



OUR VISIONARY LEADERSHIP



Late Hamidur Rahman Sinha



Late Noor Jahan Sinha

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Dated: 20 October 2015

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

Subject: Annual Report for the year ended 30 June 2015.

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements which includes the Statement of Financial Position as at 30 June 2015, 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 2015 along with notes thereon and all related Statements for your record/necessary measures.

Yours sincerely,

(Md. Rafiqul Islam, ACS)
Company Secretary

NOTICE

Date: 20 October 2015

NOTICE OF THE 39TH ANNUAL GENERAL MEETING

Notice is hereby given that the 39th Annual General Meeting of the Shareholders of The ACME Laboratories Ltd. will be held on **Saturday, 7 November 2015** at 12:00 p.m. at Court de la ACME, 1/4, Kallyanpur, Mirpur Road, Dhaka -1207 to transact the following businesses:

AGENDA

- A 2015-39- 01** : To receive, consider and adopt the Directors’ Report, Auditors’ Report and Audited Financial Statements of the Company for the year ended 30 June 2015.
- A 2015-39- 02** : To declare dividend for the year ended 30 June 2015.
- A 2015-39- 03** : To elect Directors in place of those who shall retire by rotation in accordance with the provision of Articles of Association of the Company.
- A 2015-39- 04** : To appoint Auditors and to fix their remuneration. The retiring Auditors, Messrs Pinaki & Company, Chartered Accountants (An Independent Associate Members of Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, New Delhi, India), being eligible, offer themselves for re-appointment.
- A 2015-39- 05** : To re-appointment of Managing Director of The ACME Laboratories Ltd. for further 5 (five) years.

By order of the Board

Md. Rafiqul Islam, ACS
Company Secretary

Notes:

- i. “The record date is fixed on **Tuesday, 13 October 2015**. The Shareholders, whose name will be appeared in the Share Register of the company at the close of business on the ‘Record Date’ will be eligible to attend the 39th AGM and entitled to get dividend.”
- ii. “The Register of Members and the share Transfer Books of the Company will remain closed from 13 October 2015 to 7 November 2015 both days inclusive.”
- iii. “A member eligible to attend and vote in the AGM may appoint a proxy to attend and vote in his/her behalf. The Proxy Form duly completed and stamped must be deposited at the registered office of the Company not later than 48 hours before the time of the meeting.”
- iv. “Admission into the venue of the AGM will be allowed on production of the Attendance Slip attached with the Proxy Form.”



MESSAGE & DIRECTORS’ PROFIL

MESSAGE FROM THE CHAIRMAN

Dear Shareholders, Colleagues, Ladies and Gentlemen,

We have the pleasure to welcome you all at the 39th Annual General Meeting of The ACME Laboratories Ltd. On this auspicious occasion, we would like to introduce the Annual Report 2014-2015 furnishing before you the Company's Financial Statements for the year ended 30 June 2015, the achievements and a review of gradual and sustainable progress of the Company.

On behalf of the Board of Directors, we would like to express our gratitude and greetings to all the respected stakeholders for their continuous support and attention in achieving excellence in the performance of The ACME Laboratories Ltd. We would also like to take the opportunity to thank you for providing us a unique opportunity to share and exchange our thoughts and views on the performance of the Company in the past year and the potentials and possibilities for going forward.

We are delighted to inform you that in the year under review, ACME had been able to maintain its sustainable advancement in terms of earnings per share, net cash flow, and profit earnings as well. Increasing of earnings per share reflects our efficient capacity in achievement of growth landmark. We believe the future development of ACME would be ensured by your active co-operation and suggestion in the overall function of the Company alongside the management of the Company.

ACME is determined to keep on its diligent effort in smooth marketing and abiding the ethically guided principle in all aspects with a view to attainment of great objective like welfare of human being in the therapeutic field by applying latest technological innovation following WHO-cGMP requirements for the production of quality goods.

Qualified human resources are our highest valuable capital. So, a standard and continuous training environment had been ensured to enrich their proficiency and competencies.

Our management had been able to keep uninterrupted production process in factory through financing as required, duly repayment of Bank Finance, proper arrangement of procuring and storing of required raw materials as well.

In the year under review, 61 (sixty one) new products have been added with the existing product portfolio of the ACME, production capacity increased and marketing territory of ACME in both local and abroad expanded. This is the sign of our gradual growth that preserves the interest of the investors through accomplishment of our strategic objective.

Considering the industry outlook, bright prospect, domestic and global market demand ACME has planned to start following three new projects:

- a) Steroid and Hormone;
- b) Oncology; and
- c) Ayurvedic, Modern Herbal and Nutraceuticals

For your kind information, we would like to inform you that during the year our Board of Directors has been changed. Two of our Directors namely Mr. Md. Fayekuzzaman and Mr. Md. Abdur Rouf, nominated by Investment Corporation of Bangladesh (ICB) has been withdrawn their nomination on 11 March 2015 and 4 March 2015 respectively. Subsequently, Mr. Md. Iftikhar-Uz-Zaman has been nominated as Directors on 16 March 2015 from the same Institute. On behalf of the Board of Directors I would like to express my sincere appreciation and gratitude to former Directors for their commendable contribution towards the Company.

On a positive note, we are pleased to welcome Mr. Md. Iftikhar-Uz-Zaman who has joined the Board as nominee Director of ICB. He is also serving as a member of the Audit Committee. We are hopeful that the long term experience of Mr. Md. Iftikhar-Uz-Zaman in the field of governance will help to enrich the Board of the Company.

We would also like to mention here that Directors' relentless endeavor to achieve the aims and objectives, timely effort both in thinking and action and our employees' diligence to the duty with determination derived from the ethical ideology is our guiding principle and this is the key yardstick of our success. We are delighted for acquiring the credibility of the physicians, healthcare professionals, consumers, shareholders and other stakeholders.

We once again convey our heartfelt appreciation to all our stakeholders, including investors, shareholders, customers, doctors and healthcare professionals for their continued support. We would like to express our heartiest felicitation to all levels of the employees and workers for their competency, skill, perseverance in the jobs relentless endeavor and cooperation.

Thanking you all with best wishes for the days ahead.



Afzalur Rahman Sinha
Chairman



I take the privilege to thank you all on behalf of myself and Members of the Board for attending at the 39th Annual General Meeting of The ACME Laboratories Ltd. I feel delighted to submit on behalf of the Board of Directors the Annual Report on Business for the year 2014-2015 containing the Directors' Report and Audited Financial Statements are required under Companies Act 1994 and Regulations of The Bangladesh Securities and Exchange Commission for consideration and approval thereof by you at this 39th Annual General Meeting.

All of we observed that Bangladesh's economy continued to grow above 6%, largely due to agricultural expansion, modest growth in apparel export, remittance from abroad and record foreign exchange reserve. The Bangladesh Pharma market is currently valued at approximately \$1.78 billion which is clearly dominated by local manufacturers. More than 97% of country's demands are met by local production; all the top 10 companies are local who have consistently occupied nearly 68% of the market share.

In spite of all the challenges, we achieved 12.51% sales growth during the year 2014-2015. In the year numbers of new products have been added to our portfolio. The financial year 2014-2015 was vastly significant to us in respect of not only the huge business diversification initiatives that we implemented but also due to the progress we made towards the business values. It was only possible for the cooperation of the valuable stakeholders, dedication and commitment of the team members. Thanks to our devoted workforce and their professional approach to business, their collective efforts made The ACME Laboratories Ltd. a renowned Pharmaceuticals giant in Bangladesh.

While we move to hold towards to better position in the domestic market we are progressively grabbing into the global market. During the year, our export reached BDT 438.64 million as against BDT 363.27 million of previous year with a growth of 20.75%. We are also 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.

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 never overlook our social responsibilities with regard to socio-economic development of rural people through poverty alleviation, 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 never played on back foot in its more than 60 years' journey rather always moved forward with continuous growth and development. So I would like to assure all stakeholders that their investments in ACME are safe, secure and full of possibilities.

I appreciate the leadership provided by the Board of Directors and Senior Management of the company and also express my gratitude to all our stakeholders, including investors, shareholders, customers, bankers, NBFIs' professionals, medical professionals and other participants for their whole-hearted support. Directors' Report, Auditors' Report, Audited Financial Statements together with Notes to the Financial Statements has already reached to you for your review. If you carefully go through our financial report, you will find that ACME could made significant improvement during the financial year 2014-2015 in all financial indicators.

Thank you all with best wishes.

Mizanur Rahman Sinha
Managing Director



Mr. Afzalur Rahman Sinha
Chairman

Mr. Afzalur Rahman Sinha, a Freedom Fighter, graduated from the University of Dhaka with a degree in Science in 1973. He then proceeded to the United States for further studies in Business Administration. During his studies he worked as an Analytical Chemist at the University of Missouri in the United States. He then returned to Bangladesh in 1982 and joined ACME as Deputy Managing Director. He is also the Director of Sinha Wool Wears Limited, Sinha knit Industries Limited and Sinha Fabrics Limited. He has been working as Chairman of the Company since 2014. He is a sport loving personality and a key organizer and patron to the cricket and hockey and also other sports events.

He is the Director of Abahani Limited and Chairman of Abahani Hockey Committee. He is the President of Surjo Tarun Club and Azad Boys Club, leading sports clubs in the country. He was former Vice President of the Bangladesh Hockey Federation. Presently, he is the director of BCB and the Chairman of finance committee of the Bangladesh Cricket Control Board, He is also the President of Bangladesh Billiard and Snooker Federation and the Chairman of Bangladesh Premier League (BPL).



Mr. Mizanur Rahman Sinha
Managing Director

Mr. Mizanur Rahman Sinha obtained his graduation degree in Commerce from Dhaka University. After graduation, he joined to the then Habib Bank Limited in 1964 and worked there in different senior positions. In the year 1975, as per the desire of his father i.e. the founder of The ACME Laboratories Ltd, he joined in The ACME Laboratories Ltd. His wholehearted and bold leadership made the Organization achievement a milestone in the Pharmaceuticals industry of the country. Besides, he is the founder Sinha Wool Wears and Sinha Fabrics Limited both of which have achieved a very good export market.

He is 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, construction of schools and building roads. He is very popular in his own constituency, Louhajang, Sherajdekhan, Munshigonj and he was elected Member of Parliament two consecutive terms starting from 1996 and during the period 2001-2006, he served as state minister of health and family welfare ministry of government of peoples' republic of Bangladesh.



Dr. Jabilur Rahman Sinha
Deputy Managing Director

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

Since receiving his Ph.D., Dr. J R Sinha has 28 years of research and teaching experience in several academic institutions in the United States.

Dr. Sinha has extensive experience in research and teaching in general, organic and analytical Chemistry at several colleges in the United States and has been very successful as professor as revealed by his peer and student evaluation year after year. He has been an active member of American Chemical Society, Rho Chi Honor Society and Sigma XI Honor Society.

Dr J R Sinha has provided active research-team leadership, training, planning and supervising personnel to exceed production goals, sharing the fiscal, manufacturing and marketing responsibilities here at ACME.



Mrs. Jahanara Mizan Sinha
Director

Mrs. Jahanara Mizan Sinha, wife of Mr. Mizanur Rahman Sinha is the Chairman of J M Sinha Agriculture Food Processing Industries Limited. She is also Director of The ACME Agroviet & Beverages Limited, Kalyar Packaging Limited, and Kalyar Replica Limited. Besides, Mrs. Mizan is a social entrepreneur which has given her an opportunity to grow and make a difference in the social life in which she lives.



Mrs. Nagina Afzal Sinha
Director

Mrs. Nagina Afzal Sinha is a Director of The ACME Laboratories Ltd. since 1981. She has a proven capability of contributing values in both family and business areas. She is aware of her own traits, rights and also the work situations. Her skills in facing challenges and opportunities enabled the company to grow rapidly. She is engaged in various social welfare organizations.



Mr. Md. Iftikhar-uz-Zaman
Nominee Director

Mr. Md. Iftikhar-uz-Zaman has completed his B.A. (Hon's) and M. A. (Masters) in Statistics from Rajshahi University. Presently, he is serving in Investment Corporation of Bangladesh (ICB) as Deputy Managing Directors. Besides, he has been contributing his professional knowledge as Chairman of ICB Asset Management Company Limited and Director of Aramit Limited, Wata Chemicals Limited, Navana Engineers Limited, Unique Hotel and Resort Limited, Bashundhara Dredging Company Limited, Energypac Power Generation Limited, Standard Bank Securities Limited.

He is one of the members of Board of Directors. He has started his career with ICB as a Senior Officer in 1983. During his career of long 32 years he held important position in Economic and Business Research Department, Transactions Department, Personnel Department, Loan Appraisal Department, Administration Department, Legal Affairs Division of ICB in different capacities. Previously he served as Deputy Managing Director, Janata Bank Limited; He is truly a seasoned professional and has strong knowledge on Capital Market and one of the strategic thinker regarding Capital Market and very expertise in public relationship. During his career he attended a number of training programmes on Capital Market issues both at home and in abroad.



Syed Shahed Reza
Independent Director

Syed Shahed Reza has obtained BA (Hons) in Political Science, M.A. in Public Administration from University of Dhaka. He then proceeded for service to the 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 also served Bangladesh Embassy in Kuwait as Ambassador.

Presently he has been contributing at ACME's Board as an Independent Director. He is renowned sport personalities and sport organizer. Currently discharging his responsibility in National Chancellor (Bangladesh Chapter) International Association of Educators for World Peace (IAEWP), NGO UN (ECOSOC) UNDP, UNICEF, UNESCO and UNCEO; 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 Ragbi Association; Member of Bangladesh Handball Federation. He is also Secretary General of the NOC.

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 good number of conferences and training program at home and in abroad.



Ms. Fouzia Haque, FCA
Independent Director

Ms. Fouzia Haque is a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). She obtained master degree in Management from the University of Dhaka.

Currently she is working as a Partner of Shahadat Rashid & Co., Chartered Accountants. She joined in ACME's Board as an Independent Director on 9 September 2014 and also serving as Chairman of Audit Committee of the Company. She served at BRAC, a renowned NGO; BRAC University, a top ranking private University; Disability and Development in Bangladesh (ADD), an UK based international NGO; ACNABIN, a Chartered Accountants' firm and World Bank at various capacities.

She has Extensive experience in management, leadership, organizational effectiveness and strategic planning, development and implementation of business objectives and strategies. She has Savvy and creative knowledge with a strong sense of balance, team building skills, corporate vision, strategic planning and execution and solid analytical skills. 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 program at home and in abroad.

VISION

To ensure Health, Vigour and Happiness for all.

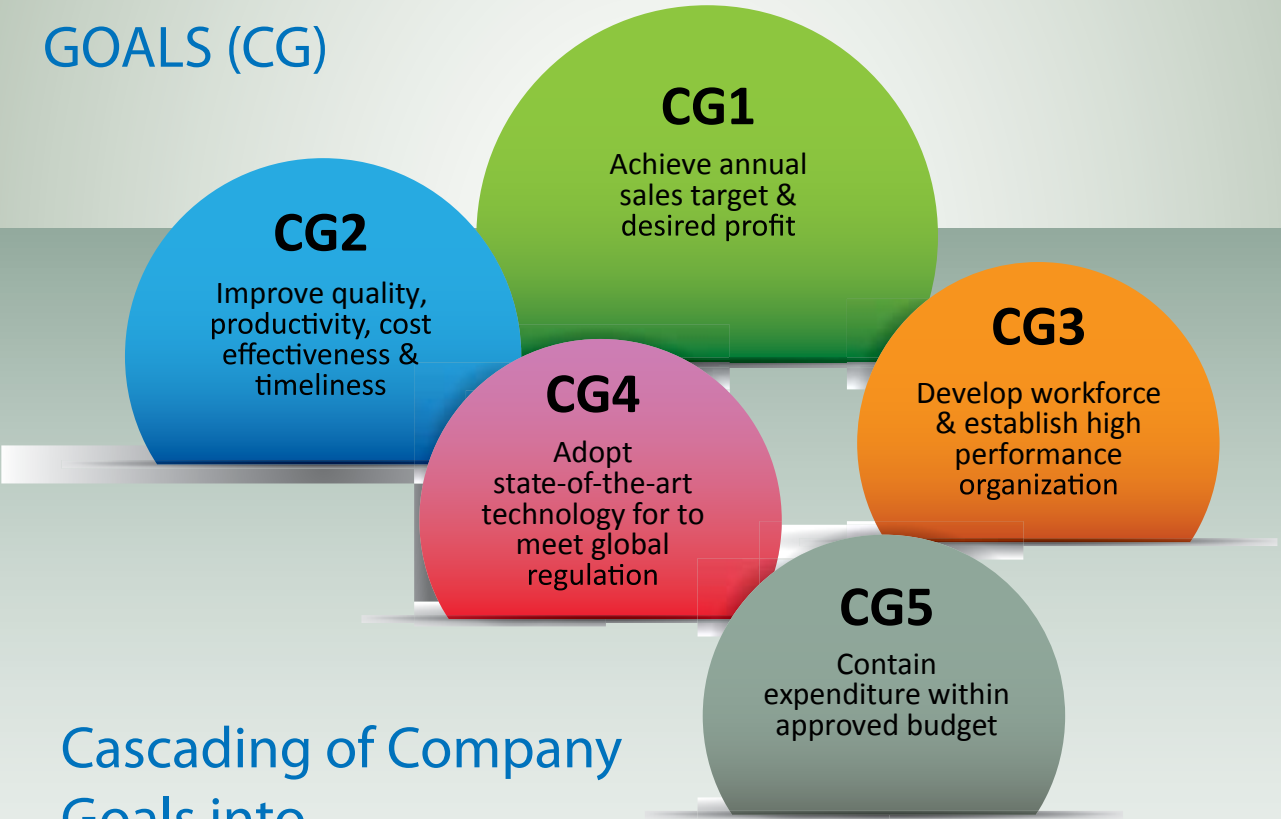


MISSION STATEMENT

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 (CG)



Cascading of Company
Goals into
Division / Department



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 came, founder established 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.

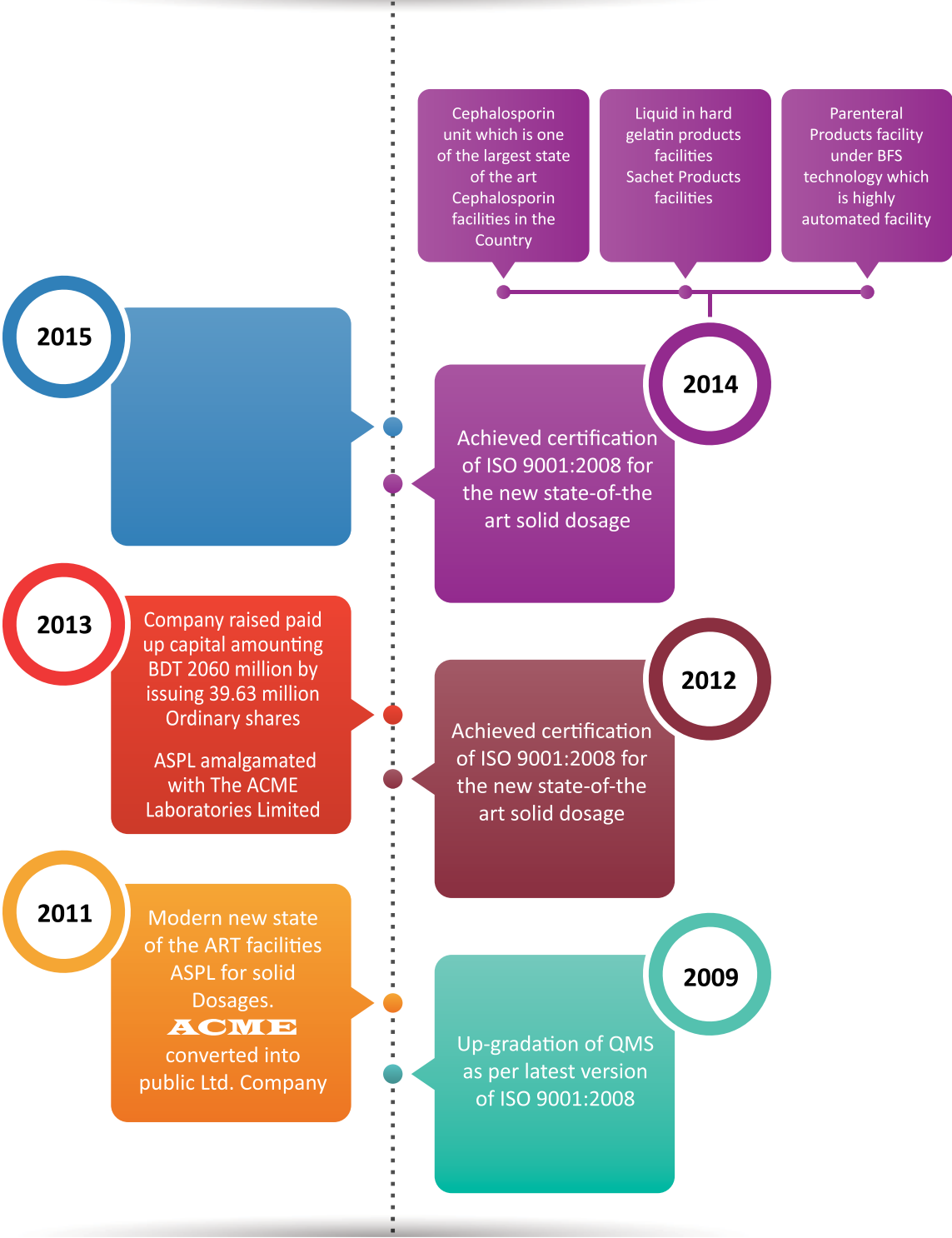


CORE VALUES

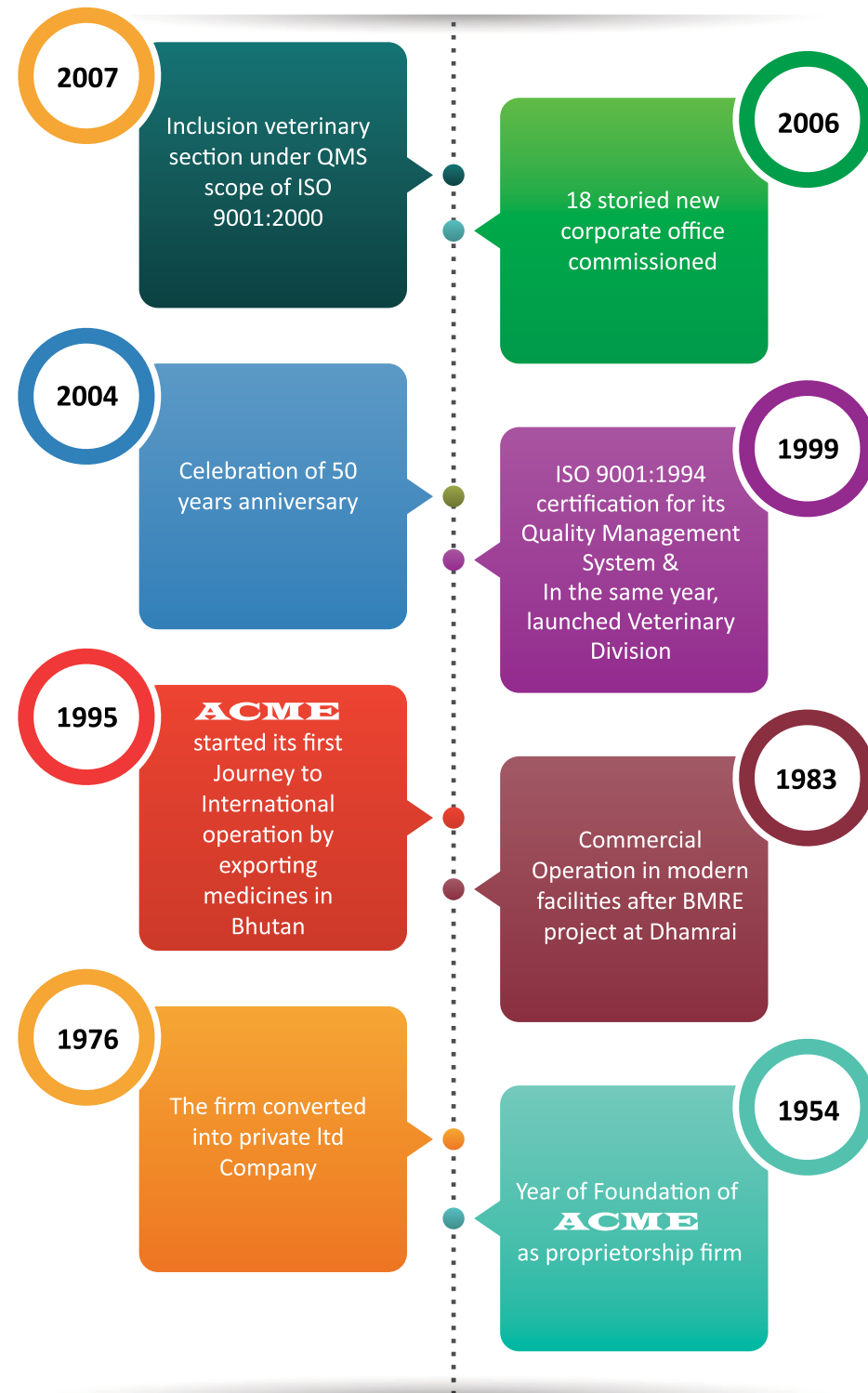
Our Company values are the measures for our thinking and actions. They are the core of what ties us together in the past, present and future. We do business on the basis of common values. Our success is based on customer focus, team spirit, desire to win, pro-activity, integrity and excellence. These 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.



