

Directors' Report

For the year ended 30 June 2021

DEAR SHAREHOLDERS,

The Board of Directors of The ACME Laboratories Ltd. takes the pleasure to welcome you to the 45th Annual General Meeting of the Company. On behalf of the Board of Directors and Management, I hereby present the Directors' Report and Audited Financial Statements for the year ended on 30 June 2021, together with the Auditors' report thereon.

The Directors' report has been prepared in compliance with the Section 184 of the Companies Act, 1994; Rule 12 (and the schedule there under) of the Bangladesh Securities and Exchange Rules, 1987; Bangladesh Securities and Exchange Commission Notification no. BSEC/CMRRCD/2006-158/207/ Admin/80; dated: 03 June 2018, Financial Reporting Act 2015 and International Financial Reporting Standard (IFRS). It is the pleasure of the Board of Directors to submit its Report to the Shareholders for the year ended 30 June 2021.

PROFIT AND ITS APPROPRIATION

Particulars	(BDT in million)	
	2020-2021	2019-2020
Net Profit after Tax	1,569.227	1,450.498
Adjustment for depreciation on revaluation surplus	70.532	80.877
Profit brought forward from previous year	6,384.509	5,593.734
Total Profit Available for appropriation	8,024.268	7,125.109
Appropriation		
Final Cash Dividend for the year 2018-19 (Comparative year 2017-18)	(529.004)	(740.606)
Closing Retained Earnings at the year- end (before proposed Dividend)	7,495.264	6,384.509
Proposed cash dividend for the year 2019-2020 @ 25%	(529.004)	(529.004)
Retained earnings after Proposed Dividend	6,966.260	5,855.499

DIVIDEND

During the year ended 30 June 2021, the Company has earned net profit before tax amounting to BDT 2,073.496 million which after provision of Income Tax stood at BDT 1,569.227 million. Considering the performance of the Company the Board of Directors has recommended 25% cash dividend i.e. BDT 2.50 per share, which comes to, BDT 529.004 Million subject to the approval of the Shareholders in the 45th Annual General Meeting. During the year 2020-2021, the Company has not declared any bonus or Stock as an interim dividend.

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENT

Pharmaceuticals Industry is one of the success stories of Bangladesh in the last four decades. The sector is one of the most developed, knowledge-based and technology-driven industries, which is contributing to the country's economy. According to the Bangladesh Bureau of Statistics, the industry has contributed 1.83% to the GDP in 2019-2020. Currently, local Companies meet almost 98 % of domestic demand with market size of BDT 255,000 million. According to the Bangladesh Association of Pharmaceutical Industries (BAPI) and Directorate General of Drug Administration (DGDA), approximately 257 licensed pharmaceutical manufacturers are operating in Bangladesh and about 143 are functional. These manufacturing companies meet around 98% of local demand and export to more than 147 countries.

Over the last five years, the pharmaceutical industry in Bangladesh has been growing with a CAGR of 15.60%. The industry is on its way towards maintaining this growth momentum and according to the industry experts, the sector will grow 10 percent year on year to reach \$6 billion by 2025 and the contribution of the Pharmaceutical sector to Bangladesh's economy will be the highest revenue earning sector by 2027.

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

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

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

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

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

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

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

The construction work of the API project is going on and we are hopeful that the project will be completed duly.

COVID-19 AND ITS IMPACT IN PHARMA INDUSTRY IN BANGLADESH:

The Contribution of the Pharma sector even more critical in the times of health emergencies. Pharma is playing an extremely important role by enabling the supply of key medicines across the country and globe as well, this makes

it one of the safest and most resilient industries in such periods of uncertainty. The Company's Plant continues to remain operational at almost its usual capacity and the company has successfully supplied its medicine to its customers.

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

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

The Company has monitored the impact of COVID-19 on all aspects of its business. The management has exercised due care, in concluding on significant accounting judgments and estimates, recoverability of receivables, inventory based on the information available as on date, while preparing the financial statements as of and for the year ended 30th June 2021. The Company will continue to ensure supply of essential medicines and take steps to mitigate any risks associated with COVID-19 pandemic. The detail financial disclosures are given in our Audited Financial Statements in note number 5.25.

