the functional currency of the Company. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

#### **4.10 Comparative information**

Comparative information disclosed is of the financial year 2018-2019 for all numerical information in the Financial Statements and also the narrative and descriptive information wherever it is relevant for understanding of the current year's Financial Statements.

Figures for the comparative year have been regrouped/rearranged wherever considered necessary to ensure better comparability with the current year.

#### **4.11 Use of Estimates and Judgements**

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the reported value of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates arise because of uncertainties inherent within them but this does not undermine reliability. However, the estimates and underlying assumptions are reviewed as an on-going basis and the revision is recognized in the year in which the estimates are revised. Such revision however were made in the year 2015-2016 for Property, Plant and Equipment as required by the International Accounting Standard 16 "Property, Plant and Equipment" in respect periodicity of revaluation except in the useful life of two classes of non-current assets. There is no material impact of change of estimates on the financial results of the Company for the financial year 2019-2020.

#### **4.12 Capital Management**

The primary objective of the capital structure is to maintain an efficient combination of debt and equity ratio to achieve a low cost of capital. The management of the Company regularly reviews the return on equity, capital structure in light of the economic conditions, business strategies and future commitments. For that purpose, capital includes issued Share Capital, Securities Premium and all other Equity Reserves and Debt covering foreign currency term loan, Long-Term & Short Term Loan from domestic Financial Institutions/Banks and finance lease obligations, etc. During the financial year ended 30 June 2020, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at & for the year ended 30 June, 2020

Shiraz Khan Basak & Co.  
Chartered Accountants

#### 4.13 Going Concern

The Company has adequate resources to continue in operation for a foreseeable future. To finance the further business expansion, in the financial year 2015-2016, the Company made for a public issue of Ordinary Shares through "Book Building Method" allotted and issued 50,000,000 Ordinary Shares. The current credit facilities and resources of the Company provide sufficient funds to meet the present requirements of its existing business operations and expansion. For these reasons, the Board of Directors of the Company continue to adopt the policy of a "Going Concern" basis in preparing the Financial Statements.

#### 4.14 Application of International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS)

Name of the Accounting Standards	Ref. No.	Status of Application
Financial Instruments : Disclosure	IFRS-7	Applied
Financial Instruments	IFRS-9	Applied
Fair Value Measurement	IFRS-13	Applied
Revenue from Contract with Customers	IFRS 15	Applied
Leases	IFRS-16	Applied
Presentation of Financial Statements	IAS-1	Applied
Inventories	IAS-2	Applied
Statement of Cash Flows	IAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events after the Reporting Period	IAS-10	Applied
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Revenue Recognition	IAS-18	Applied
Employee Benefits	IAS-19	Applied
The effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Costs	IAS-23	Applied
Related Party Disclosures	IAS-24	Applied
Financial Instruments: Presentation	IAS-32	Applied
Earnings Per Share	IAS-33	Applied
Impairment of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assets	IAS-38	Applied

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## **The ACME Laboratories Ltd.**

### **Notes to the Financial Statements**

**As at & for the year ended 30 June, 2020**

#### **5.00 Significant Accounting Policies**

##### **Background:**

The Company selects and applies accounting policies consistently unless a IFRS or IAS specifically requires or permit a different and appropriate accounting policy for the same or results in the financial statements providing more relevant information about the effects of transaction on company's Financial Position, Financial Performance or Cash Flows.

The Company corrects and discloses the material prior period's/year's error/s, if any, retrospectively by restating the comparative amount for the prior periods/years in which the error has occurred.

#### **5.01 Revenue Recognition**

The Company derives revenue principally from manufacturing and sales of pharmaceutical drugs and Medicines.

Effective from 1st July 2018 the company adopted IFRS 15, "Revenue from Contracts with Customers" using retrospective cumulative transaction method applied to contracts that were not completed on 1st July 2018. In accordance with cumulative transaction method comparatives have not been adjusted retrospectively as the effect of adoption of IFRS 15 was not significant.

A Contract with a customer exists when the parties to the contract have approved it and are committed to perform their respective obligations, the company can identify each parties rights regarding the distinct good or services to be transferred (Performance Obligations), the company can determine the transaction price for the goods or services to be transferred, the contract has commercial substance and it is probable that the company will collect the consideration to which it will be entitled in exchange for goods or services that will be transferred to the customers. Revenues are recorded in the amount of consideration to which the company expects to be entitled in exchange for performance obligation upon transfer of control to the customers and is measured at the fair value of consideration received or receivable, net of returns, VAT and applicable trade discounts, allowances etc.

##### **(a) Sales of Products:**

The majority of customers' contracts that company enters into consists of a single performance obligation for the delivery of pharmaceutical drugs and Medicines. The company recognises revenue from sales when control of the products transfers, generally upon shipment or delivery to the customers or to custom port. The company records sales net of estimated incentives/Discount, Returns and other related charges. These are generally accounted for as variable consideration in the same periods the related sales occur. The Methodology and Assumption used to estimate rebated and return are monitored and adjusted accordingly with the contractual and legal obligations, historical trends, past experience and projected market condition. The revenue for such variable consideration is included in the company's estimate of transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved. In making this assessment the company considers its historical records of performance on similar contracts. The payment terms are ranges from 0 to 60 days.

##### **(b) Interest Income**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to principal outstanding and at the effective interest rate applicable.

##### **(c) Dividend**

Dividend income from investment in Marketable Securities is recognized when the rights to receive payment has been

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
**As at & for the year ended 30 June, 2020**

Shiraz Khan Basak & Co.  
Chartered Accountants

established, provided that it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably.

## 5.02 Property, Plant and Equipment (PPE)

### i) Recognition and Measurement

The Cost of an item of property plant and equipment (PPE) is recognized as an asset if, and only if it is probable that the future economic benefit will flow to the company and cost of the item can be measured reliably.

PPE have been measured and stated at cost or revalued amount less accumulated depreciation and accumulated impairment loss, if any, in compliance with the requirement of IAS 16: Property Plant and Equipment and IAS 36 Impairment of Assets. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its present location and working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

### ii) Maintenance Costs

The company incurs maintenance costs for all its major items of Property, Plant and Equipment. Repair and maintenance costs are charged as expenses, as and when incurred.

### iii) Depreciation

Land is held on a freehold basis and is not depreciated considering its unlimited useful life. In respect of all other Non-current assets, depreciation is provided on a straight line method to amortize the cost of the asset after commissioning over their expected useful life. In respect of addition to property, plant and equipment, depreciation begins from the date of respective asset available for use up to the date immediately preceding the date of disposal.

The rate at which assets are depreciated per annum depending on the nature and estimated useful life of assets are given below:

Category of Assets	Rate
Building	2.50% to 13.33%
Machinery and Equipment	7.50% to 100%
Furniture and Fixtures	10% to 100%
Motor Vehicles	8.33% to 100%
Utilities, Engineering and Electrical Installations	7.50% to 100%
Office Equipment	10%
Books and Periodicals	10%

### iv) Impairment of Assets

If the recoverable amount of a PPE is less than its carrying amount, the carrying amount of the PPE is reduced to its recoverable amount. This reduction is an impairment loss. An Impairment loss on a non-revalued asset is recognised in the Statements of Profit or Loss and Other Com-prehensive Income. However, an impairment loss on a revalued asset is recognized in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset. Such impairment loss on a revalued asset reduces the revaluation surplus to the extent for the asset. The Company do impairment testing at the end of each reporting period if indication of any impairment exists.

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## The ACME Laboratories Ltd.

### Notes to the Financial Statements

As at & for the year ended 30 June, 2020

#### V ) Retirement and Disposal

On disposal of Non-current assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is recognized in the Statement of Profit or Loss and Other Comprehensive Income, which is determined with reference to the net book value of the assets and net sales proceeds. The revaluation surplus included in Equity in respect of disposed/demolished/discarded Property, Plant and Equipment is treated as per the principle enunciated in the IAS 16.

#### 5.03 Leased Assets

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

IAS 17 did not have specific requirements for the presentation of right-of-use (ROU) assets and lease liabilities in the financial statements. This means that lessees had to rely on the general guidance under IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows.

Effective from 1st January 2019 the company adopted IFRS 16, "Leases" using retrospective cumulative transaction method applied that we were not completed on 1st January 2019. In accordance with cumulative transaction method comparatives have not been adjusted retrospectively as the effect of adoption of IFRS 16 was not significant.

The ACME Laboratories Limited applied IFRS 16 onwards from the date of 1st July 2019 since the IFRS 16 is effective from the date of 1st January 2019. The Company has made a Right-of-Use Assets and Lease Liability against the Rental Expenses of 16 Depot all over the country. According to IFRS 16 Paragraph 47, a company is required to present Right-of-Use Asset and Lease Liability on the face of Statement of Financial Position separately from Other Assets. Interest expenses and Depreciation on Right of Use Asset is also to be shown separately. Accordingly, as a result of initial application of IFRS-16, which was previously classified as Operating Leases, the company recognized BDT. 86,369,645 as Right-of-Use assets and BDT 78,423,856 as Lease Liability as at 30 June, 2020. During the year ended 30 June, 2020 the company also charged BDT 9,596,627 as Depreciation and BDT 7,903,284 as Financial interest. An incremental borrowing rate that has been used to determine the present value of lease payment and other calculation.

#### 5.04 Intangible Assets

Intangible assets are stated at cost less amortization and impairment. The cost of acquiring and developing computer software for internal use and internet sites for internal/external use are capitalized as "Intangible Assets" where the software or site support a significant business system and the expenditure lead to the creation of a durable asset.

Amortization is recognized in the Statement of Profit or Loss and Other Comprehensive Income under the head of Administrative Expenses on a straight line basis @ 7.50% over the estimated useful lives of Intangible Assets, from the date that they are available for use.

#### 5.05 Financial Instruments

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

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at & for the year ended 30 June, 2020**i) Financial Assets**

Financial assets of the company include Cash and Cash Equivalents, Trade Receivable, Other Receivables and Equity Instrument of another entity. The Company initially recognized receivable on the date they are originated. All other Financial Assets are recognized initially on the date at which the Company becomes a party to the contractual provision of the transaction. The company derecognizes a Financial Asset when, and only when the contractual rights or probabilities of receiving the cash flow from the assets expire or it transfer the right to receive the contractual cash flows on the Financial Assets in a transaction in which substantially all the risks and rewards of ownership of the Financial Assets are transferred.

**Trade Receivable**

Trade receivable are created at original invoice amount less any provisions for doubtful debts. Provision is made where there is evidence of a risk of non-payments, taking into consideration aging, previous experience and general economic conditions. When a trade receivable is determined to be uncollectable, it is written off firstly against any provision available and then to the Statement of Profit or Loss and Other Comprehensive Income. Subsequent recoveries of amounts previously provided for and/or written off are credited to the Statement of Profit or Loss and Other Comprehensive Income. During the year under audit, the company has no uncollectable trade receivable to be written off for which it created any provision in the earlier years.

**Cash and Cash Equivalents**

Cash and cash equivalents are comprised of cash in hand, cash at bank and cash at BO Account that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

**ii) Financial Liability**

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognises the financial liabilities when its contractual obligations are discharged or cancelled or expired. Financial liabilities include payable for expense, liability for capital expenditure and other current liabilities.

**5.06 Impairment****i) Financial Assets**

Trade receivable and others receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flow of that asset, that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indicates that a debtor or issuer will enter bankruptcy etc.

**ii) Non-Financial Assets**

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss if, and only if, the recoverable amount of the asset is lesser than its carrying amount. Impaired loss is recognized immediately in the Statement of Profit or Loss and Other Comprehensive Income unless the asset is carried at revalued





## The ACME Laboratories Ltd.

### Notes to the Financial Statements

As at & for the year ended 30 June, 2020

amount. Any impaired loss of a revalued asset shall be treated as a revaluation decrease to the extent to availability of revaluation surplus. If it more than the revaluation surplus available, then it is routed through the Statement of Profit or Loss and Other Comprehensive Income.

#### 5.07 Investment in Securities

According to the relevant laws applicable, the company had invested in shares of listed companies through stock exchange, by using the income generated in Tax Holiday Unit. The investments in shares are recognized at cost including transaction cost. Further, the entity recognises subsequent changes in Other Comprehensive Income.

During the year the company has created deferred tax on un realized gain/(loss) on Investment in Securities at the rate of 10%.

#### 5.08 Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: 'Inventories'. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Cost of material consumption is determined on first in first out basis. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sales.

Type of Stock	Basis of Valuation
Raw Materials	At cost on First in First Out basis
Packing Materials	At cost on First in First Out basis
Work-in-Process	At cost
Finished Goods	At lower of cost or net realizable value
Printing Stationery	At cost on First in First Out basis
Spare & Accessories	At cost on First in First Out basis

#### 5.09 Provisions:

Provisions and accrued expenses are recognized in the Financial Statements in line with the International Accounting Standard (IAS) 37: "Provisions, Contingent Liabilities and Contingent Assets" when:

- The company has a legal or constructive obligation as a result of past events.
- It is probable that an outflow of economic benefit will be required to settle the obligations.
- A reliable estimate can be made of the amount of the obligations.

Provisions are reviewed at the end of each reporting date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resource embodying economic benefits will be required to settle the obligation, the provision is reversed.