IMPORTANT MILESTONES



IMPORTANT MILESTONES



SOLID DOSAGE UNIT



Board's Structure and its role

Composition of the Board

The Board in ACME is comprised of eight (8) Directors, including one Nominee from Investment Corporation of Bangladesh (ICB) and two Independent Directors. Chairman is elected from amongst the members. All the members of the Board of Directors of the Company are highly seasoned professionals skilled, well-experienced, extremely devoted, responsible, committed, 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 Company activities.

Board Meetings

The Articles of Association of the Company requires the Board to meet at least four times in a year or more. 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 statement 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 attention.

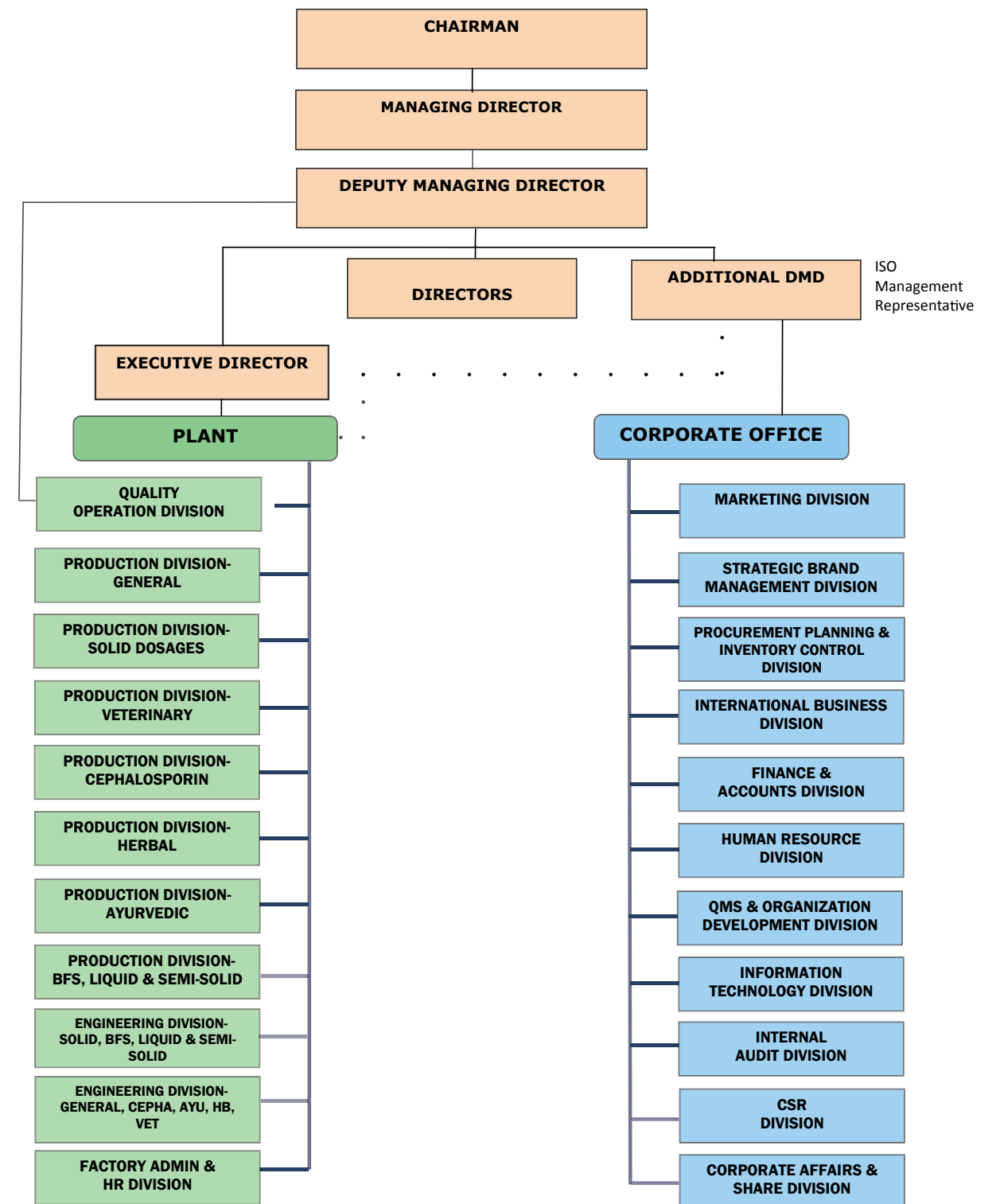
The number of Board Meetings held and the Attendance of Directors during the year 2014-2015 were as Follows:

Name of Directors	Position	No. of Meetings held	No. of Meetings attended
Mr. Afzalur Rahman Sinha	Chairman	10	10
Mr. Mizanur Rahman Sinha	Managing Director	10	10
Dr. Jabilur Rahman Sinha	Deputy Managing Director	10	5
Mrs. Jahanara Mizan Sinha	Director	10	10
Mrs. Nagina Afzal Sinha	Director	10	10
Syed Shahed Reza	Independent Director	10	8
Ms. Fouzia Haque FCA	Independent Director	10	10
Mr. Md. Fayekuzzaman	Nominee Director (Upto 16.03.2015)	10	8
Mr. Md. Abdour Rouf	Nominee Director (Upto 16.03.2015)	10	7
Mr. Md. Iftikhar-uz-Zaman	Nominee Director (From 16.03.2015)	10	3

Role of Managing Director

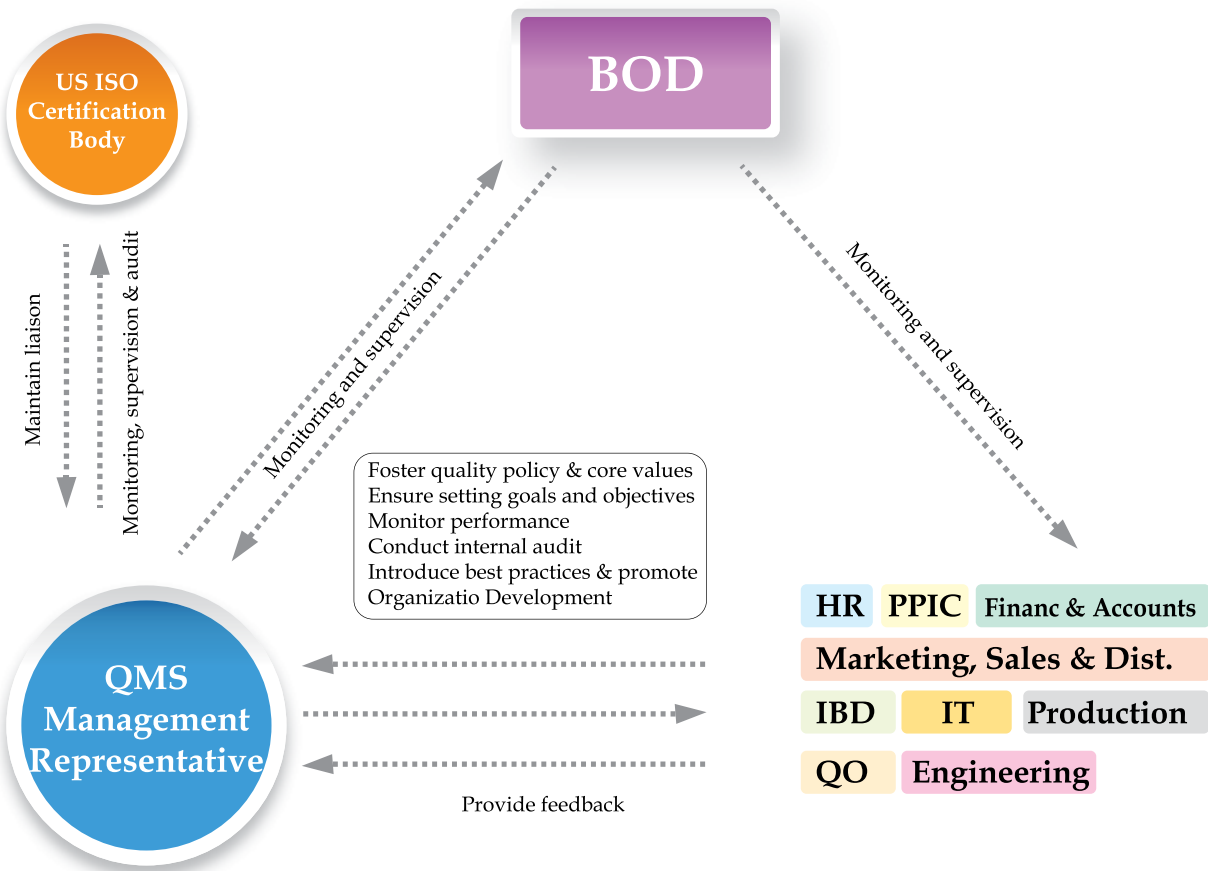
The roles of Managing Director are distinguished and description of responsibilities is clearly established, set out in writing and agreed by the Board to ensure transparency and better corporate governance. The Managing Director is the authoritative head for day-to-day management in ACME. He acts for 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.

Organogram



Our Board of Directors used to take support services from Quality Management Operations which is monitored and accredited an US based ISO certification body.

QMS OPERATIONS



QMS & OD Division under corporate operations 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 incessantly contributes to the implementation of business metrics & performance management; organization re-structuring & change management and business-driven HR transformation that make organization's human capital value added and trigger to the improvement 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 behaviours.

GENERAL UNIT



DIRECTORS' REPORT

For the year ended 30 June 2015

Dear Shareholders,

On behalf of the Board of Directors and Management Team, we would like to welcome you all to the 39th Annual General Meeting of The ACME Laboratories Limited. According to the Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Bangladesh Securities and Exchange Rules 1987, BSEC Notification dated 07 August 2012 and International Accounting Standards-1: Presentation of Financial Statements as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), we have the pleasure to place herewith the Directors' Report and Auditors' Report in respect of the Financial Statements of the Company for the year ended 30 June 2015.

PROFIT AND ITS APPROPRIATION

Particulars	(BDT in millions)	
	2014-15	2013-14
Net Profit after Tax	921.917	893.891
Adjustment for depreciation on revaluation surplus	109.707	87.299
Capital Reserve transferred to Retained Earnings	-	40.166
Gain due to Amalgamation and disbursement of purchase consideration	-	337.058
Profit brought forward from pervious year	1,949.427	1,327.209
Total Profit Available for appropriation	2,981.051	2,685.623
Appropriation		
Interim Cash Dividend approved for the year	-	(323.203)
Final Cash Dividend for the year 2013-14 (Comparative year 2012-13)	(242.403)	(367.816)
Tax Holiday Reserve	(48.854)	(45.177)
Closing Retained Earnings at the year end (before Proposed Dividend)	2,689.794	1,949.427
Proposed cash dividend for the year 2014-2015 @ 35%	(565.606)	(242.403)
Retained Earnings after Proposed Dividend	2,124.188	1,707.024

DIVIDEND

During the year ended 30 June 2015, the Company has earned net profit before tax amounting BDT 1,349,430,061 which after provision of income tax stood at BDT 921,917,143. Considering the performance of the Company, the Board of Directors has recommended 35% cash dividend i.e. BDT 3.5 per share which comes BDT 565,605,950 Dividend recommended by the Board of Directors is subject to the approval of the Shareholders in the forthcoming AGM.

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENT

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 about 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.

Pharmaceutical sector is now one of the fastest growing sectors in the country with an annual average growth rate of 14.89% over the last five years and 13.10% over the last decade. The market growth in 2015 was 12.92%, with approximately Tk. 12,000 Crore in revenues. If we recap, in 1970 pharma market was of Tk. 300 Crore, at present it is of Tk. 12,000 Crore and by 2015 it would exceed Tk. 13,000 Crore. Bangladesh is enjoying good number of factors as competitive advantages like comfortable size of local market, competitive labor, available technical know-how, low power costs, low costs white collar labor.

Population growth rate, growing income level of people and increase in modern health-care facilities, health awareness of the mass people and contract manufacturing service and export of pharmaceutical products are major drivers for future growth in pharma market in Bangladesh which logically attracts the scope for further growth in investment for expansion and development in this industry.

Considering industry outlook and bright prospects, The ACME Laboratories Ltd. expressed its intention to issue 50,000,000 Ordinary Shares. ACME has a succeeding development plan to utilize the proceeds of IPO for the following purposes:

Steroid and Hormone Project

Around the world, family planning techniques vary widely, reflecting cultural factors and medical attitudes as well as more practical issues of formulation, price and access.

Overall, contraceptives are big business. A recent report by GIA, a market research group, estimates the economic downturn has done nothing to flatten sales, as couples defer or avoid having children to reduce costs. It forecasts demand will rise to \$17bn by 2015.

Over the last two decades increasing international attention has been focused on women's sexual and reproductive health as a priority area for health care reform. The UN's commitment to universal access to reproductive health by 2015 through Millennium Development Goal 5 on maternal health, has added to the impetus. In Bangladesh, sexual and reproductive health remains an area of concern in the context of meeting the MDGs in health and women's empowerment. According to IMS (2nd Q, 2015) the total Hormone and Steroid market is 354 Crore in 2015, a growth rate of 23.90%. Only 3 to 4 companies are playing in this market at this moment. In addition Government and NGOs are procuring large quantities of oral and injectable contraceptives and hormones as from overseas companies which estimated more than 120 crore as well which is not reflected in IMS. As such, it is emerging as another import substitute segment of healthcare sector of the country.

In addition to above, researchers of the industry seeing that in future overall treatment procedure will be driven by hormonal medicine and due to technical reasons developed countries is going to outsource the hormonal products through contract manufacturing.

Oncology Project

Oncology is a branch of medicine that deals with Tumor/ Cancer. Cancer begins when cells in a part of the body start to grow out of control. Today, millions of people are living with cancer or have had cancer. Screening is when tests and exams are used to find this type of disease in people who are not showing any signs of symptoms. Based on how far the cancer has progressed and its location in the body it responds differently to treatment. A cancer specialist, Oncologist will provide the patient with the best treatment plan

based on the form of cancer and how aggressive the cancer may be. This may include Surgery, Chemotherapy or Radiotherapy.

Manufacturing Oncology Medicines (Chemotherapeutic Agents) require dedicated and sophisticated facility and machineries as most of the oncology products are Hazardous and/or Cytotoxic. Pharmaceutical regulatory bodies like WHO recommend dedicated facility for manufacturing Cytotoxic and Hazardous Products to ensure the non hazardous Product and Patient safety and environment as well.

Presently, substantial portion of oncology product’s market is import based. The anti-cancer drug market in Bangladesh is growing at 20 percent a year due to an alarming rise in cancer patients. Strength of Oncology Product market are, huge demand in domestic market with a high growth, favorable regulatory authority for domestic manufacturer, increasing health expenditure due to growing health consciousness, promising market for contract manufacturing.

Ayurvedic, Modern Herbal and Nutraceuticals Project

Total Bangladesh Market size of Unani, Ayurvedic and Herbal is about BDT 1,400 crore with an annual average growth of 13%. Apart from this, a good quantity of herbal products in the name Food Supplements, Energy Boosters, Health care Products and Beauty Products etc is poured down into the country every year. The worth of those products is estimated to be between BDT 200 to BDT 600 crore.

Herbs are staging a comeback and herbal ‘renaissance’ is happening all over the world. The herbal products today symbolize safety in contrast to the synthetics that are regarded as unsafe to human and environment. Although herbs had been prized for their medicinal, flavoring and aromatic qualities for centuries, the synthetic products of the modern age surpassed their importance, for a while. However, the blind dependence on synthetics is over and people are returning to the naturals with hope of safety and security.

Considering the potential marketability, utilization of indigenous materials, safety, efficacy, local and global acceptability, cost effectiveness and our experience, a wide scope for development and expansion is much talked about. So, more than a good number of manufacturing companies are in operation and many are planning to come up with huge investment, locally and in collaboration of world renowned companies.

The present scenario and future prospects easily attract the new entrepreneurs and corporate organizations. So, it will be a positive and prospective field to be considered for expansion as soon as possible.

In these circumstances, we consider that investment in ACME’s herbal division will no doubt be economically prospective and financially viable. As such, ACME is going to take initiative to building up a cGMP compliance Ayurvedic, Modern Herbal and Nutraceuticals facility.



(1) Capital Expenditure

In continuation of its regular development with regard to competencies, capabilities and adaptation of sophisticated cutting edge technologies the Company has recently completed and started operations of following projects:

SL #	Name of projects	Current Status
01	Cephalosporin facilities	COMMISSIONED ON 04 NOVEMBER 2013 AND COMMERCIAL LAUNCHING OF PRODUCTS MANUFACTURED COMMENCED IN JUNE THE YEAR 2014.
02	Liquid in Hard Gelatin facilities	The facility already has been commissioned and commercially launched its products in September 2014.
03	Sachet products facilities	The facility already has been commissioned and commercially launched its products in September 2014.
04	Blow Fill Seal (BFS) - LVP & SVP products	The facility already has been commissioned and commercially launched its products in October 2014.
05	Liquid & Semi-solid products	Civil construction of this project has been completed. Installation of machineries is going on and expected commercial launching of products manufactured in this plant will be by the end of 2015.
06	Steroid and Hormone	Considering prospects of steroid and hormone products the Board of Directors has decided to start construction work of this project very recently.

In addition to above, estimated amount of capital expenditure committed by the Company mainly in the form of Letter of Credit opened in favor of suppliers of plant and machineries related to development projects as at 30 June 2015 is BDT 49,647,745.



(2) Product development

The following table shows the position of existing products and newly developed products during the year 2014-2015:

SL #	Product Category	No. of products as on 01.07.2014 (A)	Addition during the year	Discarded during the year	Total Net as on 30.06.2015
			(B)	(C)	(A+B-C)
	Human:				
1	Capsule	44	2	0	46
2	Cream	13	0	0	13
3	Dry syrup	29	2	0	31
4	Eye/Ear/ND	18	3	1	20
5	Injection	57	0	1	56
6	Liquid	48	1	0	49
7	Ointment	14	1	0	15
8	Tablet	237	20	1	256
9	Powder	1	0	0	1
10	Inhaler(DPI)	8	0	0	8
11	Suppository	13	1	0	14
12	Inhaler(MDI)	10	2	0	12
13	Herbal	34	7	0	41
14	Syringe	2	0	0	2
15	Gel	4	0	0	4
16	Infusion	0	12	0	12
	Total	532	51	3	580
	Veterinary:				
1	Injection	55	2	0	57
2	Liquid	29	5	0	34
3	Ointment	1	0	0	1
4	Bolus	21	1	0	22
5	Premix	17	0	0	17
6	Water Soluble Powder	56	2	1	57
	Total	179	10	1	188
	Grand Total	711	61	4	768

Products development work has been selected by the strategic brand management division developed by product development department. It is expected that after introducing all these products in the market a positive impact will be reflected in the revenue of the Company in near future.

(3) Quality Operation Mechanisms

The ACME Laboratories Ltd. maintains state-of-the-art manufacturing facilities and strict quality control procedure for ensuring best quality products to the customers at every steps of the pharmaceutical product manufacturing starting from sourcing of materials to dispatching of finished products. The Company's quality slogan is -"Perpetual Quest for Excellence". Current Good Manufacturing Practice (cGMP), Good Laboratory Practices (GLP), Standard Operating Procedures (SOP) and best practices that are proven effective are followed in every step of manufacturing, packaging & laboratory operations. ACME has three (3) most modern Quality Control (QC) laboratories which are well equipped with the most modern & sophisticated equipments like High Performance Liquid Chromatography (HPLC), UV-Visible Spectrophotometer, Gas Chromatography (GC), Total Organic Carbon analyzer (TOC), Fourier Transform Infrared Spectrophotometer (FTIR), Atomic Absorption Spectrophotometer (AAS), Aerodynamic particle size analyzer, Single stage cascade impact or, Kinetic LAL Analyzer, API (analytical profile index) for microbial identification, Dissolution Tester with auto sampler and several other instruments & accessories to meet the world class standards like ISO, WHO, cGMP, UK MHRA, US FDA, PICS etc for ensuring the highest quality of the products. The total quality operational activities are accomplished by three departments – Quality Assurance, Quality Control and Research & Development (R&D), which are comprised of competent, trained and highly qualified professionals like Pharmacists, Chemists, Biochemists, Molecular Biologists & Microbiologists.

(4) Technology

Pharmaceutical industry is dynamic in nature and heavily driven by knowledge and cutting edge technology. As one of the leading pharmaceutical Company of the country, ACME established sophisticated cutting edge technologies which comply with WHO cGMP, UK MHRA, US FDA and European Standards. The facilities are unique for Integrated building management system, World-class structural design, Dust-free environment, Well-designed HVAC system, Zero cross-contamination, Total compliance as per GMP, Vacuum transfer close system, Different storage conditions, High-tech chemical µbiological laboratories, Modern R&D facility, Maintenance by NIST, Most up-to-date purified water generation plant and Fire management system.

(5) Domestic and Export Revenue

During the year, ACME achieved moderate growth and its total revenue stood at BDT 11,496.41 million. Domestic sales continue to remain as the key driver with 96.67% of the total revenue. The Company is continuously pressing hard for expanding its export sales. During the year, the exports amounting BDT 438.64 million as against BDT 363.27 million in previous year, with 20.75% growth. Present export market covers Bhutan, Cambodia, Hong Kong, Lao PDR, Myanmar, Nepal, Philippine, Sri Lanka, Thailand, Iraq, Uzbekistan, Kenya, Vietnam, Ethiopia, Somalia, Guatemala, Mongolia, Belize, Nigeria and Fiji. In addition, due to expiry of patented drugs there will be immense opportunity for contract manufacturing services on which we are also targeting at.