PROUD CONTRIBUTOR DURING VIOLENCE IN PALESTINE

Palestine was facing a dangerous escalation in violence where more than 100 Palestinians have been hurt and hospitalized in clashes every day. The ACME Laboratories Ltd. is standing beside them to contribute a little to this devastating war situation by handing over emergency medicines to Mr. Yousef SY Ramadan, Palestine Ambassador at the Embassy of the State of Palestine, Dhaka, in order to help the wounded people.

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

During the year the company generated better top line revenue growth comparing to the previous year despite of Covid-19 outbreak issues all over the world. The amount of Cost of Goods Sold for the Financial Year 2020-2021 is BDT 12,719.82 million which is 61.24% of the revenue of the Company. In the previous year the same was BDT 11,728.937 million which was 61.72% of the revenue. On the other hand, Gross Profit margin and Net Profit margin for the financial years 2020-2021 are 38.76% and 7.56%, with compare to the previous year the same was 38.28% and 7.63% respectively. Due to Covid-19 outbreak, the scarcity of materials in international markets has been

increased. Moreover, moderate domestic inflation and unfavorable fluctuation of BDT against foreign currencies also adversely impact the Material Cost. The Management is trying their best to reduce the cost by using different effective cost cutting tools.

EXTRAORDINARY ACTIVITIES:

The company is relentlessly working to establish strong footing in the domestic market, which also facilitated to expand its presence in the global market. To boost the export sales and to encourage domestic pharmaceuticals the company has brought out total 5 new products in its bucket which is first time in Bangladesh. Moreover, the Government has declared 10% cash incentive on Net Free on Board (FOB) value of Pharmaceutical finished products. Any incentive received from Government is reported under the head of Other Income in the Audited Financial Statements for the year ended 30 June 2021.

RELATED PARTY DISCLOSURES

The Company carried out a number of transactions with related parties in the normal course of business and on arm's length basis. The Directorship of the company is mostly in common. Details of the transactions are provided in the note 41 of Financial Statements for the year ended 30 June 2021.

PRESENT STATUS OF UTILIZATION OF IPO PROCEEDS

Details regarding status of utilization of IPO proceeds has been given in page no. 77.

SUBSEQUENT RESULTS AFTER INITIAL PUBLIC OFFERING (IPO)

In the year 2016, the Company listed its securities with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. by issuing 50,000,000 Ordinary Shares of BDT 10.00 each. The Company commenced its trade with both the Exchanges from 07 June 2016 under the trade name of ACME LAB. After completion of Initial Public Offering (IPO) successfully, the financial results of the Company have been increased consistently which has been more fully explained in the Page no. 71 under the head of Financial Highlights for last 5 years.

REMUNERATION PAID TO THE DIRECTORS INCLUDING INDEPENDENT DIRECTORS

During the year 2020-2021, a remuneration of BDT 45,600,000 has been paid to the whole time Directors of the Company. The Company did not pay any remuneration to its

Independent Directors except sitting fees for attending at the meetings of the Board of Directors and respective committees to whom they are members. A Statements regarding payment of remuneration to its Directors is as under:

(Amount in BDT)

Particulars	2020-2021	2019-2020
Director	45,600,000	19,200,000
Independent Director	-	-

FAIRNESS OF THE FINANCIAL STATEMENTS

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

In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code; dated: June 3, 2018, Chief Executive Officer and Chief Financial Officer have given the declaration about the fairness of the financial statements which is shown on page 124-125 of the report.

BOOKS OF ACCOUNTS

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

CONSISTENCY OF APPROPRIATE ACCOUNTING POLICIES

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

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

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

INTERNAL CONTROL

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

INTEREST OF MINORITY SHAREHOLDERS

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

GOING CONCERN

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

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

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

Due to increase of Sales and reduction of Financial Interest Operating Cash Flows Per share has been increased

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

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

Financial Highlights

For Last 5 Years

Amount in BDT (in million)