#### 5.10 Income Tax Expense

Income tax expense comprised of current and deferred tax. Income tax expense is recognized in the Statement of Profit or Loss and Other Comprehensive Income and accounted for in accordance with requirement of IAS 12: "Income Taxes"

## **The ACME Laboratories Ltd.**

### **Notes to the Financial Statements**

**As at & for the year ended 30 June, 2020**

#### **Current Tax**

Current tax is the expected tax payable on the taxable income for the period/year and any adjustment to tax payable in respect of previous years as per the Provisions of Income Tax Ordinance, 1984 and duly amended by the Finance Act time to time.

#### **Deferred Tax**

The company has recognized deferred tax using balance sheet method in compliance with the provision of IAS 12: "Income Taxes". The policy for recognition of deferred tax assets/liabilities is based on temporary differences (taxable or deductible) between the carrying amount (Book Value) of assets and liabilities for financial reporting purpose and its tax base, and accordingly, deferred tax income or expense has been considered to determine Net Profit after Tax and Earnings Per Share (EPS).

### **5.11 Loans – Long Term and Short Term from Banks, Financial Institutions and Others.**

#### **i) Borrowing Cost**

Interest and other cost incurred by the Company in connection with the borrowings of fund are recognized as expenses in the year in which they are incurred unless such borrowing cost related to acquisition/construction of assets in progress that are capitalized as per IAS 23: "Borrowing costs".

#### **ii) Charges on the Assets of the Company:**

There are Fixed and Floating charges over:

- All the Plant, Machinery and Equipment (both present and future) ;
- Floating assets (both present and future) including but not limited to book debts, bills receivable, goodwill and other floating assets both tangible and intangible and all documents title, undertakings, contracts, engagements securities and other documents whatsoever related to such assets of the Company in favor of various bankers securing the various kinds of loans taken by the company from them through a Pari Passu security sharing agreement dated 18 April 2018 (7th Supplemental to the lenders' Pari Passu Security Sharing Agreement) amongst the banks. As per the agreement under the names of the participating banks in the charges through PariPassu agreement are stated here under:

- Dutch Bangla Bank Limited.
- Dhaka Bank Limited.
- The Hongkong and Shanghai Banking Corporation Limited.
- Standard Chartered Bank.
- Trust Bank Limited.
- Eastern Bank Ltd.
- Prime Bank Limited
- Mutual Trust Bank Limited

- Registered mortgage of the specified Land of the Company executed in favor of Concerned Banks/ Financial Institutions.
- Personal Guarantee of some /all sponsored directors in favor of certain Banks/Financial Institutions.

### **5.12 Employee Benefits**

The Company maintains Defined Contribution Plan and Defined Benefit Plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective agreements/trust deeds.

The Company has accounted for and disclosed employee benefits in compliance with the provision of IAS19: 'Employee Benefits'.

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## The ACME Laboratories Ltd.

### Notes to the Financial Statements

As at & for the year ended 30 June, 2020

The cost of employee benefit is charged off as revenue expenditure in the year to which the contributions relate.

The Company's employee benefits include the following:

#### **i) Defined Contribution Plan (Provident Fund)**

The Company got recognition from Commissioner of Taxes its provident fund scheme (Defined Contribution Plan) vide order no.:নথি নং পি.এফ অনুমোদন/৩২/ক:অ:-৩/২০১০-২০১১, তারিখ:২৩/০৩/২০১১ employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute to the provident fund and the Company also makes equal contribution.

The Company recognizes contribution to defined contribution plan as an expense when an employee has rendered services to the Company in exchange for such contribution. The legal and constructive obligation is limited to the amount the Company agrees to contribute to the fund.

#### **ii) Defined Benefit Plan (Gratuity)**

The Company has formulated a policy related to "Payment of Gratuity" payable to its eligible Permanent Employees who are serving the Company for a considerable duration, at the time of severance of their relationship from the Company. Eligibility for getting the said Benefit mainly depends upon the length of service with the organization subject to compliance of the eligibility criteria as prescribed by the management in the policy and accordingly the company has made necessary provision (non-funded) in the books of accounts.

#### **iii) Short-Term Employee Benefits**

Short-term employee benefits include salaries, bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed at the time when the related service is provided.

#### **iv) Contribution to Worker's Profit Participation Fund (WPPF) and Worker's Welfare Fund (WWF)**

This represents 5% of net profit before tax and before charging the contribution to WPPF by the Company as per provision of the section 15 of the Bangladesh Labor (Amendment) Act, 2013 and is payable to beneficiary as defined in the said law and accordingly the Company has made necessary provision in the books of accounts.

#### **v) Insurance Schemes**

Employees of the company are covered under group hospitalization and group term life insurance including accidental benefits. Summary of the plans are stated here under:

##### **A. Group Hospitalization Insurance Plan**

In this scheme, the Company covers its employees under hospitalization and other medical expenses related with hospitalization of the employees from salary Grade K and above. The hospitalization benefits are provided to employees as per three tier system and each tier of benefits covering from different group of employees based on salary grade in the Company. The Company pay annual premium to the insurance Company for this cover of their employees.

##### **B. Group Term Life Insurance Including Accidental Death Benefit**

In this policy, all the permanent and salaried employees of the Company are covered. If an insured employee dies irrespective of the cause of death, Insurance Company upon receipt of written proof pays to the employer the sum insured in respect of that employee as per the terms of the contract between the insurance Company and the employer.

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## **The ACME Laboratories Ltd.**

### **Notes to the Financial Statements**

**As at & for the year ended 30 June, 2020**

In respect of fourth class (i.e. Driver, Peon, Cleaner, Guard, Electrician, Loader, Packing Man, Worker and Helper etc.) married employees, as a family planning incentive, if he/she leaves behind not more than two children then additional sum equivalent to 15% of sum insured is being paid to them.

#### **Employee Position**

During the financial year there were 7,575 employees employed in the Company with remuneration above Tk. 3,000 per month, among them 6,433 employees employed for the full year and remaining 1,142 employees employed less than full year.

During the year tax had been deducted at source from the salary income of 1,741 employees as per the provision of section 50 of Income Tax Ordinance 1984 against their payment.

#### **5.13 Share Premium**

As per IAS-32 "Financial Instruments: Presentation", Para-37, an entity typically incurs various costs in issuing or acquiring its own equity instruments. Those costs might include registration and other regulatory fees amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have not been incurred.

The Company shows share premium account balance after netting off of relevant transaction costs. The balance in share premium account shall be utilized in accordance with provisions of Section 57(2) of the Companies Act, 1994 and as directed by the Bangladesh Securities and Exchange Commission in this respect from time to time.

#### **5.14 Research Development and Experimental Cost**

In compliance with the requirements of IAS-38 "Intangible Assets", research, development and experimental costs are usually absorbed as revenue charges to the Statement of Profit or Loss and Other Comprehensive Income as and when incurred, as being not material in the company's and /local context.

#### **5.15 Earnings Per Share (EPS)**

This has been calculated in compliance with the requirement of IAS 33: "Earnings per Share", by dividing the basic earnings by the weighted average number of Ordinary Shares outstanding during the year.

##### **Basic Earnings Per Share (Numerator/Denominator)**

###### *Earnings (Numerator)*

This represents earning for the year attributable to Ordinary Shareholders.

###### *No. of Ordinary shares (Denominator)*

This represents weighted average number of Ordinary Shares outstanding during the year.

##### **Diluted Earnings per Share**

As per the existing term and conditions of the loans taken by the Company from various financial institutions and bank or contracts with various parties including employees, there is no condition related to conversion of loan into Ordinary Share Capital or stipulation related to share based payments for material and services supplied by them to the Company.





## **The ACME Laboratories Ltd.**

### **Notes to the Financial Statements**

**As at & for the year ended 30 June, 2020**

Hence, the Diluted EPS of the Company is same as Basic EPS.

#### **5.16 Foreign Currency Transactions**

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date. The monetary assets and liabilities, if any, denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Exchange differences are accounted as revenue expenditure/ income in compliance with the provision of IAS 21: "The Effects of Changes in Foreign Exchange Rates".

#### **5.17 Triple Bottom Line Practice in ACME**

In ACME, we believe that there is more to business than just making profit. Long term business success and sustainability relies on economic value, environmental health, and social progress. Our values are rooted in the concept of the 'Triple Bottom Line' (TBL) and we assume ourselves accountable in relationship to Profit, Planet and People. We strongly believe that earning profit can't be the only goal of any organization, well-being of the people and environment are also equally important, hence ACME has adopted Triple Bottom Line concept as its business philosophy.

#### **5.18 Segmental Reporting**

As required by IFRS – 8 "Operating Segments", if an entity operates and engages in different economic environments and activities then the entity has to disclose information, to enable users of its Financial Statements to evaluate the nature and financial effects of the business so carried out.

The Company consider the operation on aggregate basis and manage the operations as a single operating segment. Hence, it is felt that such segment reporting is not required to be disclosed.

#### **5.19 Contingent Liabilities and Contingents Assets**

Contingent liabilities and Contingent assets are present or possible obligations or on liabilities or assets, arising from past events and existence of which depends upon the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the Company or which amount of the obligations cannot be measured with sufficient reliability.

#### **5.20 Statement of Cash Flows**

Statement of Cash Flows has been prepared in accordance with IAS-7: 'Statement of Cash Flows' by using direct method.

#### **5.21 Events after the Reporting Period**

Events after the reporting period that provide additional information about the Company's position at the date of Statement of Financial Position or those that indicate the going concern assumption is not appropriate are reflected in the Financial Statements. Events after the reporting period that are not adjusting events are disclosed when material.

#### **5.22 Insurance Claim**

The Company recognizes the insurance claim only when the compensation in respect of loss claimed/assessed becomes receivable from the insurer.

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at & for the year ended 30 June, 2020

### 5.23 Highest and Lowest Equity Share Price at Stock Exchanges

The monthly highest and lowest price of each equity shares of Taka 10 each fully paid up of the company listed at Dhaka and Chittagong stock exchange during the financial year 2019-20 is as under:

Trade Name	Date	Dhaka Stock Exchange		Chittagong Stock Exchange	
		Highest Quoted price	Lowest Quoted Price	Highest Quoted price	Lowest Quoted Price
ACMELAB	July 2019	75.30	69.20	75.40	68.90
	August 2019	77.10	71.10	76.70	70.50
	September 2019	75.40	70.20	75.10	69.70
	October 2019	73.70	65.50	73.00	65.90
	November 2019	64.60	58.60	63.30	58.90
	December 2019	61.70	57.40	62.30	65.80
	January 2020	64.10	57.60	63.80	65.80
	February 2020	69.80	61.50	70.00	61.10
	March 2020	64.40	54.50	64.70	54.10
	April 2020	Trading not happened due to COVID-19 Outbreak			
	May 2020	65.60	59.70	65.60	59.70
	June 2020	63.50	58.00	64.00	58.00

### 5.24 Commencement of Commercial Production of the Projects: Implemented through IPO Proceeds

#### i) Penicillin Facility at Dhulivita, Dhamrai (Dhaka)

The Company had commenced the commercial production of its state-of- the –art penicillin facilities at Dhulivita, Dhamrai (Dhaka) after successful completion of the trial production, with effect from 12th June 2019 at 3.30 PM.

The aforesaid penicillin facilities is one of the three projects against which the fund was raised through Initial Public Offering (IPO).

#### ii) Steroid and Hormone Facility at Dhulivita, Dhamrai (Dhaka)

The Company had commenced the commercial production of its state-of- the –art Steroid and Hormone facilities at Dhulivita, Dhamrai (Dhaka) after successful completion of the trial production, with effect from 30th June 2019 at 3.30 PM.

The aforesaid Steroid and Hormone facilities is one of the three projects against which the fund was raised through Initial Public Offering (IPO).



## The ACME Laboratories Ltd.

### Notes to the Financial Statements

As at & for the year ended 30 June, 2020

#### iii) Fund utilized out of IPO Proceeds for completion of the above two facility

Name of Projects	Amount in Taka
Penicillin	400,000,000
Steroid and Hormone	1,660,591,186
<b>Total</b>	<b>2,060,591,186</b>

#### 5.25 Covid-19 and its Impact in Pharma Industry in Bangladesh and on the ACME

COVID-19, a pandemic caused by the novel Corona virus, has emerged as an unprecedented challenge globally and to the pharmaceutical companies in particular, who have a responsibility towards public health. As a participant in this eco-system, the Company has taken a number of steps to respond to this unique situation. The Company has taken effective steps to ensure supply of essential medicines to its customers.

Temporarily, the COVID-19 outbreak is expected to lead a higher demand of sanitizing chemicals, and other medications, as healthcare professionals and patients alike seek prevention and basic treatment measures. The industry has not suffering any potential lockdown, as pharmacy counters are considered a part of essential services.

The Contribution of the Pharma sector even more critical in the times of health emergencies. Pharma is playing an extremely important role by enabling the supply of key medicines across the country and globe as well, this makes it one of the safest and most resilient industries in such periods of uncertainty. The Company's Plant continues to remain operational at almost its usual capacity and the company has successfully supplied its medicine to its customer.

The Company has strictly followed the protocols on social distancing and provided safe working environment at its Corporate Office, Plant and depots as well. The company revised visitor guidelines, regular updates on health and travel advisory to all employees.