Financial Results

The operating financial results of the Company for the year 2014-2015 as compared to previous year are summarized hereunder:

Particulars	(BDT in million)		% increase
	2014-2015	2013-2014	
Authorized Capital	5,000.00	5,000.00	-
Paid up Capital	1,616.02	1,616.02	-
Total Sales	11,496.41	10,217.93	12.51%
Export Sales	438.64	363.27	20.75%
Gross Profit	4,301.42	3,980.14	8.07%
Profit before tax	1,349.43	1,204.84	12.00%
Net Profit	921.92	893.89	3.14%
Property, Plant and Equipment	16,027.23	15,511.90	3.32%
Shareholders Equity	11,372.63	10,692.16	6.36%
Gross Profit margin (%)	37.42%	38.95%	-
Net Income Ratio (%)	8.02%	8.74%	-
Dividend (%)	35%	35%	-
Net Asset Value (NAV) per Share	70.37	66.16	6.36%
EPS/ Restated EPS	5.70	5.65	0.88%
Weighted Average Number of Shares	161,601,700	158,084,771	-
Number of Employees	7,812	6,711	-



HUMAN
&
HERBAL PRODUCTS





Composition of Shareholding

Present shareholding composition of the Company is given below:

Name of the Shareholders	Designation	Address	2014-2015	
			No. of Shares	%
Mr. Afzalur Rahman Sinha	Chairman	House No. 7, Road No. 6, Sector-3, Uttara Model Town, Dhaka, Bangladesh	17,214,336	10.65%
Mr. Mizanur Rahman Sinha	Managing Director	House No. 6, Road No. 14, Sector-4, Uttara Model Town, Dhaka, Bangladesh	20,426,565	12.64%
Dr. Jabilur Rahman Sinha	Deputy Managing Director	Hazel Wood, House No. 4, Road No. 118, Gulshan-2, Dhaka, Bangladesh	4,860,696	3.01%
Mrs. Jahanara Mizan Sinha	Director	House No. 6, Road No.14, Sector-4, Uttara Model Town, Dhaka, Bangladesh	10,519,744	6.51%
Mrs. Nagina Afzal Sinha	Director	House No. 7, Road No. 6, Sector-3, Uttara Model Town, Dhaka, Bangladesh	11,888,433	7.36%
Mr. Nasir-Ur-Rahman Sinha	Shareholder	House No. 7, Road No. 7, Nabodoy R/ A, Mohammadpur, Dhaka, Bangladesh	6,160,405	3.81%
Mrs. Parveen Akhter Nasir	Shareholder	House No. 7, Road No. 7, Nabodoy R/A, Mohammadpur, Dhaka, Bangladesh	5,401,517	3.34%
Mrs. Hasina Jabil Sinha	Shareholder	Hazel Wood, House No. 4, Road No. 118, Gulshan-2, Dhaka, Bangladesh	4,859,245	3.01%
Institutional Shareholders	Shareholder	Dhaka, Bangladesh	38,476,100	23.81%
Others (who holds less than 5% share)	Shareholder	Dhaka, Bangladesh	41,794,659	25.86%
TOTAL				100%



Related Party Transaction

Name of the Company	Relation ship	Nature of Transaction	2013-2014		2014-2015	
			Value of transaction	Balance at 30.06.2014	Value of transaction	Balance at 30.06.2015
				Receivable/ (Payable)		Receivable/ (Payable)
ACMUNIO Int. Limited	Common Director	Advance to ACMUNIO / Current A/C	25,130,552	120,343,583	23,698,315	144,041,898
		Finished Goods Purchase	4,334,085	-	16,193,227	-
		Rent on Investment Properties	6,462,000	32,310,000	6,462,000	37,156,500
Sinha Printers Limited	Common Director	Local Supply	391,049,968	(388,321,732)	381,793,998	391,042,580
		Provide service & others	329,116	37,257,581	348,296	-
Kalyar Packaging Limited	Common Director	Local Supply	45,570,985	-	62,486,680	-
Kalyar Replica Limited	Common Director	Local Supply	7,083,759	-	3,755,407	-

Remuneration & Sitting Fees of Directors and Salary & Allowances of Employees

Aggregate Amount of Remuneration & Sitting fees of Directors and Salary & Allowances of Employees for the year ended 30 June 2015 were as follows:

SL. #	Particulars	Amount in BDT	
		30.06.2015	30.06.2014
1	Directors Remuneration and Sitting Fee	30,582,500	118,884,500
2	Officers and Staffs Salary & Allowances	1,466,365,636	1,375,590,878

HUMAN RESOURCES

Multidisciplinary human resources comprising 7,603 full time equivalent qualified, trained and skilled professionals, including a good number of white collar employees such as pharmacists, chemists, doctors, microbiologists, scientists, engineers, accountants and business administration graduates and/or post-graduates are currently working at ACME. Its utmost importance on the continuous development of human resources to enhance their competencies through continuous in-house and external training programs and encourages people.

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. Inspiring fringe benefits like bonus, holiday allowance, laundry allowance, night allowance, driver allowance, technical allowance along with a sound and healthy working environment in place as part of our talent retention and motivational program. As we do believe, our success immensely depends upon performance of our 7,603 patrons.

TRIPLE BOTTOM LINE (TBL) REPORTING

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. 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.
- Involve with the multipurpose activities for the wellness of Community/ Society:
 - During the year 2014-15, BDT 683,134 has been spent for building primary herbs processing centers in the rural areas; in the year 2015-16, the Company will diversify the activities of the aforesaid herbs processing center by adding two new components, i.e. need based adult education center and training center for the medicinal plant farmers.
 - Approximately BDT 233,640 has been spent for Graduate Students Internship Program (GSIP) in cash and kind.
- Introduced following employees' well-being programs:
 - BDT 73,568,003 was disbursed under the scheme of WPPF.
 - In addition to company's contribution, BDT 13,562,568 was spent, contributed by both Officers' and Directors' of the Company, to support deceased employee's family.
 - BDT 6,279,474 has been spent for the purpose of employee's group insurance.
- In addition to above, in future the company will Introduce 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 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 2014-15 the company could reduce the use of CFC equivalent to 3,200 kg CO₂ which are vital devils for global warming and ozone layer depletion.
- Saved energy consumption significantly through using energy saving electronic equipments (i.e. light, fan, computers, etc.)
- Reduced Printing and Stationery consumption through using electronic documentation which is equivalent to BDT 4,908,204
- 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 environment friendly. For this purpose, in the coming year we are going to implement zero discharge ETP water from our plants.
- In order to ensure better Bio-diversity and reduce global warming the company will make plantation in new areas of the country particularly the medicinal plants which are in extinction crisis.

PROFIT

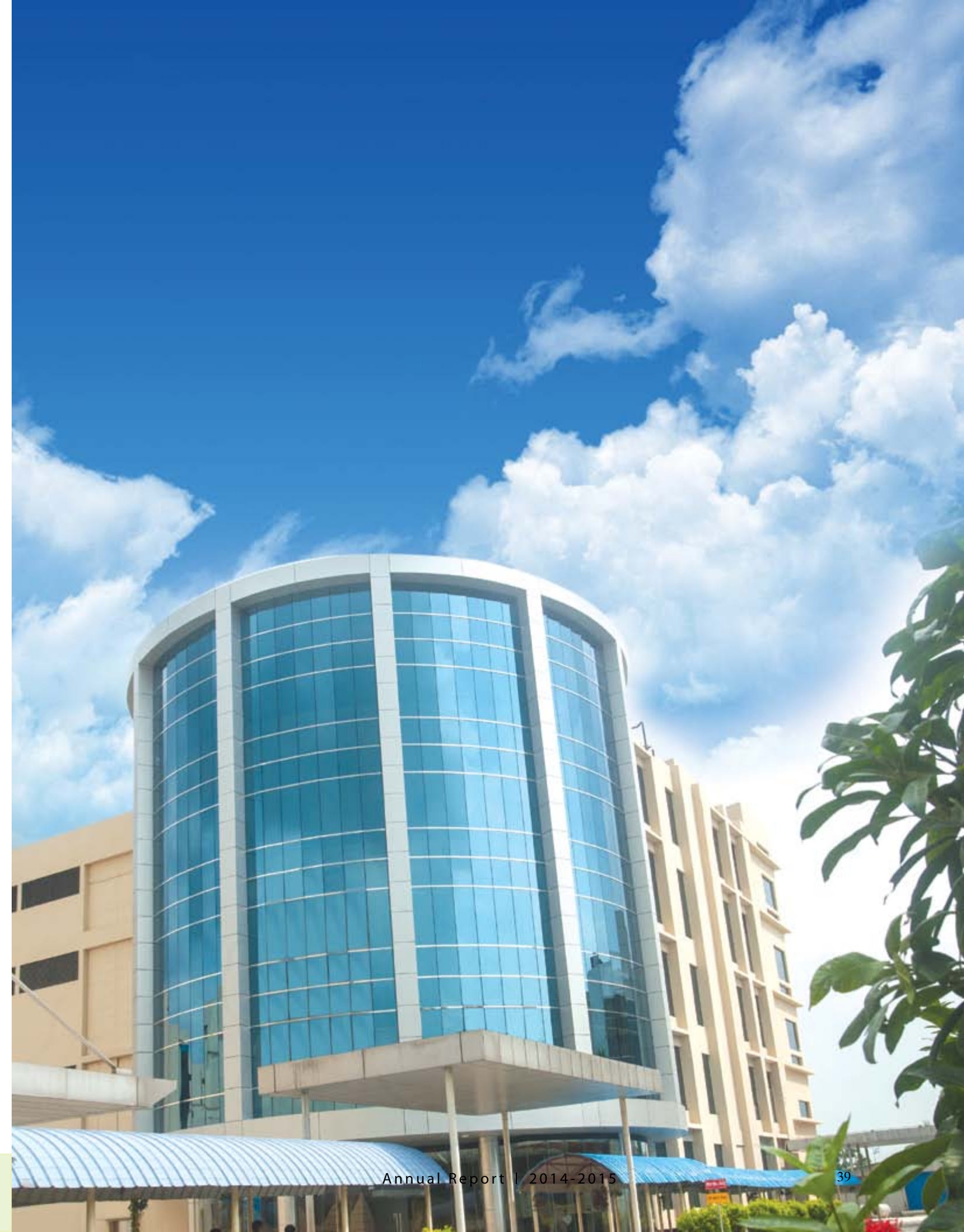
- Achieved 12.51% Sales growth during the year 2014-2015
- During the year 2014-15, Percentage of Net Profit to Net Sales ratio is 8.02
- During the year 2014-15, Earnings Per Share is BDT 5.70 on one Equity Share of BDT 10.00 each
- Net Assets Value per share is BDT 70.37 as at 30 June 2015
- Followed consistent dividend policy over the last three years. i.e. 35% cash dividend (proposed) during the year 2014-15; 35% cash dividend for the year 2013-14 and 30% cash dividend for the year 2012-13.
- The Company expecting that in the upcoming year, the company will commercially launch its Liquid & Semi-solid products and also going to implement a number projects through IPO proceeds which will contribute to increase its profitability.

CONTRIBUTION TO NATIOANAL EXCHEQUER

During the year, your Company paid BDT 1,842.53 million to the National Exchequer in the form of corporate Income Tax, and Value Added Tax (VAT) and Import duties.

RETIREMENT AND REAPPOINTMENT BY ROTATION OF DIRECTORS

Mr. Mizanur Rahman Sinha, Dr. Jabilur Rahman Sinha and Mr. Md. Iftikhar-Uz-Zaman, Directors of the





Company, will be retired by rotation at the forthcoming Annual General Meeting and being eligible they offer themselves for reappointment.

RE-APPOINTMENT OF THE MANAGING DIRECTOR

Mr. Mizanur Rahman Sinha has been working as Managing Director of the Company and his tenure will be expired on 29 November 2016. However, the Board of Directors in its 53rd meeting dated 20 September 2015, decided to re-appoint him for further 5 (five) years effective from 20 September 2015 subject to the approval of the shareholders in the 39th Annual General Meeting.

APPOINTMENT OF AUDITORS

The existing auditor M/s. Pinaki & Company, Chartered Accountants, (An Independent Associate Member of Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, New Delhi, India) has carried out the audit for the year ended 30 June 2015. M/s. Pinaki & Company, 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 2015-2016 at a remuneration BDT 500,000 (BDT Five Lac) subject to approval in the AGM.

STATEMENT OF DIRECTORS ON FINANCIAL REPORTS

Directors are pleased to report that:

- The financial statements together with the notes thereon have been drawn up in consistent with the Companies Act, 1994 and Securities and Exchange Rules, 1987. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements except those referred to in the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards (IASS)/ Bangladesh Accounting Standards (BASs) / International Financial Reporting Standards (IFRSs)/Bangladesh Financial Reporting Standards (BFRSs), as applicable in Bangladesh, have been followed in preparation of the financial statements.
- Effective internal control system has been in place during the period under review and has been effectively monitored.
- There is no doubt whatsoever about the ability of the Company to continue as a going concern.

Directors also affirm that the Managing Director and the Chief Financial Officer have certified to the Board that they have reviewed the Financial Statements for the year ended 30 June 2015 and to the best of their knowledge and belief:

- The Financial Statements presented fairly of the affairs of the Company and are in compliance with existing accounting standards and applicable laws and regulations.
- There is no statement which is materially misstated or misleading and there is no omission of facts thereon.
- No transaction has been entered into by the Company that are fraudulent, illegal or in violation of the Company's Act.



38th AGM



CORPORATE GOVERNANCE

ACME has the endeavor to implement and maintain superior standards of Corporate Governance norms and has been practicing the principles of good Corporate Governance. Corporate Governance principles as practiced by the Company based on transparency, adequate disclosures, complete compliance with the laws, fairness, professionalism, accountability and ultimately the target of maximizing shareholders value and also duly catering the interests of the broader stakeholders including customers, suppliers, employees, community, the environment and the society in broad.

We are committed to run business in a manner, which will ensure sustainable, capital efficient and long-term growth and in order to achieve these the Company has built up a strong base stone for making Corporate Governance a way of life by having an independent Board with experts of eminence and integrity, inducting competent professionals across the organization and putting in place best proven practices, systems, process and sophisticated cutting edge technology.

To comply with the corporate governance code imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/ CMRRCD/2006-158/134/Admin/44; Dated: 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance 1969; the Company inducted two Independent Directors and also formed an Audit Committee headed by an Independent Director.

AUDIT COMMITTEE

To comply with the Corporate Governance code the Board of Directors formed an Audit Committee in its 42nd meeting, dated: 9 September 2014. Present members of the Committee as follows:

Name	Status in Audit Committee	Status in Board
Ms. Fouzia Haquem FCA	Chairman	Independent Director
Dr. Jabilur Rahman Sinha	Member	Director
Mr. Md. Iftikhar-Uz-Zaman	Member	Nominee Director

The Board Of Directors thankfully take this opportunity to appreciate shareholders, Doctors and other Customers, Bankers, Suppliers, Vendors, Regulatory Bodies including Bangladesh Securities and Exchange Commission, National Board of Revenue, Directorate General of Drug Administration & Licensing Authority (Drugs), Registrar of Joint Stock Companies and Firms, Insurance Companies and Employees of the company 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,

(Afzalur Rahman Sinha)
Chairman

Our performance

Business Journey

The ACME Laboratories Limited, the flagship company of renowned ACME Group, has been engaged in manufacturing, marketing and distribution of pharmaceuticals formulation products. Initially, the company was a proprietorship concern engaged manufacturing in few oral liquid products in 1954. Later on, the enterprise converted into a private limited company on 17 March, 1976 vides registration no. C-4745/163 of 1975-76 under the companies Act-1913 and it was converted into a public limited company on 30 November 2011.

The ACME Group is one of the leading conglomerates in Bangladesh. It has an outstanding record of all around excellence and growth in the relevant business activities. ACME is one of the largest manufacturer, distributor and exporter of Human, Herbal and Animal Health Pharmaceutical Products in Bangladesh. Since inception in 1954, it has been working relentlessly with a vision to ensure Health, Vigour 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 9001:2008 standard, WHO cGMP standard and best practices that are proven effective.

In the year 1999 the company awarded ISO: 9001 certification. 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 Dosage 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 Zink 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 Pharmaceutical Limited (ASPL), a subsidiary of The ACME Laboratories Limited, in order to cater upcoming national and global demand of various type of products and also to meet the challenges of 21st century. However, The Supreme Court of Bangladesh, High Court Division, vide its judgment dated 20.11.13 approved the scheme of amalgamation of the “The ACME Specialized Pharmaceuticals Limited” (the Transferor Company) with “The ACME Laboratories Limited” (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 account 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 Bogra, Rangpur, Barishal, Mymensingh, Dhaka City North, Dhaka City South 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 Blow Fill Seal (BFS) - LVP & SVP products already has

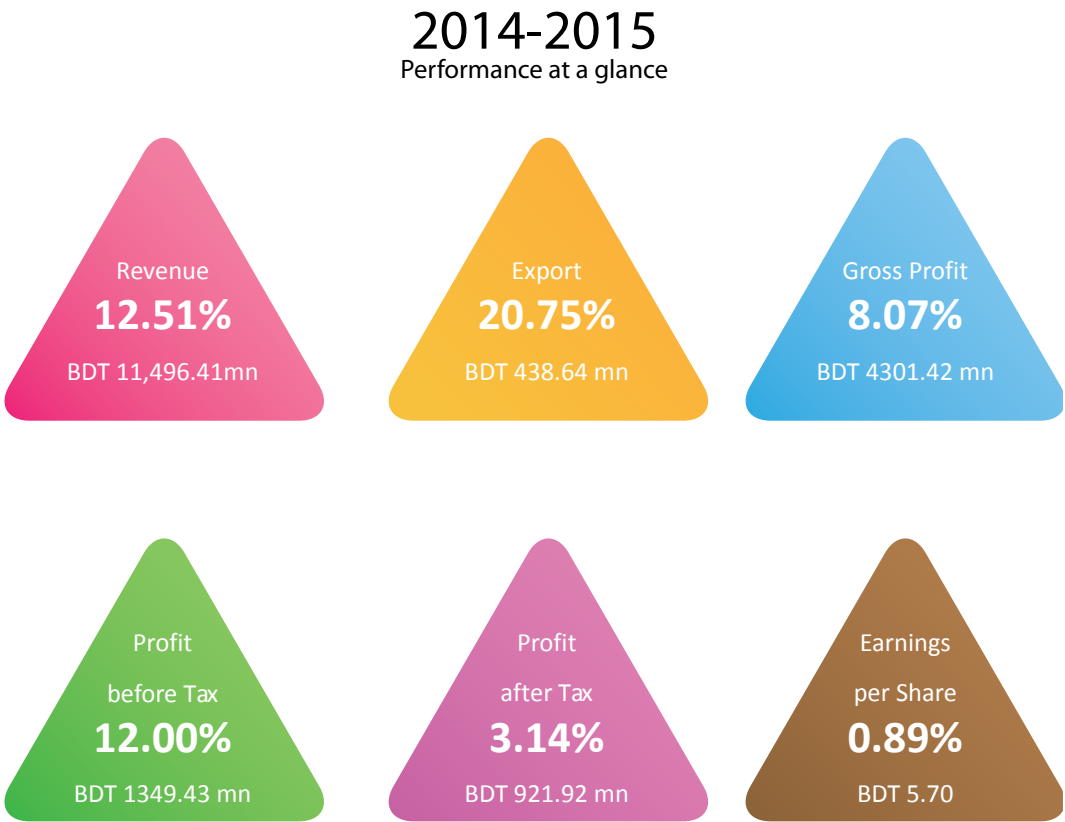
been commissioned and commercially launched its productions in October 2014.

Performance 2014-15

Revenue increased by 12.51% in 2014-2015 and reached to BDT 11,496.41 million, compared to BDT 10,217.93 million in 2013-2014, Gross profit margin at 37.42% has been enjoyed with an increase in net income ratio at 8.02% over prior period 8.74%. It represents efficient operational performance of the Company. Fixed asset has increased by 3.32% implying higher capacity to generate future long-term economic benefits.

Net Assets Value per share has reached at BDT 70.37 and the Earnings per share (EPS) at BDT 5.70.

In summary, during 2014-2015, 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, premix and herbal drugs dosages.



- Introduced 61 new products including different human and veterinary products.
- Commissioned and commercial operation started of Blow Fill Seal (BFS) - LVP & SVP products.
- The estimated amount of capital expenditure commitment of the company mainly in the form of Letter of Credit opened in favor of suppliers as at 30 June 2015 is Tk. 49,647,745.

FINANCIAL HIGHLIGHTS

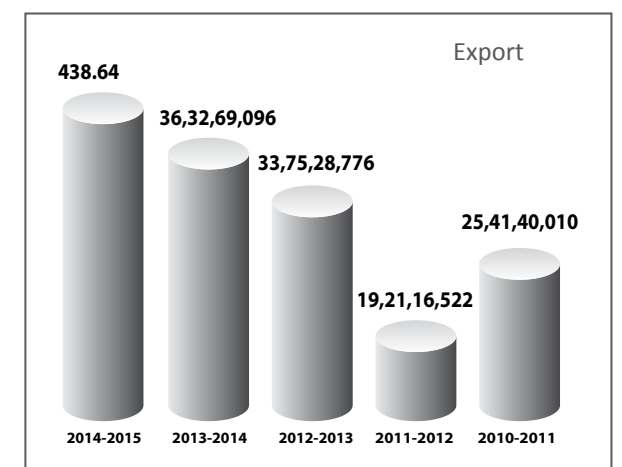
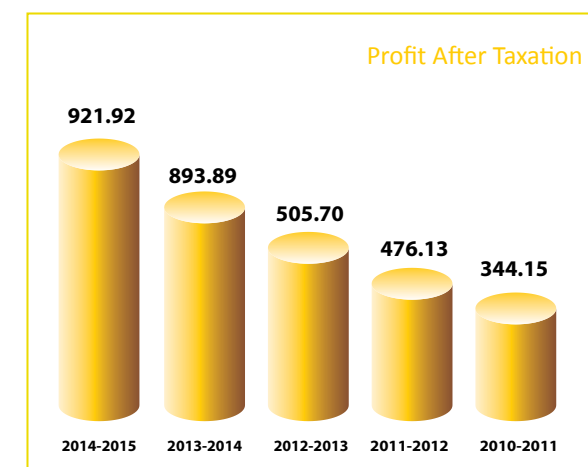
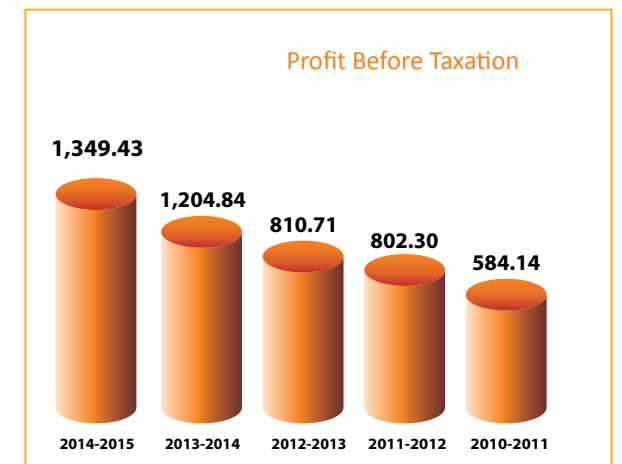
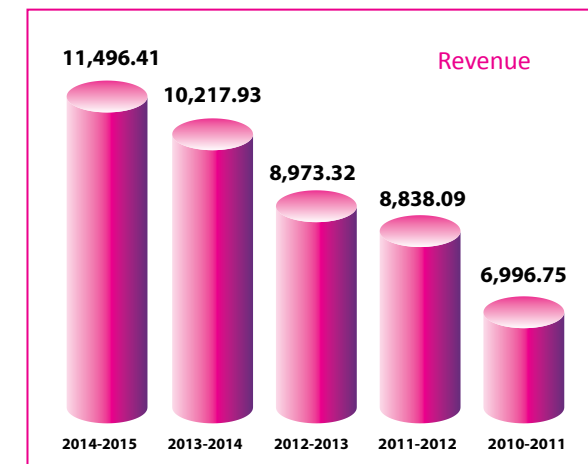
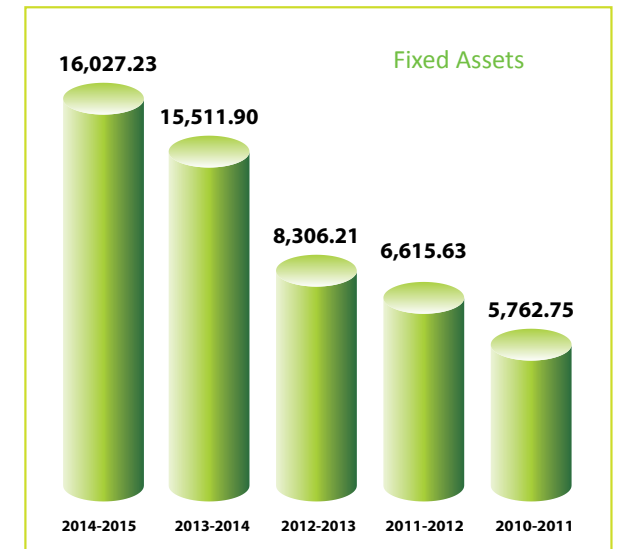
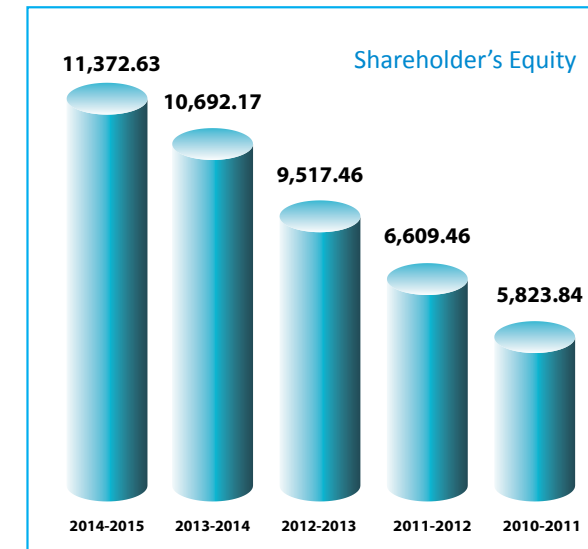
FOR LAST 5 YEARS