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Shareholders' Equity					
Share Capital	2,116.02	2,116.02	2,116.02	2,116.02	2,116.02
Share Premium	5,127.60	5,127.60	5,127.60	5,127.60	5,127.60
Revaluation Surplus	5183.84	5,238.75	5,319.64	5,402.71	5,487.67
Gain/(Loss) on Marketable Securities (Unrealized)	8.41	(2.16)	6.94	8.72	6.23
Tax Holiday Reserve	179.46	179.46	179.46	179.46	179.46
Retained Earnings	7,495.26	6,384.51	5,593.73	4,810.52	4,039.29
Total Shareholders' Equity :	20,110.59	19,044.18	18,343.39	17,645.03	16,956.28
Non Current Liabilities	6,878.7	6,392.29	4,578.02	4,615.51	3,675.91
Total	26,989.29	25,436.47	22,921.41	22,260.55	20,632.19
Application of Fund					
Property, Plant and Equipment	25,021.30	24,602.56	23,751.66	21,105.68	18,220.23
Right of Use Assets	79.08	86.37	-		
Intangible Assets	0.02	0.04	0.08	0.12	0.16
Investment in Shares	35.51	23.77	33.88	34.89	32.41
Investment Property	0	-	-	21.34	23.10
Current Assets	15,340.51	14,705.52	12,135.98	11,462.21	11,671.33
Current Liabilities	(13,487.13)	(13,981.79)	(13,000.19)	(10,363.70)	(9,315.04)
Total	26,989.29	25,436.47	22,921.41	22,260.55	20,632.19
Financial Result					
Revenue	20,770.14	19,003.66	16,308.63	14,813.91	13,576.32
Cost of Goods Sold	12,719.82	11,728.94	9,882.88	8,942.40	8,039.83
Gross Profit	8,050.32	7,274.72	6,425.75	5,871.52	5,536.49
Profit before Taxation	2,073.50	1,979.43	1,953.34	1,954.84	2,035.55
Profit after Taxation	1,569.27	1,450.50	1,440.38	1,426.57	1,397.85
Change in Turnover (%)	9.30%	16.53%	10.09%	9.12%	7.37%
Change in Cost of goods sold (%)	8.45%	18.68%	10.52%	11.23%	3.46%
Change in Profit After Tax (%)	8.19%	0.70%	0.97%	2.05%	26.93%
Financial Performance					
Number of shares	211.6017	211.60	211.60	211.60	211.60
Earning per share (Taka)	7.42	6.85	6.81	6.74	6.61
Current Ratio - (Times)	1.14	1.05	0.93	1.11	1.25
Net operating cash flow per share (Taka)	12.72	5.42	7.81	7.46	6.70
Net Asset Value Per Share (Taka)	95.04	90.00	86.69	83.38	80.13

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

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

BONUS OR STOCK DIVIDEND DECLARED AS INTERIM DIVIDEND

No Bonus share or stock dividend has been declared by the Board as interim dividend during the financial year 2020-2021.

BOARD MEETINGS AND ATTENDANCE BY EACH DIRECTOR

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

Name of Directors	Position	No. of Meetings attended
Mrs. Nagina Afzal Sinha	Chairman	14
Mr. Mizanur Rahman Sinha	Managing Director	15
Dr. Jabilur Rahman Sinha	Deputy Managing Director	-
Mrs. Jahanara Mizan Sinha	Deputy Managing Director	15
Mr. Md. Abul Hossain	Nominee Director of ICB	15
*Syed Shahed Reza	Independent Director	7
*Ms. Fouzia Haque, FCA	Independent Director	7
Ms. Tasneem Sinha	Director	12
Mr. Tanveer Sinha	Director	11
Mrs. Sabrina Juned	Director	11
Mr. Fahim Sinha	Director	11
*Mr. Das Deba Prashad	Independent Director	8
*Mr. Ehsan Ul Fattah	Independent Director	8
*Mrs. Evana Haque, FCA	Independent Director	8

*As per requirement of the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC), two Independent Directors namely Mr. Syed Shahed Reza and Ms. Fouzia Haque, FCA, have completed their two consecutive tenures as Independent Directors and retired from the board as per approval of the shareholders in its 44th AGM of the company, therefore, the Board in its 121st meeting held on 3 December 2020 recommended to appoint three new Independent Directors namely: Mr. Das Deba Prashad, Mr. Ehsan Ul Fattah and Mrs. Evana Haque, FCA which was approved by the Shareholders of its 44th Annual General Meeting (AGM).

