

ANNUAL REPORT

2021-2022



ACME

Annual Report 2021-2022



Since 1954



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*Serving the
nations since 1954...*



Our Visionary Leaders



Hamidur Rahman Sinha



Noor Jahan Sinha

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



Our Former Chairmen

Contents

Corporate Overview

Transmittal Letter	09
Notice of the 46 th Annual General Meeting	10
Our Recognition	12
Awards & Achievements	13
Vision	14
Mission Statement	14
Purpose	15
Company Goals	16
Core Values	17
68 Years of Dynamic Journey	18-19
Key Financial Highlights for the Year 2021-2022	20
Triple Bottom Line (TBL) at a Glance	21
Value of Employee's Engagement and Commitment	29
Message From The Chairman	30-31
Message From The Managing Director	32-33
Board of Directors	34-35
Brief Profile of The Directors	36-43
Corporate Integrated Strategic Planning & Implementation Committee (CISPIC) ...	45-61
QMS Operations	62
Board's Structure and its Role	66

Statutory Reports & Others

Directors' Report	67-75
Status of Utilization of IPO Proceeds	76
Statement Signed by CEO or MD Focusing on Company's Position and Operations ..	78-80
Dividend Distribution Policy	81-82
Triple Bottom Line (TBL) Reporting	83-84
Selected Growth Indicators	86-87
Our Role in Bangladesh	88
Expanding the Horizon	89
Strategy Strengthened for a Sustainable Tomorrow	91
Guidance for 2022-2023	92
Report on the Activities of the Audit Committee 2021-2022	93-96
Report on the Activities of the Nomination & Remuneration Committee 2021-2022 ..	97-98
Signing of Collaborative Partnership Agreement	100-101
Transformation of Livestock Farming	107-121

Financial Statements & Others

Value Added Statement	122
CEO/CFO's Certification to the Board - Annexure-A	123-124
Certificate on Compliance - Annexure-B	125
Status of Compliance Conditions Imposed by BSEC- Annexure-C	126-139
Auditors' Report Along with Audited Financial Statements	141-196
Form of Proxy	197





**AGM
INVITATION**
for our Shareholders

46TH
**ANNUAL
GENERAL MEETING**
of
The **ACME** Laboratories Ltd.

AGM
Will be held on
Tuesday, 20 December
2022 at 11.30 a.m.
through Digital Platform
(in pursuant to the Bangladesh
Securities and Exchange
Commission's order no. SEC/
SRMIC/94-231/91;
Dated: 31 March 2021)



AGM HELPLINE

virtual AGM through the link:
<https://acmeglobal.digitalagmbd.net>
Md. Habibul Karim Sarker
e-mail: hkarim.share@acmeglobal.com
Web: www.acmeglobal.com
Tel: 88 02 8091051-3,
Ext.: 236

Transmittal Letter

27 November 2022

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

Subject: Annual Report for the year ended 30 June 2022.

Dear Sir(s),

Greetings from The ACME Laboratories Ltd.

We are pleased to enclose a copy of the Annual Report 2021-2022 containing Directors' Report and Auditor's Report together with the Audited Financial Statements which includes the Statement of Financial Position as at 30 June 2022, 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 2022 along with notes thereon of The ACME Laboratories Ltd. and all related Statements for your record and necessary measures.

Yours sincerely,



Md. Arshadul Kabir, FCA
Company Secretary (Acting)

Notice



27 November 2022

NOTICE OF THE 46TH ANNUAL GENERAL MEETING

Notice is hereby given to all respected Members of **The ACME Laboratories Ltd.** that the **46th Annual General Meeting (AGM)** of the Shareholders of the Company will be held on **Tuesday, 20 December 2022** at **11:30 a.m. through Digital Platform** (in pursuant to the Bangladesh Securities and Exchange Commission's order no. SEC/SRMIC/94-231/91; dated: 31 March 2021) to transact the following businesses:

AGENDA

A 2022-46- 01 :	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2022 and the Reports of the Directors' and the Auditors' thereon.
A 2022-46- 02 :	To approve the proposed dividend for the year ended 30 June 2022.
A 2022-46- 03 :	To elect/re-elect Directors of the Company in accordance with the provision of Articles of Association of the Company.
A 2022-46- 04 :	To appoint Statutory Auditors for the Financial Year 2022-2023 and to fix their remuneration.
A 2022-46- 05 :	To appoint Compliance Auditor for the Financial Year 2022-2023 and to fix their remuneration.
A 2022-46- 06 :	To approve timeline extension for starting commercial operation of Active Pharmaceuticals Ingredients (API) Project.

By order of the Board

Md. Arshadul Kabir, FCA
Company Secretary (Acting)

Notes:

- The record date was fixed on '20 November 2022'. The Shareholders, whose names were appeared in the Share Register/Depository Register of the Company at the close of business on the 'Record Date' i.e. Sunday, on 20 November 2022 will be eligible to join the 46th Annual General Meeting and receive the Dividend.
- A member eligible to join and vote in the AGM through Digital Platform may appoint a proxy to join and vote in his/her on behalf. The Proxy Form duly completed and affixed a revenue stamp of Tk. 20 must be deposited at the registered office of the Company not later than 48 hours before the time fixed for the Annual General Meeting.
- The link for joining in AGM through Digital Platform is <https://acmeglobal.digitalagmbd.net> Members can join the Virtual Annual General Meeting using their Laptop, Personal Computer (PC), Mobile or Tab providing their respective Names, 16-digit Beneficial Owner (BO) Accounts and Number of shares. Full login/participation process of AGM through Digital Platform will be available in the Company's website: www.acmeglobal.com.
- In compliance with BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81; dated: 20 June 2018:
 - Annual Report, Attendance Slip and Proxy Form along with the notice are being sent in Soft Form to the members' e-mail address available in their Beneficial Owner (BO) Accounts with the depository as on Record Date.
 - The Annual Report 2021-2022 is also available on the Company's website linked with the websites of both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.
- The shareholders will join the virtual AGM through the link: <https://acmeglobal.digitalagmbd.net>. The shareholders will be able to submit their questions, comments electronically before 24 (Twenty-Four) hours of commencement of the AGM through the link and also during the Annual General Meeting in order to log-in for the virtual AGM. The shareholders need to click on the link and provide their Names, 16-digit Beneficial Owner (BO) Accounts and Number of shares.
- The Concerned Merchant Banks and all Depository Participants (DP) are requested to provide us with statement with details (shareholders' names, Beneficial Owner (BO) Accounts, Client-wise shareholding position, Gross Dividend Receivables, applicable tax rate and Net Dividend Receivables) of their margin account holders (if any) who hold the shares of The ACME Laboratories Ltd. as on the 'Record Date' along with the name of the contact person in this connection to the Company's Registered Office on or before **08 December 2022**. The Merchant Banks and Depository Participants (DP) are also requested to provide us with their Bank Names, Account Numbers and Routing Numbers etc.
- As per notification of BSEC No. SEC/SRMIC/2000-953/1950; dated: 24 October 2000, no gift or any other kind of benefit will be given to the shareholders attending the AGM.

CORPORATE OFFICE
Court de la **ACME**



Our Recognition



ACME achieved GMP compliance from UK-MHRA, GMP clearance from TGA Australia, WHO Prequalification approval for Zinc Dispersible Tablet, ISO Certification and recognitions from overseas accreditation like Philippines FDA, PPB Kenya, FMHACA Ethiopia, TMDA Tanzania, NAFDAC Nigeria.



The ACME Laboratories Ltd. received cGMP certification from UK MHRA.



Therapeutic Goods Administration

The ACME Laboratories Ltd. achieved GMP clearance from TGA Australia.



The ACME Laboratories Ltd. received the prestigious WHO Prequalification approval for Zinc Dispersible Tablet.



As a part of continuous improvement policy, the company renewed and upgraded its ISO Certification to ISO 9001:2015.

Awards & Achievements

Best Client of the Year 2021



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.

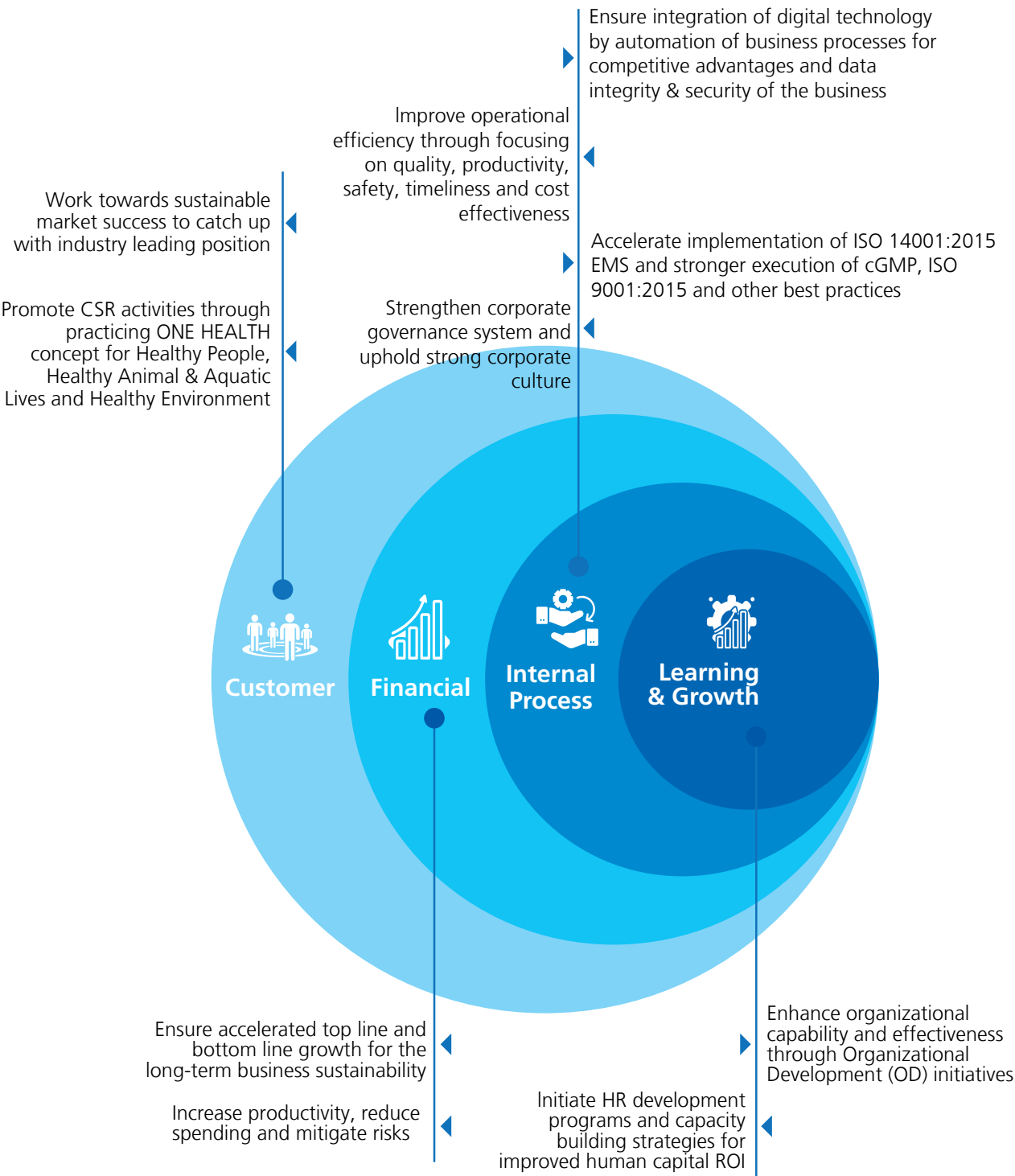
We view ourselves as partners with the doctors, healthcare professionals, all other customers, our employees and harmonize with environmental issues.



Purpose

Business is the heritage of Sinha family and in fact, they were one of the renowned jute shippers in the then Indo-Pak 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 history moment for Sinha family, the founder established a Proprietorship concern which was converted to a private limited Company: namely The ACME Laboratories Ltd. and set its purpose in mission statements as to ensure Health, Vigour and Happiness for all by manufacturing ethical drugs and medicine of the highest quality at affordable price and expanding in the domestic and global market. We view ourselves as partners with the doctors, healthcare professionals, all other customers, our employees and harmonize with environmental issues.

Company Goals



Core Values

Our Company values are the measure for our thinking and actions. They are the core of what ties us together in the past, present and future. We do business on the basis of common values. Our success is based on Customer Focus, Team Spirit, Desire to Win, Pro-activity, Integrity 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.