(BDT in million)

Particulars	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Shareholders' Equity :					
Share Capital	1,616.02	1,616.02	1,556.31	1,160.00	1,160.00
Share premium	1,605.07	1,605.07	1,605.07	-	-
Revaluation Surplus	5,320.07	5,429.80	4,488.70	4,559.56	4,321.83
Capital Reserve	-	-	40.17	40.17	40.17
Share Money Deposit	-	-	500.00	-	-
Gain/(Loss) on Marketable Securities (Unrealized)	1.82	0.84	-	-	-
Tax Holiday Reserve	139.86	91.01	-	-	-
Retained Earnings	2,689.79	1,949.43	1,327.21	849.73	301.84
Shareholders' Equity :	11,372.63	10,692.17	9,517.46	6,609.46	5,823.84
Non Current Liabilities	4,904.88	3,057.68	1,128.41	631.73	491.43
Total	16,277.51	13,749.85	10,645.87	7,241.19	6,315.27
Application of Fund					
Property, Plant and Equipment	16,027.23	15,511.90	8,306.21	6,615.63	5,762.75
Intangible Assets	0.25	0.29	0.34	0.41	0.53
Investment in Shares	7.12	6.14	351.47	351.47	351.47
Preliminary Expenses	-	-	-	-	0.01
Investment Property	26.19	26.19	26.19	26.19	25.96
Current Assets:	7,198.98	6,635.06	7,889.44	5,738.67	3,669.10
Current Liabilities :	(6,982.26)	(8,429.73)	(5,927.78)	(5,491.18)	(3,494.55)
Total	16,277.51	13,749.85	10,645.87	7,241.19	6,315.27
Financial Result					
Revenue	11,496.41	10,217.93	8,973.32	8,838.09	6,996.75
Cost of Goods Sold	7,195.00	6,237.80	5,721.02	5,697.48	4,540.80
Gross Profit	4,301.42	3,980.14	3,252.30	3,140.61	2,455.96
Profit before Taxation	1,349.43	1,204.84	810.71	802.30	584.14
Profit after Taxation	921.92	893.89	505.70	476.13	344.15
Change in Turnover (%)	12.51%	13.87%	1.53%	26.32%	25.90%
Change in Cost of goods sold (%)	15.35%	9.03%	0.41%	25.47%	24.42%
Change in Profit After Tax (%)	3.14%	76.76%	6.21%	38.35%	51.07%
Financial Performance					
Number of shares	161.60	161.60	155.63	116.00	116.00
Earning per share (Taka)	5.70	5.65	4.19	4.10	2.97
Current Ratio - (Times)	1.03	0.79	1.33	1.05	1.05
Net operating cash flow per share (Taka)	6.50	2.85	4.69	0.90	3.08
Net Asset Value Per Share (Taka)	70.37	66.16	61.15	56.98	50.21

GRAPHICAL VIEW OF SELECTED GROWTH INDICATORS

(BDT in million)



Industry outlook and global pharma trend

After vigorous growth consecutively since the year 2010 Bangladesh Pharmaceutical Industry experienced a sluggish growth in 2013-14. But in the current year market turned around and ACME enjoying the growth over the industry, in consequence ACME managed to achieve desired earnings. However, historical growth trend of Pharmaceuticals Industry give us an idea about the positive outlook of the industry i.e. growth rate of Pharma industry was significantly higher than GDP growth which logically attracts scope for further growth in investment for expansion in this industry.

- Total Market Size as per BMI is: BDT 138.81 billion
- One of the fast growing business sectors
- There are 258 Licensed pharmaceutical manufacturers in the country, contributes around 1% of GDP
- Now, producing near about 8,000 brands of medicines in different forms
- As per DGDA, there are 875 wholesale and around 106,274 retail drug license holders in Bangladesh
- Second highest contributor to national exchequer
- Largest white-collar labor intensive employment sector

If we look at last hundred year’s evolution of disease pattern:

Up to First World War (1914-1918)

- Infections and parasitic disease were common illness and killers
- Life expectancy was around 44 years of age.

From 1920s -1960s

- infectious diseases were still prevalent but effective Vaccines and more powerful antibiotics were introduced.
- emergence of heart disease and cancer
- life expectancy increased to around 68 years

From 1970s -1980s

- there were still increases in schemic heart disease, cancers and DM
- cerebral vascular diseases were found throughout the world.
- emergence of HIV and AIDs
- life expectancy increased to approximately 73 years

From 1980s till to date

- in addition to other diseases, aging disease like Alzheimer’s and Stroke were common illnesses.
- diseases associated with pollution, such as bronchitis or asthma emerging.
- life expectancy has now been increased to 76 years.

It is apparent that, disease progression has changed quite remarkably over the last 100 years, and the pharmaceutical industry has had to change its approach to disease accordingly.
(Source: Pharma Times -Vol. 43 - No 5 May 2011)

- In the past, success in pharma business came from short-term game plans and there was no need to develop long-term vision and/or strategies.
- Now-a-days, the challenges in the pharmaceutical industry are multilayered. The customer landscape is changing. Physicians’ prescription decisions are coming under the influence of different pressure groups. Competition in the market has been tremendously increasing day by day.
- In this new boxing ring of the competitive environment, quality of marketing strategy will finally determine success or failure.
- Pharmaceutical industry is a knowledge driven industry and failure and the success of Pharma



CANTEEN & TRAINING CENTER



Training and Seminars



Company is very much related with the marketing strategy it adopts and also effective implementation of the same.

- A significant barrier to entry is selling power and share of voice. Increased competition has seen an emergence of 'mega sales forces', to try to increase the share of voice for each product launch.
- In the UK, now there is one medical representative for every three GPs. In USA there is one medical representative for every seven doctors. Sales forces have increased in size ten-fold in the last 10-15 years. The marketing and selling now the single most expensive part in any global pharmaceutical organization.

Our role in Bangladesh

From 2010 phase-wise, ACME 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

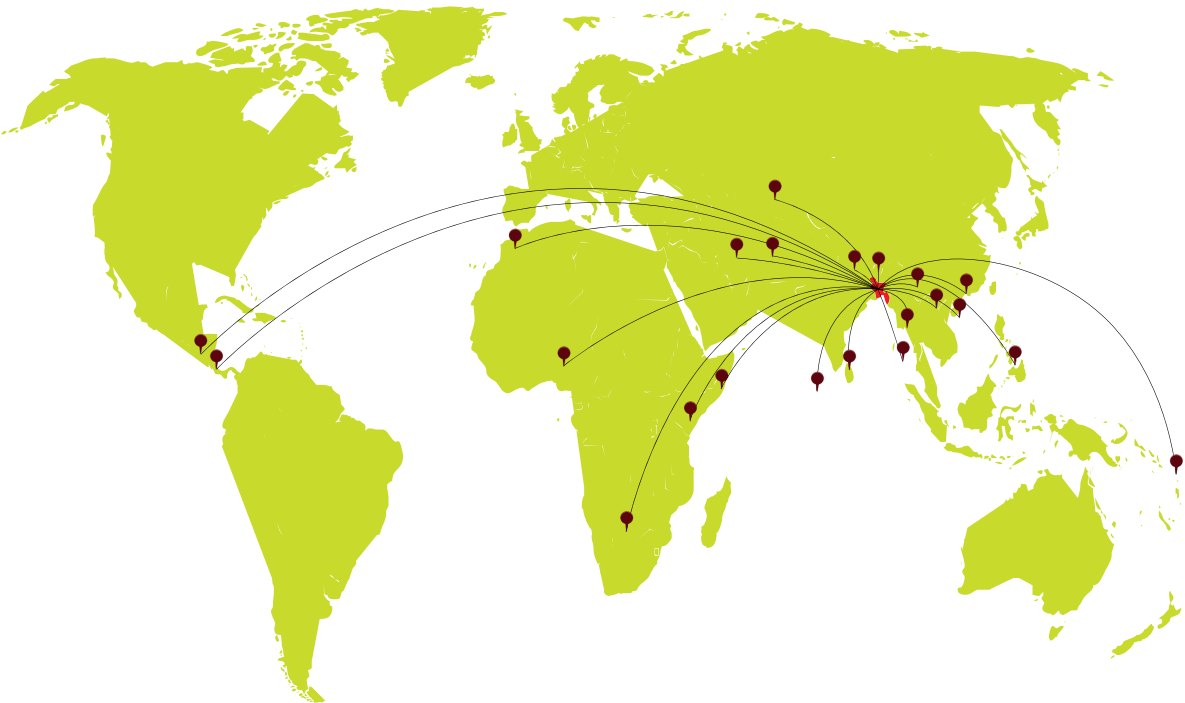
- Novel Mission, Vision and commitments
- Over 60 years company brand image
- Consistent Quality Policies
- Fool-proof scientific integrated marketing strategy
- Time-tested high quality products
- Excellent relationship with doctors, chemists and other concerned persons.
- Mega sales force comprising 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 ensure the 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



The success in the domestic market prompted ACME to explore the global market. In 1995 the first export went to Bhutan. Following this, Now ACME exports around 20 countries across continents. And many other countries in Asia, Europe, Africa, USA and Latin America are under exploration. As a top ranking pharmaceuticals company ACME relentlessly trying to strengthen its competencies and enhancing its capacity horizontally as well vertically. As part of that a number of projects are Upcoming; those will not only strengthen the ACME but also advance the pharma industry of the country as whole. These projects are:

- Steroid and Hormone
- Oncology
- Ayurvedic, Modern Herbal & Neutraceuticals

With the implementation of these projects, ACME will not only fulfill the domestic demands but also serve global markets.

Strategy and Outlook

Business development initiatives

We are dedicated to capitalizing on growth opportunities by progressing our own pipeline and maximizing the value of our in-line products. A phenomenal edge of our business development is amalgamation with ASPL, which has made ACME bigger in terms of capacity and ensure operational efficiency and effectiveness. This amalgamation will contribute in cGMP compliance and thereby boost our export potentials and scope for contract manufacturing services. We view our business development activity as an enabler of our strategies, and we seek to generate profitable revenue growth and enhance shareholders value by pursuing a disciplined, strategic and financial approach to evaluating business development opportunities. We have medium term high-priority therapeutic areas like Steroid and Hormone, Oncology and Ayurvedic, Modern Herbal & Neutraceuticals. We assess our businesses and assets as part of our regular, ongoing portfolio review process and also continue to consider business development activities for our businesses. The most significant transactions and events during the year are described below:

- Cephalosporin products project has been commissioned during the period on 04 November 2013, which has ensured higher compliance and higher capacity thereby opening scope for contract manufacturing and export.
- The Liquid in Hard Gelatin facility already has been commissioned and commercially launched its products in September 2014.
- The Sachet Products facility already has been commissioned and commercially launched its products in September 2014.
- The facility of Blow Fill Seal (BFS) – LVP & SVP products has been commissioned and commercially launched its products in October 2014.
- Civil construction of Liquid and Semi Solid project has been completed. Installation of machineries is going on and expected commercial launching of products manufactured in this plant will be by the end of 2015.
- Considering prospects of Steroid and Hormone products the Board of Directors has decided to start construction work of this project very recently.

Guidance for 2015-16

- Provide utmost efforts, by all available means, for stabilization and development of our position in local pharma market.
- Ensure best utilization of newly developed facilities like Cephalosporin, LVP, Liquid in Hard Gelatin, Schacht and strengthen footing in pharma market with due share in new arenas.
- Keep focus on increasing shareholders return
- Continue to grow the net asset value of the Company and increase earnings per share by:
 - maximizing free cash flow from existing operations
 - Accomplish pending works for sales centers under construction in progress in order to facilitate efficient distribution network.
 - enhance 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
- Strengthening our existing market share, cope with the changing scenario in the pharma industry to ensure higher prescription rates, transparency and improved products and services for our existing and potential customers.

ACME, as a responsible enterprise is committed to the conservation of nature and the growth of society.



SALES CENTER



Triple Bottom Line Practice in ACME

In 1961, Yure Gagarin, the first person saw the earth from the space and told **"The earth is so green !!"**

Will it stay so green?

At this moment our sweet home, the planet earth is sick, very sick ...

What is happening to our home, the planet earth?

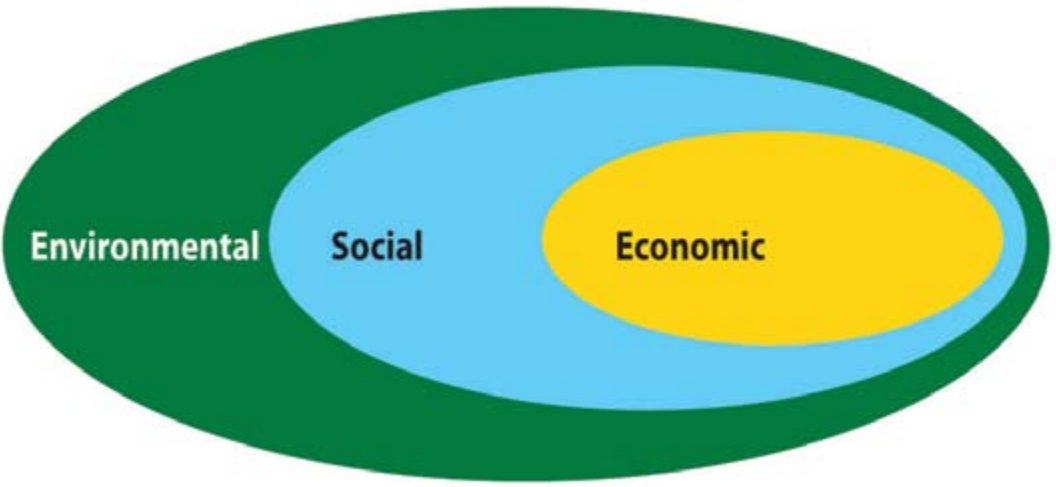
Certain terrifying, and quite regrettable, things are starting to happen. Some of these changes are visible, some are not:

- Global warming
- Destruction of the Ozone layer
- Shrinking of tropical rain forests
- Bio-diversity extinction crisis
- Dioxin pollution
- Acid rain
- Devastating floods
- Severe earth quake etc

Besides, there are many changes of the world that are invisible to us.

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. 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.

Triple Bottom Line concept refers to the transformation of conventional bottom line reporting framework that incorporates two additional performance measures: Social and Environmental together with the commonly used financial measures for determining profit or loss of the business. Hence, TBL consists of three main dimensions Economic, Social and Environmental that determine the performance of an enterprise in a broader context through emphasizing sustainability and growth of the business and its surroundings i.e. society and environment within which it operates.



Magnanimity of Triple Bottom Line

THE TBL DIMENSIONS SYNERGISTICALLY INCLUDE THREE Ps;

PEOPLE, PLANET AND PROFIT

People – in the context of Society

How an organization impacts on the society? i.e. community or more specifically People. The people may be internal and external who actually carry out the work of the company and who are impacted by the company (i.e. stakeholders). It also includes CSR and other philanthropic activities.

Planet – in the context of Environment and/or Ecology

How an organization impacts on living and non-living natural systems? i.e. Land, Air, Water, Plant Kingdom, Animal Kingdom, Bio-diversity and/ or Ecosystem of the Planet.



Synergy of Triple Bottom Line

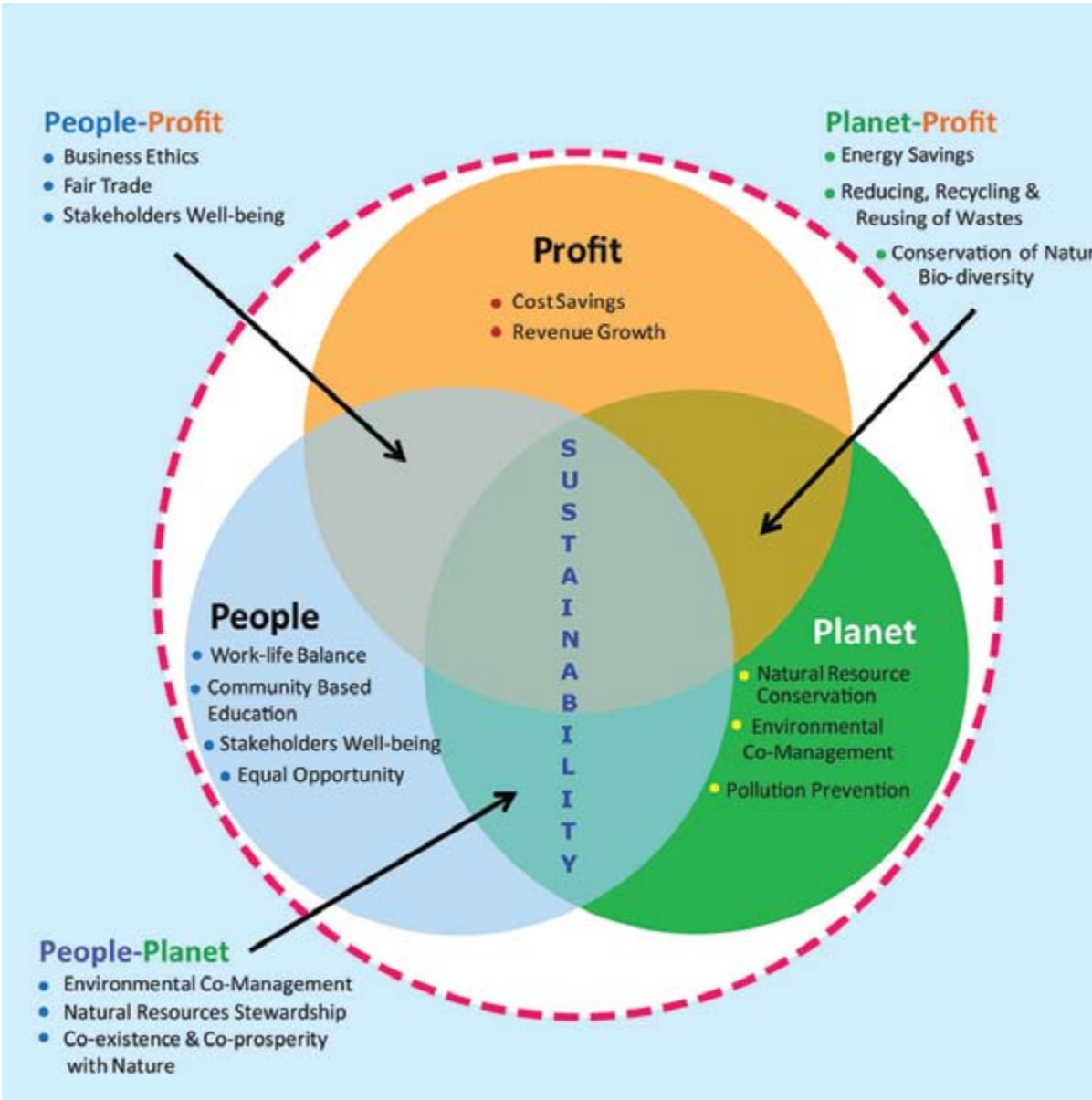
Profit – in the context of Finance

How an organization impacts on the economic conditions to create economic value for the organization after deducting the cost of all inputs in local, national and global arenas.

Evolution of TBL

The term was coined by John Elkington (a British citizen having specialization on corporate responsibility and sustainability) in 1994 as 21st Century Business Sustainability & Development Strategy. In 1998, it was largely publicized by an American Entrepreneur Robert J. Rubinstein. Later, top level CEOs were willingly influenced to implement TBL concept to represent their business successes or failures.

In pharmaceutical arena, currently some reputed overseas companies are also practicing TBL as part of their business philosophy.



Three Spheres of Sustainability

HOW TBL WORKS?





FAIRS & EXHIBITIONS





CSR Activities -
Poverty reduction, Self Employment
Generation, Women's empowerment
through Medicinal and Herbal plant
cultivation.



CSR Activities - Employees and workers' family welfare



VALUE ADDED STATEMENT

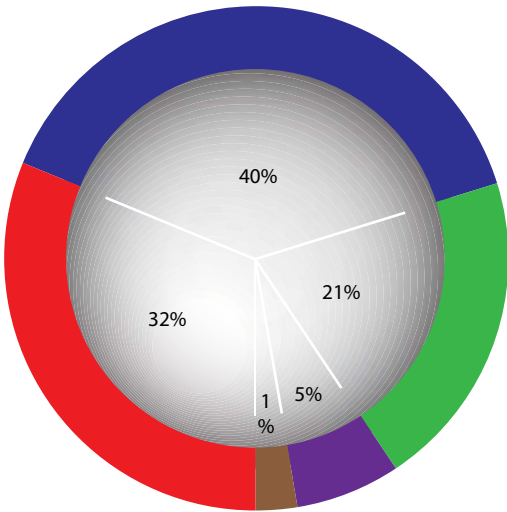
Value Added Statement (VAS) for the year ended 30 June 2015

The Value Added Statement for the Company shows the Value is created and distributed among different stakeholders of the Company.

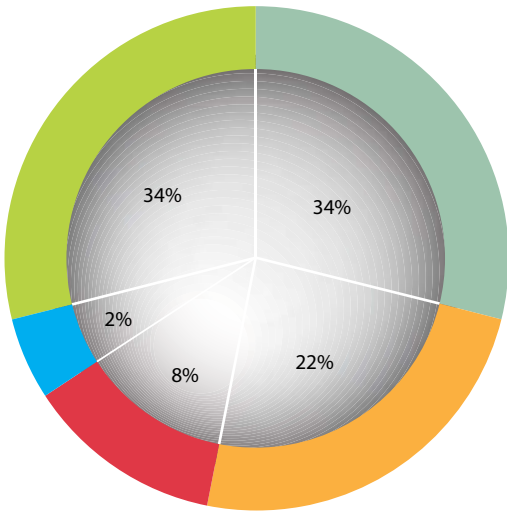
(BDT in Thousand)

	2014-2015		2013-2014	
	Amount	%	Amount	%
Gross turnover & Other income	13,216,270	60.4%	11,673,680	60.3
Less: Brought in material & Services	8,654,274	39.6%	7,685,326	39.7
Total value added	4,561,995	100%	3,988,354	100%

Application:	1,842,527	40%	1,381,629	34%
Duties and Taxes to Govt. Exchequer	1,466,366	32%	1,375,591	34%
Salaries and Benefits	242,403	5%	323,203	8%
Dividend	67,472	1%	60,242	2%
Workers Profit Participation Fund	943,228	21%	847,689	22%
Retained earnings	4,561,995	100%	3,988,354	100%



2014-2015



2013-2014

Dated: 09 October 2014

Board of Directors

The ACME Laboratories Limited.
1/4, Kallayanpur, Mirpur Road,
Dhaka-1207

Subject: CEO/CFO's Certification to the Board.

We have reviewed the Financial Statements of **The ACME Laboratories Limited** for the year ended 30 June 2014 and to the best of our knowledge and belief:

- a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- b) These Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable Laws

There are to the best of our Knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, Illegal or violating the Company's code of Conduct.

Sd/-
Mizanur Rahman Sinha
Managing Director

Sd/-
Md. Zahangir Alam, FCMA
Chief Financial Officer

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE GUIDELINES.
To the Members of The ACME Laboratories Limited

This is to certify that The ACME Laboratories Limited has complied with the conditions of Corporate Governance Guidelines imposed by the Bangladesh Securities and Exchange Commission (BSEC) vide their Notification No.SEC/CMRRCD/2006-158/134/ Admin/44 dated 7th August, 2012.