The Company also made various contributions to Government, health department, public healthcare workers, etc., as part of its COVID-19 CSR initiatives. There has been no significant adverse operational impact on the Company's supply chain due to the nationwide lockdown.

The Company has monitored the impact of COVID-19 on all aspects of its business. The management has exercised due care, in concluding on significant accounting judgments and estimates, recoverability of receivables, inventory based on the information available as on date, while preparing the financial statements as of and for the year ended 30 June 2020. In view of the continued uncertainties and its inability to predict the extend and duration of COVID-19 situation, the Company currently is unable to predict any future impact on its business operations. The Company will continue to ensure supply of essential medicines and take steps to mitigate any risks associated with COVID-19 pandemic. The significant financial disclosures are given below:

#### Effect of the Covid-19 on Material in Transit:

The recent and on-going global outbreak of the Coronavirus (COVID-19) has had a major impact on global shipping, affecting all shipping sectors from passenger ships to container ships and oil tankers. Many countries have responded to the pandemic by imposing lockdowns or restricting movement.

As a continuous process, The ACME Laboratories Limited Opened L/C for Raw Material, Packing Material and Spare Parts before the pandemic situation but it was held up because of movement restriction by the government of many countries. As such; as at balance sheet date the company has shown a higher amount in Material in Transit comparing to the previous year. (Ref Note No: 15)

## **The ACME Laboratories Ltd.**

### **Notes to the Financial Statements**

**As at & for the year ended 30 June, 2020**

#### **Effect of the Covid-19 on Revenue:**

The COVID-19 outbreak lead a higher demand of sanitizing chemicals and other medications, as healthcare professionals and patients alike seek prevention and basic treatment measures, the demand for OTC (Over the counter) products was also increasing, which was positively impact revenue.

Being a top leading Pharmaceutical company The ACME Laboratories Limited performed strongly bringing some new products to its basket not only to increase financial performance but also help the nation to do war against COVID 19 as well. As such, The Company has an optimum revenue growth; the details of which is described in note number 30 in financial statements.

#### **Effect of the Covid-19 on Promotional Expenses:**

Campaign for new & existing products, seminar both local and international was not held during the lockdown period. As such, promotional expenses under the head of Selling, Marketing and Distribution expenses is reduced comparing to the previous year. (Ref Note No: 33)

#### **Effect of the Covid-19 on Trade Receivable**

As of June 30, 2020, the amount of Accounts Receivables has slightly been increased comparing to the previous year. When analyzing and ageing the balances nothing was identified that would indicate a material increase in expected credit risk, especially as regards ACME's principal customers. As such, the quality of Trade Receivable is performing in nature and no provision is required.

### **5.26 Risk Management**

Efficient and effective Risk management is a part and parcel of today's business. As such, The ACME Laboratories Ltd. would be subject to systematic risks of the industry and market as well. The majority of these risks are commercial and business risks in nature that can be mitigated effectively. Such major risk factors and management approaches on the same are described in brief as under:

#### **Operational Risk**

ACME relies on suppliers for ingredients and various third parties for certain manufacturing-related services to produce material that meets appropriate content, quality and stability standards of the company products and after approval it is being released for commercial distribution. ACME may not be able to produce its drug substance or drug product to appropriate standards without the required supports from its suppliers and vendors. Again, if it fails to maintain important manufacturing and service relationships, may not find a replacement supplier or required vendor or develop Company's own capabilities which could delay or impair Company's ability to obtain regulatory approval for its products and substantially increase Company's costs or deplete profit margins.

#### **Management Perception**

ACME has a good number of vendors and for each and every ingredient and service, the Company have more than one approved vendors. It uses to conduct vendor audit and its professionals are very conscious and concerned regarding the vendor issue. Further, none of the supplier accounts for significant amount of total purchases.

#### **Interest Rate Risk**

Interest rate risk is the risk that Company faces due to unfavourable movement in the interest rates. Changes in the





## **The ACME Laboratories Ltd.**

### **Notes to the Financial Statements**

**As at & for the year ended 30 June, 2020**

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.

#### **Management Perception**

In order to manage this risk and overcome it, the Company exercises prudence in its cash flow management, supported by continued strength in sales and marketing. ACME is very careful in forecasting the prices of ingredients and manages its costs in an effective manner. To maintain effective rate of return ACME also follow knowledge and information based products mix, so as to ensure that the debt repayments are met on schedule, even if the interest rates were to rise.

#### **Exchange Rate Risk**

Exchange rate risk occurs due to changes in foreign currency exchange rates. As the Company has taken foreign currency loan, imports major raw materials and some packing materials from abroad and earns most of the revenue in local currency, unfavourable volatility or fluctuation may affect the profitability of the Company. On the other hand, if exchange rate decreased against local currency opportunity will be created for generating more profit/surplus.

#### **Management Perception**

ACME earns some of its revenue in US dollars, thereby creating to built-up auto hedging scope. Besides, in case of significant BDT devaluation, to keep the cost to minimum, appropriate and responsible hedging mechanisms may be applied. However, if the price of the US dollar appreciates too sharply against the BDT, this will be a nation-wide phenomenon experienced by the entire industry. In such a scenario, there will be a market adjustment in end product prices, subject to the approval of the concerned authorities.

#### **Industry Risk**

The pharmaceutical industry has witnessed challenges such as intellectual property rights, a historic fuel price peak, and material cost increase across the globe. It stands as one of the most challenging and dynamic industries to operate as on date. Fortunately, Bangladesh is only least developed country who demonstrates significant competencies in pharmaceuticals industry and it requires huge quantity of medicine for its present 166 million (approx.) populations. As such, local pharmaceutical industry is not in a trouble; rather the said industry has ample opportunities to grow.

#### **Management Perception**

As the per capital income and per person consumption of medicine has been increasing over the years, management is optimistic about growth opportunities of pharmaceutical industry in Bangladesh. The Company is trying to adopt sophisticated state of art cutting edge technology driven manufacturing facilities and making efforts to catch the opportunity of regulated global market apart from domestic market.

#### **Market Risk**

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 pharmaceutical products which would adversely affect the performance of the Company. On the other hand, strong marketing and brand management system would help the Company to increase its customer and market base.

#### **Management Perception**

The products of pharmaceuticals industry are of basic nature and have a wide market as they are giving a good market share to The ACME Laboratories Limited at present. Hence, it will hardly be the case that there will be a lack of demand for the products. Moreover, as explained earlier, the pharmaceuticals industry is only increasing year-on-year basis and ACME is

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## **The ACME Laboratories Ltd.**

### **Notes to the Financial Statements**

**As at & for the year ended 30 June, 2020**

following full-proof scientific integrated marketing policy hence, has marginal probability for shrinkage of the market share.

#### **Technology Related Risk**

Pharmaceutical industry is dynamic in nature and heavily driven by technology. Hence, technology always plays a vital role here. Adaptation of better technology may help to gain remarkable core competencies that certainly create competitive advantages like increase productivity; reduce costs, better perception of customers. Firms are exposed to technology risks when there are better technologies available in the market than one used by the Company which may cause operational inefficiency.

#### **Management Perception**

As a one of the leading pharmaceutical company of the country, there are clear intent regarding adaptation of the latest technology in the Company here and the management is aware of technological changes and always trying to adopt new technology according to its needs. Furthermore, routine and proper preventive maintenance of the equipment carried out by the Company ensures longer service life for the existing equipment and facilities. Finally, ACME is committed to hold its leading edge and maintaining quality and brand image.

#### **Potential or Existing Government Regulations**

The Company operates under the Drugs Ordinance 1982, Companies Act 1994, Directorate General of Drug Administration (DGDA) Regulations, Income Tax Ordinance 1984, Income Tax Rules 1984, Customs Act 1969, Value Added Tax (VAT) Act 1991, and Value Added Tax (VAT) Rules 1991, Bangladesh Securities and Exchange Rules, 1987 and other rules and regulations of the country. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the Company.

#### **Management Perception**

Since product of pharmaceuticals industry is essential one for lives and it is an import substitute industry and degree of value addition is remarkable, we see the government regulations are mostly investment friendly for this sector particularly. As ACME is one of the top ranking pharmaceutical Companies of the country, it is doing business by following all the rules and regulations of the land. Change in regulations will bring changed strategies for doing the business by the dynamic management of the Company. Besides, many of the patented drugs/molecules will be off patented and it will be an opportunity for the manufacturer to freely manufacture, promote and distribute without any restriction.

#### **Potential Changes in Global and National Policies**

Changes of Government policies may affect business. 47 least developed country (LDCs) including Bangladesh are not required to provide patent protection, give exclusive marketing rights to companies with patented products or comply with the "mailbox" program – create a process to receive complaints about pharmaceutical product patent right violations until 1 January 2033, or until such a date on which they cease to be a LDCs Member, whichever date is earlier.

#### **Management Perception**

Pharmaceuticals, over the years have been proved as a thrust sector for the country and growing at a considerable pace each year. In addition, ACME is continuously trying to adopt right technology and build infrastructure to meet TRIPS standards.

#### **History of Non-operation**

The ACME Laboratories Limited started its journey in the year 1954 and converted into a private limited company on 17 March 1976 vide registration no. C-4745/163 of 1975-76 under the Companies Act-1913. Since commencement of its operation, it has no history of non-operation till now. The Company is running by a professional team and pursues continuous full-proof market promotion system, which reduce the non-operating risk.

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### Notes to the Financial Statements

As at & for the year ended 30 June, 2020

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge its obligation. Credit risk information helps users of Financial Statements assess the credit quality of the entity's financial assets and level and sources of impairment loss. Management has a credit policy in place and exposure to credit risk is monitored on an on-going basis. As at 30 June 2018 substantial part of the receivables are subject to insignificant credit risk. Risk exposures from other financial assets i.e. cash at bank and other external receivables are very nominal.

#### Management Perception

To mitigate the credit risk the management of the Company follows robust credit control and collections policies. The Company has dedicated credit collections team who are responsible for collection of dues and they have been demonstrating remarkable performances in collecting receivables as per Company's credit and collection policy.

#### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (Cash and Cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or bringing damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses including financial obligations through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient fund to make the expected payment within due date.

#### Management Perception

Effective liquidity risk management requires both a top-down and a bottom-up approach. Strategy, principles and objectives are set at Board and Management levels. ACME conducts liquidity management in a manner that maintains stability and flexibility in day-to-day funding activities. Our liquidity risk management starts by managing daily payment of cheques, daily cash inflow and outflow, maturity of deposits and our access to other funding sources as and when required.

### 5.27 General Comments & Observations:

- a) Previous year's figures have been regrouped/reclassified wherever considered necessary to conform to current year's presentation. Figures have been rounded off to the nearest taka, as the currency represented in this Financial Statements.
- b) All shares are fully paid up.
- c) The company has not incurred any expenditure in foreign currency against royalties.
- d) No foreign exchange remitted to the relevant shareholders during the year under audit.
- e) No amount of money was expended by the company for compensating any members of the Board for special service rendered.
- f) No brokerage was paid against sales during the year under audit.
- g) There was no bank guarantee issued by the company on behalf of directors.

# The ACME Laboratories Ltd.

## Property, Plant & Equipment

As at 30 June 2020



(Annexure-1)  
(Amount in Taka)

Particulars of Assets	COST/ REVALUATIONS					D E P R E C I A T I O N									
	Historical Cost as at 01.07.19	Revaluation Surplus as at 01.07.19	Additions during the year (Cost)	Disposal		Adjustment of Machinery in transit/CWIP	Total as at 30.06.20	Accumulated Dep. As at 01.07.19 on Cost	Accumulated Dep. As at 01.07.19 on Revaluation Surplus	Depreciation on Historical Cost during the year	Depreciation on Revaluation Surplus during the year	Disposal		Total as at 30.06.20	Written Down Value as at 30.06.20
				Cost	Revaluation Surplus							Cost	Revaluation Surplus		
Land and land development	849,152,851	4,065,335,080	39,834,320	-	-	-	4,954,322,251	-	-	200,865,760	67,535,262	-	-	-	4,954,322,251
Building	4,746,564,065	1,871,772,126	-	-	-	-	6,618,336,191	983,858,466	638,952,758	200,865,760	67,535,262	-	-	1,901,212,246	4,717,123,945
Machinery & Equipment	6,913,852,961	36,624,041	2,279,810,075	-	-	-	9,230,287,077	1,922,246,337	25,274,205	567,264,095	3,312,108	-	-	2,518,096,745	6,712,190,332
Furniture & Fixture	360,910,795	-	125,952,915	-	-	-	486,863,710	204,457,724	-	25,835,544	-	-	-	230,293,268	256,570,442
Motor Vehicle	761,804,658	28,193,872	246,844,613	(10,548,390)	(2,064,003)	-	1,024,230,750	357,071,258	26,243,824	75,337,239	1,476,187	(9,570,929)	(2,057,807)	448,499,772	575,730,978
Utilities, Electrical Installation & Engineering	2,115,187,474	57,205,328	455,214,906	-	-	-	2,627,607,708	986,148,456	49,179,821	205,457,771	8,512,433	-	-	1,249,298,481	1,378,309,227
Office Equipment	220,508,499	1,503,819	29,788,890	-	-	-	251,801,208	100,372,290	1,348,272	29,535,295	40,888	-	-	131,296,745	120,504,463
Books and Periodicals	6,343,045	-	-	-	-	-	6,343,045	4,951,119	-	178,006	-	-	-	5,129,125	1,213,920
Sub Total	15,974,324,348	6,060,634,266	3,177,445,719	(10,548,390)	(2,064,003)	-	25,199,791,940	4,569,105,650	740,998,880	1,104,473,710	80,876,878	(9,570,929)	(2,057,807)	6,483,826,382	18,715,965,558
Machinery in Transit	2,901,212,681	-	722,561,398	-	-	(2,649,646,547)	974,127,532	-	-	-	-	-	-	-	974,127,532
Construction Work in progress	4,125,590,720	-	826,714,883	-	-	(39,834,320)	4,912,471,283	-	-	-	-	-	-	-	4,912,471,283
Sub Total	7,026,803,401	-	1,549,276,281	-	-	(2,689,480,867)	5,886,598,815	-	-	-	-	-	-	-	5,886,598,815
Total Taka (As at 30.06.2020)	23,001,127,749	6,060,634,266	4,726,722,000	(10,548,390)	(2,064,003)	(2,689,480,867)	31,086,390,755	4,569,105,650	740,998,880	1,104,473,710	80,876,878	(9,570,929)	(2,057,807)	6,483,826,382	24,602,564,373