 01 Customer Focus		 02 Team spirit	
	Desire to win 03 		Pro-activity 04 
 05 Excellence		 06 Integrity	
	Responses to Social Needs 07 		Conserving Nature & Protecting Environment 08 

68 Years of Dynamic Journey

*Serving the
nations since 1954...*

Year of foundation of ACME
as proprietorship firm.

◀ 1954

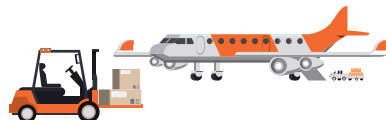


1976 ▶

The firm converted into a
Private Limited Company.

Commercial operation in
modern facilities after BMRE
project at Dhamrai.

◀ 1983



1995 ▶

ACME started its first
journey to International
Operation by exporting
medicines to Bhutan

ISO 9001:1994 certification for its
Quality Management System & in the
same year launched Veterinary Division

◀ 1999



2004 ▶

Celebration of 50 years'
anniversary.

Commission of 18-storied new
corporate office

◀ 2006



2007 ▶

Inclusion of veterinary
section under QMS scope
of ISO 9001:2000












Up-gradation of QMS
as per latest version of
ISO 9001:2008

◀ 2009



2011 ▶

Established Modern state of the ART facilities
Solid Dosages Units (SDU).
ACME converted into a Public limited company.

<p>Achieved certification of ISO 9001-2008 for the new state-of-the-art solid dosages.</p>	<p>◀ 2012</p>	
<p></p>	<p>2013 ▶</p>	<p>Company raised paid up capital amounting BDT 2,060 million by issuing 39.63 million Ordinary Shares, ASPL amalgamated with The ACME Laboratories Ltd.</p>
<p>Commencement of Commercial operation of Cephalosporin facilities. Commencement of Commercial operation of Liquid in hard gelatin facilities. Commencement of Commercial operation of BFS facilities.</p>	<p>◀ 2014</p>	<p></p>
<p> </p>	<p>2016 ▶</p>	<p>Listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. Commencement of construction work of Steroid & Hormone and Penicillin project.</p>
<p>Up-gradation of ISO standard from 9001:2008 to 9001:2015 version. Received the Letter of Allotment for API Plots.</p>	<p>◀ 2017</p>	<p></p>
<p></p>	<p>2018 ▶</p>	<p>Received certificate on outstanding contribution to the mitigation of Climate Change from Global Climate Partnership Fund and The City Bank Ltd. jointly. Awarded first position in 4th International Exhibition on Dairy, Aqua & Pet (IEDAP) organized by AHCAB. Awarded First Position in the fair of Livestock Service Week 2018 organized by the Department of Livestock Services (DLS).</p>
<p>Received the Certification of GMP Compliance from UK-MHRA (Medicines and Healthcare Products Regulatory Agency of UK) Commencement of commercial operations of Steroid & Hormone and Penicillin Facilities. Successfully registered and exported medicines in Peru and Yemen. The company is awarded as Best Client of the Year by TQCSI ISO Certification body</p>	<p>◀ 2019</p>	<p> </p>
<p></p>	<p>2020 ▶</p>	<p>Launching of Zolpidem IR Tablet in US Market. Successfully shipped the first consignment to UK.</p>
<p>ACME achieved WHO Pre-qualification of Zinc Dispersible Tablet The company is awarded as Best Client of the year by TQCSI ISO Certification body for consecutive two times in a row.</p>	<p>◀ 2021</p>	<p> World Health Organization</p>
<p> USAID FROM THE AMERICAN PEOPLE</p>	<p>2022 ▶</p>	<p>Signing of collaborative partnership agreement between ACME & US-AID</p>

Key Financial Highlights for the Year 2021-2022



Revenue

BDT **23,858.41** mn.

14.87%



Export Sales

BDT **1,285.42** mn.

66.39%



NAV per Share

BDT **102.50**

7.85%



Net Profit Before Tax

BDT **2,693.14** mn.

29.88%



Net Profit after Tax

BDT **2,110.89** mn.

34.52%



Gross Profit

BDT **9,464.36** mn.

17.57%



Earnings per Share

BDT **9.98**

34.52%





Number of Products Introduced 1st Time in Bangladesh

29

Triple Bottom Line (TBL) at a Glance

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

 PEOPLE	 PLANET	PROFIT 
<p>BDT 126,155,080 has been spent for company's contribution to recognized provident fund.</p> <p>BDT 113,571,955 was disbursed under the scheme of WPPF and WWF.</p> <p>BDT 10,998,951 has been spent for the purpose of employee's group insurance.</p>	<p>5 Lac liters' water in a day through Effluent Treatment Plant (ETP).</p> <p>24,000 Liters liters RO (Reverse Osmosis) reject water, cooling water and steam condensed water for gardening in a day.</p> <p>8,922 kg HFA gas through reducing the equivalent amount of CFC uses which is vital evils for global warming and ozone layer depletion.</p>	<p>Achieved 14.87% Sales growth during the year 2021-2022</p> <p>Net Profit ratio 8.85 Percentage of Net Profit</p> <p>BDT 102.50 net Assets Value per share is as at 30 June 2022</p>

ACME introduced 29 Pioneer products in Bangladesh





21
Human
Products

	Balovir 40	Pink Pill
<u>Amisure</u>	<u>Neugalin™ XR</u> 82.5	<u>Neugalin™ XR</u> 165
<u>Trihale</u> <small>Rota cap</small>	sematid 3	sematid 7
<u>Cetisoft</u>		
Liptor™ EZ 10	Liptor™ EZ 20	<u>Defrol</u> OS
<u>Ecosprin®</u> 81		
Emlino 10/5	Emlino 25/5	DHEA
Verigat 2.5	Verigat 5	Verigat 10

Tifur Vet	Ecopond	Prycin Vet 10
Prycin Vet 30	Amflor Vet Plus 10	Amflor Vet Plus 30
Amflor Vet 10	Amflor Vet 30	



8
Veterinary
Products

New products have been always the core strength of The ACME Laboratories Ltd. With the continuation to that, ACME has already launched 29 new impressive products for the 1st time in Bangladesh. 21 products for Human & 8 products for Veterinary are already available in the market and lot more to come!

Awareness Program & Others

World Heart Day



ACME's Marketing Division arranged an awareness program named "Heart & Vascular disease & it's prevention" on World Heart Day (29th Sep'21) at corporate Head Office. The program was led by chief guest Dr. Saklayen Russel (Vascular Surgeon & Broadcast journalist) who put his informative speech, shared appropriate information about heart disease along with do's & don'ts for early detection as well as prevention of this disease.

Breast Cancer



The ACME Laboratories Ltd. arranged an Awareness Program on Breast Cancer on October 31, 2021, to observe the month of October as the Breast Cancer Awareness Month with a view to raise awareness among the employees working at its Corporate Office premises and Plant Operation to better fight this non-transmissible disease. The program was graced by chief guest and key note speaker Dr. Lutfa Begum Lipi, MBBS, MCPS, FCPS (Obs. & Gynae.), Asst. Professor, Dhaka Medical College Hospital who put her informative speech and shared pertinent information about the disease and do's & don'ts for early detection and prevention of this disease

Diabetes Summit along with KOLs & BADAS



The ACME Laboratories Ltd. organized Diabetes Summit 2021 as the scientific partner, arranged by Diabetic Association of Bangladesh (BADAS). The seminar was chaired by Diabetes and Endocrine Disease Specialist, Ibrahim General Hospital & DCEC Professor Emeritus Hajera Mahtab. National Professor A K Azad Khan was present at this occasion as the Chief Guest along with esteemed doctors in the field of endocrinology. Diabetes summit is specifically about diabetes, where we strongly believe that the strategies and solutions that would be adopted here will be helpful to reverse the ever-increasing numbers of diabetic patients by proper treatment & lifestyle modification. The ACME Laboratories Ltd. is one of the largest pharmaceuticals in Bangladesh which has a good reputation all over the country for making world class and top quality oral anti diabetic medicines. Also, ACME is continuously working to raise awareness for life style modification, self-monitoring & patient empowerment.

World COPD day celebration



In order to raise awareness of COPD, The ACME Laboratories Ltd. has celebrated the "World COPD Day, 2021" by launching an awareness page "Healthy Breath Healthy Life" and messenger service "RESPITO". As an awareness initiative among the employees and general people, a lung shape was formed by human at the office premises.

ACME Sets Footprint In Practicing Environmental Management System



ACME sets footprint in practicing Environmental Management System ISO: 14001 and stepped forward to the environmental compliance and ecofriendly business practices. Managing Director along with other members of the top management inaugurated the launching ceremony of ISO: 14001 EMS on November 18, 2021.

ACME Achieved "Best Client Of The Year" Award



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

Much to our delight, ACME has achieved this prestigious award in consecutive awarding years.

Signing of collaborative partnership between ACME & US-AID



Signing of the collaborative partnership agreement between ACME and USAID-funded Feed the Future Bangladesh Livestock and Nutrition Activity regarding 'Promoting Anti-Microbial Resistance (AMR) Solutions and Embracing One Health Concept to Overcome Animal and Human Health Hazard'. This activity will be implemented by ACME & ACDI-VOCA to achieve sustainable livestock farming. ACME initiated steps to implement the 'One Health' aspect since 2011 to address shared health threats among humans, animals, and the environment.

Director General of DGDA Bangladesh visited the manufacturing plant of ACME



Major General Mohammad Yousuf, Director General, Directorate General of Drug Administration of Bangladesh visited The ACME Laboratories Ltd. plant, located at Dhamrai, Dhaka on 22nd June, 2022. The facility which is UK-MHRA & TGA-Australia approved is manufacturing world-class and top-quality pharmaceutical products for the local as well as international markets.

The ACME Laboratories Ltd. aiding the flood victims



The recent floods in Bangladesh have displaced millions of people and put their health at great risk. Aid is an urgent requirement for the victims to survive and medicine is a crucial necessity. In this dire time of need, The ACME Laboratories Ltd. has come forward with the necessities to the Drug Administration of Bangladesh to distribute to the victims. Mohammad Mozammel Hossain, Director, and Shafiqul Islam, Deputy Director, Directorate General of Drug Administration received the aid from Mohammad Ziauddin, General Manager, Marketing Division, The ACME Laboratories Ltd.

ACME arranged a scientific session on “Workplace Mental Health”



In order to raise awareness about workplace mental health, ACME's Marketing Division has celebrated the “World Mental Health Day, 2022” and arranged a scientific session on “Workplace Mental Health” on 10th October 2022.

Grand opening of the daycare center at The ACME Laboratories Ltd.



Grand opening of the daycare center at The ACME Laboratories Ltd. plant, located at Dhamrai, Dhaka on 17th July 2022. Chairman, Nagina Afzal Sinha and other officials were present at the opening ceremony. This daycare center is designed to provide supervision and care of infants and young children during the daytime, therefore, easing the lives of the mothers who work at the plant. This center will allow them to continue to grow their career while enjoying the value of motherhood. The marvellous initiative by The ACME Laboratories Ltd. will ensure motivation for the female employees and make them feel even more secure while working at the plant.



Value of Employee's Engagement and Commitment

An Employee's intellectual (Mental) and Emotional (Hearts) Connection with an employer, demonstrated by motivation and commitment positively impact the company vision and goal.