Dated: 20 September, 2015

Sd/-
ZAMAN HOQUE & CO.
Chartered Accountants

Compliance status with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012.
(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status (Put “√” in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	BOARD OF DIRECTORS:			
1.1	The number of the board members shall not be less than 5 (five) and more than 20 (twenty)	√		
1.2	Independent Directors			
1.2(i)	One fifth (1/5) of the total number of Directors	√		
1.2(ii)(a)	Does not hold any share or holds less than 1% shares of the total paid-up shares.	√		
1.2(ii)(b)	Not connected with any sponsor /director/shareholder who holds 1% or more shares of the total paid-up shares on the basis of family relationship	√		
1.2(ii)(c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	√		
1.2(ii)(d)	Not a member, director or officer of any stock exchange	√		
1.2(ii)(e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	√		
1.2(ii)(f)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the Company’s statutory audit firm	√		
1.2(ii)(g)	Not be an independent director in more than 3 (three) listed companies	√		
1.2(ii)(h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFIs	√		
1.2(ii)(i)	Not been convicted for a criminal offence involving moral turpitude	√		
1.2(iii)	Appointed by the Board of Directors and approved by the shareholders in the AGM	√		Appointed by Board of Directors subject to approval in the 38th AGM

Condition No.	Title	Compliance Status (Put "√" in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.2(iv)	Not remain vacant for more than 90 (ninety) days	√		
1.2(v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	√		
1.2(vi)	Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	√		
1.3	Qualification of Independent Director (ID):			
1.3(i)	Knowledge of Independent Directors	√		
1.3(ii)	Background of Independent Directors	√		
1.3(iii)	Special cases for qualifications	-	-	N/A
1.4	Individual Chairman of the Board and CEO	√		
1.5	The Directors Report to Shareholders:			
1.5(i)	Industry outlook and possible future developments in the industry	√		
1.5(ii)	Segment-wise or product-wise performance	√		
1.5(iii)	Risks and concerns	√		
1.5(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss			N/A
1.5(vi)	Basis for related party transactions	√		
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others	√		
1.5(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, and Direct Listing			N/A
1.5(ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements			N/A
1.5(x)	Remuneration to directors including independent directors	√		

Condition No.	Title	Compliance Status (Put "√" in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5(xi)	Fairness of Financial Statement	√		
1.5(xii)	Proper books of accounts of the issuer Company have been maintained	√		
1.5(xiii)	Adoption of appropriate accounting policies and estimates	√		
1.5(xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements	√		
1.5(xv)	Soundness of internal control system	√		
1.5(xvi)	Ability to continue as a going concern	√		
1.5(xvii)	Significant deviations from the last year's	√		
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years	√		
1.5(xix)	Reasons for not declared dividend			N/A
1.5(xx)	Number of board meetings held during the year and attendance	√		
1.5(xxi)	Pattern of shareholding:			
1.5(xxi)(a)	Parent/Subsidiary/Associated Companies and other related parties	-		N/A
1.5(xxi)(b)	Directors, CEO, CS, CFO, HIA and their spouses and minor children	√		
1.5(xxi)(c)	Executives	√		
1.5(xxi)(d)	10% or more voting interest	√		
1.5(xxii)	Appointment/re-appointment of director:			
1.5(xxii)(a)	Resume of the director	√		
1.5(xxii)(b)	Expertise in specific functional areas	√		
1.5(xxii)(c)	Holding of directorship and membership of committees of the board other than this company.	√		
2	CHIEF FINANCIAL OFFICER, HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY:			
2.1	Appointment of Chief Financial Officer, Head of Internal Audit & Company Secretary and defining their roles, responsibilities and duties	√		
2.2	Attendance of CFO and CS at the meeting of the Board of Directors	√		
3	AUDIT COMMITTEE:			
3(i)	Constitution of Audit Committee	√		

Condition No.	Title	Compliance Status (Put “√” in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(ii)	Assistance of the Audit Committee to Board of Directors	√		
3(iii)	Responsibility of the Audit Committee	√		
3.1	Constitution of the Audit Committee:			
3.1(i)	At least 3 (three) members	√		
3.1(ii)	Appointment of members of the Audit Committee at least 1 (one) Independent Director	√		
3.1(iii)	Qualification of Audit Committee members	√		
3.1(iv)	Term of Service of Audit Committee members	√		
3.1(v)	Secretary of the Audit Committee	√		
3.1(vi)	Quorum of the Audit Committee shall not constitute without at least 1 (one) Independent Director	√		
3.2	Chairman of the Audit Committee:			
3.2(i)	Board of Directors shall select the Chairman: who shall be an Independent Director	√		
3.2(ii)	Chairman of the audit committee: shall remain present in the-AGM	√		
3.3	Role of Audit Committee:			
3.3(i)	Oversee the financial reporting process	√		
3.3(ii)	Monitor choice of accounting policies and principles	√		
3.3(iii)	Monitor-Internal Control Risk management process	√		
3.3(iv)	Oversee hiring and performance of external auditors	√		
3.3(v)	Review the annual financial statements before submission to the board for approval	√		
3.3(vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3(vii)	Review the adequacy of internal audit function	√		
3.3(viii)	Review statements of significant related party transactions	√		
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	√		
3.3(x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue			N/A
3.4	Reporting of the Audit Committee:			

Condition No.	Title	Compliance Status (Put “√” in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.4.1(i)	Activities of Audit Committee	√		
3.4.1(ii)(a)	Conflicts of interests	√		
3.4.1(ii)(b)	Material defect in the internal control system	√		
3.4.1(ii)(c)	Infringement of laws, rules and regulations	√		
3.4.1(ii)(d)	Any other matter	√		
3.4.2	Reporting to the Authorities	√		
3.5	Reporting to the Shareholders and General Investors	√		
4	NON-ENGAGEMENT OF EXTERNAL/STATUTORY AUDITORS:			
4(i)	Appraisal or valuation services or Fairness opinions	√		
4(ii)	Financial information systems design and implementation	√		
4(iii)	Book-keeping	√		
4(iv)	Broker-dealer services	√		
4(v)	Actuarial services	√		
4(vi)	Internal audit services	√		
4(vii)	Services that the Audit Committee determines	√		
4(viii)	Audit firms shall not hold any share of the company they audit.	√		
4(ix)	Audit/certification services on compliance of corporate governance.	√		
5	SUBSIDIARY COMPANY:			
5(i)	Composition of the Board of Directors			N/A
5(ii)	At least 1 (one) Independent director to the subsidiary company			N/A
5(iii)	Submission of Minutes to the holding company.			N/A
5(iv)	Review of Minutes by the holding company			N/A
5(v)	Review of Financial Statement by the holding company			N/A
6	DUTIES OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER :			
6(i)(a)	Reviewed the materially untrue of the financial statement	√		

Condition No.	Title	Compliance Status (Put "√" in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(i)(b)	Reviewed about compliance of the accounting standard	√		
6(ii)	Reviewed about fraudulent, illegal or violation of the company's code of conduct	√		
7	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
7(i)	Obtain certificate -about compliance of conditions of Corporate Governance Guidelines	√		
7(ii)	Annexure attached in the directors report	√		



EFFLUENT TREATMENT PLANT



AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THE ACME LABORATORIES LTD.

We have audited the accompanying financial statements of The ACME Laboratories Ltd. which comprises the Statement of Financial Position as at June 30, 2015 and the related Statement of Profit or Loss and other comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations, This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at June 30, 2015 and of the results of its operations and its cash flows for the year then ended and comply with the Bangladesh Securities and Exchange Rules 1987, the companies Act 1994 and other applicable laws and regulations.

We also report that:

- (i) 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;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received;
- (iii) The Company's Statement of Financial Position and Statement of Profit or Loss and other comprehensive Income and its statements of Cash Flows dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the company's business;

Dhaka
Dated: September 20, 2015

Sd/-
Pinaki & Company
Chartered Accountants

ASSETS	NOTES	TAKA	
		As at 30.06.2015	As at 30.06.2014
Non-Current Assets :		16,060,787,303	15,544,508,282
Property, Plant and Equipment	6	16,027,234,140	15,511,897,086
Intangible Assets	7	245,250	286,875
Investment in Shares	8	7,122,913	6,139,321
Investment Property	9	26,185,000	26,185,000
Current Assets:		7,198,984,638	6,635,062,802
Inventories	10	2,484,869,763	2,223,003,434
Trade Receivable	11	729,654,988	644,867,067
Other Receivable	12	40,721,339	74,526,105
Advance, Deposits & Pre-Payments	13	986,392,966	1,097,408,239
Advance Income Tax	14	1,820,547,016	1,334,147,374
Material In Transit	15	285,524,549	294,476,484
Term Deposit	16	419,003,619	553,201,740
Cash and Cash Equivalents	17	432,270,398	413,432,359
TOTAL		23,259,771,941	22,179,571,084
EQUITY AND LIABILITIES			
Shareholders' Equity:		11,372,629,592	10,692,163,182
Share Capital	18	1,616,017,000	1,616,017,000
Share Premium	19	1,605,066,569	1,605,066,569
Revaluation Surplus	6.a	5,320,065,830	5,429,804,848
Gain/(Loss) on Marketable Securities (Unrealized)	8.1	1,824,633	841,041
Tax Holiday Reserve		139,860,882	91,006,996
Retained Earnings	20	2,689,794,678	1,949,426,728
Non Current Liabilities		4,904,881,207	3,057,678,428
Long Term Loans- Net off Current Maturity	21	4,721,113,988	3,018,088,196
Provision For Gratuity	22	57,776,500	30,465,330
Deferred Tax Liability	23	125,990,719	9,124,902
Current Liabilities :		6,982,261,142	8,429,729,474
Loans & Overdrafts	24	3,099,847,325	4,874,126,240
Current Maturity of Long Term Loans	25	1,609,081,078	1,014,864,198
Trade Payable	26	432,244,843	528,302,125
Provision for Income Tax	27	1,556,306,023	1,245,658,922
Liability for Expenses and Others	28	133,076,893	160,054,589
Dividend Payable	29	151,704,980	606,723,400
TOTAL		23,259,771,941	22,179,571,084

The annexed notes 1 to 51 form an integral part of the financial statements.

As per our annexed report of even date.

Sd/- Managing Director	Sd/- Director	Sd/- Pinaki & Company Chartered Accountants
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	NOTES	TAKA	TAKA	TAKA	TAKA
		July '14 to June '15	July '14 to June '15	July '14 to June '15	July '13 to June '14
		Non-Tax Holiday Unit	Tax Holiday Unit (50% Tax exemption)	Total	Total
Revenue	30	8,822,686,137	2,673,727,494	11,496,413,631	10,217,931,465
Less: Cost of Goods Sold	31	5,656,961,523	1,538,036,449	7,194,997,972	6,237,792,554
Gross Profit/(Loss)		3,165,724,614	1,135,691,045	4,301,415,659	3,980,138,911
Add: Other Income	32	40,910,030	217,947	41,127,977	108,071,977
		3,206,634,644	1,135,908,992	4,342,543,636	4,088,210,888
Less: Selling, Marketing and Distribution Expenses	33	1,193,887,688	361,869,010	1,555,756,698	1,499,828,917
		2,012,746,956	774,039,982	2,786,786,938	2,588,381,971
Less: Administrative Expenses	34	297,256,899	90,098,979	387,355,878	546,384,337
		1,715,490,057	683,941,003	2,399,431,060	2,041,997,634
Less: Financial Expenses	35	753,993,136	228,536,360	982,529,496	776,911,190
Profit before Contribution to WPPF		961,496,921	455,404,643	1,416,901,564	1,265,086,444
Less: Contribution to WPPF	36	45,785,568	21,685,935	67,471,503	60,242,211
Net Profit before Tax		915,711,353	433,718,708	1,349,430,061	1,204,844,233
Less: Current Tax expense	37	268,161,434	42,485,667	310,647,101	426,636,328
Less: Deferred Tax (Income)/Expense	37	72,719,007	44,146,810	116,865,817	(115,682,993)
Net Profit after Tax		574,830,912	347,086,231	921,917,143	893,890,898
Other Comprehensive Income					
Gain/(loss) on Marketable Securities (Unrealized)		983,592	-	983,592	841,041
Total Comprehensive Income for the year		575,814,504	347,086,231	922,900,735	894,731,939
Earning Per Share (on the Equity Share of Taka 10 each)	38			5.70	5.65

The annexed notes 1 to 51 form an integral part of the financial statements.

As per our annexed report of even date.

Sd/- Sd/- Sd/-
Managing Director **Director** **Pinaki & Company**
Chartered Accountants

The ACME Laboratories Ltd.
Statement of Changes in Equity
For the Year Ended 30 June 2015

Continuation Sheet...

(Amount in Taka)									
Particulars	Share capital	Share Premium	Capital Reserve	Share money Deposit	Tax Holiday Reserve	Gain/(Loss) on Marketable securities (Unrealized)	Revaluation Surplus	Retained earnings	Total
Balance as at July 01, 2013	1,556,311,000	1,605,066,569	40,166,723	500,000,000	-	-	4,488,695,133	1,327,209,077	9,517,448,502
Addition due to Amalgamation	-	-	-	-	24,790,876	-	556,246,703	53,079,610	634,117,189
Share money deposit transferred to Long Term Loan	-	-	-	(500,000,000)	-	-	-	-	(500,000,000)
Adjustment due to disbursement of purchase consideration and resultant gain thereon	59,706,000	-	-	-	21,038,719	-	472,506,215	283,977,778	837,228,712
Profit for the year 2013-2014	-	-	-	-	-	-	893,890,898	893,890,898	893,890,898
Tax Holiday Reserve	-	-	-	-	45,177,401	-	-	(45,177,401)	-
Final Dividend for the year 2012-13	-	-	-	-	-	-	-	(367,815,550)	(367,815,550)
Interim Cash Dividend for the year 2013-14	-	-	-	-	-	-	-	(323,203,400)	(323,203,400)
Gain/(loss) on Marketable Securities (Unrealized)	-	-	-	-	-	841,041	-	-	841,041
Adjustment of Depreciation on Revaluation Surplus	-	-	-	-	-	-	(87,077,493)	87,077,493	-
Adjustment due to disposal	-	-	-	-	-	-	(565,710)	221,500	(344,210)
Capital reserve transferred to retained earnings	-	-	(40,166,723)	-	-	-	-	40,166,723	-
Balance as at June 30, 2014	1,616,017,000	1,605,066,569	-	-	91,006,996	841,041	5,429,804,848	1,949,426,728	10,692,163,182
Balance as at July 01, 2014	1,616,017,000	1,605,066,569	-	-	91,006,996	841,041	5,429,804,848	1,949,426,728	10,692,163,182
Profit for the year 2014-2015	-	-	-	-	-	-	-	921,917,143	921,917,143
Tax Holiday Reserve	-	-	-	-	48,853,886	-	-	(48,853,886)	-
Final Dividend for the year 2013-14	-	-	-	-	-	-	-	(242,402,550)	(242,402,550)
Gain/(loss) on Marketable Securities (Unrealized)	-	-	-	-	-	983,592	-	-	983,592
Adjustment of Depreciation on Revaluation Surplus	-	-	-	-	-	-	(109,502,243)	109,502,243	-
Adjustment due to disposal	-	-	-	-	-	-	(236,775)	205,000	(31,775)
Balance as at June 30, 2015	1,616,017,000	1,605,066,569	-	-	139,860,882	1,824,633	5,320,065,830	2,689,794,678	11,372,629,592

The annexed notes 1 to 51 form an integral part of the financial statements.

As per our annexed report of even date.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Pinaki & Company
Chartered Accountants

The ACME Laboratories Ltd.
Statement of Cash Flows
For the Year Ended 30 June 2015

Continuation Sheet...

PARTICULARS

Cash Flows From Operating Activities:

Collection from Sales and others
Payment to Suppliers & Others
Workers Profit Participation Fund
Cash generated from operation

Financial Expenses
Income Tax Paid

Net cash from operating activities

Cash Flows From Investing Activities:

Acquisition of Property, Plant and Equipment
Sale proceeds of Property, Plant & Equipments
Encashment of Fixed Deposit Receipt
Dividend received
Investment in share
Settlement of obligations of amalgamating company
Advance to ACMUNIO Int. Ltd.

Net cash used in investing activities

Cash Flows From Financing Activities:

Share Capital
UNDP Grant
Dividend Paid
Cash and Cash Equivalent of amalgamating company
Settlement of Provident Fund Liabilities
Net Increase / (Decrease) in Loans and Overdrafts
Net Increase / (Decrease) in Long Term Borrowings

Net cash used in financing activities

Increase/(Decrease) in Cash and Cash Equivalents

Cash and Cash Equivalents at the Opening

Cash and Cash Equivalents at the Closing

Net Operating Cash Flow Per Equity Share

The annexed notes 1 to 51 form an integral part of the financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Pinaki & Company
Chartered Accountants

1.00 About the company

The ACME Laboratories 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. Further, it was converted into a public limited company on 30th November 2011.

Amalgamation of "The ACME Specialized Pharmaceutical Limited with The ACME Laboratories Limited:"

The Supreme Court of Bangladesh, High Court Division, vide its judgment dated 20.11.13 approved the scheme of amalgamation of the "The ACME Specialized Pharmaceuticals Limited" (the Transferor Company) with "The ACME Laboratories Limited" (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 account of the Transferor Company to be closed through transferring all balances to the books of the Transferee Company by /as of 31.01.2014.

1.01 Address of registered office and factories

The Registered office of the company is situated at 1/4, Kallayanpur, Mirpur Road, Dhaka-1207, Bangladesh and the industrial units are established at Dhulivita, Dhamrai, Dhaka, Bangladesh.

2.00 Nature of business of the company and Tax Holiday Period:

The company is engaged in manufacturing and marketing of generic pharmaceuticals formulation products which includes human drugs 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 dosages form like bolus, liquid, injection, water soluble powder, premix and herbal drugs dosages form like liquid, capsule, tablet, cream & ointment. The products of the company are sold in domestic and international markets.

The erstwhile 'The ACME Specialized Pharmaceuticals Limited' (Present Solid Dosages Unit) was engaged in manufacturing of non-penicillin & non-cephalosporin solid dosages generic pharmaceuticals formulation products including dosages form like tablet, capsule and dry syrup, liquid in hard gelatine, sachet products and was enjoying Tax Holiday period from September 29, 2011 to September 28, 2016.

As a Consequence of the amalgamation, business of the Solid Dosages Unit has been transferred as a going concern to The ACME Laboratories Limited, however the said unit of The company would continue to enjoy the tax holiday for the remaining period i.e. from February 01, 2014 till September 28, 2016.

3.00 Share Capital:

Particulars	30th June, 2015	30th June, 2014
Authorized Capital		
500,000,000 Ordinary Shares @ Tk. 10/- each	5,000,000,000	5,000,000,000
Total	5,000,000,000	5,000,000,000
Issued, Subscribed and fully paid up:		
161,601,700 Ordinary Shares @ Tk.10/- each. (As on 1 July 2013, 155,631,100 Ordinary Shares @ Tk. 10 each)	1,616,017,000	1,556,311,000
Add: Issued during the year as purchase consideration. (5,970,600 Ordinary Shares @ Tk. 10 each.)	-	59,706,000
Total 161,601,700 Ordinary Shares @ Tk. 10 each	1,616,017,000	1,616,017,000

4.00 Basis of Preparation of Financial Statements

4.01 Basis of measurement

The financial statements have been prepared on the historical cost basis except Land and Land Development, Building, Machinery & Equipment, Utilities, Electrical Installation & Engineering, Office Equipment and Motor Vehicle which was revalued by an independent valuer Mashi Muhit & Co. Chartered Accountants, Dhaka, Bangladesh as on 30th June 2011 after considering the fair value of the entire class of property, plant and equipment and other fixed assets to which that assets belong to on the basis of fair market value/current cost accounting /index adjusted replacement cost methods , as applicable. Further on 31st December 2011 the company revalued newly registered land based on the valuation report of the same valuer and disclosed in note: 6.a. 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, as per prudence, is not available for distribution as dividend to the shareholders.

4.02 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 as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), Companies Act 1994, Bangladesh Securities and Exchange Rules 1987 and other relevant laws and regulations applicable in Bangladesh.

4.03 Presentation of financial statements

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

The Financial Statements comprise of:

- (i) A Statement of Financial Position as at 30 June 2015.

- (ii) A Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015
- (iii) A Statement of Change in Equity for the year ended 30 June 2015.
- (iv) A Statement of Cash Flows for the year ended 30 June 2015
- (v) Notes, comprising a summary of significant accounting policies and explanatory information.

4.04 Reporting Period

The Financial Statements cover the accounting year commencing from 1 July 2014 to 30 June 2015.

4.05 Authorisation for Issue

The financial Statements have been authorised for issue by the board of directors in their meeting held on 20 September 2015.

4.06 Functional and presentation currency

The financial statement are 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.

4.07 Comparative information

Comparative information has been disclosed in respect of the financial year 2013-2014 for all numerical information in the financial statements and also the narrative and descriptive information where ever it is relevant for understanding of the current year’s financial statement.

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

4.08 Use of estimates and judgments

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. However, the estimates and underlying assumptions are reviewed on an on-going basis and the revision is recognized in the year in which the estimates are revised. No such revision however was carried out during the year under report except in the useful life of two classes of noncurrent assets. There is no material impact of change of estimates on the financial results of the company.

4.09 Going concern

The Company has adequate resources to continue in operation for foreseeable future. For this reason, the board of directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

4.10 Application of Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS)

Name of the Accounting Standards	Ref. No.	Status of Application
Business Combination	BFRS-3	Applied
Financial Instruments : Disclosure	BFRS-7	Applied
Financial Instruments	BFRS-9	Applied
Fair Value Measurement	BFRS-13	Applied
Presentation of Financial Statements	BAS-1	Applied
Inventories	BAS-2	Applied
Statement of Cash Flows	BAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS-8	Applied
Events after the Reporting Period	BAS-10	Applied
Income Taxes	BAS-12	Applied
Property, Plant and Equipment	BAS-16	Applied
Leases	BAS-17	Applied
Revenue Recognition	BAS-18	Applied
Employee Benefits	BAS-19	Applied
Accounting for Govt. Grants and Disclosure of Government Assistants	BAS-20	Applied
The effects of Changes in Foreign Exchange Rates	BAS-21	Applied
Borrowing Costs	BAS-23	Applied
Related Party Disclosures	BAS-24	Applied
Financial Instruments: Presentation	BAS-32	Applied
Earnings Per Share	BAS-33	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Applied
Intangible Assets	BAS-38	Applied
Financial Instruments: Recognition & Measurement	BAS-39	Applied
Investment Property	BAS-40	Applied

5.00 Significant Accounting Policies

5.01 Revenue recognition

- (a) **Sales of Goods:** In compliance with the requirements of BAS-18 ‘Revenue Recognition’, revenue is recognized for local sales of Pharmaceuticals Drugs and Medicines at the time of delivery to chemists/Institutions and Exports of Pharmaceuticals Drugs and Medicines at the time of delivery to Custom Port. i.e. when the significant risk and rewards of ownership is transferred to the buyer, whereby there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

- (b) Rental income is recognized when accrued on a time proportion basis.
(c) Interest income is recognized when accrued on a time proportion basis.

5.02 Sales

Turnover comprises the invoice value of goods supplied by the Company, representing domestic and Export sales. Revenue from sales is exclusive of VAT.

5.03 Property, Plant and Equipment:

i) Recognition and measurement

This has been stated at cost or revalued amount less accumulated depreciation in compliance with the requirement of BAS 16: Property Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its present locations and working conditions for its intended use inclusive of inward freight, duties and non-refundable taxes.

ii) Maintenance activities

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 fixed 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 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	5%
Machinery and Equipments	7.5%
Furniture and Fixtures	10%
Motor Vehicles	10%
Utilities, Engineering and Electrical Installations	7.5%
Office Equipments	20%
Books and Periodicals	10%

iv) Retirement and Disposal

On disposal of fixed 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.

5.04 Intangible assets

Intangible assets are stated at cost less provision for amortization and impairments. The cost of

acquiring and developing computer software for internal use and internet sites for external use are capitalized as intangible fixed 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 @ 7.5% over the estimated useful lives of intangible assets, from the date that they are available for use.

5.05 Leased assets

In compliance with BAS 17: "Leases", Lease in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases and all other leases are classified as operating lease.

Upon initial recognition, the lease assets is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payment. Subsequent to initial recognition, the assets is accounted for in accordance with accounting policy applicable to the assets.