### ALLOCATION OF DEPRECIATION:

	On Cost	On Revaluation	Total
Factory Overhead	927,757,916	67,936,578	995,694,494
Selling & Distribution Expenses	91,119,081	6,672,342	97,791,423
Administrative Expenses	85,596,713	6,267,958	91,864,671
	<b>1,104,473,710</b>	<b>80,876,878</b>	<b>1,185,350,588</b>



# The ACME Laboratories Ltd.

## Notes to the Financial Statements

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Particulars of Assets	Cost/ Revaluations						Depreciation					Written Down Value as at 30.06.19	
	Historical Cost as at 01.07.18	Revaluation Surplus as at 01.07.18	Addition during the year (Cost)	Disposal		Adjustment of Machinery in Transit/CWIP	Total as at 30.06.19	Accumulated Dep. As at 01.07.18 on Revaluation Surplus	Depreciation on Historical Cost during the year	Depreciation on Revaluation Surplus during the year	Disposal		
				Cost	Revaluation Surplus						Cost		Revaluation Surplus
Land & Land Development	673,780,085	4,065,335,080	175,372,766	-	-	-	4,914,487,931	-	-	-	-	-	4,914,487,931
Building	3,963,329,316	1,871,772,126	783,234,749	-	-	-	6,618,336,191	841,029,065	571,740,000	152,829,401	67,212,758	-	1,632,811,224
Machinery & Equipment	5,110,817,072	36,624,041	1,803,035,889	-	-	-	6,950,477,002	1,528,324,856	21,714,384	393,921,481	3,559,821	-	1,947,520,542
Furniture & Fixture	340,443,222	-	20,467,573	-	-	-	360,910,795	188,947,922	-	15,509,802	-	-	204,457,724
Motor Vehicle	651,868,838	30,415,575	128,978,401	-	2,221,703	-	789,998,530	324,236,002	25,321,577	42,923,682	2,553,151	10,088,426	383,315,082
Utilities, Electrical Installation & Eng.	1,990,747,110	57,205,328	124,440,364	-	-	-	2,172,392,802	833,578,479	40,061,978	152,569,977	9,117,843	-	1,137,064,525
Office Equipment	190,774,004	1,503,819	29,734,495	-	-	-	222,017,318	85,000,806	1,304,439	15,371,484	43,833	-	120,291,756
Books and Periodicals	6,343,045	-	-	-	-	-	6,343,045	4,788,923	-	162,196	-	-	1,391,926
Sub Total	12,928,102,692	6,062,855,969	3,065,264,237	19,042,581	2,221,703	-	22,034,958,614	3,805,906,053	660,142,378	773,288,023	82,487,406	10,088,426	16,724,854,084
Machinery in Transit	2,421,230,040	-	2,353,429,488	-	-	1,873,446,847	2,901,212,681	-	-	-	-	-	2,901,212,681
Construction Work in Progress	4,159,538,687	-	924,659,548	-	-	958,607,515	4,125,590,720	-	-	-	-	-	4,125,590,720
Sub Total	6,580,768,727	-	3,278,089,036	-	-	2,832,054,362	7,026,803,401	-	-	-	-	-	7,026,803,401
Total (As at 30.06.2019)	19,508,871,419	6,062,855,969	6,343,353,273	19,042,581	2,221,703	2,832,054,362	29,061,762,015	3,805,906,053	660,142,378	773,288,023	82,487,406	10,088,426	5,310,104,530

### Allocation of Depreciation:

	On Cost	On Revaluation	Total
Factory Overhead	649,561,939	69,289,421	718,851,360
Selling, Marketing & Distribution Overhead	63,796,262	6,805,211	70,601,473
Administrative Overhead	59,929,822	6,392,774	66,322,596
	<b>773,288,023</b>	<b>82,487,406</b>	<b>855,775,429</b>

# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at & for the year ended 30 June 2020

Shiraz Khan Basak & Co.  
Chartered Accountants

Note No.	Particulars	Amount in Taka 30 June, 2020	Amount in Taka 30 June, 2019
<b>6</b>	<b>Property Plant and Equipment: Tk. 24,602,564,373</b>		
	Details of Property, Plant and Equipment and Depreciation As at 30 June 2020 are shown in the Annexure-1. This is arrived at as follows:		
	<b>Cost</b>	<b>25,027,820,492</b>	<b>23,001,127,749</b>
	Opening Balance (Cost)	23,001,127,749	19,508,871,419
	Addition during the year (Cost)	4,726,722,000	6,343,353,273
	Disposal (Cost)	(10,548,390)	(19,042,581)
	Adjustment for CWIP/MIT	(2,689,480,867)	(2,832,054,362)
	<b>Revaluation</b>	<b>6,058,570,263</b>	<b>6,060,634,266</b>
	Opening Balance (Revaluation)	6,060,634,266	6,062,855,969
	Addition during the year (Revaluation Surplus)	-	-
	Disposal (Revaluation Surplus)	(2,064,003)	(2,221,703)
	<b>Accumulated Depreciation on Cost</b>	<b>5,664,008,431</b>	<b>4,569,105,650</b>
	Opening Balance	4,569,105,650	3,805,906,053
	Addition during the year	1,104,473,710	773,288,023
	Disposal	(9,570,929)	(10,088,426)
	<b>Accumulated Depreciation on Revaluation Surplus</b>	<b>819,817,951</b>	<b>740,998,880</b>
	Opening Balance	740,998,880	660,142,378
	Addition during the year	80,876,878	82,487,406
	Disposal	(2,057,807)	(1,630,904)
	<b>Carrying Value</b>		
	Cost	19,363,812,061	18,432,022,099
	Revaluation Surplus	5,238,752,312	5,319,635,386
		<b>24,602,564,373</b>	<b>23,751,657,485</b>

Allocation of depreciation charge for the year has been made in the Financial Statements as follows:

Factory Overhead	995,694,494	718,851,360
Selling, Marketing and Distribution Expenses	97,791,423	70,601,473
Administrative Expenses	91,864,671	66,322,596
<b>Total</b>	<b>1,185,350,588</b>	<b>855,775,429</b>

### 6.A Revaluation Surplus: Tk. 5,238,752,312

Current balance has been arrived as below:

Masih Muhith Haque & Co. Chartered Accountants, Dhaka, Bangladesh the valuer revalued the Land and Land Development, Building, Machinery & Equipment, Motor Vehicle, Utilities Electrical Installation & Engineering and Office Equipment as at 30 June 2016 at "Current Cost Accounting Method (CCA)". Due to these revaluation, a net revaluation surplus amounting to Tk. 430,577,063 had arisen. Details of Revaluation Surplus has been given below:

<b>Revaluation Surplus</b>	<b>6,058,570,263</b>	<b>6,060,634,266</b>
Opening Balance	6,060,634,266	6,062,855,969
Less: Adjustment due to Loss on Revaluation	-	-
Less: Adjustment due to disposal/Discard	(2,064,003)	(2,221,703)
<b>Less: Accumulated depreciation on revaluation &amp; Loss on Disposal</b>	<b>819,817,951</b>	<b>740,998,880</b>
Opening Balance	740,998,880	660,142,378
Add: Depreciation charged for the year	80,876,878	82,487,406
Less: Adjustment due to disposal/Discard	(2,057,807)	(1,630,904)
	<b>5,238,752,312</b>	<b>5,319,635,386</b>

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# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at & for the year ended 30 June 2020

Note No.	Particulars	Amount in Taka 30 June, 2020	Amount in Taka 30 June, 2019
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### 7.A Right-of-Use Assets: Tk. 86,369,645

Right-of-Use Assets (ROU)	95,966,272	-
Less: Depreciation charged during the year	9,596,627	-
<b>Carrying Value of ROU Asset</b>	<b>86,369,645</b>	<b>-</b>

Disclosure notes regarding ROU assets has been given in note number- 5.03

### 7.B Lease Liability: TK. 78,423,856

Current Lease Liability	11,643,390	-
Long term Lease Liability	66,780,466	-
	<b>78,423,856</b>	<b>-</b>

Disclosure notes regarding Lease Liability has been given in note number- 5.03

### 8 Intangible Assets :Tk. 37,125

The Details are as under:

Application Software (Note no. 8.A)	940,285	940,285
Less: Amortization	903,160	861,535
Accumulated balance till last financial year	861,535	819,910
Amortized during the year	41,625	41,625
	<b>37,125</b>	<b>78,750</b>

### 8.A Application Software: Tk. 37,125

Details have been given below :

Year of acquisition	Amount ( Tk.)	Rate	Amortization			Closing Balance
			Opening balance	During the year	Total	
2000-01	385,285	7.50%	385,285	-	385,285	-
2007-08	400,000	7.50%	360,000	30,000	390,000	10,000
2009-10	155,000	7.50%	116,250	11,625	127,875	27,125
<b>Total</b>	<b>940,285</b>	<b>-</b>	<b>861,535</b>	<b>41,625</b>	<b>903,160</b>	<b>37,125</b>

### 9 Investment in Securities : Tk. 23,769,350

Public Limited Co.'s Securities (Details are given in Note no. 9.A below)

23,769,350	33,884,307
<b>23,769,350</b>	<b>33,884,307</b>

### 9.A Public Limited Co.'s Securities

Particulars	No. of Equity Shares held	FV	Average cost per unit	Total cost as at 30.06.2020	Market Price as at 30.06.2020	Unrealized gain/(loss)
AB Bank Ltd.	28,476	10	18.3469	522,446	193,637	(328,809)
Eastern Bank Ltd.	26,565	10	21.9642	583,480	820,859	237,379
Pioneer Insurance Co. Ltd.	28,875	10	36.3641	1,050,013	848,925	(201,088)
Southeast Bank Ltd.	28,825	10	17.5025	504,509	325,723	(178,786)
EXIM Bank Ltd.	27,500	10	9.3284	256,530	236,500	(20,030)
Square Pharma Ltd.	101,537	10	182.5796	18,538,586	17,515,133	(1,023,453)
Square Textile Ltd.	262	10	-	-	7,598	7,598
Grammeen Phone Ltd.	16,000	10	294.7140	4,715,424	3,820,800	(894,624)
C & A Textiles Ltd.	92	10	9.4565	870	175	(695)
				<b>26,171,858</b>	<b>23,769,350</b>	<b>(2,402,508)</b>
Add: Deferred Tax Asset @10% on Un-realized Gain						<b>240,251</b>
<b>As at 30 June 2020</b>				<b>26,171,858</b>	<b>23,769,350</b>	<b>(2,162,257)</b>
<b>As at 30 June 2019</b>				<b>26,171,858</b>	<b>33,884,307</b>	<b>6,941,204</b>

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**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at & for the year ended 30 June 2020

Shiraz Khan Basak & Co.  
Chartered Accountants

Note No.	Particulars	Amount in Taka 30 June, 2020	Amount in Taka 30 June, 2019
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**10 Inventories: Tk. 3,917,967,826**

This balance is made up of as follows:

Raw Materials	1,324,987,587	1,285,678,435
Packing Materials	550,467,658	505,678,687
Work-in-Process	475,525,865	484,567,356
Finished Goods	1,164,145,968	927,656,798
Printing & Stationery	160,054,336	132,215,482
Spare & Accessories	242,786,412	236,587,458
<b>Total</b>	<b>3,917,967,826</b>	<b>3,572,384,216</b>

**11 Trade Receivable : Tk. 1,910,829,633**

Trade Receivable both domestic and exports occurred in the ordinary course of business are unsecured but consider good. The above Trade Receivable is as follows:

Domestic	1,692,541,452	1,502,458,005
Exports	211,115,581	94,716,675
	1,903,657,033	1,597,174,680
Add: Foreign exchange Unrealized Gain	7,172,600	2,887,704
	<b>1,910,829,633</b>	<b>1,600,062,384</b>

**11.A Trade Receivable: Tk. 1,910,829,633**

Ageing of the above receivables are given below:

Particulars	Up to 6 Months		Above 6 Months		Total	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
Domestic	1,692,541,452	1,502,458,005	-	-	1,692,541,452	1,502,458,005
Export	211,115,581	94,716,675	-	-	211,115,581	94,716,675
					<b>1,903,657,033</b>	<b>1,597,174,680</b>
Add: Foreign exchange Gain/(Loss)					7,172,600	2,887,704
					<b>1,910,829,633</b>	<b>1,600,062,384</b>

**12 Other Receivable: Tk. 19,729,469**

This consists of as follows:

Rent on Investment Property	19,386,000	19,386,000
Interest Receivable (Term Deposit)	300,156	796,703
Dividend Receivable on Marketable Securities	43,313	114,125
	<b>19,729,469</b>	<b>20,296,828</b>

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# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at & for the year ended 30 June 2020

Note No.	Particulars	Amount in Taka 30 June, 2020	Amount in Taka 30 June, 2019
<b>13</b>	<b>Advances, Deposits and Prepayments : Tk 2,683,622,048</b>		
	The followings items are unsecured but considered good and consists of as follows :		
	<b>Advances:</b>		
	Advances against Salary	187,782,365	132,265,421
	Motor Cycle Advance to Employees	328,774,538	315,863,251
	Employee Advances (Others)	248,745,890	232,226,822
	Advance for API Industrial Park	199,711,876	151,967,304
	Advance to ACMUNIO International Ltd.	96,479,473	96,479,473
	Advance to Suppliers	547,693,982	288,021,122
	Advance to Suppliers for Construction	338,809,766	271,514,350
	Advance against Land	23,450,000	23,450,000
	Others	34,138,043	20,018,883
	<b>Deposit :</b>		
	Security Deposit and Earnest Money	59,566,540	35,940,077
	Security Deposit to Dhaka Polli Biddut Samity-3	15,140,000	15,140,000
	Lease Deposit	186,000	186,000
	Presumptive Tax on Share Premium	13,064,814	13,064,814
	Deposit for Gas	11,218,919	13,584,154
	VAT Deposit on Stock	562,601,974	284,856,798
	Security Deposit to CDBL	500,000	500,000
	Others	3,700,750	3,700,750
	<b>Prepayments :</b>		
	Office Rent	-	4,416,455
	Insurance	12,057,118	13,917,760
		<b>2,683,622,048</b>	<b>1,917,113,434</b>
<b>14</b>	<b>Advance Income Tax: Tk. 2,762,563,924</b>		
	The breakup of the above amount is as under:		
	Opening Balance as per last A/C	2,365,624,805	2,234,845,243
	Adjustment of Current Tax Provision and Advance Income Tax for completed assessment		
	- For the assessment year 2015-2016	-	(310,647,101)
	<u>The ACME Specialized Pharmaceuticals Limited:</u>		
	AIT adjusted for assessment year 2012-2013	-	(10,477,459)
	AIT adjusted for assessment year 2013-2014	-	(18,235,880)
	AIT Refundable for the assessment year 2012-13 & 2013-14	-	25,180,333
	<b>Payment during the year:</b>		
	AIT collected by Customs Authority	262,801,790	163,398,358
	AIT collected by Bank from Export Bills	4,606,098	3,478,106
	AIT deducted against supply of Medicines	17,740,711	26,504,277
	AIT collected by BRTA Authority	3,394,500	4,567,500
	AIT deducted on Bank Interest on FDRs and STD account	3,172,868	6,806,553
	AIT deducted from Dividend Received and Cash Incentive	223,152	204,875
	<b>Paid by pay order:</b>		
	for the assessment year 2020-21	105,000,000	-
	for the assessment year 2019-20	-	181,573,971
	for the assessment year 2010-11	-	3,100,000
	for the assessment year 2018-19	-	55,326,029
		<b>2,762,563,924</b>	<b>2,365,624,805</b>
<b>15</b>	<b>Material in Transit: Tk. 1,312,625,960</b>		
	Raw Materials	989,877,638	488,849,242
	Packing Materials	235,856,078	151,200,789
	Spare Parts	86,892,244	122,181,825
		<b>1,312,625,960</b>	<b>762,231,856</b>

# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at & for the year ended 30 June 2020

Shiraz Khan Basak & Co.  
Chartered Accountants

Note No.	Particulars	Amount in Taka 30 June, 2020	Amount in Taka 30 June, 2019
<b>16</b>	<b>Term Deposit: Tk. 274,367,312</b>		
	As a part of efficient treasury management the company has made some short term investment with various Commercial Banks and Non Banking Financial Institutions which are stated below:		
	Investment Corporation of Bangladesh (ICB)	259,367,312	500,000,000
	United Commercial Bank Limited	-	20,503,605
	Agrani Bank Limited	15,000,000	-
		<b>274,367,312</b>	<b>520,503,605</b>
<b>17</b>	<b>Cash and Cash Equivalents: Tk. 1,823,816,517</b>		
	This is made up as follows :		
	<b>Cash in Hand</b>	823,101,959	539,127,753
	Cash at BO Account	1,246,293	758,440
	<b>Cash at Bank :</b>		
	Trust Bank Ltd.	426,064,230	167,146,183
	Standard Chartered Bank	123,690,466	144,999,051
	Uttara Bank Ltd.	66,880,827	108,584,300
	Prime Bank Ltd.	101,157,508	68,745,531
	Marcantile Bank Ltd.	16,114,979	64,004,465
	Dutch Bangla Bank Ltd.	95,479,054	61,136,297
	Islami Bank Ltd.	6,281,346	52,934,245
	Bank Asia Ltd.	2,868,695	50,405,285
	National Bank Ltd.	11,411,464	28,871,445
	Agrani Bank Ltd.	105,732,756	26,107,100
	The City Bank Ltd.	6,545,488	19,242,537
	NCC Bank Ltd.	20,227,085	17,323,601
	Eastern Bank Ltd.	2,221,886	12,370,798
	Southeast Bank Ltd.	1,043,258	10,156,964
	HSBC	2,008,849	3,375,205
	Dhaka Bank Ltd.	16,835	881,595
	Sonali Bank Ltd.	9,919,824	143,896
	United Commercial Bank Ltd.	636,729	493,521
	Exim Bank Ltd.	232,419	232,419
	Shimanto Bank Ltd.	98,850	100,000
	Mutual Trust Bank Ltd	234,444	11,646
	Jamuna Bank Ltd.	99,712	99,712
	One Bank Ltd.	476,750	509,730
	Meghna Bank Ltd.	24,811	-
		<b>1,823,816,517</b>	<b>1,377,761,719</b>
<b>18</b>	<b>Share Capital : Tk. 2,116,017,000</b>		
	This is arrived at as follows :		
<b>18.1</b>	<b>Authorized Capital : Tk 5,000,000,000</b>		
	500,000,000 Ordinary share of Tk. 10 each	<b>5,000,000,000</b>	<b>5,000,000,000</b>
<b>18.2</b>	<b>Issued, Subscribed and Paid - Up Capital:</b>		
	211,601,700 Ordinary Shares @ Tk. 10 each.	2,116,017,000	2,116,017,000
		<b>2,116,017,000</b>	<b>2,116,017,000</b>
<b>18.3</b>	<b>The movement in number of Ordinary Shares during the year is as under</b>		
	Opening Balance	211,601,700	211,601,700
	Add: Issued during the year	-	-
	Closing Balance.	<b>211,601,700</b>	<b>211,601,700</b>
<b>18.4</b>	<b>Calculation of Net Asset Value (NAV) per ordinary share of Tk. 10 each:</b>		
	A Total Equity of the Company	19,044,180,165	18,343,391,846
	B Total Number of outstanding ordinary share at the end of the year	211,601,700	211,601,700
	C Net Asset Value per Ordinary Share (A/B) rounded of upto two decimal places	<b>90.00</b>	<b>86.69</b>

An associate firm of D.N Gupta & Associates



# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at & for the year ended 30 June 2020

Note No.	Particulars	Amount in Taka 30 June, 2020	Amount in Taka 30 June, 2019
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### 18.5 History of allotment of Shares by the Company:

Date of Allotment	Particulars of allotment	Number of ordinary shares allotted	Face Value (Tk)	Amount of Share Capital(Tk.)
17.03.1976	First (Subscription to the Memorandum and Articles of Association at the time of Incorporation)	600	10	6,000
16.05.1976	Second	29,500	10	295,000
10.08.1989	Third	300,000	10	3,000,000
29.11.2006	Fourth	9,669,900	10	96,699,000
05.05.2011	Fifth	106,000,000	10	1,060,000,000
20.05.2013	Sixth	39,631,100	10	396,311,000
26.11.2013	Seventh	5,970,600	10	59,706,000
15.05.2016	Eighth	50,000,000	10	500,000,000
<b>Total</b>		<b>211,601,700</b>		<b>2,116,017,000</b>

### 19 Share Premium: Tk. 5,127,599,728

In the year 2015-2016, the company issued 50,000,000 Ordinary Shares of Tk. 10 each of which 30,000,000 Ordinary Shares issued at an issue price of Tk. 85.20 with a premium of Tk. 75.20 each and 20,000,000 Ordinary Shares issued at an issue price of Tk. 77.00 with a premium of Tk. 67.00 each.

Opening balance	5,127,599,728	5,127,599,728
Add : Amount received during the year	-	-
Closing balance	<b>5,127,599,728</b>	<b>5,127,599,728</b>

### 20 Retained Earnings: Tk. 6,384,509,141

<b>Opening balance</b>	<b>5,593,734,287</b>	<b>4,810,519,458</b>
Add: Addition during the year	<b>1,531,380,804</b>	<b>1,523,820,779</b>
Net Profit after Tax for the year	1,450,497,730	1,440,378,843
Adjustment for Depreciation on Revaluation Surplus	80,876,878	82,487,406
Adjustment for disposal of Motor Vehicle	6,196	954,530
Revaluation surplus transferred to Retained earnings due to disposal of Motor Vehicles	-	-
Less: Adjustment during the year	<b>740,605,950</b>	<b>740,605,950</b>
Dividend for the year 2018-2019 (comparative year dividend was for the financial year 2017-2018)	740,605,950	740,605,950
<b>Closing balance</b>	<b>6,384,509,141</b>	<b>5,593,734,287</b>

### 21 Long Term Loans - Net off Current Maturity: Tk. 5,106,567,547

This represents long term borrowings from Financial Institutions which are as follows:

#### Name of Financial Institution

Trust Bank Ltd.	570,967,662	471,630,128
Dutch Bangla Bank Ltd.	217,533,483	318,677,025
Eastern Bank Ltd.	50,000,000	250,000,000
IDLC Finance Ltd.	293,466,219	148,275,688
Dhaka Bank Limited	184,381,464	78,350,349
Standard Chartered Bank	104,000,000	-
IIDFC	177,500,000	142,500,000
IPDC	438,000,000	291,500,000
HSBC Term Loan	718,241,742	511,661,831
United Finance Ltd. (UFL)	70,000,000	150,000,000
Lanka Bangla Finance Ltd.	345,000,000	465,000,000
Lankan Alliance Finance Ltd.	121,432,165	170,216,929
Bay Leasing & Investment Limited	60,000,000	100,000,000
Prime Bank Limited	338,575,778	459,164,000
Mutual Trust Bank Limited	161,721,534	-
Bank Asia Limited	1,255,747,500	-
	<b>5,106,567,547</b>	<b>3,556,975,950</b>

An associate firm of D.N Gupta & Associates

# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at & for the year ended 30 June 2020