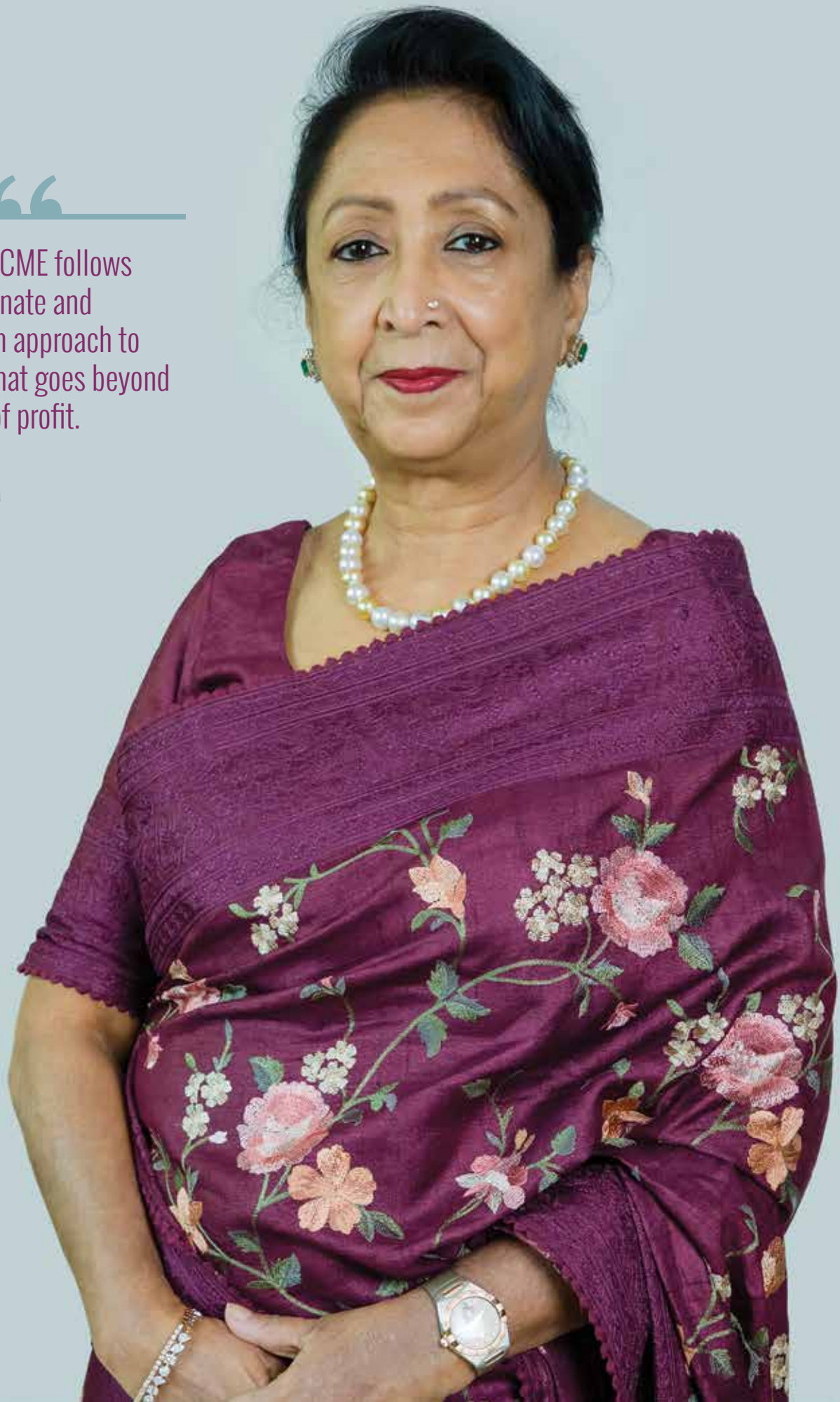
At ACME, people are our biggest assets - they are the constant enablers for realizing our purpose of to ensure 'Health, Vigour and Happiness'. It is their relentless dedication that has enabled us to serve millions of patients worldwide over the past 68 years. We believe in an inclusive work culture that puts employees' aspirations first, and encourages them to deliver with courage and imagination. We have an unwavering commitment towards building and fulfilling well-rounded careers for our employees, anchored around respect, care and purpose. It is this commitment, that fuels our unwavering focus on the trinity of Human Resource Development, Promoting Diversity and Employee Health and Safety.



“

As always, ACME follows a compassionate and humanitarian approach to healthcare that goes beyond the pursuit of profit.

Nagina Afzal Sinha
Chairman



Message From The Chairman

**Respected Shareholders, Media Personnel, Dear Colleagues,
Ladies and Gentlemen,**

Assalamu-alaikum.

It is my pleasure to welcome you all to the 46th Annual General Meeting (AGM) of The ACME Laboratories Ltd. through Digital Platform. As the Chairman of The ACME Laboratories Ltd. I would like to present the Annual Report for the Financial Year 2021-2022 along with Financial Position, numerous accomplishments, and significant progress after the pandemic. I would like to express my earnest appreciation towards all the shareholders and investors for your confidence, continuous trust, encouragement, and explicit support to the Company's Management.

The world witnessed uncertainty in so many aspects as the impact of covid19 and the Russia vs Ukraine war, possibly FY 2021-2022 was one of the most challenging years in our history. As a consequence, the world economy started to decline and significant distractions occurred in trade, food, and increasing oil prices, generating a high inflation rate. Despite all these challenging conditions, we continued to achieve our business growth and scale to new heights by implementing robust strategies and endless hard work. I would like to thank our employees for their extraordinary commitment, and hard work which helped us to ensure sustainable business growth and the delivery of medicine across the country without any interruption. I also like to thank our Management team for taking significant decisions and implementing appropriate strategies for achieving our targets during this challenging period.

The pharmaceutical industry in Bangladesh is moving forward with great potential as 98% of the country's total demand for medicine is being met by domestic institutions. Currently, our company is manufacturing more than 800 branded generic products covering broader therapeutic categories like Anti-Infective, Anti-Ulcerant, Cardiovascular, Antidiabetics, CNS, NSAIDs, Anti-Viral, Hormone, etc. Besides, our highly skilled and experienced R&D personnel and dedicated manufacturing & Quality control deliver modern Herbal, Nutraceutical products and confirm reliable Ayurvedic formulary products along with the finest quality ingredients. ACME has focused on the One Health Concept by dedicating itself to the modern manufacturing facility and ensuring a high-quality product to facilitate the best healthcare solutions for animal health. We are also optimistic to play strategically across the domestic and global markets to achieve sustainable growth in the coming years.

We are very much glad to present the Financial Statements for the year ended 30 June 2022, Revenues, as well as operating profit, which has noticeably increased by BDT 308.82 Crore and BDT 80.52 Crore in 2021-2022 compared to the previous financial year. Therefore, we have developed healthy progress in terms of Earnings Per Share (EPS) BDT 9.98, Net Asset Value (NAV) per share BDT 102.50, and Net Operating Cash Flow Per Share ((NOCFPS) BDT 5.37. As committed to a part of the continuous journey towards maintaining quality, ACME has already obtained global accreditations from several Regularity Authorities like UK MHRA, TGA Australia, and UNICEF.

We ensured to maintain a hygienic environment in our manufacturing facilities that include our General Unit, Solid Dosages Unit (SDU), Cephalosporin Unit, BFS, Liquid, and Semi-Solid Unit, Penicillin Unit, Hormone & Steroid Unit, Herbal & Ayurvedic Unit, Veterinary Unit. We also confirm to deliver only the best quality products to our customer. We are always appreciative of our employees and people associated with the Company for representing a high level of commitment and their continued dedication to improving the Company's growth. ACME is always committed to maintaining the highest standard of Corporate Governance and adhering to the Corporate Governance requirements set out by the BSEC. Practicing Good governance and effective management qualifies the company to sustain a high level of business morals and optimizes the value for all its stakeholders.

Finally, on behalf of the Board of Directors, I express my gratefulness to each employee for their sincere dedication, the valued Customers, Traders, Healthcare Professionals, and Financial Partners including Banks, the National Board of Revenue (NBR), the Directorate General of Drug Administration (DGDA), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE), Central Depository Bangladesh Ltd. (CDBL), Registrar of Joint Stock Companies and Firms (RJSC), Government Agencies and all concerned for their continued co-operation and trust.

Thanking you,



Nagina Afzal Sinha
Chairman



“

Fortunately, humanity is winning the battle against COVID-19. This reflects the combined efforts of our leadership team and the 8000+ members who come to work every single day with an unending commitment to make a difference and for Health, Vigour and Happiness care for life

Mizanur Rahman Sinha
Managing Director

Message From The Managing Director

Dear Shareholders,

At the outset, I would like to thank you for the trust you have reposed in our Company over the years. It is my honor to welcome all of you, on behalf of myself as well as Board of Directors for joining at the 46th Annual General Meeting (AGM) of The ACME Laboratories Ltd. through the Digital Platform.

As all of you are aware that the world is now more volatile, uncertain, complex, and ambiguous than ever before in living memory when the global economy and the healthcare infrastructure in particular were still grappling with the pandemic-induced headwinds, geopolitical tensions in Europe suddenly reached a flashpoint and further increased downside risks. However, at ACME we still believe that we are well equipped to navigate through such challenges of the external environment. With sharper strategies, we continue to strengthen our core business and extend into other adjacencies to play a more meaningful and impactful role in the domestic and global healthcare ecosystem.

In the financial year 2021-2022, we made significant progress across all our strategic priorities whilst navigating challenging external environment. We continued the strong momentum in domestic market as well as international market. The year 2021-2022, was purpose-oriented and transformational for our company and we have achieved sustainable growth as normalcy returned and our total revenue stood at BDT 23,858.41 million. Domestic sales continued as the key driver with collecting 94.61% of the total revenue. Our flagship brands, such as Monas, Maxima, Ecosporin, FIX-A, Coralex, TPC, Famiclav, DDR, Orthogen and Lino, held strong control over the market throughout the year. Further, to accelerate our growth, we have proactively taken several initiatives toward our product selection, resource allocation, and go-to-market strategies that are expected to come out with positive results in the upcoming years. We have proudly launched 79 new products amongst which 29 products are for the first time in Bangladesh and introduced several products in line with our existing products with the support of our efficient management team. To ensure the implementation of ISO 14001:2015, we have formed an EMS committee this year. We would like to inform you that due to non-completion of the Common Titas Gas connection and Central ETP, the project could not be completed within the stipulated time. Besides, war between Russia and Ukraine may be prolonged

and everything has become uncertain to predict accurately. But We are expecting that we could start commercial operation as per proposed timeline.

It is our pleasure to inform you all that, plenty of foreign countries are now interested in contract manufacturing with us, after having a glimpse of our facilities. As part of the committed continual journey for excellence, ACME has already obtained global certification from Stringent Regularity Authorities like UK MHRA, TGA Australia, and UNICEF. Our company has a long and proven track record of sophisticated state-of-the-art manufacturing facilities, and a highly professional & committed workforce that make ACME an attractive and reliable contract manufacturing organization (CMO) to many global generic players.

We are continuously working on sustainable & profitable growth with quality product, maintain sound supply chain and distribution network, sustainable cost reduction and process enhancement, focusing on digital transformation, develop a strong corporate culture, practicing good governance. ACME has been successfully maintaining professional beliefs & quality products, and sustaining the commitment to our society for more than sixty-eight years of its dynamic journey. Our company is built on the foundation of meeting the quest for excellence, an empathetic approach to healthcare that goes beyond the detection of profit and growth. Thus, since 1954, our key importance was always to serve our patients.

On behalf of the company, I would like to thank all our employees for their sincere dedication, commitment, and extreme hard work throughout the year. Furthermore, I would also like to thank for continuous support provided by the Regulators, Government officials, Healthcare Professionals, Bankers and trade partners. Finally, I appreciate the guidance provided by the Board of Directors and Management of the Company. We aim to passionately continue building value for our consumers and shareholders now and into the future.

With warm regards,



Mizanur Rahman Sinha
Managing Director

Board Of Directors



Nagina Afzal Sinha
Chairman



Mizanur Rahman Sinha
Managing Director



Jabilur Rahman Sinha
Deputy Managing Director



Jahanara Mizan Sinha
Deputy Managing Director



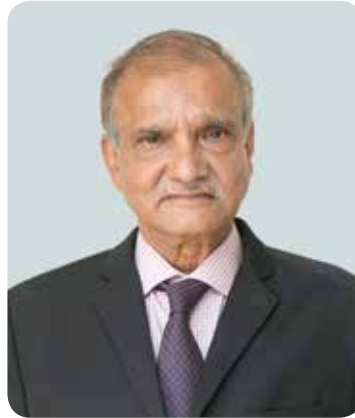
Mr. Md. Abul Hossain
Nominee Director



Md. Hasibur Rahman
Additional Deputy Managing Director



Mr. Das Deba Prashad
Independent Director



Mr. Ehsan Ul Fattah
Independent Director



Mrs. Evana Hoque, FCA
Independent Director



Tasneem Sinha
Director



Tanveer Sinha
Director



Sabrina Juned
Director



Fahim Sinha
Director



K. M. Badruddin, FCA, FCMA
ED & CFO



Md. Arshadul Kabir, FCA
Company Secretary (Acting)

Brief Profile Of The Directors



Nagina Afzal Sinha

Chairman

Mrs. Nagina Afzal Sinha is the beloved wife of former Chairman, Mr. Afzalur Rahman Sinha. She has been a Non-Executive Director in The ACME Laboratories Ltd. since 1981. Mrs. Sinha was elected as the Chairman of the Company on September 5, 2018 and since then she has been working tirelessly to make the dreams of her beloved husband come true and to lead ACME into greater heights.

She provides leadership and governance to the Board and directs its overall activities and ensures that all key issues are being discussed by the Board members in a timely manner. She also ensures that the Board as a whole, plays a constructive part in the development and determination of the Company's strategies and policies and that the decisions taken by the Board are in the Company's best interests and fairly reflect Board's consensus. With her true leadership, the Company has experienced speedy and sustainable growth in terms of business and development.