Though there are financing in the name of lease financing however, as per the substance of the agreement, these financing are not in the nature of lease financing, hence has been grouped as 'Long Term Loan' and its current maturity as 'Current Maturity of Long Term Loans'.

5.06 Financial instruments

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

i) Financial assets

Financial assets of the company include cash and cash equivalents, accounts 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 risk 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 uncollected, it is written off firstly against any provision available and then to the Statement of Profit or Loss and 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 and for which it created any provision.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash in hand and cash at bank 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.

5.07 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 exits, 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 assets 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 amount. Any impaired loss of a revalued asset shall be treated as a revaluation decrease.

5.08 Investment in shares

According to the relevant laws of the Land, the company used to invest in shares of listed companies through stock exchange, by using the income generated in Tax Holiday Unit. The investments are recognized at cost including transaction cost. Further, the entity has presented the subsequent changes in other comprehensive income.

5.09 Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by BAS 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 Stationary	At cost on First in First Out basis
Spare & Accessories	At cost on First in First Out basis

5.10 Provisions

Provisions and accrued expenses are recognized in the financial statements in line with the Bangladesh Accounting Standard (BAS) 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.

5.11 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 BAS 12: Income Taxes.

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.

Deferred tax

The company has recognized deferred tax using balance sheet method in compliance with the provision of BAS 12: Income Taxes. The policy of 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).

5.12 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 BAS 23: ‘Borrowing costs’.

ii) Charges on the Assets of the Company:

There are Fixed and Floating charges over:

- All the Plant, Machinery and Equipments (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 favour of various bankers securing the various kinds of loans taken by the company from them through a pari-passu agreement dated 23 April 2014 amongst the bankers for sharing the security. The names of the participating bankers in the charges through pari-passu agreement are stated here under:
 - Agrani Bank Limited.
 - The Hongkong and Shanghai Banking Corporation Limited.
 - Standard Chartered Bank.
 - Dutch Bangla Bank Limited.
 - Dhaka Bank Limited.
 - Trust Bank Limited.

5.13 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 BAS19: 'Employee Benefits'.

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 নংপি,এফঅনুমোদন/৩২/ক:অ-৩/২০১০-২০১১, তারিখ: ২৩/০৩/২০১১ Bsf for 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 in exchange for such contribution. The legal and constructive obligation is limited to the amount it 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 as the related service is provided.

iv) Contribution to Worker's Profit Participation Fund (WPPF)

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.

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.

In respect of Fourth class (i.e. Driver, Peon, Cleaner, Guard, Electrician, Loader, Packing Man, Worker and Helper etc.) married employees, if he 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 year there were 7,603 employees employed in the company with remuneration above Tk. 3,000 per month, among them 5,396 employees employed for the full year and remaining 2,207 employees employed less than full year.

5.14 Investment Property

For Investment Property, the company follows fair value model as subsequent measurement. A gain or loss arising from a change in the fair value of investment property is recognized in Statement of Profit or Loss and Other Comprehensive Income for the year in which it arises.

5.15 Share Premium

As per BAS-32, 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 been avoided. The costs of an equity transaction that is abandoned are recognized as an expense.

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

5.16 Research Development and Experimental Cost:

In compliance with the requirements of BAS-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 that much material in the company's and /local context.

5.17 Earnings per Share (EPS)

This has been calculated in compliance with the requirement of BAS 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 share outstanding during the year.

Diluted Earnings per Share

As per the existing conditions of the loans taken by the company from various financial institutions or other contracts with various parties including employees, there is no condition related to conversion or stipulation related to share based payments for material and services supplied by them to the company. Hence, the Diluted EPS of the company is same as Basic EPS.

5.18 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 BSA 21: The Effects of Changes in Foreign Exchange Rates.

5.19 Directors' Responsibility Statement

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

5.20 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.

5.21 Segmental Reporting:

As required by BFRS – 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.

5.22 Contingent Liabilities and Contingents Assets:

Contingent liabilities and 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. In accordance with BAS-37, they are disclosed in the note # 47 hereunder.

5.23 Statement of Cash Flows:

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

5.24 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.

5.25 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, if any.

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 concerned professionals are very conscious 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 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 shall exercise 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.

Management Perception

ACME earns some of its revenue in US dollars, thereby creating to built-up auto hedging scopes. 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 nationwide phenomenon experienced by the entire industry. In such a scenario, there will be a market adjustment in end product prices, subject to approval of concerned authority.

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 medicine for its present 160 million (approx.) populations and requires huge quantity of medicine. As such, local pharmaceutical industry is not in a trouble; rather the said industry has ample opportunities to grow.

Management Perception

As the per capita 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.

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 harm 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 Ltd. 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 following fool-proof scientific integrated marketing policy. Hence, has marginal probability for shrinkage of the market.

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 can 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 the one used by the Company which may cause operational inefficiency.

Management Perception

As a one of the leading pharmaceutical firm of the country, there are clear intent regarding adaptation of technology here and the management is aware of technological changes and always trying to adopt new technology according to its needs. Furthermore, routine and proper 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 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 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. 49 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 2016. While it is possible that the deadline may be extended, its implementation in 2016 will have significant impact on the LDC who have not implemented the TRIPS standards.

Management Perception

Pharmaceuticals, over the years have been proved as a thrust sector for the country and growing at a considerable pace each year. Bangladesh, through its international affiliates and other 48 LDCs shall definitely lobby for extension of this deadline. In addition, ACME is continuously trying to adopt right technology and build infrastructure to meet TRIPS standards.

History of Non-operation

The ACME Laboratories 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 fool-proof market promotion system, which reduce the non-operating risk.

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 on obligation. Credit risk information helps users of financial statements asses 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 2015 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 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 the any dues and they have been demonstrating remarkable performances.

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.

5.26 General Comments & Observations:

- a) Previous year’s figures have been regrouped/reclassified wherever considered necessary to confirm to current year’s presentation. Figures have been rounded off to the nearest taka, as the currency represented in this financial statement.
- b) All shares have been fully called and 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.

Property, Plant and Equipment * - Schedule A

Particulars of Assets	Historical Cost as at 01.07.14	Revaluation Surplus as at 01.07.14	Addition During the year (Cost)	Disposal		Adjustment of Machinery in transit/CWIP	Total as at 30.06.15	Rate	D E P R E C I A T I O N						Amount in Taka
				Cost	Revaluation Surplus				Accumulated Dep. as at 01.07.14 on Cost	Accumulated Dep. as at 01.07.14 on Revaluation Surplus	Depreciation on Surplus during the year	Depreciation on Historical Cost during the year	Disposal		
													Accumulated dep. On Revaluation Surplus	Total as at 30.06.15	
Land and land development	405,924,694	3,623,870,467	115,000,000	-	-	-	4,144,795,161		-	-	-	-	-	-	4,144,795,161
Building	2,552,895,866	1,953,688,650	266,975,981	-	-	-	4,773,560,497	5%	259,565,411	97,684,444	136,063,753	-	-	815,347,134	3,958,213,363
Machinery & Equipment	2,365,928,943	43,602,349	1,198,077,704	-	-	-	3,607,608,996	7.5%	8,563,935	3,268,856	237,257,741	-	-	675,887,292	2,931,721,704
Furniture & Fixture	215,424,643	32,817,837	32,817,837	-	-	-	248,242,480	10%	113,697,911	-	21,289,196	-	-	134,987,107	113,255,373
Motor Vehicle	409,047,447	36,769,166	36,304,455	(6,587,233)	(364,500)	-	475,173,335	10%	214,374,774	11,187,932	37,489,520	(6,587,233)	(127,725)	259,820,687	215,352,648
Utilities, Electrical Installation & Eng.	1,426,703,241	63,319,578	86,534,312	-	-	-	1,576,557,131	7.5%	408,966,103	13,140,881	105,777,345	-	-	532,636,067	1,043,921,064
Office Equipment	76,602,685	1,575,993	14,586,983	-	-	-	92,765,661	20%	37,236,126	563,197	20,236,162	-	-	58,449,291	34,316,370
Books and Periodicals	5,293,657		347,928	-	-	-	5,641,585	10%	3,282,084	-	501,701	-	-	3,783,785	1,877,800
Sub Total	7,457,821,176	5,722,826,203	1,750,649,200	(6,587,233)	(364,500)	-	14,924,344,846		1,526,467,284	293,021,356	109,502,243	(6,587,233)	(127,725)	2,480,891,363	12,443,453,483
Machinery in Transit	1,440,380,565	-	644,079,500	-	-	(1,288,056,174)	796,403,891		-	-	-	-	-	-	796,403,891
Construction work in progress	2,710,357,783	-	346,075,559	-	-	(269,056,576)	2,787,376,766		-	-	-	-	-	-	2,787,376,766
Sub Total	4,150,738,348	-	990,155,059	-	-	(1,557,112,750)	3,583,780,657		-	-	-	-	-	-	3,583,780,657
Total Taka :-	11,608,559,524	5,722,826,203	2,740,804,259	(6,587,233)	(364,500)	(1,557,112,750)	18,508,125,503		1,526,467,284	293,021,356	109,502,243	(6,587,233)	(127,725)	2,480,891,363	16,027,234,140

ALLOCATION OF DEPRECIATION:

	On Cost	On Revaluation	Total
Factory Overhead	467,487,186	104,738,033	572,225,219
Selling, Marketing and Distribution Expenses	46,080,119	2,603,928	48,684,047
Administrative Expenses	45,048,133	2,160,282	47,208,415
	<u>558,615,438</u>	<u>109,502,243</u>	<u>668,117,681</u>

No. Particulars

6 Property, Plant and Equipment: Tk. 16,027,234,140

Details of Property, Plant and Equipment and Depreciation as at June 30, 2015 are shown in the annexed Schedule - A. This is arrived at as follows:

	Taka	
	As at 30-06-2015	As at 30-06-2014
Opening Balance (At Cost)	14,349,363,783	14,372,322,836
Add:		
Addition of cost due to Amalgamation	11,608,559,524	4,732,199,044
Addition of cost during the year	-	4,323,768,649
	2,740,804,259	5,316,355,143
	5,722,826,203	5,723,546,203
Opening Balance (Revaluation Surplus)	5,722,826,203	4,630,424,537
Add: Addition due to amalgamation	-	1,093,121,666
	(1,557,112,750)	(2,761,829,974)
Less: Adjustment of CIP and Machinery in transit	(6,951,733)	(2,653,338)
Less: Adjustment due to Disposal	(1,564,064,483)	(2,764,483,312)
	18,508,125,503	17,331,385,727
Closing balance	2,480,891,363	1,819,488,641
Less: Accumulated Depreciation	1,819,488,640	1,056,412,902
Opening balance	-	452,849,221
Depreciation charged during the year	668,117,681	311,628,502
Adjustment due to Disposal	(6,714,958)	(1,401,984)
	<u>16,027,234,140</u>	<u>15,511,897,086</u>

Carrying Value

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

Factory Overhead	572,225,219	149,581,681
Selling, Marketing and Distribution Expenses	48,684,047	87,255,981
Administrative Expenses	47,208,415	74,790,840
Total	<u>668,117,681</u>	<u>311,628,502</u>

6.a Revaluation Surplus: Tk. 5,320,065,830

Mashi Muhit Haque & Co. Chartered Accountants, Dhaka, Bangladesh the valuer revalued the Land and Land Development, Building, Machinery & Equipment, Utilities, Electrical Installation & Engineering, Office Equipment and Motor Vehicle of the Company as at 30 June 2011 at " Current Cost Method". Further on 31st December 2011 the company revalued newly registered land under the same method by the same valuer. Due to these revaluation, a revaluation surplus aggregating Tk.4,630,818,104 has arisen. Current balance is shown below:

Revaluation surplus	5,722,461,703	5,722,826,203
- Opening Balance	5,722,826,203	4,630,424,537
Add :		
Addition of revaluation due to amalgamation	-	1,093,121,666
Adjustment of revaluation surplus due to disposal	(364,500)	(720,000)
	402,395,873	293,021,355
Less: Accumulated depreciation on revaluation surplus	293,021,355	141,729,404
- Opening Balance	-	64,368,749
- Addition due to amalgamation	109,502,243	87,077,492
- Charged during the year	(127,725)	(154,290)
- Adjustment due to disposal	<u>5,320,065,830</u>	<u>5,429,804,848</u>

No. Particulars	Taka	
	As at 30-06-2015	As at 30-06-2014
7 Intangible Assets :Tk. 245,250		
This amount consists of as follows:		
Application Software (Details in note # 7.1)	940,285	940,285
Less: Accumulated Amortization	695,035	653,410
Opening balance	653,410	602,153
During the year	41,625	51,257
	245,250	286,875

7.1 Application Software: Tk. 245,250

Details have been given below :

Year of Acquisition	Amount (Tk.)	Rate of write Off	Total Write off			Closing Balance as at 30.06.2015
			Opening balance	During the year	Total	
2000-01	385,285	7.50%	385,285	-	385,285	-
2007-08	400,000	7.50%	210,000	30,000	240,000	160,000
2009-10	155,000	7.50%	58,125	11,625	69,750	85,250
Total	940,285		653,410	41,625	695,035	245,250

8 Investment in Shares: Tk. 7,122,913

This represents investment in shares of Publicly listed Companies.

Public Limited Co.'s securities	(Details in note # 8.1)	<u>7,122,913</u>	<u>6,139,321</u>
		<u>7,122,913</u>	<u>6,139,321</u>

8.1 Public Limited Co's Securities

Particulars	No. of shares hold	FV	Average cost per unit	Total cost	Market Price as at 30.06.2014	Market Price as at 30.06.2015	Unrealized gain/(loss) as at 30.06.2015
AB Bank Ltd.	22,500	10	23.22	522,446	508,000	519,750	(2,696)
Eastern Bank Ltd.	20,000	10	29.17	583,480	576,000	514,000	(69,480)
Pioneer Insurance Co. Ltd.	26,250	10	40.00	1,050,013	1,047,900	874,125	(175,888)
Southeast Bank Ltd.	25,000	10	20.18	504,509	487,500	430,000	(74,509)
EXIM Bank Ltd.	27,500	10	9.33	256,530	252,500	253,000	(3,530)
BRAC Bank Ltd.	28,000	10	27.00	755,908	736,400	1,150,800	394,892
Trust Bank Ltd.	27,500	10	13.27	365,027	370,000	599,500	234,473
Delta Brac Housing Ltd.	20,000	10	63.02	1,260,367	1,240,000	1,802,000	541,633
Square Pharma Ltd.	3,683	10	-	-	903,887	963,105	963,105
Square Textile Ltd.	218	10	-	-	17,134	16,633	16,633
				5,298,280	6,139,321	7,122,913	1,824,633

No. Particulars	Taka	
	As at 30-06-2015	As at 30-06-2014

9 Investment Property : Tk. 26,185,000

The Company has an Investment Property (Building) which have been rented to ACMUNIO International Ltd. As per BAS-40: Investment Property, the company is following fair value model as subsequent measurement and any gain or loss arising from a change in fair value of Investment Property is recognized in Statement of profit or loss and other comprehensive Income for the year in which it arises. During the year the company has conducted valuation by its internal valuer who has sufficient knowledge regarding the location and category of the Investment Property.

The details are here under:

Opening balance	26,185,000	26,185,000
Add/Less: Changes in fair value	-	-
Closing Balance	<u>26,185,000</u>	<u>26,185,000</u>

10 Inventories: Tk. 2,484,869,763

This consists of as follows:

Raw Materials	690,584,842	824,926,270
Packing Materials	688,717,291	545,143,710
Work-in-Process	392,224,068	375,336,272
Finished Goods	573,035,786	375,693,869
Printing Stationery	37,471,715	18,866,704
Spare & Accessories	102,836,061	83,036,609
Total	2,484,869,763	2,223,003,434

Refer note # 5.12 regarding creation of charges in favour of bankers as per syndication agreement.

11 Trade Receivable : Tk. 729,654,988

The trade receivable both domestic and exports occurred in the ordinary course of business are unsecured but considered good by the management. The above trade receivable is as follows:

Domestic	685,518,418	574,255,442
Exports	43,908,015	70,338,597
	<u>729,426,433</u>	<u>644,594,038</u>
Foreign exchange Unrealised Gain/(Loss)	228,555	273,029
	<u>729,654,988</u>	<u>644,867,067</u>

There was no amounts due from the directors (Including Managing Director, Managing Agent, Manager and other Officers of the Company) and any of them severally or jointly with any other person (s).

Refer note # 5.12 regarding creation of charges in favour of bankers as per syndication agreement.

11.1 Trade Receivable: Tk. 729,654,988

Ageing of the above receivables are given below:

	<u>Upto 6 Months</u>	<u>Above 6 Months</u>	<u>Total</u>	<u>Total</u>
Domestic	685,518,418	-	685,518,418	574,255,442
Exports	43,908,015	-	43,908,015	70,338,597
			<u>729,426,433</u>	<u>644,594,038</u>
Foreign exchange Unrealised Gain/(Loss)			<u>228,555</u>	<u>273,029</u>
			<u>729,654,988</u>	<u>644,867,067</u>

No. Particulars	Taka	
	As at 30-06-2015	As at 30-06-2014
12 Other Receivable: Tk. 40,721,339 (Unsecured but considered good) This consists of as follows:		
Rent on Investment Property	37,156,500	32,310,000
Sinha Printers Ltd. against Goods and Services	-	37,257,581
Interest Receivable on FDRs	3,564,441	4,958,524
Dividend Receivable on Marketable Securities	398	-
	40,721,339	74,526,105
13 Advances, Deposits and Prepayment : Tk 986,392,966 The followings items are unsecured but considered as good and this consists of as follows :		
Advances:		
Advances against salary	63,466,623	57,757,291
Motor Cycle advance to employees	223,938,533	238,546,633
Employee advances (Others)	54,429,351	48,503,038
ACMUNIO Int. Ltd.	144,041,898	120,343,583
Advance to Suppliers	167,854,352	116,607,407
Advance to Suppliers for Construction	192,710,431	324,584,985
Advance against Land	15,250,000	95,250,000
Others	6,532,169	7,733,061
Deposit :		
Security deposit and earnest money	13,486,031	11,673,501
Lease Deposit	2,186,000	4,780,055
Presumptive Tax on Share Premium	13,064,814	13,064,814
Bank Guarantee/LC Margin	11,604,600	11,604,600
Advance VAT	61,203,886	30,733,050
Others	4,210,353	4,710,353
Prepayments :		
Office Rent	5,178,450	5,429,450
Insurance	7,235,475	6,086,418
	986,392,966	1,097,408,239

No. Particulars	Taka	
	As at 30-06-2015	As at 30-06-2014
14 Advance Income Tax: Tk 1,820,547,016 The breakup of the above amount is as under		
Opening Balance as per last A/C	1,334,147,374	1,273,276,904
Less: Adjustment of Current Tax Provision against Advance Income Tax		
- For the assessment year 2011-2012	-	(218,905,630)
- For the assessment year 2010-2011	-	(136,683,926)
Payment during the year:		
AIT collected by customs Authority	95,250,919	95,433,002
AIT collected by Bank from export bills	1,800,276	1,948,536
AIT deducted against supply of medicine	5,898,376	9,809,089
AIT collected by BRTA Authority	3,076,000	2,676,500
AIT deducted on bank Interest	4,830,561	10,543,922
AIT deducted from Dividend Received	43,510	
Paid by Pay Order/Cheque:		
for the assessment year 2012-13	3,020,000	-
for the assessment year 2013-14	-	91,066,045
for the assessment year 2014-15	140,305,033	170,920,246
for the assessment year 2015-16	232,174,967	
Addition of advance Income Tax due to amalgamation	-	34,062,686
	1,820,547,016	1,334,147,374
15 Material in Transit: Tk. 285,524,549		
Raw Materials	226,982,203	254,312,276
Packing Materials	50,518,104	20,008,993
Spare Parts	8,024,242	20,155,215
	285,524,549	294,476,484
16 Term Deposit: Tk. 419,003,619 As a part of efficient treasury management, the company have made some short term deposits with various Commercial Banks which are stated below:		
Trust Bank Limited	419,003,619	387,365,775
Dhaka Bank Limited	-	165,835,965
	419,003,619	553,201,740

No. Particulars	Taka	
	As at 30-06-2015	As at 30-06-2014
17 Cash and Cash Equivalents: Tk. 432,270,398		
This is made up as follows :		
Cash in Hand	305,996,749	296,664,128
Cash at Bank :		
Agrani Bank, Ramna Branch, STD A/C	15,775,722	15,403,313
Agrani Bank, Dhamrai Branch, C/D A/C	3,033,318	1,469,840
Dhaka Bank Ltd, Dhanmondi Br.	57,478	209,529
National Bank Ltd, Dhanmondi Br. CD A/C	48,901	349,591
Uttara Bank Ltd, Satmosjid Road Br. CD A/C	25,740,763	22,012,108
Marcantile Bank Ltd, Hemaetpur Br. CD A/C	44,646,880	32,130,061
Agrani Bank ,Ramna Br. F/C A/C	6,283,434	(4,069,819)
Standard Chartered Bank F/C A/C, HO	22,622	2,457,628
Sonali Bank, Local office	277,054	246,197
National Credit and Commerce Bank Ltd., Shymoli Br.	7,582,424	1,349,336
Eastern Bank Limited C/D A/C, Gulshan Branch	3,425,007	9,958,746
Dutch Bangla Bank Ltd., Barisal Br.	9,031	280,043
Sonali Bank, Kallayanpur Br.	110,065	111,565
Dutch Bangla Bank Ltd., Rajshahi Br.	6,680	187,009
Dutch Bangla Bank Ltd., Jessore Br.	626,500	245,793
Dutch Bangla Bank Ltd., Khulna Br.	336,440	541,232
Dutch Bangla Bank Ltd., Mymensingh Br.	23,344	2,426,666
Dutch Bangla Bank Ltd., Dinajpur Br.	156,855	284,980
Dutch Bangla Bank Ltd., Ring Road Br.	179,354	181,284
Dutch Bangla Bank Ltd., B.B Road Br.,Narayangonj	296,158	484,387
Dutch Bangla Bank Ltd., B.Barua, Branch	563	736,350
Dutch Bangla Bank Ltd.	-	1,030
Dutch Bangla Bank Ltd., Patherhat Branch	752,046	14,300
HSBC F/C A/C, Main Branch	2,748	33,628
HSBC F/C (USD) A/C, Main Branch	6,914,388	11,202,335
United Commercial Bank Limited UCBL-CD AC, Gulshan Branch	498,846	90,839
Dutch Bangla Bank Ltd, Chakoria Branch	408,160	203,510
The City Bank Ltd., Dhanmondi Branch	55,990	78,175
Trust Bank Ltd., Dhanmondi Branch	354,337	761,363
Dutch Bangla Bank Ltd., Faridpur Br.	25,485	167,529
Dutch Bangla Bank Ltd., Bogra Br.	29,357	365,680
Standard Chartered Bank SND A/C, HO	866,523	3,165,666
Standard Chartered Bank DSRA A/C, HO	3,390,099	13,683,268
Dutch Bangla Bank Ltd., Rangpur Br.	130,415	3,350
Dutch Bangla Bank Ltd., Hemayetpur Branch	59,337	-
EXIM Bank Ltd., Hemayetpur Branch	336,981	-
Bank Asia Ltd., Hemayetpur Branch	266,252	-
Trust Bank Ltd. F/c A/C	3,542,872	-
Cash at BO account	1,220	1,720
	432,270,398	413,432,359

No. Particulars		Taka	
		As at 30-06-2015	As at 30-06-2014
18 Share Capital : Tk. 161,601,700			
This is arrived at as follows :			
a) Authorized Capital : Tk 5,000,000,000			
500,000,000 Ordinary Shares @ Tk. 10/-each		5,000,000,000	5,000,000,000
b) Issued, Subscribed and Paid - up Capital:			
161,601,700 Ordinary Shares @ Tk.10/- each. (As at 01.07.13, 155,631,100 Ordinary Shares)	1,616,017,000		1,556,311,000
Add: Issued during the year (5,970,600 Ordinary Shares issued in the year 2013-2014)	-		59,706,000
	1,616,017,000		1,616,017,000
c) The movement of Ordinary Shares during the year is as under			
	No. of Share		No. of Share
Opening Balance	161,601,700		155,631,100
Share issued during the year	-		5,970,600
Closing Balance.	161,601,700		161,601,700

d) Composition of Share holding of Ordinary Shares:

Name of the Shareholders	2014-2015		2013-2014	
	No. of Shares	%	No. of Shares	%
Mr. Nasir-Ur-Rahman Sinha	6,160,405	3.81%	13,620,136	8.43%
Mr. Mizanur Rahman Sinha	20,426,565	12.64%	18,175,115	11.25%
Dr. Jabilur Rahman Sinha	4,860,696	3.01%	14,220,630	8.80%
Mr. Afzalur Rahman Sinha	17,214,336	10.65%	14,962,886	9.26%
Mrs. Parveen Akhter Nasir	5,401,517	3.34%	10,539,843	6.52%
Mrs. Jahanara Mizan Sinha	10,519,744	6.51%	10,519,744	6.51%
Mrs. Nagina Afzal Sinha	11,888,433	7.36%	11,888,433	7.36%
Mrs. Hasina Jabil Sinha	4,859,245	3.01%	10,075,593	6.23%
Institutional Shareholders	38,476,100	23.81%	38,476,100	23.81%
Others	41,794,659	25.86%	19,123,220	11.83%
Total	161,601,700	100%	161,601,700	100%

Above mentioned composition of shareholding represents the position as at 01 September 2015.