A REPORT ON THE PATTERN OF SHAREHOLDING AS ON 30 JUNE 2021

A report on the pattern of shareholding as on 30 June 2021 disclosing the aggregate numbers of shares (along with name-wise details) are stated below:

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

The ACME Laboratories Ltd. does not have any Parent, Subsidiary, or Associated Companies as on 30 June 2021. However, other related parties do not hold any shares of the Company.

**b. Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children:
as on 30 June 2021**

Sl.	Name and Particulars	Designation	Number of holding
01.	Mrs. Nagina Afzal Sinha	Chairman	11,888,433
02.	Mrs. Sabrina Juned, D/O Late Mr. Afzalur Rahman Sinha	Director	9,102,613
03.	Mr. Fahim Sinha, S/O Late Mr. Afzalur Rahman Sinha	Director	9,375,961
04.	Mr. Mizanur Rahman Sinha	Managing Director	17,376,119
05.	Mrs. Jahanara Mizan Sinha	Deputy Managing Director	7,114,572
06.	Ms. Tasneem Sinha, D/O Mr. Mizanur Rahman Sinha	Director	4,393,034
07.	Mr. Tanveer Sinha, S/O Mr. Mizanur Rahman Sinha	Director	4,232,234
08.	Dr. Jabilur Rahman Sinha	Deputy Managing Director	4,860,696
09.	Mrs. Hasina Jabil Sinha, W/O. Dr. Jabilur Rahman Sinha	Shareholder	4,859,245
10.	Mr. Md. Abul Hossain	Nominee Director of ICB	8,419,940
11.	Mr. Das Deba Prashad	Independent Director	N/A
12.	Mr. Ehsan Ul Fattah	Independent Director	N/A
13.	Mrs. Evana Hoque, FCA	Independent Director	N/A
14.	Mr. Md. Hasibur Rahman	Additional Deputy Managing Director and Chief Internal Audit Executive (CIAE)	60,180
15.	Mr. Kazi Mohammed Badruddin, FCA, FCMA and his spouse including minor child	Executive Director and Chief Financial Officer	N/A
16.	Mr. Md. Arshadul Kabir, FCA and his spouse including minor child	Company Secretary (Acting)	N/A

Executives: as on 30 June 2021

Sl.	Name and Particulars	Designation	Number of holding
01.	Mr. Md. Hasibur Rahman	Additional Deputy Managing Director and Chief Internal Audit Executive (CIAE)	60,180
02.	Mr. Kazi Mohammed Badruddin, FCA, FCMA	Executive Director and Chief Financial Officer	N/A
03.	Dr. Syed A.M. Mustafij Billah	Executive Director-Plant	N/A
04.	Mr. Md. Ferdous Khan	Executive Director- Sales & Distribution	N/A
05.	Mr. Asad Quader Shamsuddin	Director-Engineering Division	N/A

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

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

COMPOSITION OF SHAREHOLDING POSITION

Shareholding Position as on 30 June 2021 of the Company is given below:

Name of the Shareholders	Designation	No. of Shares	% of holding
Mrs. Nagina Afzal Sinha	Chairman	11,888,433	5.62%
Mr. Mizanur Rahman Sinha	Managing Director	17,376,119	8.21%
Dr. Jabilur Rahman Sinha	Deputy Managing Director	4,860,696	2.30%
Mrs. Jahanara Mizan Sinha	Deputy Managing Director	7,114,572	3.36%
Mrs. Parveen Akhter Nasir	Sponsor Shareholder	11,561,922	5.46%
Mrs. Khurshid Jahan Dabir (Mrs. Laizu Dabir)	Sponsor Shareholder	725	0.000%
Ms. Tasneem Sinha	Director	4,393,034	2.08%
Mr. Tanveer Sinha	Director	4,232,234	2.00%
Mrs. Sabrina Juned	Director	9,102,613	4.30%
Mr. Fahim Sinha	Director	9,375,961	4.43%
Investment Corporation of Bangladesh (ICB)	Shareholder	8,419,940	3.98%
Institute	Shareholder	65,242,999	30.84%
Foreign	Shareholder	283,900	0.13%
General Public	Shareholder	57,748,552	27.29%
Total		211,601,700	100.00%

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

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

APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

Dr. Jabilur Rahman Sinha, Mrs. Jahanara Mizan Sinha, and Mr. Md. Abul Hossain members of the Board of Directors of the Company shall retire from the Board in the forthcoming 45th Annual General Meeting as per clause no 148 & 149 of Articles of Association of the company, because of the longest duration in office since their last election.