Mrs. Nagina Afzal Sinha is also a director of the ACME Consumer Products Ltd. as well as a shareholder of The ACME Agrovet and Beverages Ltd., ACME Overseas Trading Ltd. and Sinha Printers Ltd. She is involved in many societal and humanitarian activities and committed towards bringing up positive changes in the society. At a personal level, she is relentlessly supporting the welfare of senior citizens living in old age homes as well as children living in orphanage.



Mizanur Rahman Sinha

Managing Director

Mr. Mizanur Rahman Sinha, Managing Director of The ACME Laboratories Ltd. graduated in Commerce from the University of Dhaka. After completing his graduation, he joined in Habib Bank Ltd. back in 1964 where he used to serve in different key positions. In 1976, He joined ACME to fulfill the desire of his father, late Hamidur Rahman Sinha, founder of The ACME Laboratories Ltd. In the year 1981, he was appointed as Managing Director of the company. His 46 years of extensive experience, wholehearted efforts and visionary leadership steered ACME to become one of the leading pharmaceutical companies in Bangladesh.

Additionally, Mr. Mizanur Rahman Sinha serves as the Chairman of Sinha Knit Industries Ltd., Sinha Knit and Denims Ltd., Kalyar Packaging Ltd., Kalyar Replica Ltd., ACME Overseas Trading Ltd. and serves as a director of Sinha Printers Limited, The ACME Agrovet and Beverages Ltd., and ACME Consumer Products Ltd. Under his guidance, all of these organizations have flourished and enjoyed greater success in the competitive market within a very short period of time.

He is also very popular among his fellow countrymen as a devoted social worker and patron for his many contributions towards the wellbeing of the common masses through the development and establishment of schools, collage, madrasa, and roads in his community zone. He was elected as a Member of Parliament for two consecutive terms in 1996 and in 2001 at the constituency of Louhajang, Sherajdekhan in Munshigonj. He also served as the State Minister of Health and Family Welfare Ministry of the Government of the People's Republic of Bangladesh.



Dr. Jabilur Rahman Sinha

Deputy Managing Director

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

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

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



Jahanara Mizan Sinha

Deputy Managing Director

Mrs. Jahanara Mizan Sinha, is the Deputy Managing Director of The ACME Laboratories Ltd. She has been contributing aimlessly with her constructive ideas and inspirational guidance towards enabling ACME for pursuing highest peak of excellence and countless success.

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



Mr. Md. Abul Hossain

Nominee Director

Md. Abul Hossain has been serving as the Managing Director of Investment Corporation of Bangladesh since 21 August 2019, the core public sector investment bank of the country. Mr. Hossain has more than 32 years of diversified experience in investment banking, specialized and commercial banking, Islamic banking, Asset management and ICT works. He started his career as a System Analyst/ Senior Principal Officer of ICB in 1998 and served in different positions in the same organization. Prior to his joining in ICB, he acted as the Managing Director of Karmasangsthan Bank. He also served as the Managing Director (Additional Charge) and Deputy Managing Director of Bangladesh Krishi Bank.

Currently, he is contributing his professional expertise as a Board member of British American Tobacco Bangladesh Co. Ltd. (BATBC), Unilever Consumer Care Limited (UNILEVERCL), Standard Bank Limited, National Tea Company Limited (NTC), Apex Tannery Limited, United Power Generation & Distribution Company Limited (UPGDCL), Apex Footwear Limited, Heidelberg Cement Bangladesh Limited and Padma Bank Limited. In addition to perform his professional duties, Mr. Hossain is actively involved in different philanthropic activities of various national, social, cultural, religious and volunteer organizations.



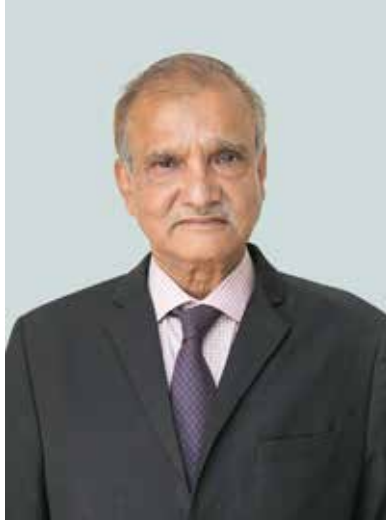
Mr. Das Deba Prashad

Independent Director

Mr. Das Deba Prashad, an Independent Director of The ACME Laboratories Ltd., obtained the degree of Master of Commerce in Accounting from Dhaka University in 1968 and was placed in the first class. He had a brief stint as a college teacher before he joined the then Eastern Federal Union Insurance Co. Ltd. as an executive officer in its central office at Karachi in Pakistan and took extensive and intensive training on insurance from July, 1970 to March, 1971.

In Bangladesh, he started his career as a Deputy Manager and rose to the position of an Assistant General Manager in the Jiban Bima Corporation before joining the Delta Life Ins. Co. Ltd, in early 1987 as an Executive Vice President. He eventually became the Managing Director of DLICL in 2000 and served as such till his retirement in 2012. Thereafter, he sometime served as the Chief Consultant/Consultant in several life Insurance companies. Moreover, as of the present he has been acting as an Independent Director and Chairman of the Audit Committee in a leading Life Insurance Company in Bangladesh.

As an Independent Director Mr. Prashad joined in The ACME Laboratories Ltd. on 10 December, 2020 and is also the Chairman of the Nomination and Remuneration Committee (NRC) and member of the Audit Committee of the Company.



Mr. Ehsan Ul Fattah

Independent Director

After obtaining Masters in History, Mr Ehsan Ul Fattah joined civil service in 1979 as an Assistant Commissioner. He served under the government in various capacities in many districts. He became secretary in 2006 and served in National Parliament, Ministry of Food and Disaster Management, Ministry of Health and Family Welfare, Planning Commission, Ministry of Youth and Sports and Ministry of Land. He gathered experiences in local government institutions, national health policy, population policy, relief, rehabilitation, Preparation of ADB, Poverty Reduction Strategic Plan etc. Presently he participates in the viva board of Public Service Commission as an external examiner.

At present, he is contributing as an Independent Director at ACMEs Board from 10 December 2020 and is a member of the Audit Committee and the Nomination and Remuneration Committee (NRC) of the Company.



Mrs. Evana Hoque, FCA

Independent Director

Mrs. Evana Hoque, FCA is a fellow member of the Institute of Chartered Accountant of Bangladesh (ICAB). She obtained degree of Masters in English Literature in 2008. After completion of her education, she then proceeded in building her career as "Manager, Audit & Consultancy "and subsequently promoted to Director Audit & Consultancy (July 2008 to December 31, 2015) in Zaman Hoque & Co. Chartered Accountant firm. At present, she is serving as the "Senior Assistant Vice President, Finance & Accounts" of Bay Developments Ltd. Prior to joining Bay, she worked in BRAC for more than seven (7) years as the "Head of Accounts Payable and Social Enterprises Accounts and Consolidation."

She has joined as an Independent Director of The ACME Laboratories Ltd. on 10th December 2020. She is also the Chairman of the Audit Committee and member of the Nomination and Remuneration Committee (NRC) of the Company.



Ms. Tasneem Sinha

Director

Ms. Tasneem Sinha is the daughter of Mr. Mizanur Rahaman Sinha, Managing Director and Mrs. Jahanara Mizan Sinha, Deputy Managing Director of the Company. She completed her education at Home Economics College under the University of Dhaka and after completing her education, immediately got involved with the family business. Since her joining the Board of The ACME Laboratories Ltd. as a Director, on 10 September 2020, she is playing a vital role in the Board as well as in the operational activities of the Company.

At present, she is also acting as the Chairman of AMBE Clearing Ltd. and Marine Coast Resort and Spa Ltd. Besides, her professional/business life, she provides a significant contribution as the Managing Director of Kalyar Packaging Ltd., Kalyar Replica Ltd., Skye Rotogravure Printing Industries Ltd., Director of The ACME Agroveter and Beverages Ltd., and ACME Consumer Products Ltd., J.M. Sinha and Agriculture Food Processing Industries Ltd., Sinha Knit and Denims Ltd. and Sanjar Aviation Ltd.

An entrepreneur in her own right, Ms. Tasneem Sinha also started her own business, Kalyar Replica Ltd. and Kalyar Packaging Ltd. a leading Packaging Company in the country since 2008. Since its inception, within a short span of time, Kalyar has been widely entrusted as one of the leading Flexible Packaging and Corrugated Packaging Company in Bangladesh having working experience with local corporations and multinational companies. Being one of the most successful women entrepreneurs in the country, she accepts challenges and undertakes projects that are transformative and forward-looking in nature. Ms. Sinha is a seasoned professional who is able to lead cross-functional departments with high efficiency in order to achieve targeted results. As such, she is closely involved with the overall day-to-day business activities of The ACME Laboratories Ltd. and carries out her assigned responsibilities with utmost sincerity and full dedication. Under her supervision, ACME's Supply Chain division has been streamlined into an effective Business Unit that is readily able to meet any internal demand at any time.

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

Ms. Tasneem Sinha is actively involved with many social and community development works. Personally, she cares deeply about women empowerment, gender equality in our country and has been working relentlessly to convey an awareness of this issue.



Mr. Tanveer Sinha

Director

Mr. Tanveer Sinha, son of Mr. Mizanur Rahman Sinha, Managing Director and Mrs. Jahanara Mizan Sinha, Deputy Managing Director of the Company completed his graduation from Edinburgh Napier University, Scotland in the year 1997. After completing his education, he decided to participate actively in pharma industry and significant contribution for the mass people through ACME as well as wanted to create a positive impact in the healthcare sector. Since then, he holds several top management positions within ACME and provided his guidance for corporate strategies and policies over the last decade.

Mr. Tanveer Sinha was officially joined in the Board of The ACME Laboratories Ltd. as a Director, on September 10, 2020, and he is playing a vital role in the board since then. Currently, he oversees the overall financial strategies and projects of the company which is not limited to the construction and implementation of ACME's own API (Active Pharmaceutical Ingredient) manufacturing plant known as API Project.

In addition, he is the Chairman of The ACME Agrovets and Beverages Ltd., Sinha Poultry Ltd., Sinha Logistics and Transport Ltd., Sinha Sourcing Ltd., ACME Consumer Products Ltd. Besides, he is also the Managing Director of Sinha Knit Industries Ltd., Sinha Knit and Denims Ltd., J.M. Sinha and Agriculture Food Processing Industries Ltd., Birgonj Fish Hatchery and Aquaculture Ltd. He is also Director of ACME Overseas Trading Ltd., Kalyar Packaging Ltd., Kalyar Replica Ltd., Sanjar Aviation Ltd. and Marine Coast Resort and Spa Ltd.

With more than 22 (twenty-two) years of experience in the Pharmaceuticals, Textiles, Readymade Garments, IT, Food & Consumer Products, Mr. Tanveer Sinha is a highly skilled leader with a proven track record in formulating strategies, planning, building corporate relationships, quickly sizing up & restructuring of business opportunities, customer interaction & communications and ability to deal with policymakers and key stakeholders at the highest level. He possesses strong creative knowledge, a forward-looking corporate vision and skill for achieving organizational goals meticulously.

Presently, Mr. Sinha is a member of the Bangladesh Garments Manufacturers and Exporters Associations (BGMEA) and Bangladesh Computer Society (BCS) as well as member of the Dhaka Club Ltd., Uttara Club Ltd., Banani Club Ltd., Dhaka Boat Club Ltd. and Narayanganj Club Ltd.



Mrs. Sabrina Juned

Director

Mrs. Sabrina Juned is the daughter of Mr. Afzalur Rahman Sinha and Mrs. Nagina Afzal Sinha, Chairman of the Company. After completing her education at Rutgers University in the USA, she returned to Bangladesh and joined ACME in 2002.

She started working under the guidance of her father Mr. Afzalur Rahman Sinha. She was involved in the overall business activities until 2014. After that, she took a break for a while due to some personal affairs. After the demise of her beloved father, she joined again in the business in September 2018 as Director. After that, she started looking after the Supply Chain Management and Information Technology Divisions and over time she started taking care of various day to day operational activities of the business.

On September 10, 2020, she was officially appointed as a member of the Board of Directors. Being a director, she has ensured ACME possess a strategic road map for short, medium & long-term sustainable business development. She has played a dynamic and energetic role in the transition, transformation, and implementation of the organization's corporate culture, corporate governance, and management systems. During her tenure, ACME has become an organization where new and creative ideas are encouraged, talents are nurtured and organizational developments are prioritized.