Shiraz Khan Basak & Co.  
Chartered Accountants

Note No.	Particulars	Amount in Taka 30 June, 2020	Amount in Taka 30 June, 2019
<b>22</b>	<b>Provision for Gratuity: Tk. 361,679,351</b>		
	Opening Balance	336,558,221	330,362,700
	Add: Provision for the year	70,253,992	95,567,741
	Less: Paid during the year	45,132,862	89,372,220
	<b>Closing Balance</b>	<b>361,679,351</b>	<b>336,558,221</b>
<b>23</b>	<b>Deferred Tax Liability: Tk. 857,259,010</b>		
	This represents provision made/assets created related to deferred income tax for taxable/deductible temporary differences which is arrived at as follows:		
	Opening Balance	684,485,951	505,196,999
	Add : Deferred Tax Liability/(Assets) created during the year		
	Increase in Deferred tax liability	179,053,341	180,837,832
	On account of (deductible) /taxable temporary difference for PPE	178,078,390	180,938,668
	On account of (deductible) /taxable temporary difference for unrealized gain on Marketable Securities.	(1,011,496)	(100,836)
	Deferred Tax of Temporary difference on Lease	1,986,447	-
	Creation of Deferred Tax Assets on account of Provision for Gratuity	(6,280,283)	(1,548,880)
	<b>Closing Balance</b>	<b>857,259,010</b>	<b>684,485,951</b>
<b>24</b>	<b>Loans &amp; Overdrafts: Tk. 8,315,320,639</b>		
	This represents the amount are as follows :		
	<b>Name of the Bank</b>		
	Dutch Bangla Bank Ltd.	39,055,022	1,334,600,388
	Standard Chartered Bank	836,266,979	696,539,081
	Dhaka Bank Ltd.	552,591,478	636,250,717
	HSBC	1,583,577,822	1,478,280,359
	Eastern Bank Ltd.	972,680,306	624,242,573
	Trust Bank Ltd.	705,710,788	520,958,351
	The City Bank Ltd.	801,664,074	960,486,299
	Prime Bank Limited	528,943,702	561,338,229
	Mutual Trust Bank Ltd.	217,383,228	278,757,155
	Agrani Bank Ltd.	1,581,201,609	1,071,290,498
	IDLC Finance Ltd.	-	125,000,000
	Meghna Bank Ltd.	8,032,500	-
	United Commercial Bank Ltd.	488,213,131	-
		<b>8,315,320,639</b>	<b>8,287,743,650</b>
<b>25</b>	<b>Current Maturity of Long Term Loans: Tk. 2,459,340,207</b>		
	This amount represents current portion of long term loans from Bank & Non-Banking Financial Institutions which are repayable within next 12 months from the balance Sheet date :		
	<b>Name of Financial Institutions:</b>		
	Trust Bank Ltd.	445,160,767	300,050,852
	IDLC Finance Ltd.	115,389,546	66,991,282
	IIDFC	100,000,000	115,000,000
	IPDC	266,000,000	176,000,000
	Eastern Bank Ltd.	200,000,000	200,000,000
	HSBC - Foreign Loan (Net of foreign currency gain/loss)	-	1,352,209
	HSBC Term Loan	333,271,745	276,155,611
	Standard Chartered Bank	26,000,000	-
	Dhaka Bank Ltd.	93,692,639	70,102,895
	Dutch Bangla Bank Ltd.	158,198,872	303,795,839
	United Finance Ltd. (UFL)	80,000,000	100,000,000
	Lanka Bangla Finance Ltd.	120,000,000	270,000,000
	Lankan Alliance Finance Ltd.	48,784,763	42,236,599
	Prime Bank Limited	173,112,000	161,040,000
	Bay Leasing Limited	40,000,000	40,000,000
	Mutual Trust Bank Limited	39,229,875	-
	Bank Asia Limited	220,500,000	-
		<b>2,459,340,207</b>	<b>2,122,725,287</b>

An associate firm of D.N Gupta & Associates





## The ACME Laboratories Ltd.

### Notes to the Financial Statements

As at & for the year ended 30 June 2020

Note No.	Particulars	Amount in Taka 30 June, 2020	Amount in Taka 30 June, 2019
<b>26</b>	<b>Trade Payables: Tk. 398,967,527</b>		
	Trade Creditors	398,967,527	321,405,105
		<b>398,967,527</b>	<b>321,405,105</b>
<b>27</b>	<b>Provision for Income Tax: Tk. 2,366,744,574</b>		
	Opening Balance	2,011,594,657	1,992,201,935
	Add: Provision during the year	355,149,917	330,039,823
	Less: Adjustment of Current Tax Provision and Advance Income Tax for completed assessment		
	- For the assessment year 2015-2016	-	310,647,101
		<b>2,366,744,574</b>	<b>2,011,594,657</b>
<b>27.A</b>	<b>Income Tax Provision during the year: Tk. 355,149,917</b>		
	Provision made during the year	355,149,917	333,572,829
	Less: AIT Adjustment for AIT refundable of ASPL for assessment year 2012-13 & 2013-14	-	3,533,006
		<b>355,149,917</b>	<b>330,039,823</b>
<b>28</b>	<b>Liability for Expenses and Others: Tk. 423,044,663</b>		
	This is arrived at as follows:		
	Salary & Allowances	9,692,500	12,602,064
	Power & Electricity	2,098,040	20,615,038
	Postage & Telephone	457,503	456,300
	Gas Bill	21,230,974	11,819,943
	Office Rent	-	947,425
	Audit Fee	550,000	550,000
	WASA Bill	43,883	72,665
	Workers Profit Participation Fund (WPPF) and Workers Welfare Fund (WWF) 28.A	153,094,827	142,023,583
	Advance against Export Sales	3,187,092	5,655,708
	Interest on WPPF and WWF	8,901,071	5,637,839
	VAT Payable	147,430,038	-
	Other Expenses and TDS & VDS	76,358,735	39,014,268
		<b>423,044,663</b>	<b>239,394,833</b>
<b>28.A</b>	<b>Workers Profit Participation Fund (WPPF) and Workers Welfare Fund (WWF): Tk. 153,094,827</b>		
	The company makes a regular allocation of 5% on net profit before tax to this funds and payment is made to the workers as per provisions of Labor Law 2006 as amended in 2013.		
	Opening Balance	142,023,583	132,324,493
	Add: Addition for the year	98,971,610	97,667,073
	Less: Payment during the year	87,900,366	87,967,983
	<b>Closing Balance</b>	<b>153,094,827</b>	<b>142,023,583</b>
<b>29</b>	<b>Dividend Payable: Tk. 6,735,643</b>		
	The Board of Directors proposed 35% cash dividend of Tk. 740,605,950 for the year 2018-2019 which was duly approved in the 43rd AGM by the shareholders. The details are stated below:		
	Opening Balance	17,323,889	3,809,293
	Add: Final dividend declared for the year 2018-2019 (Gross)	740,605,950	740,605,950
	Less: Dividend paid to Shareholders	751,194,196	727,091,354
	<b>Net Dividend Payable</b>	<b>6,735,643</b>	<b>17,323,889</b>

# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at & for the year ended 30 June 2020

Shiraz Khan Basak & Co.  
Chartered Accountants

Note No.	Particulars	Amount in Taka	
		July 2019 to June 2020	July 2018 to June 2019
<b>30</b>	<b>Revenue : Tk. 19,003,659,657</b>		
	This is made up as follows:		
	<b>Gross Turnover</b>		
	<b>Domestic</b>		
	Own Products	20,849,945,895	18,067,962,445
	<b>Manufactured by Others :</b>		
	Imported	46,500	21,500
		<b>20,849,992,395</b>	<b>18,067,983,945</b>
	<b>Export</b>		
	Own Products	1,165,053,328	651,659,080
		<b>1,165,053,328</b>	<b>651,659,080</b>
	<b>Total Gross Turnover</b>	<b>22,015,045,723</b>	<b>18,719,643,025</b>
	Less: VAT	3,011,386,066	2,411,015,988
	<b>Net Turnover</b>	<b>19,003,659,657</b>	<b>16,308,627,037</b>

The Summarized Sales and Production Quantities are as follows:

Name of Category	Unit	Opening Balance	Production/ Purchase	Sales/ Consumption	Closing Balance
<b>Human</b>					
Tablet*	Pcs	137,810,161	4,323,433,606	4,238,981,066	222,262,701
Capsule*	Tube	18,731,900	531,049,283	525,566,308	24,214,875
Liquid*	Bottles	4,696,806	70,510,330	69,234,128	5,973,008
Dry Syrup	Phials	1,400,522	11,600,072	11,594,941	1,405,653
Ointment/Gel	Pcs	231,576	3,210,150	3,052,256	389,470
Cream	Bottles	1,013,328	8,504,413	8,051,081	1,466,660
Suppository	Tube	1,911,147	42,163,668	41,485,881	2,588,934
Inhaler (DPI)	Pcs	4,781,817	51,887,407	52,091,953	4,577,271
Inhaler (MDI)	Pcs	109,710	1,904,693	1,777,265	237,138
Eye/Ear/Nasal Drop	Cans	1,676,001	13,508,991	12,889,991	2,295,001
Injection (Amps)*	Pcs	1,547,976	32,652,262	32,265,268	1,934,970
Injection (Vial)*	Cans	565,133	13,155,551	13,014,267	706,416
Infusion	Pcs	1,174,144	4,866,273	4,492,737	1,547,680
Sachet/Premix	Bottles	618,600	17,364,276	17,009,626	973,250
Powder	Pcs	86,768	958,729	887,037	158,460
Handrub/Sanitizer	Pcs	-	578,825	277,619	301,206
<b>Veterinary</b>					
Bolus	Pcs	13,067,635	342,111,384	338,844,475	16,334,544
Liquid	Kg	740,488	10,918,799	10,713,677	945,610
Premix	Pcs	5,825,076	34,583,853	33,117,584	7,291,345
WSP	Pcs	690,516	14,844,925	14,652,296	883,145
Injection	Vial	1,792,823	13,641,010	13,640,582	1,793,251
<b>Herbal &amp; Ayurvedic</b>					
Capsule*	Pcs	351,646	10,717,348	10,629,436	439,558
Liquid*	Pcs	841,225	12,911,598	12,691,292	1,061,531
Tablet*	Pcs	891,028	22,470,803	22,248,046	1,113,785
<b>Others</b>					
Syringe	Pcs	35,328	-	-	35,328
Fish Feed	Kg	2,986	-	-	2,986
Vaporizer	Pcs	13,505	-	186	13,319

\* Opening balances of dosage form have been re arranged by categorising in Human, Veterinary and Herbal & Ayurvedic.



Shiraz Khan Basak & Co.  
Chartered Accountants

## The ACME Laboratories Ltd.

### Notes to the Financial Statements

As at & for the year ended 30 June 2020

Note No.	Particulars	Amount in Taka	
		July 2019 to June 2020	July 2018 to June 2019
<b>31</b>	<b>Cost of Goods Sold : Tk. 11,728,937,307</b>		
	This is arrived at as follows :		
	Raw Materials Consumed (Refer Note 31.A)	6,136,849,407	4,993,933,480
	Packing Materials Consumed (Refer Note 31.B)	3,146,956,808	2,750,022,718
	Work in Process (Opening)	484,567,356	537,645,987
	Work in Process (Closing)	(475,525,865)	(484,567,356)
	<b>Material Consumption during the year</b>	<b>9,292,847,706</b>	<b>7,797,034,829</b>
	Factory Overhead (Refer Note 31.C)	2,672,578,771	2,163,566,890
	<b>Cost of Production</b>	<b>11,965,426,477</b>	<b>9,960,601,719</b>
	Purchase of Finished Goods	-	-
	Opening Stock of Finished Goods	927,656,798	849,934,278
	<b>Finished Goods Available</b>	<b>12,893,083,275</b>	<b>10,810,535,997</b>
	Closing Stock of Finished Goods	(1,164,145,968)	(927,656,798)
	<b>Cost of Goods Sold</b>	<b>11,728,937,307</b>	<b>9,882,879,199</b>

#### 31.A Raw Materials Consumed : Tk. 6,136,849,407

This is arrived at as follows :

Opening Stock of Raw Materials  
Purchase during the year  
Closing Stock of Raw Materials  
**Raw Material Consumed**

1,285,678,435	877,645,698
6,176,158,559	5,401,966,217
(1,324,987,587)	(1,285,678,435)
<b>6,136,849,407</b>	<b>4,993,933,480</b>

Item wise Summarized Quantity and total number of ingredients are as follows:

Particulars	Pcs	Quantity (kg)		Quantity (Liter)		Quantity (Pcs)	
	Cap Shell	Active	Excipients	Active	Excipients	Active	Excipients
Opening Balance	293,564,025	2,438,539	987,074	349	12,482	-	689,458
Purchase	521,494,795	6,287,540	7,122,395	1,563	78,840	45,921	221,205
<b>Available for use</b>	<b>815,058,820</b>	<b>8,726,079</b>	<b>8,109,469</b>	<b>1,912</b>	<b>91,323</b>	<b>45,921</b>	<b>910,663</b>
Closing Balance	293,412,768	2,463,158	1,252,600	661	18,996	-	691,115
<b>Consumption</b>	<b>521,646,052</b>	<b>6,262,921</b>	<b>6,856,868</b>	<b>1,251</b>	<b>72,326</b>	<b>45,921</b>	<b>219,548</b>

#### 31.B Packing Materials Consumed : Tk. 3,146,956,808

This is arrived at as follows :

Opening Stock of Packing Materials  
Purchase during the year  
Closing Stock of Packing Materials

505,678,687	578,765,497
3,191,745,779	2,676,935,908
(550,467,658)	(505,678,687)
<b>3,146,956,808</b>	<b>2,750,022,718</b>

The Total Quantity of Packing Materials are as under:

Name of Category	Unit	Opening Balance	Purchase	Consumption	Closing Balance
Ampoule	Pcs	10,320,521	29,231,639	28,144,074	11,408,086
Bottle	Pcs	15,360,964	89,352,663	88,081,620	16,632,007
Carton	Pcs	26,201,692	181,957,022	169,979,372	38,179,342
Plastic Item	Pcs	20,794,553	170,094,491	168,892,405	21,996,639
Cap	Pcs	16,371,695	114,727,316	114,204,389	16,894,622
Catch Cover	Pcs	14,197,803	36,171,401	34,950,389	15,418,814
Inner Leaflet	Pcs	26,336,273	151,038,235	148,773,316	28,601,192
Label	Pcs	4,511,264	75,940,562	75,198,728	5,253,098
Shipping Box Label	Pcs	3,647,861	11,624,495	10,113,852	5,158,504
PVC/PVDC	kgs	234,157	763,955	767,818	230,295
Shipping Box	Pcs	684,998	11,772,086	11,614,063	843,021
Tube	Pcs	1,746,091	12,514,171	11,558,470	2,701,792
Al. Foil- Blister	Kgs	37,214	266,204	210,925	92,493
Al. Foil- Strip	Kgs	351,669	739,224	758,981	331,913
Inner Board	Pcs	605,053	1,586,774	1,584,739	607,088
Vial	Pcs	6,706,655	29,887,901	28,423,112	8,171,444
Sticker Label	Pcs	19,242,372	108,260,650	98,069,005	29,434,017