19 Share Premium: Tk. 1,605,066,569

In the year 2012-2013, the company issued 39,631,100 Ordinary Shares of Tk. 10 each at issue price of Tk. 52 with a premium of Tk. 42 each.

Opening balance	1,605,066,569	1,605,066,569
Add : Amount received during the year	-	-
Less: Transaction cost	-	-
Closing balance	1,605,066,569	1,605,066,569

No. Particulars	Taka	
	As at 30-06-2015	As at 30-06-2014
20 Retained Earnings: Tk. 2,689,794,678		
Opening balance	1,949,426,728	1,327,209,077
	1,031,624,386	1,358,414,002
Add: Net profit after tax for the year	921,917,143	893,890,898
Adjustment for Depreciation on Revaluation Surplus	109,502,243	87,077,493
Adjustment of Revaluation surplus due to disposal	205,000	221,500
Adjustment due to disbursement of purchase consideration and resultant gain thereon	-	283,977,778
Transfer from Capital Reserve	-	40,166,723
Addition due to amalgamation	-	53,079,610
	291,256,436	736,196,351
Less: Tax Holiday Reserve	48,853,886	45,177,401
Interim Cash Dividend declared during the year 2013-2014	-	323,203,400
Final dividend declared for the year 2013-2014	242,402,550	367,815,550
Closing balance	2,689,794,678	1,949,426,728

21 Long Term Loans - Net off Current Maturity: Tk. 4,721,113,988

This represents long term borrowings from financial institutions which are as follows:

Name of Financial Institution		
Standard Chartered Bank Ltd.	216,005	18,225,115
Trust Bank Ltd. (MTL)	213,830,194	226,030,241
Dhaka Bank Ltd. MTL	51,908,940	73,907,803
Dutch Bangla Bank Ltd. (MTL)	934,246,841	249,445,361
IDLC	226,642,333	183,708,976
SCB-Foreign Loan (Net of foreign currency gain/loss)	622,440,000	865,193,168
ICB	-	350,000,000
IIDFC	262,500,000	67,500,000
IPDC	105,056,694	52,994,901
ULC	140,000,000	-
ILFSL	375,000,000	-
Fareast Finance and Investment Ltd.	375,000,000	-
Lanka Bangla Finane Ltd.	750,000,000	-
National Finance Ltd.	-	44,172,675
HSBC-Foreign Loan (Net of foreign currency gain/loss)	664,272,981	886,909,956
	4,721,113,988	3,018,088,196

22 Provision for Gratuity: Tk. 57,776,500

Opening Balance	30,465,330	-
Addition due to amalgamation	-	3,406,283
Add: Provision during the year	84,652,887	27,059,047
Less: Paid during the year	57,341,717	-
	57,776,500	30,465,330

23 Deferred Tax Liability/(Assets): Tk. 125,990,719

This represents provision made/assets created related to deferred income tax for taxable/deductable temporary differences which is arrived at as follows:

Opening Balance	9,124,902	124,807,896
Add : Deferred Tax Liability/(Assets) created during the year		
Increase in Deferred tax liability	126,424,727	70,853,117
On account of taxable temporary difference of taxable unit	82,277,917	61,193,400
On account of taxable temporary difference of Tax holiday unit	44,146,810	9,659,717
Creation of Deferred Tax Assets	(9,558,910)	(186,536,111)
on account of Unabsorbed Depreciation of Tax holiday unit	-	(177,065,445)
on account of Provision for Gratuity	(9,558,910)	(9,470,666)
	125,990,719	9,124,902

No. Particulars	Taka	
	As at 30-06-2015	As at 30-06-2014
24 Loans & Overdrafts : Tk. 3,099,847,325		
This represents various facilities availed from bank which are as follows :		
Name of the Bank		
Agrani Bank	(7,406,415)	(18,544,575)
Dutch Bangla Bank	137,756,243	375,390,984
Standard Chartered Bank	503,346,739	777,091,756
Dhaka Bank Ltd. LTR A/C	92,721,024	72,918,444
Dhaka Bank Ltd. C/C Hypo A/C	264,361,396	335,304,815
Dhaka Bank Ltd. STL A/C	30,070,000	30,093,333
HSBC O/D, LTR, RL	606,158,381	1,095,190,245
EBL, Overdraft,LTR,RL	1,118,134,010	595,291,896
Trust Bank Ltd., OD,LTR,STL	80,603,307	391,554,969
The City Bank Ltd., O/D A/C, LTR, STL A/C	274,312,215	967,476,092
AB Bank Ltd., O/D, LTR, RL A/C	(209,575)	252,358,281
	3,099,847,325	4,874,126,240

25 Current Maturity of Long Term Loans: Tk. 1,609,081,078

This represents current portion of long term loans from financial Institution which are repayable within next 12 months from the balance Sheet date :

Standard Chartered Bank Ltd. (MTL)	18,873,131	25,503,290
Trust Bank Ltd.	117,472,328	61,033,927
Eastern Bank Ltd.	-	-
IDLC	148,113,043	149,895,380
IIDFC	90,000,000	40,000,000
IPDC	72,938,207	37,655,116
ULC	40,000,000	-
ILFSL	100,000,000	-
Fareast Finance and Investment Ltd.	100,000,000	-
Lanka Bangla Finane Ltd.	200,000,000	-
National Finance Ltd.	-	20,559,079
SCB-Foreign Loan (Net of foreign currency gain/loss)	248,976,000	247,040,000
HSBC Foreign Loan	251,713,370	245,191,570
ICB	-	100,000,000
Dhaka Bank Ltd.	21,532,160	17,985,836
Dutch Bangla Bangla Bank Ltd.	199,462,839	70,000,000
	1,609,081,078	1,014,864,198

26 Trade Payable: Tk. 432,244,843

This consists of :

Trade Creditors	432,244,843	528,302,125
	<u>432,244,843</u>	<u>528,302,125</u>

27 Provision for Income Tax: Tk. 1,556,306,023

Opening Balance	1,245,658,922	1,168,807,914
Add: Addition due to Amalgamation	-	5,804,236
Add: Provision for the year	310,647,101	416,636,328
Add: Provision related to prior years	-	10,000,000
Less: Adjustment of Current Tax Provision against Advance Income Tax		
- For the assessment year 2011-2012	-	(218,905,630)
- For the assessment year 2010-2011	-	(136,683,926)
Closing Balance	1,556,306,023	1,245,658,922

No. Particulars	Taka	
	As at 30-06-2015	As at 30-06-2014
28 Liability for Expenses and Others: Tk. 133,076,893		
This comprise of :		
Salary & Allowances	32,491,093	28,603,514
Power & Electricity	1,327,436	3,681,082
Postage & Telephone	2,012,310	1,392,185
Gas Bill	5,531,596	7,799,019
Office rent	224,599	224,599
Audit Fee	500,000	500,000
WASA Bill	57,840	1,076,850
Other Expenses	12,813,633	1,820,953
Interest payable	-	22,402,271
Workers Profit Participation Fund 28.a	78,118,386	84,214,886
Employee Deduction	-	4,016,023
Tax Deducted at Source		
- On directors' remuneration	-	546,292
- On employees' salary	-	604,458
- Others	-	3,172,457
	133,076,893	160,054,589

28.a Workers Profit Participation Fund: Tk. 78,118,386

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 provision of the section 15 of the Bangladesh Labour (Amendment) Act, 2013.

Opening balance	84,214,886	65,059,739
Add: Addition due to amalgamation	-	721,111
Add: Addition during the year	67,471,503	60,242,211
Less: Payment during the year	73,568,003	41,808,175
Closing balance	78,118,386	84,214,886

29 Dividend Payable: Tk. 151,704,980

The Board of Directors proposed 35% cash dividend which was duly approved in 38th AGM by the shareholders for the year 2013-2014. This will involve an amount of Tk. 565,605,950. The details are stated below:

Opening balance (Interim dividend for 2012-2013)	606,723,400	99,077,750
Add: Final dividend declared for the year 2013-2014 (Gross)	242,402,550	367,815,550
Add: Interim dividend declared for the year 2013-2014	-	323,203,400
Less: Dividend paid to the shareholders	558,712,120	64,480,000
Less: Dividend paid to other than promoter shareholders	138,708,850	118,893,300
Net Dividend Payable	151,704,980	606,723,400

No. Particulars	Taka			
	July '14 to June '15	July '14 to June '15	July '14 to June '15	July '13 to June '14
	Non Tax Holiday Unit	Tax Holiday Unit (50% Tax exemption)	Total	Total
30 Revenue : Tk. 11,496,413,631				
This is made up as follows:				
Gross Turnover				
Domestic				
Own Products (with VAT)	9,621,670,641	3,089,145,886	12,710,816,527	9,717,776,916
ASPL Products (Erstwhile Subsidiary Co. now amalgamated)	-	-	-	1,460,306,873
	9,621,670,641	3,089,145,886	12,710,816,527	11,178,083,789
Manufactured by Others :				
Syringe	10,791,437	-	10,791,437	4,702,633
Fish Feed	14,889,000	-	14,889,000	19,552,125
	9,647,351,078	3,089,145,886	12,736,496,964	11,202,338,547
Exports				
Own Products	321,221,254	33,431,865	354,653,119	363,269,096
Manufactured by Others	83,991,530	-	83,991,530	-
	405,212,784	33,431,865	438,644,649	363,269,096
Total Gross Turnover (Domestic & Exports)				
Less: VAT	1,229,877,725	448,850,257	1,678,727,982	1,347,676,178
Net Turnover	8,822,686,137	2,673,727,494	11,496,413,631	10,217,931,465

The summarized quantities are as follows:

Name of Category	Unit	Opening	Production/ Purchase	Sales	Closing
Capsule	Pcs	15,649,214	357,285,647	356,784,393	16,150,468
Cream	Tube	225,558	4,919,829	4,647,837	497,550
Dry Syrup	Bottles	276,020	7,915,639	7,057,832	1,133,827
Eye/Ear/Nasal Drop	Phials	349,003	9,091,471	8,229,250	1,211,224
Injection	Pcs	4,329,057	39,693,881	40,993,881	3,029,057
Liquid	Bottles	3,027,510	58,418,942	56,777,123	4,669,329
Ointment	Tube	57,444	1,894,000	1,760,921	190,523
Tablet	Pcs	63,673,719	2,210,933,688	2,202,432,432	72,174,975
Powder	Pcs	44,490	658,562	636,518	66,534
Inhaler (DPI)	Cans	1,599,399	27,738,082	27,750,540	1,586,941
Suppository	Pcs	598,334	21,770,000	21,716,856	651,478
Inhaler(MDI)	Cans	21,330	486,813	433,486	74,657
Injection (vet)	Pcs	1,208,291	11,305,272	10,946,034	1,567,529
Liquid (Vet.)	Bottles	168,350	3,747,586	3,237,282	678,654
Bolus	Pcs	7,404,099	118,482,000	118,294,458	7,591,641
Premix	Pcs	3,982,821	14,448,052	14,050,177	4,380,696
W S Powder	Pcs	211,338	3,836,000	3,798,769	248,569
Syringe	Pcs	73,209	1,949,047	2,013,386	8,870
Fish Feed	Kg	11,299	415,758	423,931	3,126
Infusion	Pcs	-	2,001,000	1,595,664	405,336
Sachet	Pcs	-	8,223,000	7,899,604	323,396

No.	Particulars	Taka				
		July '14 to June '15	July '14 to June '15	July '14 to June '15	July '13 to June '14	
		Non Tax Holiday Unit	Tax Holiday Unit (50% Tax exemption)	Total	Total	
1	Cost of Goods Sold: Tk. 7,194,997,972					
	This is arrived at as follows :					
	Raw Materials Consumed	31.a	3,165,919,498	766,887,788	3,932,807,286	2,984,078,136
	Packing Materials Consumed	31.b	1,634,933,139	442,609,109	2,077,542,248	1,563,686,298
	Work in Process (Opening)		324,256,819	51,079,453	375,336,272	356,784,193
	Work in Process (Closing)		(327,656,434)	(64,567,634)	(392,224,068)	(375,336,272)
	Consumption during the year		4,797,453,022	1,196,008,716	5,993,461,738	4,529,212,355
	Factory Overheads	31.c	965,491,832	323,807,812	1,289,299,644	855,993,858
	Cost of Production		5,762,944,854	1,519,816,528	7,282,761,382	5,385,206,213
	Purchase of Finished Goods		109,578,507	-	109,578,507	872,031,409
	Purchase of Finished Goods through amalgamation		-	-	-	23,503,442
	Opening Stock of Finished Goods		333,906,052	41,787,817	375,693,869	332,745,359
	Finished Goods Available		6,206,429,413	1,561,604,345	7,768,033,758	6,613,486,423
	Closing Stock of Finished Goods		(549,467,890)	(23,567,896)	(573,035,786)	(375,693,869)
	Cost of Goods Sold		5,656,961,523	1,538,036,449	7,194,997,972	6,237,792,554

31.a Raw Materials Consumed: Tk. 3,932,807,286

This is arrived at as follows :

Opening Stock of Raw Materials	753,256,479	71,669,791	824,926,270	694,987,665
Purchase during the year	3,072,791,502	725,674,356	3,798,465,858	3,114,016,741
Closing Stock of Raw Materials	(660,128,483)	(30,456,359)	(690,584,842)	(824,926,270)
Raw Material Consumed	3,165,919,498	766,887,788	3,932,807,286	2,984,078,136

Item wise summarized quantity and total number of ingredients are as follows:

Particulars	Pcs	Quantity (kg)		Quantity (Liter)		Quantity (Pcs)	
	Cap Shell	Active	Excepients	Active	Excepients	Active	Excepients
Opening Balance	398,429,439	2,854,892	915,676	197	13,186	-	-
Purchase	294,425,831	4,990,086	4,691,024	147	41,939	28,000	3,095,400
Available for use	692,855,270	7,844,978	5,606,700	344	55,125	28,000	3,095,400
Closing Balance	338,665,023	2,426,658	783,262	243	12,471	-	-
Consumption	354,190,247	5,418,320	4,823,438	101	42,654	28,000	3,095,400

No.	Particulars	Taka			
		July '14 to June '15	July '14 to June '15	July '14 to June '15	July '13 to June '14
		Non Tax Holiday Unit	Tax Holiday Unit (50% Tax exemption)	Total	Total
31.b	Packing Materials Consumed: Tk. 2,077,542,248				
	This is arrived at as follows :				
	Opening Stock of Packing Materials	511,054,376	34,089,334	545,143,710	404,785,640
	Purchase during the year	1,801,537,529	419,578,300	2,221,115,829	1,704,044,368
	Closing Stock of Packing Materials	(677,658,766)	(11,058,525)	(688,717,291)	(545,143,710)
		1,634,933,139	442,609,109	2,077,542,248	1,563,686,298

The Total quantity of Packing Materials are stated as under :

Name of Category	Unit	Opening	Purchase	Consumption	Closing
Ampoule	Pcs	26,325,547	42,968,672	41,124,030	28,170,189
Bottle	Pcs	26,870,936	84,456,718	77,470,275	33,857,379
Carton	Pcs	23,943,040	111,312,495	105,087,305	30,168,230
Plastic Item	Pcs	5,564,293	127,231,563	108,606,823	24,189,033
Cap	Pcs	24,130,421	94,354,748	91,080,839	27,404,330
Catch Cover	Pcs	19,680,626	24,417,947	22,300,984	21,797,589
Inner Leaflet	Pcs	11,873,731	90,627,429	89,125,262	13,375,898
Label	Pcs	1,605,450	84,759,079	79,014,059	7,350,470
Shipping Box Label	Pcs	1,635,442	7,266,157	5,981,694	2,919,905
PVC/PVDC	Pcs	337,106	470,152	581,966	225,292
Shipping Box	Pcs	35,758	8,370,775	8,346,135	60,398
Tube	Pcs	2,633,574	7,533,232	7,348,503	2,818,303
Al. Foil- Blister	Pcs	7,160	136,755	122,232	21,683
Al. Foil- Strip	Pcs	71,980	1,230,308	822,594	479,694
Inner Board	Pcs	59,647	1,811,717	1,709,598	161,766
Vial	Pcs	6,015,454	9,739,141	9,175,123	6,579,472
Sticker Label	Pcs	7,929,755	28,749,602	23,891,749	12,787,608

31.c Factory Overheads : Tk. 1,289,299,644

This is made up as follows :

Salary & Allowances	219,556,608	66,461,610	286,018,218	275,232,057
Daily Wages	67,286,580	20,368,207	87,654,787	76,380,142
Gratuity	16,363,233	4,887,719	21,250,952	13,028,949
Group Insurance Premium	626,371	189,608	815,979	600,980
Postage & Telephone	2,208,150	668,426	2,876,576	1,815,672
Fuel, Power & Electricity	57,164,600	17,304,199	74,468,799	133,890,701
Conveyance	1,945,766	588,999	2,534,765	1,937,058
Company's Contribution to RPF	10,043,447	3,040,235	13,083,682	12,462,230
Gas Bill	45,366,514	13,732,821	59,099,335	25,098,806
Factory Staff Uniform	3,071,650	794,226	3,865,876	2,293,910
Carriage Inward	9,733,664	2,946,461	12,680,125	2,601,622
Repairs & Maintenance	25,774,661	7,802,204	33,576,865	85,656,576
Medical Expenses	108,056	32,709	140,765	33,447
Insurance	8,890,714	2,691,293	11,582,007	8,055,810
Local Tax	853,990	258,510	1,112,500	2,426,000
Printing & Stationery	13,626,301	4,228,464	17,854,765	17,424,136
Design, Blocks & Layout	675,996	204,629	880,625	-
Research & Analysis	1,433,587	433,959	1,867,546	1,630,620
Welfare & Recreation	6,201,361	1,877,203	8,078,564	9,461,073
Entertainment	3,052,523	924,024	3,976,547	3,702,947
Canteen Expenses	6,038,009	1,827,756	7,865,765	7,364,206
Spare Parts	47,177,058	14,280,887	61,457,945	24,020,411
Service Charge	3,990,540	-	3,990,540	-
Contribution to CSR Activities	-	-	-	1,043,529
Travelling and Conveyance	261,683	79,214	340,897	251,296
Depreciation	414,040,770	158,184,449	572,225,219	149,581,681
	965,491,832	323,807,812	1,289,299,644	855,993,858

No.	Particulars	Taka			
		July '14 to June '15	July '14 to June '15	July '14 to June '15	July '13 to June '14
		Non Tax Holiday Unit	Tax Holiday Unit (50% Tax exemption)	Total	Total
32	Other Income: Tk. 41,127,977 This is arrived at as follows :				
	Rent on Investment Property	6,462,000	-	6,462,000	6,462,000
	Other Lease Rent	228,000	-	228,000	228,000
	Income/(loss) from sale of Motor vehicle	4,104,995	-	4,104,995	(185,645)
	Interest Bank's STD and SND A/C	685,509	-	685,509	842,831
	Translation Gain/(Loss) for Foreign currency fluctuation	(13,591,519)	-	(13,591,519)	2,031,861
	Settlement Gain/(Loss) for Foreign currency fluctuation	(3,204,969)	-	(3,204,969)	55,448
	Interest on FDR	46,226,014	-	46,226,014	96,263,653
	Unutilized amount of UNDP Grant	-	-	-	2,373,829
	Dividend income on marketable securities	-	217,947	217,947	-
		40,910,030	217,947	41,127,977	108,071,977

33 **Selling, Marketing and Distribution Expenses: Tk. 1,555,756,698**

This is arrived at as follows :

Salary & Allowances	765,700,453	232,084,865	997,785,318	903,308,935
Daily Basis Salary	4,225,516	1,280,760	5,506,276	7,139,581
Gratuity	38,727,014	11,738,211	50,465,225	31,619,507
Company's Contribution to RPF	31,614,490	9,582,396	41,196,886	43,264,358
Office Rent	6,003,370	1,819,630	7,823,000	8,536,475
Electricity, WASA & Gas	6,540,151	1,982,329	8,522,480	9,628,060
Postage & Telephone	13,455,939	4,078,514	17,534,453	17,398,288
Fuel for Generator	1,410,908	427,648	1,838,556	2,481,079
Vehicle Expenses	20,778,539	6,298,004	27,076,543	24,982,618
Printing & Stationery	30,860,351	9,353,815	40,214,166	40,736,424
TA/DA	53,616,395	16,251,203	69,867,598	67,793,307
Travelling Kits	5,504,368	1,668,382	7,172,750	11,251,350
Carriage Outward	26,014,202	7,884,940	33,899,142	44,422,394
Seminar & Conference	4,216,780	1,278,112	5,494,892	12,906,607
Medical Expenses	772,911	234,271	1,007,182	1,166,829
Sales Promotion Expenses	58,346,679	17,684,959	76,031,638	78,510,559
New Products Induction expense	1,122,705	340,294	1,462,999	706,052
Group & Health Insurance Premium	3,317,508	1,005,541	4,323,049	1,179,357
Export Expenses	10,084,027	3,056,482	13,140,509	15,872,252
Welfare & Recreation	1,568,168	475,314	2,043,482	2,256,669
Free Sample	44,815,066	13,583,509	58,398,575	51,797,636
Insurance	5,711,267	1,731,093	7,442,360	5,884,372
Fees & Renewals	8,627,593	2,615,036	11,242,629	12,376,370
Repair & Maintenance	2,783,880	843,798	3,627,678	3,534,458
Entertainment	10,052,009	3,046,778	13,098,787	12,369,786
Repacking Materials	657,261	199,217	856,478	982,790
Contribution to CSR Activities	-	-	-	466,825
Depreciation	37,360,138	11,323,909	48,684,047	87,255,981
	1,193,887,688	361,869,010	1,555,756,698	1,499,828,917

No.	Particulars	Taka			
		July '14 to June '15	July '14 to June '15	July '14 to June '15	July '13 to June '14
		Non Tax Holiday Unit	Tax Holiday Unit (50% Tax exemption)	Total	Total
34	Administrative Expenses: Tk. 387,355,878 This is made up as follows :				
	Directors Remuneration	22,101,120	6,698,880	28,800,000	118,494,500
	Salary & Allowances	140,608,879	42,618,746	183,227,625	197,049,886
	Directors sitting fee	1,367,891	414,609	1,782,500	390,000
	Group & Health Insurance Premium	875,178	265,268	1,140,446	464,352
	Postage & Telephone	3,714,557	1,125,888	4,840,445	5,554,258
	Electricity ,Gas & WASA	11,182,887	3,389,549	14,572,436	12,720,601
	Fuel for Generator & Vehicle	4,112,789	1,246,592	5,359,381	10,452,723
	Conveyance	3,051,618	924,949	3,976,567	3,651,022
	Refreshment Expenses	3,137,028	950,838	4,087,866	5,165,930
	Office General Expenses	4,417,197	1,338,859	5,756,056	16,981,975
	Vehicle Expenses	9,613,547	2,913,879	12,527,426	13,440,965
	Advertisement for Recruitment & Others	1,602,502	485,721	2,088,223	3,387,249
	Printing & Stationary	10,026,684	3,039,102	13,065,786	17,882,361
	Intangible Assets Write off	31,943	9,682	41,625	51,257
	Newspaper & Periodicals	384,827	116,641	501,468	328,883
	AGM Expenses	160,778	48,732	209,510	1,238,986
	Expenses for Legal Procedure	1,790,603	542,734	2,333,337	2,055,272
	Gratuity	9,927,631	3,009,079	12,936,710	10,835,572
	Company's Contribution to RPF	6,524,155	1,977,480	8,501,635	8,154,492
	Professional Fee	6,380,672	1,933,991	8,314,663	6,063,593
	Audit Fee	383,700	116,300	500,000	500,000
	Medical Expenses	138,270	41,910	180,180	1,458,226
	Uniform and liveries	494,082	149,757	643,839	804,180
	Travelling Expenses	2,721,652	824,937	3,546,589	3,297,454
	Foreign Business travelling	-	-	-	182,536
	Repair and maintenance	8,541,273	2,588,871	11,130,144	12,725,321
	Insurance	1,270,814	385,186	1,656,000	1,389,852
	Municipal Tax	-	-	-	1,725,075
	Fees and Renewals	2,497,638	757,038	3,254,676	5,287,388
	Merger Expenses	-	-	-	625,000
	Welfare and recreation	1,067,105	323,441	1,390,546	1,734,440
	Daily basis salary	2,377,904	720,746	3,098,650	6,319,459
	Contribution to CSR Activities	524,237	158,897	683,134	1,180,691
	Depreciation	36,227,738	10,980,677	47,208,415	74,790,840
		297,256,899	90,098,979	387,355,878	546,384,337