She also serves as the Director of The ACME Agrovet and Beverages Ltd., and ACME Consumer Products Ltd. as well as a shareholder of the ACME Overseas Trading Ltd. being a young woman entrepreneur, she understands the importance of women empowerment, fostering equal opportunity in the workplace and breaking the invisible glass ceiling. To those ends, she has been working closely with key stakeholders both internally and externally to raise awareness about these issues and bring up positive changes accordingly. At a personal level, she is relentlessly supporting a number of socially deprived and underprivileged children & women in remote areas of Bangladesh for improving their socio-economic state, self-dependency, and financial solvency. She is also working with the welfare of senior citizens living in old age homes as well as children living in the orphanage and also helps young women who live in shelters.



Mr. Fahim Sinha

Director

Mr. Fahim Sinha is the son of Mr. Afzalur Rahman Sinha and Mrs. Nagina Afzal Sinha, Chairman of the Company joined ACME in 2005 and got officially enrolled in the Board of The ACME Laboratories Ltd. as a Director, on September 10, 2020. Since then, he played a vital role in the Board as well as the market operation of the Company.

To ensure organizational effectiveness, Mr. Fahim Sinha has regularly lead projects within ACME that sought to increase operational efficiency, increase productivity and boost employee morale. These projects have brought about a transformational change in ACME within the last few years in terms of culture and brand image. Additionally, he regularly formulates and implements new policies and strategies with HR & Administration, Marketing, Sales & Distribution Divisions to ensure greater sustainability and profitability of the Company.

He is also the Managing Director of The ACME Agrovet & Beverages Ltd., Sinha Printers Limited, ACME Consumer Products Ltd. and ACME Overseas Trading Ltd. Besides, he is also acting as Director of Sinha Knit Industries Ltd.

An avid lover of sports, Mr. Fahim Sinha is a key organizer of sports in the country. He regularly organizes and sponsors many sporting events around the nation and has represented Bangladesh in multiple local, national and international sporting events. His interest ranges from cricket, snooker, pool, and billiards. He currently holds several key leadership positions in some of the country's most prominent sports clubs like- Abahani Ltd. Hockey Committee as Vice Chairman. In 2021, he was elected as the Director of the Bangladesh Cricket Board (BCB).



Rising High

Corporate Integrated Strategic Planning & Implementation Committee (CISPIC)

An uncertain situation prevails in today's world due to the recent Russia-Ukraine war resulting in the world heading towards economic turmoil whose impact has affected the countries throughout. As a consequence of this war, energy depression i.e. fuel or utility crisis, export-import obstructions, difficulties in ensuring material availability, dollar fluctuation, and money devaluation along with the post-pandemic effects, have severely disrupted the global supply chain. All these factors have changed the dynamic & practice of the global business sectors and Bangladesh is no exception to its impact. Hence, local industries including the pharma industries are facing business challenges like never before.

To overcome this adverse situation, the Corporate Integrated Strategic Planning & Implementation Committee (CISPIC), the apex leadership team of ACME became very much

concerned and consolidated to grab current & potential business opportunities as well as to formulating the mitigation plan regarding the risks & threats in the context of internal & external challenges.

In order to keep ACME's business pace uninterrupted and ensure smooth business operation amidst the current uncertain situation, CISPIC has come up with new strategies for tackling & overcoming such crisis and keeping the business sustainable with the help of CISPIC members, ACME employees, and with the guidance of line Directors and also Board of Directors. All of them combined attributed their best effort to achieving the objectives and protecting the interest of stakeholders by increasing yield, reducing cost, and mitigating risks, which eventually increased the top line and bottom line despite different impediments of the business due to war and global economic setbacks.



CISPIC Management Committee



Md. Hasibur Rahman
Chairman



Tasneem Sinha
Co-Chairman



Tanveer Sinha
Member



Sabrina Juned
Member



Fahim Sinha
Member



Motiur Rahman Sinha
Member



Dr. Syed A.M. Mustafij Billah
Member



K. M. Badruddin, FCMA, FCA
Member



Md. Ferdous Khan
Member



Sheikh Maksudur Rahman
Member



Asad Quader Shamsuddin
Member



A.K.M. Mushiur Rahman Khan, FCMA
Member



Md. Humayun Kabir
Member



Tushar Kanti Kundu
Member Secretary



Md. Arshadul Kabir, FCA
Member Secretary



Md. Abu Zafor Mohiuddin
Member



Gobinda Goshwami
Member



Dr. Mohammad Zahurul Hossain
Member



Brahmmapan Pikaso
Member



Mohammad Ziauddin
Member



Md. Zakir Hossain
Member

CISPIC Objectives:



In order to avoid duplication of work, all existing committees have been dissolved under the umbrella of the CISPIC Committee which is organized as nine (09) management sub-committee and twelve (12) working committees.

CISPIC Management Sub-Committee

Accounts, Finance & Budgetary Control Sub-Committee



Md. Hasibur Rahman
Chairman



Tasneem Sinha
Co-Chairman



Tanveer Sinha
Co-Chairman



Fahim Sinha
Co-Chairman



K. M. Badruddin, FCMA, FCA
Member Secretary



Md. Arshadul Kabir, FCA
Joint Member Secretary



Md. Abdul Hye
Member



Md. Shofikul Islam Shohug, ACA
Member

CISPIC Management Sub-Committee

Material Planning & Inventory Management Sub-Committee



Tasneem Sinha
Chairman



Sabrina Juned
Co-Chairman



Dr. Syed A.M. Mustafij Billah
Co-Chairman



K. M. Badruddin, FCMA, FCA
Co-Chairman



Md. Ferdous Khan
Co-Chairman



Brahmarpan Pikaso
Member Secretary



Mohammad Ziauddin
Member



Md. Zahidul Islam
Member



Md. Zakirul Islam
Member



Foyez Ahmed
Member



Md. Shofikul Islam Shohug, ACA
Member

CISPIC Management Sub-Committee

Cost/Expense Reduction and Profit Optimization Sub-Committee



Tanveer Sinha
Chairman



Motiur Rahman Sinha
Co-Chairman



Fahim Sinha
Co-Chairman



K. M. Badruddin, FCMA, FCA
Co-Chairman



Md. Arshadul Kabir, FCA
Member Secretary



Dr. Syed A.M. Mustafij Billah
Member



Md. Ferdous Khan
Member



Asad Quader Shamsuddin
Member



A.K.M. Mushiur Rahman Khan, FCMA
Member



Dr. Mohammad Zahurul Hossain
Member



Brahmmarpan Pikaso
Member



Mohammad Ziauddin
Member



Md. Shofikul Islam Shohug, ACA
Member



Md. A.N.M. Shakil, ACA
Member

CISPIC Management Sub-Committee

QMS, EMS and Risk Management Sub-Committee



Md. Hasibur Rahman
Chairman



Tasneem Sinha
Co-Chairman



Motiur Rahman Sinha
Co-Chairman



Fahim Sinha
Co-Chairman



Tushar Kanti Kundu
Member Secretary



Dr. Syed A.M. Mustafij Billah
Member



Md. Ferdous Khan
Member



Md. Humayun Kabir
Member



Asad Quader Shamsuddin
Member



A.K.M. Mushiur Rahman Khan, FCMA
Member



Dr. Mohammad Zahurul Hossain
Member



Brahmmarpan Pikaso
Member



Mohammad Ziauddin
Member



Md. Zakirul Islam
Member



Amit Islam
Member

CISPIC Management Sub-Committee

Corporate Culture Sub-Committee



Sabrina Juned
Chairman



Motiur Rahman Sinha
Co-Chairman



Fahim Sinha
Co-Chairman



A.K.M. Mushiur Rahman Khan, FCMA
Member Secretary



Dr. Syed A.M. Mustafij Billah
Member



K. M. Badruddin, FCMA, FCA
Member



Md. Ferdous Khan
Member



Md. Humayun Kabir
Member



Tushar Kanti Kundu
Member



Md. Arshadul Kabir, FCA
Member



Mohammad Ziauddin
Member

CISPIC Management Sub-Committee

Corporate Good Governance Sub-Committee



Tanveer Sinha
Chairman



Tasneem Sinha
Co-Chairman



Sabrina Juned
Co-Chairman



Md. Arshadul Kabir, FCA
Member Secretary



Dr. Syed A.M. Mustafij Billah
Member



K. M. Badruddin, FCMA, FCA
Member



Md. Ferdous Khan
Member



Md. Humayun Kabir
Member



A.K.M. Mushiur Rahman Khan, FCMA
Member Secretary



Tushar Kanti Kundu
Member



Mohammad Ziauddin
Member

CISPIC Management Sub-Committee

Internal Control & Internal Audit Sub-Committee



Md. Hasibur Rahman
Chairman



Tasneem Sinha
Co-Chairman



Fahim Sinha
Co-Chairman



K. M. Badruddin, FCMA, FCA
Co-Chairman



Md. Arshadul Kabir, FCA
Member Secretary



Md. Shofikul Islam Shohug, ACA
Member



Quazi Shahtab Hossain
Member



Parimal Kumar Kundu
Member



Mohammad Aktar Hossain
Member

CISPIC Management Sub-Committee

One Health Implementation Sub-Committee



Md. Hasibur Rahman
Chairman



Fahim Sinha
Co-Chairman



Mohammad Ziauddin
Member Secretary



Dr. Syed A.M. Mustafij Billah
Member



Md. Ferdous Khan
Member



A.K.M. Mushiur Rahman Khan, FCMA
Member Secretary



Md. Abu Zafor Mohiuddin
Member



Gobinda Goshwami
Member



Jiban Chandra Das
Member



Shukanto Deb
Member



Amit Islam
Member



Stamina Halder
Member

CISPIC Management Sub-Committee

API Project Management Sub-Committee



Tanveer Sinha
Chairman



Tasneem Sinha
Co-Chairman



Sabrina Juned
Co-Chairman



Fahim Sinha
Co-Chairman



Sheikh Maksudur Rahman
Member Secretary



Dr. Syed A.M. Mustafij Billah
Member



K. M. Badruddin, FCMA, FCA
Member



Md. Ferdous Khan
Member



Md. Humayun Kabir
Member



Md. Arshadul Kabir, FCA
Member



Brahmmarpan Pikaso
Member

CISPIC Working Committee

Marketing Working Committee

1. Chairman : Fahim Sinha, Director
2. Co-Chairman : Md. Ferdous Khan, ED, Sales & Distribution
3. Member Secretary : Mohammad Ziauddin, GM, Marketing
4. Member : Md. Zakir Hossain, DGM, Regulatory Affairs
5. Member : Ms. Afroza Akhter, Senior Manager II
6. Member : Kazi Sharmin Sultana, Senior Manager II
7. Member : Shukanto Deb, Manager, Manager
8. Member : Md. Abdullah-Al-Farooque, Manager
9. Member : Md. Abul Kalam Azad, Manager
10. Member : Mohammad Masiur Rhaman, Manager
11. Member : Mohammad Rajib Al Masud Bhuiyan, Manager
12. Member : Md. Mahbubur Rahman, Deputy Manager
13. Member : Mohammed Rezaur Rahman, Deputy Manager

Sales & Distribution Working Committee

1. Chairman : Fahim Sinha, Director
2. Co-Chairman : Md. Ferdous Khan, ED, Sales & Distribution
3. Member Secretary : Md. Abu Zafor Mohiuddin, Sr. GM, Sales
4. Member : Gobinda Goshwami, Sr. GM, Sales
5. Member : Zakirul Islam, AGM, Distribution
6. Member : Bidyuth Bhuson Roy, NSM, Sales
7. Member : Syed Nazrul Islam, AGM, Sales
8. Member : Md. Aminul Islam, NSM, Sales
9. Member : Shanta Kumar Ghosh, NSM, Sales
10. Member : Md. Aftab Ali, SM, Sales-Vet
11. Member : S.M.M. Saydul Arefin, SM, Institutional Sales
12. Member : A.F.M. Fakrul Islam, Sr. Manager-I, Sales Support
13. Member : Mohammed Solaiman, Sr. Manager-II, Distribution
14. Member : Leton Kumar Kundu, Manager, Distribution

International Business Working Committee

1. Chairman : Fahim Sinha, Director
2. Co-Chairman : K. M. Badruddin, Executive Director, Finance & Accounts
3. Member Secretary : Md. Humayun Kabir, Director
4. Member : Mohammad Jasim Uddin, AGM
5. Member : Md. Talat Mahmud, AGM
6. Member : Md. Faruk Hossen, Deputy Manager
7. Member : Md. Ali Akbar Hossain, Deputy Manager