An associate firm of D.N Gupta & Associates

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at & for the year ended 30 June 2020

Shiraz Khan Basak & Co.  
Chartered Accountants

Note No.	Particulars	Amount in Taka	
		July 2019 to June 2020	July 2018 to June 2019

**31.C Factory Overhead : Tk. 2,672,578,771**

This is made up as follows :

Salary & Allowances	683,855,199	518,391,863
Daily Wages	148,669,294	113,954,246
Gratuity	21,245,854	31,760,631
Group Insurance Premium	1,192,432	1,282,913
Postage & Telephone	3,732,263	2,984,276
Fuel, Power & Electricity	309,358,227	329,718,390
Conveyance	5,792,773	2,464,971
Company's Contribution to RPF	23,506,964	21,234,866
Gas Bill	191,353,247	137,998,362
Factory Staff Uniform	4,993,162	6,464,268
Carriage Inward	4,682,821	10,015,481
Repairs & Maintenance	67,715,226	68,296,701
Medical Expenses	645,345	541,374
Insurance	20,699,488	21,180,997
Local Tax	2,000,000	2,000,000
Printing & Stationery	30,548,159	25,898,763
Research, Analysis & Product Development	9,210,247	7,952,790
Welfare & Recreation	6,511,238	9,823,304
Entertainment	11,389,352	9,118,133
Canteen Expenses	27,435,867	24,122,069
Spare Parts	96,512,430	96,745,489
Travelling	5,834,689	2,765,643
Depreciation	995,694,494	718,851,360
	<b>2,672,578,771</b>	<b>2,163,566,890</b>

**32 Other Income : Tk. 74,986,576**

This is made up as follows :

Rent on Investment Property	-	6,462,000
Other Lease Rent	228,000	228,000
Income/(Loss) from sale of Motor Vehicle	3,253,343	(3,218,685)
Interest on STD and SND Account	1,952,263	3,723,549
Translation Gain/(loss) for foreign currency fluctuation	7,172,600	2,875,302
Settlement Gain/(loss) for foreign currency fluctuation	30,936,484	11,131,424
Interest on Term Deposit	29,394,437	64,310,852
Dividend Income on marketable securities	611,449	886,932
Cash incentive received against export sales	1,438,000	-
Gain due to settlement of fire insurance claim for building	-	9,982,744
	<b>74,986,576</b>	<b>96,382,118</b>

An associate firm of D.N Gupta & Associates





# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at & for the year ended 30 June 2020

Note No.	Particulars	Amount in Taka	
		July 2019 to June 2020	July 2018 to June 2019
<b>33</b>	<b>Selling, Marketing and Distribution Expenses : Tk. 2,679,085,139</b>		
	This is made up as follows :		
	Salary & Allowances	1,622,627,800	1,410,726,880
	Daily Basis Salary	23,967,434	15,681,080
	Gratuity	36,115,884	43,992,604
	Company's Contribution to RPF	73,889,823	67,478,299
	Office Rent	-	10,770,000
	Electricity & WASA, Gas	11,983,342	11,818,225
	Postage & Telephone	41,319,767	43,217,619
	Fuel for Generator	1,394,650	1,601,623
	Vehicle Expenses	55,059,671	42,609,220
	Printing & Stationery	48,638,081	45,704,640
	TA/DA	150,602,814	113,991,154
	Travelling Kits	9,402,090	7,393,768
	Carriage Outward	92,972,149	55,414,223
	Seminar & Conference	14,405,100	12,925,340
	Medical Expenses	514,640	506,500
	Sales Promotion Expenses	127,816,177	177,143,322
	New Products Induction Expenses	1,410,957	834,046
	Group & Health Insurance Premium	3,976,852	4,592,684
	Export Expenses	40,563,856	24,966,127
	Welfare & Recreation	2,503,692	2,670,172
	Free Sample	100,219,789	89,901,468
	Insurance	8,746,606	9,765,030
	Fees & Renewals	16,594,366	35,639,439
	Repair & Maintenance	29,756,116	53,281,858
	Entertainment	55,969,765	33,908,311
	Advertisement	1,245,668	2,444,988
	Depreciation of Right-of-Use Asset (As per IFRS 16-Ref Note 7.A)	9,596,627	-
	Depreciation ( As per IAS 16 Ref. Note 6)	97,791,423	70,601,473
		<b>2,679,085,139</b>	<b>2,389,580,093</b>
<b>34</b>	<b>Administrative Expenses : Tk. 807,968,326</b>		
	This is made up as follows :		
	Directors Remuneration	19,200,000	20,025,806
	Salary & Allowances	464,291,692	291,193,565
	Directors Sitting Fees	1,503,333	1,993,333
	Group & Health Insurance Premium	678,840	1,918,473
	Postage & Telephone	4,956,634	5,249,051
	Electricity ,Gas & WASA	16,348,808	18,488,987
	Fuel for Generator & Vehicle	7,047,197	6,719,772
	Conveyance	2,633,359	4,221,727
	Refreshment Expenses	5,720,987	4,011,944
	Office General Expenses	7,247,151	8,894,624
	Vehicle Expenses	10,584,523	15,905,291
	Advertisement for Recruitment & Others	2,448,062	4,831,042
	Printing & Stationery	7,848,765	7,042,793
	Intangible Assets Amortization	41,625	41,625
	Newspaper & Periodicals	640,987	625,696
	AGM Expenses	1,119,906	2,126,925
	Expenses for Legal Procedure	2,618,784	2,989,889
	Gratuity	12,892,254	19,814,506
	Company's Contribution to RPF	9,865,043	9,318,498
	Professional Fee	13,833,041	13,380,570
	Audit Fees	550,000	550,000
	Medicine Expenses	1,780,662	2,255,414
	Uniform and Liveries	879,303	2,011,237
	Travelling Expenses	10,827,352	8,601,351
	Repair and Maintenance	9,738,618	13,650,583
	Insurance	900,491	-
	Municipal Tax	3,726,162	3,726,162
	Fees and Renewals	11,551,088	8,329,046
	Welfare and Recreation	7,065,651	4,865,263
	Daily basis salary	12,464,745	11,310,337
	Contribution to CSR Activities	800,488	853,260
	Product Registration (USFDA)	64,298,104	30,685,938
	Depreciation	91,864,671	66,322,596
		<b>807,968,326</b>	<b>591,955,304</b>

An associate firm of D.N Gupta &amp; Associates

# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at & for the year ended 30 June 2020

Shiraz Khan Basak & Co.  
Chartered Accountants

Note No.	Particulars	Amount in Taka	
		July 2019 to June 2020	July 2018 to June 2019
<b>35</b>	<b>Financial Expenses Tk. 1,784,251,649</b>		
	This is made up as follows :		
	Interest on Cash Credit	212,346,144	162,967,357
	Interest on Overdraft	123,168,228	90,238,323
	Interest on MTL & LTR	56,128,036	51,599,386
	Interest on Revolving & STL	575,769,209	501,338,065
	Interest on Lease Finance	234,193,224	303,313,263
	Interest on Term Loan	399,383,485	265,633,722
	Interest on Accepted Import Loan	156,219,163	93,522,240
	Interest on WPPF & WWF	7,832,847	9,316,205
	Interest on Lease Liability ( For Right to use Assets as per IFRS 16)	7,903,284	-
	Bank Charge	11,308,029	11,657,465
		<b>1,784,251,649</b>	<b>1,489,586,026</b>
<b>36</b>	<b>Contribution to Workers Profit Participation Fund and Welfare Fund: Tk. 98,971,610</b>		
	Contribution to WPPF and Welfare Fund	98,971,610	97,667,073
		<b>98,971,610</b>	<b>97,667,073</b>
<b>37</b>	<b>Income Tax Expenses : Tk. 528,934,472</b>		
	This is arrived at as follows :		
<b>A</b>	<b>Current Tax Expenses</b>		
	Current Tax for the year under review	355,149,917	333,572,829
		<b>355,149,917</b>	<b>333,572,829</b>
<b>B</b>	<b>Deferred Tax Expenses/(Income)</b>		
	Deferred Tax Expenses/(Income)	173,784,555	179,389,788
		<b>173,784,555</b>	<b>179,389,788</b>
		<b>528,934,472</b>	<b>512,962,617</b>
<b>38</b>	<b>Basic/Diluted Earning Per Share (EPS): Tk 6.85</b>		
	The computation is given below :		
	Net Profit After Tax for the year	1,450,497,730	1,440,378,843
	Weighted average number of shares outstanding during the year (38.2)	211,601,700	211,601,700
	<b>Basic Earnings Per Share</b>	<b>6.85</b>	<b>6.81</b>
	<b>Diluted Earnings Per Share</b>	<b>6.85</b>	<b>6.81</b>
	Refer Policy notes 5.15		
<b>38.1</b>	<b>Number of Ordinary Shares Outstanding</b>		
	211,601,700 Ordinary Shares @ Tk.10/- each.	211,601,700	211,601,700
		<b>211,601,700</b>	<b>211,601,700</b>
<b>38.2</b>	<b>Weighted Average Number of Ordinary Shares</b>		
	211,601,700 Ordinary Shares @ Tk.10/- each.	211,601,700	211,601,700
		<b>211,601,700</b>	<b>211,601,700</b>
<b>39</b>	<b>Net Operating Cash Flows Per Share: Tk 5.42</b>		
	Net cash generated from operating activities	1,146,336,891	1,653,107,482
	Weighted average number of shares outstanding during the year	211,601,700	211,601,700
	<b>Net Operating Cash Flows Per Share</b>	<b>5.42</b>	<b>7.81</b>

An associate firm of D.N Gupta & Associates



# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at & for the year ended 30 June 2020

Note No.	Particulars	Amount in Taka	
		July 2019 to June 2020	July 2018 to June 2019
<b>40</b>	<b>Reconciliation of Net Income or Net Profit with Cash Flows from Operating Activities-Indirect Method</b>		
	Net Profit after Tax	1,450,497,730	1,440,378,843
	Add: Non Cash Items	1,174,527,499	862,405,873
	Less: Net Increase/Decrease in Current Asset	2,292,881,331	984,132,251
	Add: Net Increase/Decrease in Current Liabilities	641,419,934	155,166,065
	Add: Deferred Tax Liability (Created during the year)	172,773,059	179,288,952
	Net cash generated from operating activities-In Direct Method	<b>1,146,336,891</b>	<b>1,653,107,482</b>
	Net cash generated from operating activities-Direct Method	<b>1,146,336,891</b>	<b>1,653,107,482</b>

**41 Related Party Disclosures**

The Company carried out a number of transactions with related parties in the normal course of business and on arms length basis. The Directorship of the company mostly are common. The nature of the transaction and their relative value is shown below:

Name of the company	Nature of Transaction	2019-2020		2018-2019	
		Value of transaction during the year	Balance as at 30 June, 2020	Value of transaction during the year	Balance as at 30 June, 2019
Sinha Printers Ltd.	Local Supply Received	855,602,439	(350,315,777)	636,827,494	(276,752,974)
	Provide Services & Others	-	-	316,042	-
ACMUNIO Int. Ltd.	Advance	-	96,479,473	-	96,479,473
	Rent on Investment Property	-	19,386,000	6,462,000	19,386,000
The ACME Agrovet & Beverages	Local Supply	167,408,039	9,878,498	30,004,341	(7,013,439)
Kalyar Packaging Ltd.	Local Supply	182,320,890	(7,708,509)	118,440,490	(12,078,235)
Kalyar Replica Ltd.	Local Supply	24,391,133	(7,428,596)	13,444,733	(1,034,968)

**42 Details regarding disposal of Motor Vehicle:**

Particulars	Cost/Revaluation (Tk.)		Acc. Depreciation		Carrying Value (Tk.)		Sales Price (Tk.)	Disposition of total Gain/(Loss)		
	Cost	Revaluation Surplus	Cost	Revaluation Surplus	Cost	Revaluation Surplus		Charged to P/L (Tk.)	Charged to Equity (Tk.)	Total (Tk.) for the year 2019-20
Vehicle MA-51-0827	484,003	484,003	484,003	484,003	-	-	45,000	45,000	-	45,000
Vehicle MA-51-2610	841,667	-	841,667	-	-	-	50,000	50,000	-	50,000
Vehicle CHA-51-3579	525,000	400,000	525,000	400,000	-	-	400,000	400,000	-	400,000
Vehicle CHA-51-3569	530,000	500,000	530,000	500,000	-	-	410,000	410,000	-	410,000
Vehicle CHA-51-3617	537,425	500,000	537,425	500,000	-	-	400,000	400,000	-	400,000
Vehicle GA-31-3845	1,699,857	-	1,380,470	-	319,387	-	650,000	330,613	-	330,613
Vehicle CHA-51-8584	2,633,513	100,000	2,633,513	93,804	-	6,196	600,000	593,804	-	593,804
Vehicle CHA-51-4222	650,000	-	650,000	-	-	-	422,000	422,000	-	422,000
Vehicle CHA-51-7302	1,008,900	80,000	1,008,900	80,000	-	-	460,000	460,000	-	460,000
Vehicle GA-39-2226	1,638,025	-	979,951	-	658,074	-	800,000	141,926	-	141,926
<b>Total</b>	<b>10,548,390</b>	<b>2,064,003</b>	<b>9,570,929</b>	<b>2,057,807</b>	<b>977,461</b>	<b>6,196</b>	<b>4,237,000</b>	<b>3,253,343</b>	<b>-</b>	<b>3,253,343</b>