As per clause no 150 of Articles of Association of the Company, being eligible, all the above-mentioned directors shall be re-elected as directors by the approval of the shareholders of the company in its forthcoming 45th Annual General Meeting. Brief resume of the Directors including their expertise and Directorship/Membership with other companies/Committees are provided in the Directors' profile section of this Annual Report at page no. 37-38.

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

A management's discussion and analysis signed by the CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the Financial Statements has been presented in the Page no. 79-81.

DECLARATION OR CERTIFICATION BY THE CEO AND THE CFO TO THE BOARD AS REQUIRED UNDER CONDITION NO. 3(3) SHALL BE DISCLOSED AS PER ANNEXURE-A

Declaration or certification by the CEO and the CFO to the Board is appended in this Annual Report under Annexure A, Page no. 124-125.

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

The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 has been presented under Annexure -B and Annexure -C in the page no. 126 and 127 respectively.

APPOINTMENT OF AUDITORS

The existing Auditor of the Company M/s. Shiraz Khan Bashak & Co., Chartered Accountants (An Associate firm of D.N. Gupta & Associates, Chartered Accountants) has conducted their Audit from the year 30 June 2019 to 30 June 2021 i.e. for a period of three years. As per notification no. BSEC/CMRRCD/2006-158/208/Admin/81; dated: 20 June 2018, clause no 2(3) the existing Auditor/Audit firm M/s. Shiraz Khan Bashak & Co., Chartered Accountants (An Associate firm of D.N. Gupta & Associates, Chartered Accountants) shall not be eligible for performing the statutory audit of Financial Statements of the Company for a consecutive period exceeding three years.

Currently, ICAB and some other regulatory bodies oftenly put restrictions on Statutory Audit works of some audit firms due to various reasons. In such cases, it becomes difficult to get the Audited Financial report of any company without resolving the matter in EGM, which is a cumbersome process.

Accordingly, considering the above facts, the Board recommended one statutory Auditor on a priority basis from the panel of the following three audit firms who are eligible for auditing the financial reports of listed companies for the financial year 2021-2022. with a remuneration of BDT 550,000 only (Five Lac fifty thousand) including Income Tax subject to the approval of the shareholders in the 45th Annual General Meeting.

Sl.	Name of the Statutory Audit Firms
01.	M/s. Fames & R, Chartered Accountants (PrimeGlobal, An Association of Independent Accounting Firms)
02.	M/s. Pinaki & Company (A Correspondent firm of Reanda International Network Ltd., Hong Kong)
03.	M/s. Ashraf Uddin & Co. (ANTEA, Alliance of Independent Firms, Mallorca, 260 Attic 08008, Barcelona, Spain)

APPOINTMENT OF COMPLIANCE AUDITOR

The existing Auditors of the Company M/s. M. Z. Islam & Co., Chartered Accountants, retires at this Annual General Meeting and being eligible have offered themselves for re-appointment as Compliance Auditors of the Company for the year 2021-2022 with a remuneration of BDT 40,000 (Taka Forty Thousand) only including Income Tax, subject to the approval of the Shareholders in its forthcoming 45th Annual General Meeting.

BUY BACK OF COMPANY'S SECURITIES

During the Financial year 2020-2021, the Capital Market of the Country was moving toward a positive trend; the General Investors of the Company including Affected Small Investors incurred capital gain compared to the previous year on their investment. To protect the interest of the investors including Non-Resident Bangladeshi (NRB), Affected Small Investors of the Capital Market, the Managing Director of the Company requested the Sponsors/Director/Promoters and their family members to invest 25% of their Dividend income 2020-2021 in the Capital Market for procuring of the securities of The ACME Laboratories Ltd.