Supply Chain Working Committee

1. Chairman : Tasneem Sinha, Director
2. Co-Chairman : Sabrina Juned, Director & Motiur Rahman Sinha, Director
3. Member Secretary : Brahmmapan Pikaso, GM
4. Member : Md. Zakir Hossain, DGM, Regulatory Affairs
5. Member : Bikash Kumar Kundu, Senior Manager-II
6. Member : Nuzhat Mariam Elias, Sr. Manager-II
7. Member : Md. Asiful Alam Asif, Manager
8. Member : Ziaul Alam, Deputy Manager
9. Member : Md. Zahid Hasan Tarafdar, Deputy Manager, F & A
10. Member : Pial Ahamed, Deputy Manager
11. Member : Pradip Kumar Sen Gupta, Assistant Manager
12. Member : Rezanur Rahman, Assistant Manager
13. Member : Azhar ul Islam, Assistant Manager

HR & Admin Working Committee

1. Chairman : Tasneem Sinha, Director
2. Co-Chairman : Fahim Sinha, Director
3. Member Secretary : A. K. M. Mushiur Rahman Khan, Director, HR & Admin
4. Member : Md. Mahbub Harun, Senior Manager
5. Member : Syed Tamur Hasan, Senior Manager
6. Member : Mohammed Mostafa Sarker, Deputy Manager
7. Member : Ashik Hasan, Deputy Manager
8. Member : Jihan Ahmed, Deputy Manager
9. Member : Sanjoy Kumar Roy, Assistant Manager

Information Technology (IT) Working Committee

1. Chairman : Tasneem Sinha, Director
2. Co-Chairman : Sabrina Juned, Director
: Motiur Rahman Sinha, Director
: K. M. Badruddin, Executive Director, Finance & Accounts
3. Member Secretary : Amalesh Sen Gupta, Sr. AGM
4. Member : Syed Nazmul Huda, AGM
5. Member : Bishnu Pada Sen, Sr. Manager-I
6. Member : A K M Jahirul Islam, Sr. Manager-II
7. Member : Syed Md. Musha, Manager
8. Member : Syed Wahid-Uz-Zaman, Manager
9. Member : Md. Ashrafur Rahman, Deputy Manager
10. Member : Md. Habibul Bashar, Assistant Manager

Finance & Accounts Working Committee

1. Chairman : Tasneem Sinha, Director
2. Co-Chairman : Tanveer Sinha, Director
: K. M. Badruddin, Executive Director, Finance & Accounts
3. Member Secretary : Md. Arshadul Kabir, GM
4. Member : Md. Abdul Hye, DGM
5. Member : Nirupam Karmaker, Sr. Manager-I
6. Member : Md. Shofikul Islam Shohug, Sr. Manager-I
7. Member : Mohammad Selim Haider, Manager
8. Member : Md. Abidur Rahman, Manager
9. Member : Md. Humayun Kabir, Sr. Manager-II
10. Member : Md. A.N.M. Shakil, Manager
11. Member : Abdullah Al Mamun, Manager
12. Member : Mohammad Aktar Hossain, Deputy Manager

Quality Operation Working Committee

1. Chairman : Tasneem Sinha, Director
2. Co-Chairman : Sabrina Juned, Director
: Dr. Syed A.M. Mustafij Billah, Executive Director
3. Member Secretary : Dr. Mohammad Zahurul Hossain, General Manager
4. Member : Mohammad Tarique Nasim, Asst. General Manager
5. Member : Shamim Ahmed, Assistant General Manager
6. Member : Mohammad Rongin, Senior Manager
7. Member : Md. Mahbubul Alam, Senior Manager
8. Member : Shah Sharfin, Senior Manager
9. Member : Md. Maidul Hasan Rani, Senior Manager
10. Member : Muhammad Aminul Islam, Senior Manager
11. Member : Md. Nahiduzzaman, Manager
12. Member : Sanzida Chowdhury, Manager
13. Member : Khaled Ahmed, Manager
14. Member : Mohabbat Ullah, Manager
15. Member : Abul Basar Mohammad Yeahea, Manager

Production Operation Working Committee

1. Chairman : Tasneem Sinha, Director
2. Co-Chairman : Tanveer Sinha, Director
: Motiur Rahman Sinha, Director
: Fahim Sinha, Director
: Dr. Syed A.M. Mustafij Billah, Executive Director
3. Member Secretary : Md. Zahidul Islam, Sr. Assistant General Manager
4. Member : Md. Asaduzzaman, Sr. Manager
5. Member : Foyez Ahmed, Sr. Manager
6. Member : Md. Kamrul Islam, Senior Manager
7. Member : Shovon Kumar Das, Sr. Manager
8. Member : ANM Hadiuzzaman, Sr. Manager
9. Member : Shorab Hosen Chowdhury, Manager
10. Member : Razib Humaun, Deputy Manager
11. Member : Raju Ahmed, Deputy Manager
12. Member : Nahid Newaz, Deputy Manager

Engineering Operation Working Committee

1. Chairman : Tanveer Sinha, Director
2. Co-Chairman : Dr. Syed A.M. Mustafij Billah, Executive Director
: Asad Quader Shamsuddin, Director
3. Member Secretary : Md. Mizanur Rahman Chowdhury, DGM
4. Member : Mohammad Shafawat Ullah, Senior Manager-I
5. Member : Md. Rashedul Islam, Senior Manager-II
6. Member : Md. Ziaul Huq, Senior Manager-II
7. Member : Md. Minhajul Islam, Sr. Manager-II
8. Member : Monayem Ahmed, Manager
9. Member : Md. Liton Khan, Manager

Technical Operation Working Committee

1. Chairman : Tasneem Sinha, Director
2. Co-Chairman : Sabrina Juned, Director
: Motiur Rahman Sinha, Director
: Dr. Syed A.M. Mustafij Billah, Executive Director
3. Member Secretary : Jiban Chandra Das, AGM
4. Member : Rajib Kumar Baishnab, Senior Manager-II
5. Member : Md. Tayfuzzaman, Senior Manager-II
6. Member : Md. Quamrul Hasan, Senior Manager-II
7. Member : Jibon Krishna Mondal, Deputy Manager
8. Member : Md. Saiful Islam, Deputy Manager
9. Member : Md. Mizanur Rahman Miajee, Deputy Manager

Inventory Status Assessment Working Committee

1. Chairman : Sabrina Juned, Director
2. Co-Chairman : K. M. Badruddin, Executive Director, Finance & Accounts
3. Member Secretary : Md. Shofikul Islam Shohug, Sr. Manager, Finance & Accounts
4. Member : Brahmmapan Pikaso, GM, SCM
5. Member : Md. Zahidul Islam, Sr. AGM, Production
6. Member : Foyez Ahmed, Sr. Manager, PPIC
7. Member : Bikash Kumar Kundu, Senior Manager, SCM
8. Member : Mohammed Solaiman, Senior Manager, Distribution
9. Member : Md. A.N.M. Shakil, Manager, F & A
10. Member : Nahid Newaz, Deputy Manager, PPIC

Major Achievement of CISPIC

01

Successful continuation of Zero-Based Budget (ZBB) practice resulted in the achievement of key financial parameters, such as – decreasing the financial expenses, improvement of Earnings per Share (EPS), Net Assets Value per share (NAV), and other financial indicators, for which, bottom-line has improved to a satisfactory state.

Implemented Integrated Business Plan (IBP) process for which 14.87% revenue growth was achieved compared to the previous year.

02
03

Smooth & uninterrupted supply was maintained by ensuring a sufficient level of inventory considering the recent global crisis and business challenges & threats.

Introduction of various cost/expense reduction initiatives to decrease the cost of production through improving machine-wise productivity, promoting products having higher profit margins, enlisting more suppliers for getting price benefits, improving production efficiency, overhead efficiency & overall operational efficiency, etc.

04
05

Agreement for Collaborative Partnership was signed between ACME and USAID-funded “Feed the Future Bangladesh Livestock and Nutrition Activity” to achieve sustainable livestock farming, to be implemented by ACME and ACIDI-VOCA.

Transformation of existing Performance Management System was executed where KPI along with KEI provided a synergistic effect in the successful implementation of PMS

06
07

Launched a total of 79 products including 29 first-time in BD products.

13 participants qualified in QMS Lead Auditor Training Program and training on KAIZEN & 5S enhanced Operational Excellence.

08
09

ACME strengthened corporate culture by awarding Star Performers, Long Service Contributors, introduced Subsidized/Discounted Medicines and launched Day Care Centre for employees.

For adopting different CISPIC’s strategic initiatives, ACME was awarded the following in 2021-22:

- “TQCSI Client of the Year – Bangladesh” (ISO 9001:2015) by TQCSI,
- “Best Electricity Consumer” (Commercial) by DESCO.

10
11

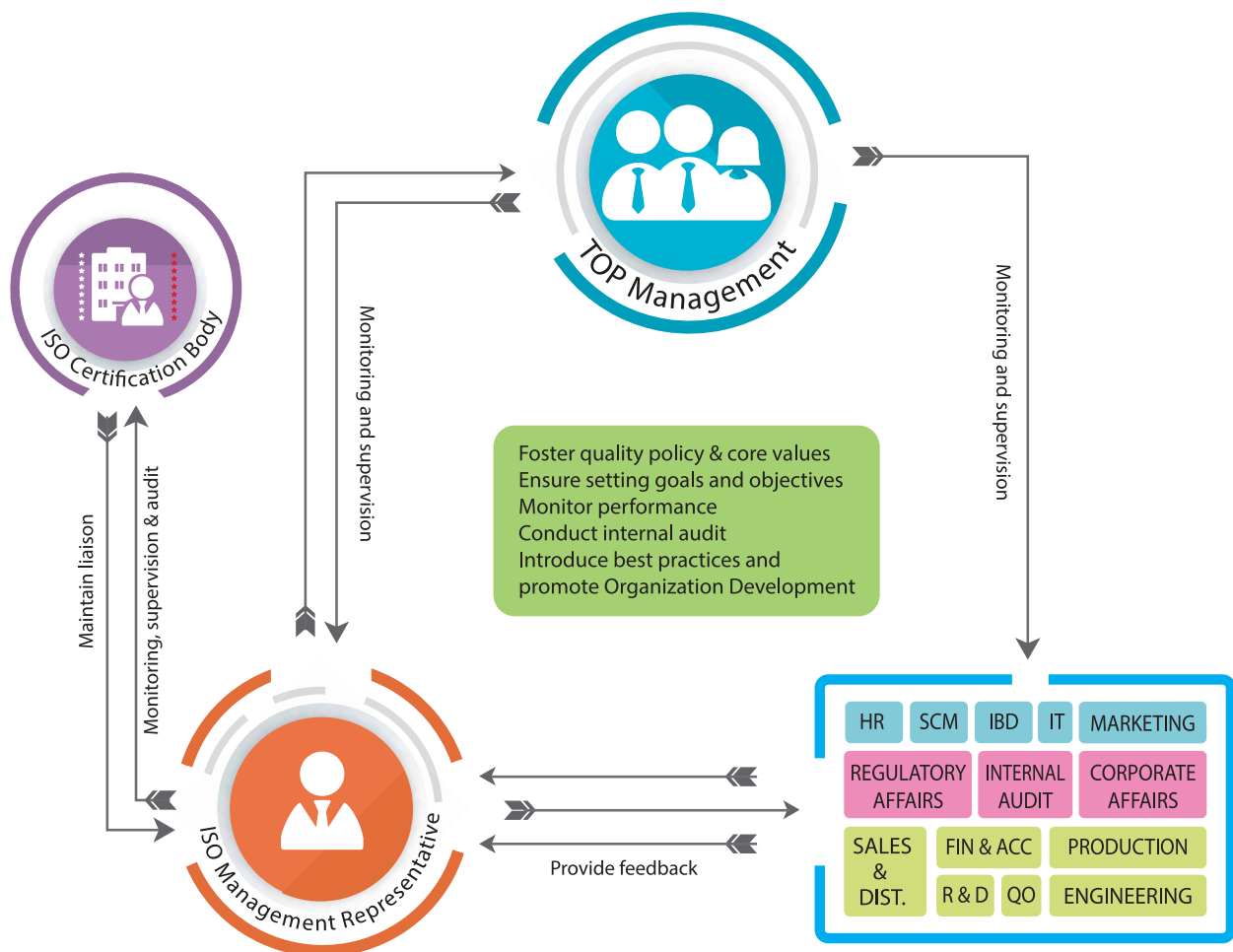
Conducted various awareness programs like - Heart Day, Breast Cancer Awareness Day, COPD Day, Mental Health Day, etc. and initiated activities like KOL Doctor’s Engagement program.

Official Website of ACME was re-launched to ensure global branding and Digital Healthcare App “HealthAid” was introduced to aid Diabetic patients.

12

QMS Operations

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



QMS department 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. This department incessantly contributes to the implementation of business metrics & performance management; organization development & change management and system assessment & compliance that result the improvement of organization's health and effectiveness. At ACME, QMS facilitates the development and communication of the organization's core values, vision, mission, goals & objectives under a single platform.