An associate firm of D.N Gupta & Associates

# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at & for the year ended 30 June 2020

Shiraz Khan Basak & Co.  
Chartered Accountants

Note No.	Particulars	Amount in Taka	
		July 2019 to June 2020	July 2018 to June 2019
<b>43 Directors Remuneration and Sitting Allowance</b>			
	Directors remuneration (Including MD's Remuneration for CY/PY amounting to Tk. 12,000,000)	19,200,000	20,025,806
	Directors Sitting fees (Including MD's Sitting Allowance for CY/PY Tk. 172,500)	1,503,333	1,993,333
		<b>20,703,333</b>	<b>22,019,139</b>
<b>44 Audit Fees</b>			
		550,000	550,000
		<b>550,000</b>	<b>550,000</b>

### 45 Contingent Liability

Large Tax payer unit(LTU),North Commissionerate and Directorate,Inspection,Intelligence & Investigation under National Board of Revenue(NBR) against 3(three) claims of VAT, another 1(one) regarding VAT on VAT exempted medicine and remaining one for reopening of audit proceeding, another 1(one) arising out of review by custom officials, another 1 (one) arising out of review of VAT return by VAT officials and last 1 (one) arising out of VAT officials. The ACME Laboratories Ltd. has filed 7(Seven) writ petitions in The Honorable High Court Division of the Supreme Court of Bangladesh separately vide no. 8650/2008, 785/2009,3948/2004, 14250/2016, 4478/2002, 5196/2015 and 2477/2015 respectively against the said claims. The company reviews status of the same on every reporting date. Details of current status are given/result are as below:

SL No.	Writ No.	Value in Taka	Reason	Expiry Date/Result
1	8650/2008	Non-monitory	Medicine supply to ICDDR,B as Exempted	Valid up to disposal of hearing
2	785/2009	13,097,829	Rebate for exempted medicine	Valid up to disposal of hearing
3	3948/2004	2,730,765	Rebate cancel	Disfavor of our company and further leave to appeal no.1569
4	14250/2016	Non-monitory	Re-initiation and reopening of audit proceedings	Valid up to disposal of hearing
5	4478/2002	665,525	Difference in rate of custom duty with the department.	Verdict has already been given by the Honourable High Court Division but formal demand yet to receive from concern
6	5196/2015	249,018,448	Premix supply as VAT exemted but VAT authority claim to impose VAT at mfg. Stg.	Valid up to disposal of hearing
7	2477/2015	4,000,000	The Writ against penalty in connection with Audit claim after adjustment Tk.7,711,245.36	Valid up to disposal of hearing

### 46 Un Expired Bank Guarantees

Details of Unexpired Bank Guarantees of Tk. 60,352,455 (as at 30 June 2019 the amount was Tk. 222,978,196) given in the normal course of business on behalf of the company to various parties as at 30 June 2020 are as follows -

SL	Name of Bank	Date of Expiry	Amount in BDT
1	Trust Bank Ltd.	15.05.2021	12,401,250
2	Trust Bank Ltd.	15.05.2021	316,050
3	Trust Bank Ltd.	15.05.2021	2,320,400
4	Trust Bank Ltd.	15.05.2021	252,700
5	Trust Bank Ltd.	22.10.2021	1,093,820
6	Trust Bank Ltd.	30.10.2022	292,800
7	Trust Bank Ltd.	30.10.2022	699,400
8	Trust Bank Ltd.	30.10.2022	2,492,100
9	Trust Bank Ltd.	30.10.2022	366,300
10	Trust Bank Ltd.	Untill Clearance	189,786
11	Trust Bank Ltd.	31.12.2020	886,300
12	Dutch Bangla Bank Ltd.	17.10.2021	249,800
13	Dutch Bangla Bank Ltd.	17.10.2021	180,900
14	Dutch Bangla Bank Ltd.	24.05.2022	766,350
15	Dutch Bangla Bank Ltd.	24.05.2022	164,680
16	Agrani Bank Ltd.	11.09.2023	1,547,350
17	Trust Bank Ltd.	31.08.2024	1,251,880
18	Trust Bank Ltd.	31.08.2024	1,940,420
19	Trust Bank Ltd.	31.08.2024	1,055,700
20	Trust Bank Ltd.	31.08.2024	8,366,400
21	Trust Bank Ltd.	29.04.2024	4,133,850
22	Trust Bank Ltd.	29.04.2024	701,550
23	Trust Bank Ltd.	15.08.2020	2,000,000
24	Trust Bank Ltd.	30.06.2021	16,682,669
<b>Total</b>			<b>60,352,455</b>

An associate firm of D.N Gupta & Associates





## The ACME Laboratories Ltd.

### Notes to the Financial Statements

As at & for the year ended 30 June 2020

Note No.	Particulars	Amount in Taka	
		July 2019 to June 2020	July 2018 to June 2019

**47 Claim not acknowledge as debts**

There is no claim against the company which have not been acknowledged as debt as at 30 June 2020.

**48 Capital Expenditure Commitment**

The estimated amount of capital expenditure commitment of the company are mainly in the form of Letter of credit opened in favor of suppliers as at 30 June 2020 Tk. 433,905,620 (as at 30 June 2019 the amount was Tk. 76,892,915)

**49 Production Capacity and Utilization**

(Quantity in Thousand)

(Quantity in thousand)							
Name of Category	Unit	Production Capacity		Actual Production			
		2019-2020	2018-2019	2019-2020	%	2018-2019	%
Human							
Tablet	Pcs	8,476,895	5,280,270	4,323,434	51.00	2,748,693	52.06
Capsule	Pcs	725,575	676,063	531,049	73.19	476,332	70.46
Liquid	Bottle	90,180	90,180	71,089	78.83	67,904	75.30
Dry Syrup	Bottle	20,005	20,005	12,559	62.78	10,977	54.87
Ointment	Tube	7,013	6,752	3,210	45.77	2,458	36.40
Cream	Tube	19,000	19,000	8,504	44.76	6,711	35.32
Suppository	Pcs	51,866	37,713	42,164	81.29	35,579	94.34
Inhaler (DPI)	Cans	118,306	108,636	51,887	43.86	41,320	38.03
Inhaler (MDI)	Canister	3,095	3,095	1,905	61.54	1,526	49.31
Eye/Ear/Nasal Drop	Phials	23,031	23,031	13,509	58.66	10,966	47.62
Injection (Amps)	Pcs	62,113	62,113	32,652	52.57	32,215	51.86
Injection (Vial)	Pcs	23,804	23,804	13,156	55.27	11,761	49.41
Infusion	Pcs	6,408	6,408	4,866	75.94	4,520	70.54
Sachet	Pcs	51,062	29,774	17,364	34.01	9,853	33.09
Veterinary							
Bolus	Pcs	685,496	272,172	342,111	49.91	204,498	75.14
Liquid	Pcs	25,995	10,961	10,919	42.00	8,321	75.91
Premix	Pcs	54,343	38,155	34,584	63.64	26,909	70.52
WSP	Pcs	46,635	31,218	14,845	31.83	9,985	31.98
Injection	Vial	15,376	14,354	13,641	88.72	13,617	94.87
Herbal & Ayurvedic							
Capsule	Pcs	32,260	31,423	10,717	33.22	8,942	28.46
Liquid	Pcs	15,054	13,545	12,912	85.77	12,162	89.79
Tablet	Pcs	74,135	71,821	22,471	30.31	17,772	24.74

**50 VAT Return and Auditing status as at 30.06.2020**

The Company deposits VAT & filing VAT returns on monthly basis with the concern authority. The authority has conducted and completed their audit up to the financial year 2014-15 and there was a demand of Tk. 3,202,628. Due to change of commissioner, new commissioner has issued a letter to the company in respect of conducting re-audit for the financial year 2014-15. However, the company has filed a Writ petition with High Court Division of the Honorable Supreme Court of Bangladesh. But decision is yet to come in this regard. Further, the audit for the financial year 2015-16 and 2016-17 are under process and documents/information have been submitted by the company as and when required.





**The ACME Laboratories Ltd.**

1/4, Kallayanpur, Mirpur Road, Dhaka - 1207

Affix  
Revenue Stamp  
Tk.20.00

## FORM OF PROXY

I/We -----

of-----

being a member of The ACME Laboratories Ltd. hereby appoint

Mr. /Mrs./Ms. -----

of----- as my proxy in my / our absence to attend and vote for

me/us and on behalf at the **44<sup>th</sup> Annual General Meeting** of the company to be held on Thursday, 10<sup>th</sup> day of December, 2020 at 11:30 a.m. through Digital Platform (in pursuant to the Bangladesh Securities and Exchange Commission's order no. SEC/SRMIC/94-231/25; dated: 08 July 2020) and at any adjournment thereof.

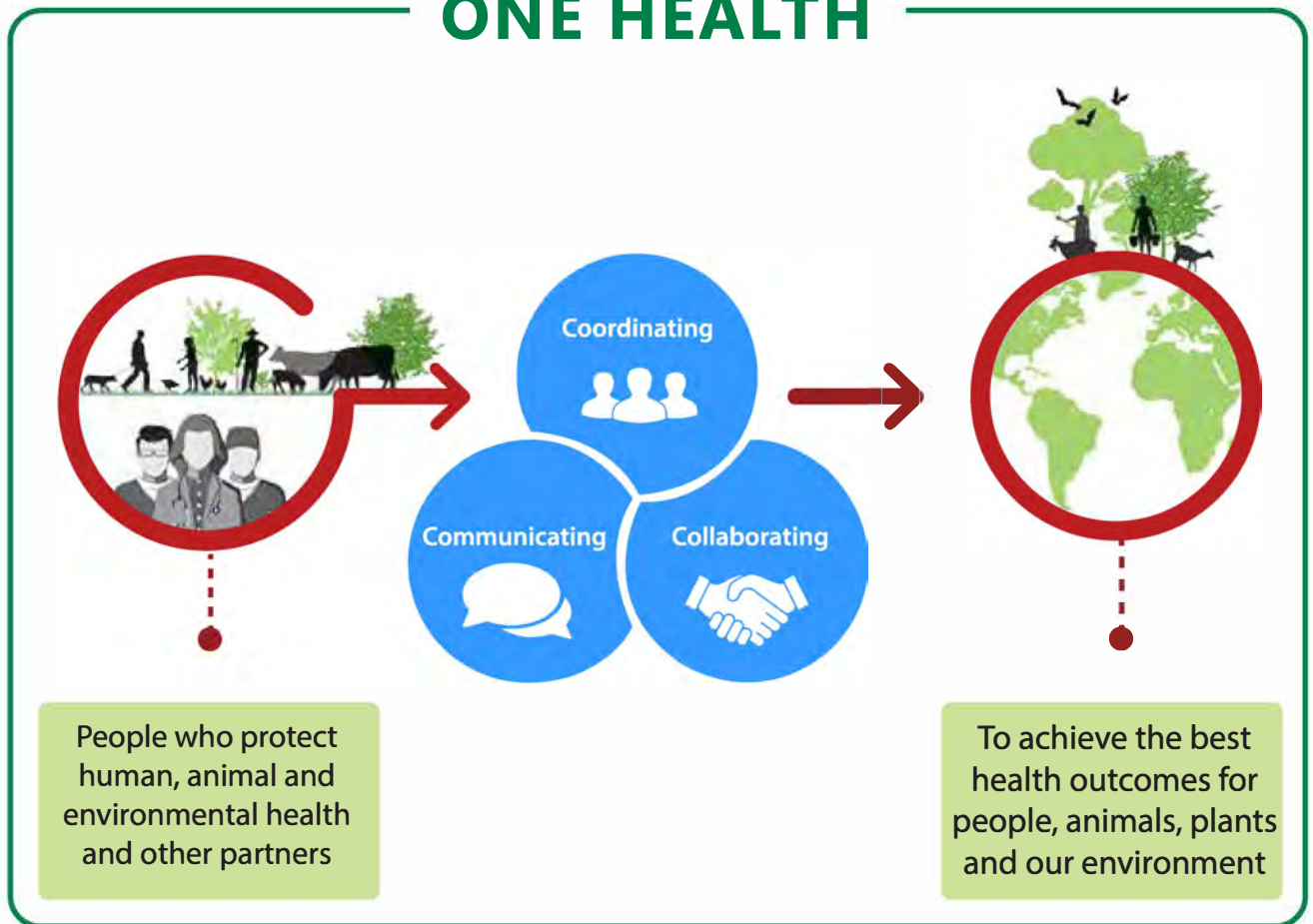
As witness my hand this-----Day of December 10, 2020

Signature of Proxy-----

Signature of Member-----

BO ID of Member

# ONE HEALTH



We promote **ONE HEALTH** from concept to practice



**The ACME Laboratories Ltd.**

For Health, Vigour and Happiness

ISO 9001:2015 CERTIFIED COMPANY



[www.acmeglobal.com](http://www.acmeglobal.com)

#### Corporate Office

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