In response, the following Sponsors/Director/Promoters and their family members bought the securities of the Company from Secondary Market during July 2020 to June 2021, detail of which is as follows:

Sl.	Name	Quantity
01.	Mr. Mizanur Rahman Sinha	1,31,000
02.	Ms. Tasneem Sinha	1,60,800
03.	Mrs. Jahanara Mizan Sinha	1,11,500
Total		4,03,300

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year 2020-2021, your Company paid BDT 2,958.99 million to the National Exchequer in the form of Corporate Income Tax and Value Added Tax (VAT) and Import Duties.

CORPORATE GOVERNANCE

Corporate Governance is a system of rules, policies and practices that dictate how a company's Board of Directors manages and oversees the operations of a Company. Corporate governance includes principles of transparency, accountability and fairness. A company's corporate governance is important to investors since it shows a Company's direction and business integrity. Good Corporate Governance helps Companies build trust with investors and the community. As a result, Corporate Governance helps promote financial viability by creating a long-term investment opportunity for market participants.

In order to enhance Corporate Governance Practice for the interest of investors and the Capital Market; Bangladesh Securities and Exchange Commission (BSEC) has imposed some further conditions and issued a revised notification vide No. BSEC/CMRRCD/2006-158/207/Admin/80; Dated: 3 June 2018. The compliance status of the above-mentioned Code by The ACME Laboratories Ltd. has been depicted on Page no. 127-140 of this Annual Report as Annexure: C.

CORPORATE SOCIALIZATION

In order to play a model role for Good Governance characteristics in the corporate sector, the company has become members of country's leading chamber and market regulators:

- A. Bangladesh Chamber Industries (BCI)
- B. Bangladesh Association of Pharmaceutical Industries (BAPI)
- C. Dhaka Stock Exchange Ltd. (DSE)
- D. Chittagong Stock Exchange Ltd. (CSE)
- E. Central Depository Bangladesh Limited (CDBL)
- F. Bangladesh Association of Publicly Listed Companies (BAPLC)

These memberships have provided scope to the company for improvement of Corporate Governance Practices for the benefit of the shareholders and other stakeholders.

BOARD OF DIRECTORS

The Board of Directors is the highest governance body of the Company and represents the interests of all shareholders and stakeholders, irrespective of who elected its Directors. The Board of the Company comprises with 12 (twelve) Directors, of whom 8 (Eight) Directors are Shareholder Directors, 1 (one) nominee Director and 3 (three) Independent Directors. Independent Directors are appointed as per provision of the Corporate Governance Codes of Bangladesh Securities and Exchange Commission (BSEC). The Board's essential role is to approve the Company's strategy and oversee compliance.

AUDIT COMMITTEE

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

Sl.	Name	Position in Audit Committee	Position in Board
01.	Mrs. Evana Haque, FCA	Chairman	Independent Director
02.	Mr. Md. Abul Hossain	Member	Nominee Director of ICB
03.	Mr. Ehsan Ul Fattah	Member	Independent Director
04.	Mr. Md. Arshadul Kabir, FCA	Member Secretary	Company Secretary (Acting)

NOMINATION AND REMUNERATION COMMITTEE (NRC)

In compliance with the condition, # 6 of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) vide reference no. BSEC/CMRRCD/2006-158/207/ Admin/80; dated: 3 June 2018 the Nomination and Remuneration Committee (NRC) of the Company is functioning. The Nomination and Remuneration Committee is a sub-Committee of the Board, NRC assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors as well as a policy for formal process of considering remuneration of directors and top level executives. Presently, the Committee comprises with the following members:

Sl.	Name	Position in NRC	Position in Board
01.	Mr. Das Deba Prashad	Chairman	Independent Director
02.	Mr. Md. Abul Hossain	Member	Nominee Director of ICB
03.	Mrs. Jahanara Mizan Sinha	Member	Deputy Managing Director
04.	Mr. Md. Arshadul Kabir, FCA	Member Secretary	Company Secretary (Acting)

APPRECIATION

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

On behalf of the Board,

Nagina Afzal Sinha

Nagina Afzal Sinha
Chairman