Penicillin Unit





CORPORATE OFFICE

Court de la **ACME**

Board's Structure and its Role

Composition of the Board

The Board of The ACME Laboratories Ltd. is comprised of 12 (twelve) Directors, of whom 8 (Eight) Directors are Shareholder Directors, 1 (one) nominee Director on behalf of the Investment Corporation of Bangladesh (ICB) and 3 (three) Independent Directors. Chairperson has been elected from amongst the Non-Executive Directors. All the members of the Board of Directors of the Company are highly seasoned professionals, skilled, well experienced, extremely devoted, responsible, committed and reputed in their respective arena and they have a prerequisite technical understanding of the Company's business affairs, which combined with its diversity of culture, environment and background of viewpoints necessary to oversee the Company's business accordingly.

Role of the Board

The Board of Directors is appointed by the Shareholders at the Annual General Meeting (AGM) and is 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

As per the Articles of Association of the Company, the Board is required to meet at least four times in a year. In the financial year 2021-2022, ten (10) meetings of the Board of Directors were held. Dates for Board Meetings are decided earlier and notice of each Board Meeting is communicated in writing well in advance. The notice contains detailed statements of the business to be transacted at each meeting. The Board meets for both scheduled meetings and on other occasions to deal with urgent and important matters that require its attention.

Role of Chairman

As per the Articles of Association of the Company, the Members of the Board elect the Chairman from the non executive directors of the Company who is responsible to lead the Board and ensuring the effectiveness of the functions of the Board. It is the responsibility of the Chairman to see that the Annual General Meeting, Board Meetings, and other Meetings are duly convened and constituted in accordance with the Companies Act, 1994 or any other applicable guidelines, rules and regulations before its proceeds to transact business.

The Chairman should then conduct the proceedings of the meetings and ensure that only those items of business have been set out in the agenda are transacted and generally in the order in which the items appear on the agenda. The Chairman should encourage deliberations, debate, and assess the sense of the meetings. The Chairman should ensure that the proceedings of the meeting are correctly recorded and in doing so, they may include or exclude as they deem fit.

Role of Managing Director

The roles of the Managing Director are eminent and the description of respective roles and responsibilities are clearly established and executed in the Company's operating plans and lead the management team that is necessary to achieve the Company's objectives. He has overall control over the Company's day-to-day affairs and is accountable to the Board for the financial and operational performance of the Company. He acts for the best interest of the Company and ensures that the company operates its business as per the Articles of Association, decisions of the Board and Shareholders as well as according to the Company's Policies, Procedures and applicable regulatory legislations.

Directors' Report

For the year ended 30 June 2022

DEAR SHAREHOLDERS,

The Board of Directors of The ACME Laboratories Ltd. takes the pleasure to welcome you to the 46th Annual General Meeting of the Company. On behalf of the Board of Directors and Management, we hereby present the Directors' Report and Audited Financial Statements for the year ended 30 June 2022, together with the Auditors' report thereon.

The Directors' report has been prepared in compliance with Section 184 of the Companies Act, 1994; Rule 12 (and the schedule there under) of the Bangladesh Securities and Exchange Rules, 1987 and Corporate Governance Code no. BSEC/CMRRCD/2006-158/207/ Admin/80 issued by Bangladesh Securities and Exchange Commission on dated: 03 June 2018.

PROFIT AND ITS APPROPRIATION

Particulars	(BDT in million)	
	2021-2022	2020-2021
Net Profit after Tax	2,110.889	1,569.227
Adjustment for depreciation on revaluation surplus	47.798	70.532
Profit brought forward from previous year	7,495.264	6,384.509
Total Profit Available for appropriation	9,653.951	8,024.268
Appropriation		
Final Cash Dividend for the year 2020-2021 (Comparative year 2019-2020)	(529.004)	(529.004)
Closing Retained Earnings at the year-end (before the proposed Dividend)	9,124.947	7,495.264
Proposed cash dividend for the year 2021-2022 @ 30%	(634.805)	(529.004)
Retained earnings after Proposed Dividend	8,490.142	6,966.260

DIVIDEND

During the year ended 30 June 2022, the Company has earned net profit before tax amounting to BDT 2,693.137 million which after provision of Income Tax stood at BDT 2,110.889 million. Considering the performance of the Company the Board of Directors has recommended 30% cash dividend i.e. BDT 3.00 per share, which comes to, BDT 634.805 Million subject to the approval of the Shareholders in the 46th Annual General Meeting. During the year 2021-2022, 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 2020-2021. Currently, local Companies meet almost 98% of domestic demand with a market size of BDT 26,600 crore. According to the Bangladesh Association of Pharmaceutical Industries (BAPI) and the Directorate General of Drug Administration (DGDA), approximately 265 licensed pharmaceutical manufacturers are operating in Bangladesh. 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 7%. The industry is on its way towards maintaining this growth momentum and according to industry experts, the sector will grow 10 percent year on year to reach approximately \$5 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 Directors' Report For the year ended 30 June 2022. China is

losing cost advantages. The 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 at an affordable price.

The WTO-TRIPS Council, on 6 November 2015 granted the Least Developed Countries (LDCs) exemptions from Pharmaceutical patents until 2033. Due to the benefits of the 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.

To ensure on-time supply of raw materials and backward integration, The ACME Laboratories Limited has already completed its Construction work of the API Project and machineries LC has already been opened for the said project.

OUR CONTINUED RESPONSE TO COVID 19:

The COVID-19 pandemic caused an unprecedented interruption to daily lives. ACME continues to closely monitor the impact of the COVID-19 pandemic on all aspects of its business including how it has been impacted and will impact its customers, employees, vendors, and other stakeholders. ACME continued its support and relief efforts on COVID-19 all over the country in collaboration with local administration. The support included an immediate response to the Covid 19 issues. We supported frontline workers, healthcare personnel, patients, students and communities with masks, sanitizers, food packets, face masks, PPE Kits, Gloves and other operational support.

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. The amount of Cost of Goods Sold for the Financial Year 2021-2022 is BDT 14,394.05 million which is 60.33% of the revenue of the Company. In the previous year, the same was BDT 12,719.82 million which was 61.24% of the revenue. On the other hand, Gross Profit margin and Net Profit margin for the financial years 2021-2022 are 39.67% and 8.85%, with compare to the previous year the same was 38.76% and 7.56%, respectively. Due to efficient management, and taking necessary measures/initiatives Cost of Goods Sold has been reduced on the basis of Sales thereby increasing GP%.

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. The Company has got WHO Certification during the year. To boost the export sales and to encourage domestic pharmaceuticals the Company has brought out total 29 new products in its bucket which is first time in Bangladesh.

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 2022.

STATUS OF UTILIZATION OF IPO PROCEEDS

Details regarding status of utilization of IPO proceeds has been given in page no. 76.

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. 70 under the head of Financial Highlights for last 5 years.

REMUNERATION PAID TO THE DIRECTORS INCLUDING INDEPENDENT DIRECTORS

During the year 2021-2022, 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	2021-2022	2020-2021
Director	45,600,000	45,600,000
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 123-124 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 the preparation of the Financial Statements and the accounting estimates are based on reasonable and prudent judgment. 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 gives due emphasis to further improvement of the internal control system, if any, can be done.

INTEREST OF MINORITY SHAREHOLDERS

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

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

Due to increase of inventory and financial expenses, the resultant Net Operating Cash Flows per Share during the year have been decreased compared to the previous year.

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

BDT in million

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Statement of Profit or Loss					
Revenue	23,858.41	20,770.14	19,003.66	16,308.63	14,813.91
Cost of Goods Sold	14,394.05	12,719.82	11,728.94	9,882.88	8,942.40
Gross Profit	9,464.36	8,050.32	7,274.72	6,425.75	5,871.52
Profit before Taxation	2,693.14	2,073.50	1,979.43	1,953.34	1,954.84
Profit after Taxation	2,110.89	1,569.27	1,450.50	1,440.38	1,426.57
Statement of Financial Position					
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	5,136.05	5,183.84	5,238.75	5,319.64	5,402.71
Gain/(Loss) on Marketable Securities (Unrealized)	6.04	8.41	(2.16)	6.94	8.72
Tax Holiday Reserve	179.46	179.46	179.46	179.46	179.46
Retained Earnings	9,124.95	7,495.26	6,384.51	5,593.73	4,810.52
Key Ratios					
Number of shares	211.60	211.60	211.60	211.60	211.60
Earnings per share (Taka)	9.98	7.42	6.85	6.81	6.74
Current Ratio - (Times)	1.12	1.14	1.05	0.93	1.11
Net operating cash flow per share (Taka)	5.37	12.72	5.42	7.81	7.46
Net Asset Value Per Share (Taka)	102.50	95.04	90.00	86.69	83.38
NP Margin	8.85%	7.56%	7.63%	8.83%	9.63%

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

The Company always maintains a Consistent Dividend Policy and has been paying Dividend constantly. During the year, the Company proposed 30% 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 an interim dividend during the financial year 2021-2022.

BOARD MEETINGS AND ATTENDANCE BY EACH DIRECTOR

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

As at 30 June 2022

Name of Directors	Position	No. of Meetings attended
Mrs. Nagina Afzal Sinha	Chairman	09
Mr. Mizanur Rahman Sinha	Managing Director	08
Dr. Jabilur Rahman Sinha	Deputy Managing Director	01
Mrs. Jahanara Mizan Sinha	Deputy Managing Director	10
Mr. Md. Abul Hossain	Nominee Director of ICB	10
Ms. Tasneem Sinha	Director	08
Mr. Tanveer Sinha	Director	09
Mrs. Sabrina Juned	Director	08
Mr. Fahim Sinha	Director	10
Mr. Das Deba Prashad	Independent Director	10
Mr. Ehsan Ul Fattah	Independent Director	10
Mrs. Evana Haque, FCA	Independent Director	09

A REPORT ON THE PATTERN OF SHAREHOLDING AS AT 30 JUNE 2022

A report on the pattern of shareholding as at 30 June 2022 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 2022. 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 at 30 June 2022

Sl.	Name and Particulars	Designation	Number of holding
01.	Mrs. Nagina Afzal Sinha	Chairman	11,888,433
02.	Mr. Fahim Sinha, S/O Mrs. Nagina Afzal Sinha	Director	9,375,961
03.	Mrs. Sabrina Juned, D/O Mrs. Nagina Afzal Sinha	Director	9,102,613
04.	Mr. Mizanur Rahman Sinha	Managing Director	8,464,000
05.	Mrs. Jahanara Mizan Sinha, W/O Mr. Mizanur Rahman Sinha	Deputy Managing Director	5,290,000
06.	Mr. Tanveer Sinha, S/O Mr. Mizanur Rahman Sinha	Director	9,600,659
07.	Ms. Tasneem Sinha, D/O Mr. Mizanur Rahman Sinha	Director	9,761,300
08.	Dr. Jabilur Rahman Sinha	Deputy Managing Director	4,860,696
09.	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 Haque, FCA	Independent Director	N/A
14.	Mr. Md. Hasibur Rahman	Additional Deputy Managing Director and Chief Internal Audit Executive (CIAE)	60,180
14.	Kazi Mohammed Badruddin, FCA, FCMA	Executive Director & Chief Financial Officer	N/A
15.	Mr. Md. Arshadul Kabir, FCA	Company Secretary (Acting)	N/A

Executives:

As at 30 June 2022

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

The shareholding Position as at 30 June 2022 of the Company is given below:

As at 30 June 2022

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	8,464,000	4.00%
Dr. Jabilur Rahman Sinha	Deputy Managing Director	4,860,696	2.30%
Mrs. Jahanara Mizan Sinha	Deputy Managing Director	5,290,000	2.50%
Mr. Tanveer Sinha	Director	9,600,659	4.54%
Ms. Tasneem Sinha	Director	9,761,300	4.61%
Mr. Fahim Sinha	Director	9,375,961	4.43%
Mrs. Sabrina Juned	Director	9,102,613	4.30%
Mrs. Parveen Akhter Nasir	Sponsor Shareholder	7,519,158	3.55%
Mrs. Khurshid Jahan Dabir (Mrs. Laizu Dabir)	Sponsor Shareholder	725	0.00%
Investment Corporation of Bangladesh	Shareholder	8,419,940	3.98%
Institute	Shareholder	65,689,878	31.05%
Foreign	Shareholder	284,500	0.13%
General Public	Shareholder	61,343,837	28.99%
Total		211,601,700	100.00%

APPOINTMENT/REAPPOINTMENT OF DIRECTORS

Ms. Tasneem Sinha Sinha, Mr. Tanveer Sinha, and Mrs. Sabrina Juned members of the Board of Directors of the Company shall retire from the Board in the forthcoming 46th Annual General Meeting as per clauses no 148 & 149 of the Articles of Association of the company, because of the longest duration in office since their last election.