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No.	Particulars	Taka			
		July '14 to June '15	July '14 to June '15	July '14 to June '15	July '13 to June '14
		Non Tax Holiday Unit	Tax Holiday Unit (50% Tax exemption)	Total	Total
35	Financial Expenses: Tk. 982,529,496				
	This is arrived at as follows :				
	Interest on Cash Credit	79,316,120	24,040,825	103,356,945	133,230,842
	Interest on Overdraft	51,445,597	15,593,232	67,038,829	111,152,170
	Interest on MTL & LTR	33,070,930	10,023,845	43,094,775	63,132,054
	Interest on Revolving & STL	299,006,112	90,629,165	389,635,277	350,155,776
	Interest on Lease Finance	59,180,194	17,937,598	77,117,792	75,017,757
	Interest on Term Loan	37,421,425	11,342,485	48,763,910	17,077,865
	Interest on Accepted Import Loan	182,793,475	55,404,955	238,198,430	6,169,127
	Interest on WPPF	2,403,320	728,450	3,131,770	-
	Bank Charge	9,355,963	2,835,805	12,191,768	20,975,600
		753,993,136	228,536,360	982,529,496	776,911,190
36	Contibution to workers profit participation fund: Tk. 67,471,503				
	This represent 5% of net profit before tax after charging contribution as per provision of the section 15 of the Bangladesh Labour (Amendment) Act, 2013.				
37	Income Tax Expenses: Tk. 427,512,918				
	This is arrived at as follows :				
	Current Tax Expenses				
	Current Tax for the year under review	268,161,434	42,485,667	310,647,101	416,636,328
	Tax expense related to prior years	-	-	-	10,000,000
		268,161,434	42,485,667	310,647,101	426,636,328
	Deferred Tax Expenses/(Income)				
	Deferred Tax Expenses/(Income)	72,719,007	44,146,810	116,865,817	(115,682,993)
		72,719,007	44,146,810	116,865,817	(115,682,993)
		340,880,441	86,632,477	427,512,918	310,953,335
	Brief computation of Income Tax Expense and Effective Tax Rate				
		Income Year 2014-'15 (Assessment Year 2015-'16)			
		Non-Tax Holiday Unit	Tax Holiday Unit	Total (In Taka)	
	Net Profit before tax as per Comprehensive Income Statement (a)	915,711,353	433,718,708	1,349,430,061	
	Taxable profit as per computation (b)	-	-	-	
	Corporate Tax Rate			35%	
	Tax Liability thereon	268,161,434	42,485,667	310,647,101	
	Adjustment recognized for current tax of prior years	-	-	-	
	Total tax Liability (c)			310,647,101	
	Adjustment for deferred tax assets			116,865,817	
	Income tax expense recognized in Financial Statements (d)			427,512,918	
	Effective Tax Rate [(c) /(a)]			23.02%	

No.	Particulars
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39 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 nature of the transactions and their relative value is shown below:

Name of the Related Parties	Relation	Nature of Transactions	Value of Transactions	Balance at 30.06.2015 Receivable/(Payable)
ACMUNIO Int. Ltd.	Common Directors	Advance to ACMUNIO Int. Ltd.	23,698,315	144,041,898
		Finished Goods Purchase	16,193,227	-
		Rent as Investment Property	6,462,000	37,156,500
Sinha Printers Ltd.	Do	Local Supply received	381,793,998	391,042,580
		Provide Service & others	348,296	-
Kalyar Packaging Ltd.	Do	Local Supply	62,486,680	-
Kalyar Replica Ltd.	Do	Local Supply	3,755,407	-

40 Details regarding Disposal of Motor Vehicles

Particulars	Cost/Revaluation	Accumulated Depreciation on (cost/revaluation surplus)	Net Book Value	Sales price	Disposition of total Gain/ (Loss)		
					Charged to Profit/Loss A/C	Charged to Changes in Equity	Total
Vehicle -Bha-14-0109	2,357,339	2,357,339	1	1,225,000	1,224,999	-	1,224,999
Vehicle -kha-12-0202	1,025,000	1,025,000	1	770,000	769,999	-	769,999
Vehicle -Ga-17- 4413	1,105,394	1,105,394	1	840,000	839,999	-	839,999
Vehicle -Cha-51-4223	650,000	650,000	1	720,000	719,999	-	719,999
Vehicle -Ga-15-8672	1,085,000	1,085,000	1	550,000	549,999	-	549,999
Vehicle -Ma-51-1335	729,000	492,225	236,775	205,000	-	236,775	236,775
Total	6,951,733	6,714,958	236,780	4,310,000	4,104,995	236,775	4,341,770

41 Payments/Receipts in Foreign Currency

Payments

- Import of Machinery, Spare parts and Equipments
- Import of Raw & Packing Materials
- Foreign Currency Loans

Taka	
July '14 to June '15	July '13 to June '14
Amounts in BDT	Amounts in BDT
699,255,480	784,166,032
2,019,717,820	2,120,940,942
495,952,144	291,574,222
3,214,925,444	3,196,681,196

Receipts

UNDP grant
Exports
Foreign Currency Loans

-	2,373,829
465,075,231	363,269,096
24,803,828	2,447,608,561
489,879,059	2,813,251,486

42 Directors Remuneration and Sitting Allowance

Directors Remuneration (Including MD's Remuneration Tk. 12,000,000)
Directors Sitting Allowance (Including MD's Sitting Allowance Tk. 166,660)

28,800,000	118,494,500
1,782,500	390,000
30,582,500	118,884,500

No.	Particulars
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43 Board Meetings and Attendance

The number of Board Meeting and attendance of Directors during the year 2014-2015 were as follows:

Name of Directors	Position	No. of Meetings held	No. of Meetings attended
Mr. Afzalur Rahman Sinha	Chairman	10	10
Mr. Mizanur Rahman Sinha	Managing Director	10	10
Dr. Jabilur Rahman Sinha	Deputy Managing Director	10	5
Mrs. Jahanara Mizan Sinha	Director	10	10
Mrs. Nagina Afzal Sinha	Director	10	10
Syed Shahed Reza	Independent Director	10	8
Ms. Fouzia Haque FCA	Independent Director	10	10
Mr. Md. Fayekuzzaman	Nominee Director (Upto 11.03.2015)	10	8
Mr. Md. Abdour Rouf	Nominee Director (Upto 04.03.2015)	10	7
Mr. Md. Iftikhar-uz-zaman	Nominee Director (From 04.03.2015)	10	3

44 **Audit Fees**

500,000 500,000

45 Events After the Reporting Period:

There was no event after the reporting period that requires either disclosure of or adjustment to these financial statements other than changes in shareholding position which is disclosed in note no. 18.d. 'Composition of share holding of Ordinary Shares'.

46 Contingent Liability

The Company has contingent liability of Tk. 21,736,149 to Large Tax Payer Unit (LTU), North Commissionerate and Directorate, Inspection, Intelligence & Investigation under National Board of Revenue (NBR) against 4 (four) claims of VAT to be imposed or not on the company. The ACME Laboratories Ltd. has filed 4 (four) writ petitions in The Honorable High Court Division of the Supreme Court of Bangladesh separately vide no. - 8650/2008, 785/2009, 3948/2004, 4477/2002 and 2477/2015 respectively against the said claims. The company is hopeful that the writ petitions would be decided in its favour.

47 Un Expired Bank Guarantees

Details of unexpired Bank Guarantees of Tk. 29,603,266 given in the normal course of business on behalf of the company to various parties as at 30 June 2015 are as here under:

<u>SL #</u>	<u>Name of the Bank</u>	<u>Date of Expiry</u>	<u>Amount in Taka</u>
1	Dutch Bangla Bank Ltd.	17.10.2016	430,700
2	Dutch Bangla Bank Ltd.	24.05.2017	931,030
3	Dutch Bangla Bank Ltd.	18.09.2015	1,274,720
4	Agrani Bank Ltd.	15.10.2016	1,093,820
5	Agrani Bank Ltd.	11.09.2018	1,547,350
6	Eastern Bank Ltd.	19.02.2016	623,000
7	Trust bank Ltd.	02.07.2015	2,200,000
8	Trust bank Ltd.	02.07.2015	1,250,000
9	Trust bank Ltd.	02.07.2015	500,000
10	Trust bank Ltd.	02.07.2015	300,000
11	Trust bank Ltd.	02.09.2015	1,200,000
12	Trust bank Ltd.	02.09.2015	700,000
13	Trust bank Ltd.	31.07.2015	6,400,000
14	Trust bank Ltd.	31.07.2015	6,000,000
15	Trust bank Ltd.	30.08.2015	1,050,000
16	Trust bank Ltd.	30.08.2015	110,000
17	Trust bank Ltd.	15.04.2016	787,200
18	Trust bank Ltd.	30.04.2016	1,993,365
19	Trust bank Ltd.	30.04.2016	547,780
20	Trust bank Ltd.	19.05.2016	664,301
			29,603,266

GOING CONCERN

Going concern is one the fundamental assumptions in accounting on the basis of which financial statements are prepared. Under the going concern assumption, an entity is viewed as continuing in business for the foreseeable future and therefore it accounts for its assets and liabilities on the basis that it will be able to realize and discharge them in the normal course of business.

The Directors of ACME have assessed three potential conclusions regarding the circumstances of the company, i.e. whether any material uncertainty that may cast significant doubt about the company's ability to continue as a going concern, whether any material uncertainties related to events or conditions that may cast significant doubt about the company's ability, and the use of the going concern is not appropriate. The Directors are convinced from the following indications, which give reasonable assurance as to company's continuance as a going concern for the foreseeable future:

FINANCIAL INDICATIONS

Uninterrupted financial support by lenders

The company has established long term business relationship with its lenders. So, we enjoy easy and fair access to the funding sources to meet our increasing need for growth.

Positive operating cash flows

During the year 2013-2014, the Statement of Cash Flows of the Company shows very positive operating cash flows of BDT 451.16 million. It revealed that the company can internally generate excellent cash flows to meet its fixed financial obligation and other liabilities.

Positive key financial ratios

The Company has a very positive financial ratio as evident from financial summary given on this Annual Report. Such positive financial ratios indicate Company's sound financial strength and good prospects.

Payment of healthy dividends

During the year ending June 30, 2014, the company has accrued a net profit before tax of BDT 1,204,844,233 which after provision of income tax is stood at BDT 893,890,898. The Board of Directors has proposed 20% interim dividend to the existing shareholders which comes to BDT 323,203,400.

Credibility in payment of obligations

The Company has strong credibility in terms of payment of its obligations to the lenders. The Company is very particular in fulfilling the terms of loan agreement.

Performance growth

ACME has excellent growth in its operating performance. Total operating revenue is BDT 10,217.93 million and total profit after tax is BDT 893.89 million. All those indicators support Company's continuance in foreseeable periods.

OPERATING INDICATIONS

Expansion of business

The company has expanded its business line in locally and globally by introducing new projects, new products line and strengthening its distribution channel. During the year 2014 the Company started its operation in following facilities:

- Cephalosporin unit which is one of the largest state of the art Cephalosporin facilities in the Country
- Liquid in hard gelatin products facilities
- Sachet Products facilities
- Parenteral Products facility under BFS technology which is highly automated facility.

Besides, considering industry outlook and bright prospects, The ACME Laboratories Limited intent to issue 50,000,000 ordinary shares with a face value @ Tk.10 each under Book Building Method. ACME has a succeeding development plan to utilize the proceeds of IPO for the following purposes:

- Steroid & Hormone Project:
- Oncology Project:
- Ayurvedic, Modern Herbal and Nutraceuticals Project

The Strategic Brand Management Division also expanded its products/services line by introducing 43 new products during the year. It is expected that after introducing all these products in the market a positive impact will be reflected in the revenue of the Company in near future.

In addition to above, to make co’s distribution channel more efficient and cost effective, company have been trying to develop its own depots in all over the country which discussed detailed in directors’ report. These represent Company’s intention for perpetuity.

Corporate environment and employee satisfaction

The company has sound human resource policy to ensure the congenial working environment and better career path. Multidisciplinary human resources comprising approximately seven thousands full time equivalent qualified, trained and skilled professionals, including a good number of white collar employees such as pharmacists, chemists, doctors, microbiologists, scientists, engineers, accountants and business administration graduates and/or post-graduates are currently working at ACME. Our utmost importance on the continuous development of human resources to enhance their competencies through continuous in-house and external training programs and encourages our people.

The company maintains defined contribution plan for its eligible permanent employees that is determined according to the terms and conditions set forth in the respective deeds. Inspiring fringe benefits like incentive bonus, holiday allowance, laundry allowances, night allowances, driver allowances, technical allowances along with a classical working environment in place as part of our talent retention and motivational program. As we do believe, its success immensely depends upon performance of its 6,711 patrons.

OTHER INDICATIONS

Strong equity base

As on 30June 2014 total equity of the Company stands at BDT 10,692.16 million (30 June 2013: BDT 9,517.45 million) representing an increase of 10.99% over last year that reflects company’s long-term viability.

Changes in Government policy

Since product of pharmaceuticals industry is essential one for lives and it is import substitute industry and value addition is remarkable, Co see the government regulations are mostly investment friend ly for this sector particularly. Management anticipates no significant change in legislation or government policy, which may materially affect the business of the Company.

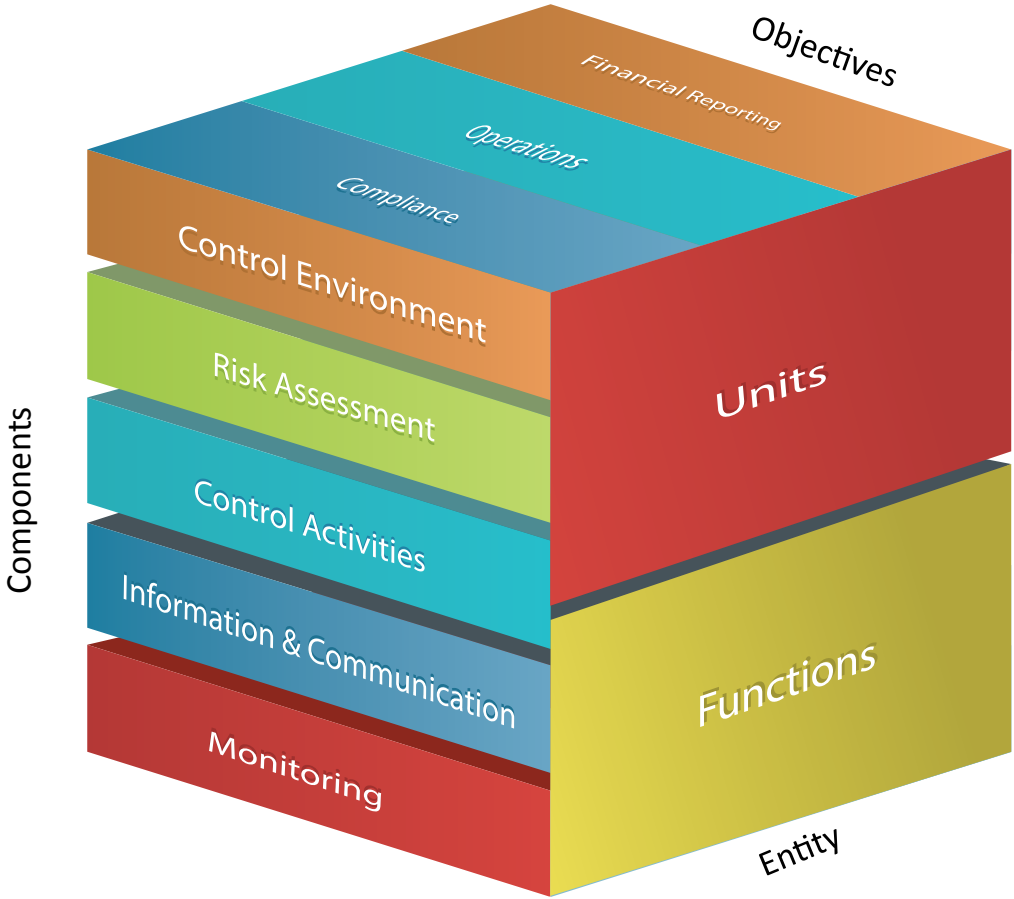
Based on the above indications, directors feel it is appropriate to adopt going concern assumption and there is no material uncertainty in preparing the financial statements. Adequate disclosures have been made in the financial statements and different sections of the annual report to understand the appropriateness of going concern basis in preparing financial statements.

INTERNAL CONTROL

The company has an internal audit team of 16 members responsible for implementing, directing and overseeing the auditing and compliance programs. They also conduct and direct audits and ongoing reviews of organization controls, operating procedures, appraise the soundness, effectiveness, and proper application of accounting & financial controls and compliance with policies and regulations. Internal Audit supports the Company in achieving its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of its risk management, control and governance processes.

The Board reviews regular reports from the management on the key operating statistics, as well as legal and regulatory matters. The Board also approves any changes or amendments to the company’s policies. There are policies and procedures in place to ensure compliance with internal control and the prescribed laws and regulations.

In recent time the Board has formed an Audit Committee headed by an Independent director.



CREDIT RATING REPORT
On
THE ACME LABORATORIES LIMITED

CRISL RATING SCALES AND DEFINITIONS
BANK LOAN/ FACILITY RATING SCALES AND DEFINITIONS- LONG-TERM

RATING	DEFINITION
<i>blr AAA</i> (blr Triple A) (Highest Safety)	Investment Grade Bank Loan/ Facilities enjoyed by banking clients rated in this category are adjudged to have highest credit quality, offer highest safety and carry almost no risk. Risk factors are negligible and almost nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of loans/ facilities.
<i>blr AA+, blr AA, blr AA-</i> (Double A) (High Safety)	Bank Loan/ Facilities enjoyed by banking clients rated in this category are adjudged to have high credit quality, offer higher safety and have high credit quality. This level of rating indicates that the loan / facilities enjoyed by an entity has sound credit profile and without any significant problem. Risks are modest and may vary slightly from time to time because of economic conditions.
<i>blr A+, blr A, blr A</i> Single A (Adequate Safety)	Bank Loan/ Facilities rated in this category are adjudged to carry adequate safety for timely repayment/ settlement. This level of rating indicates that the loan / facilities enjoyed by an entity have adequate and reliable credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
<i>blr BBB+, blr BBB, blr BBB</i> Triple B (Moderate Safety)	Bank Loan/ Facilities rated in this category are adjudged to offer moderate degree of safety for timely repayment /fulfilling commitments. This level of rating indicates that the client enjoying loans/ facilities under-performing in some areas. However, these clients are considered to have the capability to overcome the above-mentioned limitations. Cash flows are irregular but the same is sufficient to service the loan/ fulfill commitments. Risk factors are more variable in periods of economic stress than those rated in the higher categories.
<i>blr BB+, blr BB, blr BB</i> Duble B (Inadequate Safety)	Speculative/ Non investment Grade Bank Loan/ Facilities rated in this category are adjudged to lack key protection factors, which results in an inadequate safety. This level of rating indicates loans/ facilities enjoyed by a client are below investment grade. However, clients may discharge the obligation irregularly within reasonable time although they are in financial/ cash problem. These loans / facilities need strong monitoring from bankers side. There is possibility of overcoming the business situation with the support from group concerns/ owners. Overall quality may move up or down frequently within this category.
<i>blr B+, blr B, blr B</i> Single B (Somewhat Risk)	Bank Loan/ Facilities rated in this category are adjudged to have weak protection factors. Timely repayment of financial obligations may be impaired by problems. Whilst a Bank loan rated in this category might be currently meeting obligations in time, continuance of this would depend upon favorable economic conditions or on some degree of external support. Special monitoring is needed from the financial institutions to recover the installments.
<i>blr CCC+, blr CCC, blr CCC</i> Triple C (Risky) Risky Grade	Bank Loan/ Facilities rated in this category are adjudged to be in vulnerable status and the clients enjoying these loans/ facilities might fail to meet its repayments frequently or it may currently meeting obligations through creating external support/liabilities. Continuance of this would depend upon favorable economic conditions or on some degree of external support. These loans / facilities need strong monitoring from bankers side for recovery.
<i>blr CC+, blr CC, blr CC</i> Double C (High Risky)	Bank Loan/ Facilities rated in this category are adjudged to carry high risk. Client enjoying the loan/ facility might not have required financial flexibility to continue meeting obligations; however, continuance of timely repayment is subject to external support. These loans / facilities need strong monitoring from bankers side for recovery.
<i>blr C+, blr C, blr C-</i> (Extremely Speculative)	Bank Loan/ Facilities rated in this category are adjudged to be extremely risky in timely repayment/ fulfilling commitments. This level of rating indicates that the clients enjoying these loan/ facilities are with very serious problems and unless external support is provided, they would be unable to meet financial obligations.
<i>blr D</i> (Default)	Default Grade Entities rated in this category are adjudged to be either already in default or expected to be in default.

SHORT-TERM RATINGS

<i>blr ST-1</i>	Highest Grade Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding, Safety is almost like risk free Government short-term obligations.
<i>blr ST-2</i>	High Grade High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
<i>blr ST-3</i>	Good Grade Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
<i>blr ST-4</i>	Satisfactory Grade Satisfactory liquidity and other protection factors qualify issues as to invest grade. Risk factors are larger and subject to more variation.
<i>blr ST-5</i>	Non-Investment Grade Speculative investment characteristics. Liquidity is not sufficient to insure against disruption in debt service. Operating factors and market access may be subject to a high degree of variation.
<i>blr ST-6</i>	Default Institution failed to meet financial obligations



The ACME Laboratories Ltd.
1/4, Kallayanpur, Mirpur Road, Dhaka-1207

FORM OF PROXY

I/We ----- of -----
----- being a member of The ACME Laboratories
Limited hereby appoint Mr. /Mrs./Ms ----- of -----
----- as my / our proxy to attend, vote for my/our behalf at the 39th Annual General
Meeting of the company to be held on the 7th day of November, 2015 at 12:00 A.M. at Court de la ACME,
1/4, Kallayanpur, Mirpur Road, Dhaka-1207 and at any adjournment thereof.

Affix
Revenue Stamp
Tk.20.00

(Signature of Proxy)
Dated: -----

Signature of Shareholder(s)

Register Folio No.-----
Dated:-----

(Signature of the Witness)

Note: A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

Signature Verified

Authority Signatory



The ACME Laboratories Ltd.
1/4, Kallayanpur, Mirpur Road, Dhaka-1207

(SHAREHOLDERS ATTENDANCE SLIP)

I/We hereby record my /our attendance at the 39th Annual General Meeting being held 7th day of
November, 2015 at 12:00 AM at Court de la ACME, 1/4, Kallayanpur, Mirpur Road, Dhaka-1207

Name of Member(s): -----
Register Folio No.: ----- holding of ----- ordinary Shares of
The ACME Laboratories Limited.

Signature of Shareholder(s)

N.B. 1. Please note that the AGM can only be attended by the honourable shareholder or properly constituted Proxy, thereof any.

2. Please present this slip at the reception desk.