As per clause no 150 of the 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 46th Annual General Meeting. A 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 on page no. 40-42.

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

A management discussion and analysis signed by the CEO or MD presenting a detailed analysis of the Company's position and operations along with a brief discussion of changes in the Financial Statements has been presented on Page no. 78-80.

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. 123-124.

THE REPORT AS WELL AS THE CERTIFICATE REGARDING COMPLIANCE WITH THE 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. 125 and 126-139 respectively.

APPOINTMENT OF AUDITORS

The existing Statutory Auditor of the Company M/s. Fames & R, Chartered Accountants (PrimeGlobal, An Association of Independent Accounting Firms) has conducted their Audit during the year 2021-2022. M/s. Fames & R, Chartered Accountants (PrimeGlobal, An Association of Independent Accounting Firms), the Auditors of the Company retires at this Annual General Meeting and being eligible offered themselves for re-appointment as Statutory Auditor of the Company for the year 2022-2023 at a remuneration of BDT 5,50,000.00 (Five Lac Fifty Thousand) only including Income Tax, subject to the approval of the shareholders in its forthcoming 46th Annual General Meeting.

APPOINTMENT OF COMPLIANCE AUDITORS

The existing compliance Auditors of the Company M/s. M. Z. Islam & Co., Chartered Accountants, retire at this Annual General Meeting and being eligible have offered themselves for re-appointment as Compliance Auditors of the Company for the year 2022-2023 with a remuneration of BDT 40,000 (Taka Forty Thousand) only including Income Tax, subject to the approval of the Shareholders in its forthcoming 46th Annual General Meeting.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year 2021-2022, your Company paid BDT 5,165.99 million to the National Exchequer in the form of 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.126-139 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 a member of the 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 the 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 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 the provision of the Corporate Governance Codes of the 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 the 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 a true and fair view of the state of the affairs of the Company. The committee also assists the Board with regard to the strategies adopted to manage business-related risks and continuously oversee the internal control environment of operations. Presently, the Committee comprises of 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. Das Deba Prashad	Member	Independent Director
05.	Mr. Md. Arshadul Kabir, FCA	Member Secretary	Company Secretary (Acting)

APPRECIATION

The Board of Directors takes this opportunity to appreciate Shareholders, Doctors, Customers, Bankers, Suppliers, Vendors, Insurance Companies, Employees, and 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,

NOMINATION AND REMUNERATION COMMITTEE (NRC)

In compliance with the condition, # 6 of the 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 assists the Board in the formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors as well as a policy for a formal process of considering remuneration of directors and top-level executives. Presently, the Committee comprises of the following members:

Nagina Afzal Sinha

Nagina Afzal Sinha
Chairman

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. Das Deba Prashad	Member	Independent Director
05.	Mrs. Evana Haque, FCA	Member	Independent Director
06.	Mr. Md. Arshadul Kabir, FCA	Member Secretary	Company Secretary (Acting)

STATUS OF UTILIZATION OF IPO PROCEEDS

The ACME Laboratories Ltd. accorded the consent from Bangladesh Securities and Exchange Commission (BSEC) on 15 March 2016 for raising its capital through Initial Public Offering (IPO) by issuing 5.00 Crore Ordinary Shares and collected BDT 409.60 Crore.

Considering the greater interest of the Shareholders, the Board of Directors of the Company in its 119th Meeting held on 14 October 2020 recommended the re-arrangement of use of IPO proceeds which was duly approved by the shareholders in its 44th Annual General Meeting held on 10 December 2020.

Status of IPO proceeds is as follows:

Sl.	Name of Projects & Others	Timeline as per 44 th AGM	Amount as per the resolution of 44 th AGM	Remarks
1.	Steroid and Hormone Project	Within June 2019	1,660,591,186	Commercially launched within stipulated time schedule
2.	Penicillin Project	Within June 2019	400,000,000	Commercially launched within stipulated time schedule
3.	Active Pharmaceuticals Ingredients (API)	Within June 2022	606,132,545	Entire amount was utilized for the purpose of construction of API Project within stipulated time schedule
4.	Repayment of Bank Borrowing at 40 th AGM	N/A	1,360,000,000	N/A
5.	IPO Expenses	N/A	68,291,870	N/A

PROPOSAL FOR TIME EXTENSION FOR STARTING COMMERCIAL OPERATION OF API PROJECT:

Out of the total fund of IPO proceeds, BDT 606,132,545 was allocated only for the purpose of Civil construction of Active Pharmaceuticals Ingredients (API) projects which was duly approved in the 44th Annual General Meeting of the company. Other assets related to the projects will be procured from the organic source of the company and/or long-term loan. As per schedule, the project was supposed to be completed within June 2022 and accordingly, the company fully utilized the entire allocated fund of IPO proceeds for the civil construction of the project within January 2022. All the Letter of Credit (L/C) related with Machinery and Equipment have already been opened in deferent Banks by the Company.

Since the API industrial Park is initiated by Bangladesh Government and as per approval of shareholders in its 44th AGM, the project was supposed to be completed within 30 June 2022 but due to non-completion of the Common Titas Gas connection and Central ETP, the project is yet to be completed.

However, common Titas Gas Line connection for API Industrial Park is under processing. Titas Gas Transmission and Distribution Company Limited informed the BCIC that due to Covid 19, the connection of Titas Gas line has been delayed. However, the construction of the distribution of the Gas pipeline is under process.

Moreover, Due to the non-completion of the Gas line, the construction work of Central ETP has been delayed by Bangladesh Association of Pharmaceuticals Industries (BAPI). As per the Information of BAPI, RAMKY (provider of Central ETP) will take some more time to complete Central ETP at API Industrial Park, provided Gas supply in the project will be ensured by Titas Gas Transmission and Distribution Company Ltd. Besides, the war between Russia and Ukraine may be prolonged and everything has become uncertain to predict accurately.

Despite all efforts from the part of the company, the project could not be commissioned on time, i.e. 30 June 2022 due to the reasons mentioned above, and in this regard, the company issued a letter to Bangladesh Securities and Exchange Commission on dated 27 June 2022 to inform the status of the Implementation of Active Pharmaceuticals Ingredients (API) project.

As such, The Board primarily proposed time extension for starting the commercial operation of API project till **30 June 2024** and the same will be forwarded for final approval of the shareholders in its forthcoming 46th Annual General Meeting.

API Project



Present Panorama view of API Project



Architectural design of API Project

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

Accounting policies and estimation for preparation of financial statements:

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

Changes in accounting policies and estimation, if any

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

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

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

Particulars	2021-2022		2020-2021		2019-2020		2018-2019		2017-2018	
	Amount in BDT	Growth (%)	Amount in BDT	Growth (%)	Amount in BDT	Growth (%)	Amount in BDT	Growth (%)	Amount in BDT	Growth (%)
Revenue (in million)	23,858.41	14.87%	20,770.14	9.30%	19,003.66	16.53%	16,308.63	10.09%	14,813.91	9.12%
Net Profit After Tax (in million)	2,110.89	34.51%	1,569.23	8.19%	1,450.50	0.70%	1,440.38	0.97%	1,426.57	2.05%
Net Asset Value Per Share	102.50	7.85%	95.04	5.60%	90.00	3.82%	86.69	3.97%	83.39	4.06%
EPS	9.98	34.44%	7.42	8.32%	6.85	0.63%	6.81	1.04%	6.74	2.03%
Operating Cash Flows Per Share	5.37	-57.79%	12.72	134.69%	5.42	-30.62%	7.81	4.74%	7.46	13.03%

Overall business performance of the company has been found to be sustainable over the years. The reported revenue of the company stood at BDT 23,858.41 million in Financial Year 2021-2022 and BDT 14,813.91 million in Financial Year 2017-2018 indicating a Compound Annual Growth Rate (CAGR) is 12.65% in last five years.

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

Comparison of financial performance or results and financial position as well as cash flows with the peer industry scenario

A comparison of financial performance or results and financial position as well as cash flows with the peer industry scenario for the year ended 30 June 2022 are presented below:

BDT in crore

Financial Performance	ACME	SQUARE	RENETA	BEXIMCO	BEACON
Revenue (Net)	2,077	5,070	2,925	2,695	712
Gross Profit	805	2,590	1,395	1,260	369
Net Profit (Before Tax)	207	1,876	673	603	120
Net Profit (After Tax)	157	1,474	503	494	86
Financial Position					
Shares Outstanding (actual)	21.16	88.65	9.74	44.61	23.10
Shareholders' Equity	2,011	8,222	2,545	3,671	536
Total Assets	4,048	8,660	3,438	5,086	854
Total Liabilities	2,037	438	893	1,416	318
Current Assets	1,534	5,495	1,730	1,315	522
Current Liabilities	1,349	311	756	889	279
Cash Flow					
Net Cash Generated from Operating Activities	269	1,092	618	775	20
Net Cash Used in Investing Activities	(168)	416	(491)	(242)	(71)
Net Cash Used in Financing Activities	(124)	(397)	67	(316)	(26)

Financial and Economic Scenario of the Country and the Globe

Bangladesh has a strong track record of growth and development, even in times of elevated global uncertainty. A robust demographic dividend, strong ready-made garment (RMG) exports, resilient remittance inflows, and stable macroeconomic conditions have supported rapid economic growth over the past two decades. A strong recovery from the COVID-19 pandemic continued in FY22, although a recent surge in commodity prices has presented new headwinds. It is on track to graduate from the UN's Least Developed Countries (LDC) list in 2026. Poverty declined from 43.5 percent in 1991 to 14.3 percent in 2016, based on the international poverty line of \$1.90 a day (using 2011 Purchasing Power Parity exchange rate).

According to BAPI the pharmaceutical industry is one of the most developed technology sectors in Bangladesh. Manufacturers produce almost all type of medicine which includes high tech products like insulin, hormones, anti-cancer products etc. This sector provides 98% of the total medicinal requirement of the local market. The industry also exports medicines to 150+ countries, including USA, UK, Canada, Australia, Germany, EU etc. Pharmaceutical companies are expanding their business with the aim to expand the export market.

According to Department of Economic and Social Affairs Economic Analysis of United Nations as of mid-2022 Global growth prospects have weakened significantly amid the war in Ukraine, rising energy, food and commodity prices, soaring inflation and tightening monetary policy stances by major central banks. The world economy is projected to grow by 3.1 per cent in 2022, marking a downward revision of 0.9 percentage.

Growth forecasts for the United States, European Union and China have been revised downward, with the European Union registering the most significant downward revision. The European Union economy – most directly hit by disruptions in the energy supply from the Russian Federation – is now expected to grow by 2.7 per cent in 2022, down from 3.9 per cent expected in January. The United States economy is expected to grow by 2.6 per cent, while China is expected to grow by 4.5 per cent in 2022.

The developing countries, as a group, are projected to grow by 4.1 per cent in 2022, down from 6.7 per cent in 2021.

Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company

Currently Bangladesh along with other parts of the globe is passing through a tunnel of crisis in terms of health management, social as well as financial for the post pandemic of COVID-19 & global crisis. The company has been monitoring the impact of COVID-19 & global crisis due to war between Russia & Ukraine on all aspects of its business. The management has exercised due care, in concluding on significant accounting judgments, policies and estimates while preparing the Financial Statements for the year ended 30 June 2022.

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

However, details description on Risks is described in our Annual Audited Financial Statements in the Note Number 5.25

Future plan or projection or forecast for Company's Operation, Performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM

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

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

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

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



Mizanur Rahman Sinha
Managing Director

Dividend Distribution Policy

1.00 Introduction

In compliance with the provisions of Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 of the Bangladesh Securities and Exchange Commission (BSEC), the draft dividend policy is hereunder.

As per legal and regulatory provisions, the Board of Directors (the Board) will consider the directive while declaring/recommending dividends on behalf of the Company. The Policy is not an alternative to the decision of the Board for declaring/recommending dividends, which will be taken into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

2.00 Concept of Dividend

Decisions about when and how much of earnings should be paid as dividends are part of the firm's dividend policy. The profits earned by the Company can either be retained in the business or can be distributed among the shareholders as a dividend.

No dividend shall be paid otherwise than out of profits of the year or any other undistributed profits as per the Companies Act, 1994

3.00 Interim and Final Dividend

The Act deals with two types of dividends - Interim and Final.

- Interim dividend declared by the Board between two AGMs as and when considered appropriate. The Act authorizes the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.
- Final dividend is recommended for the financial year at the time of approval of the annual financial statements as well as the appropriation of profit. The Board shall have the power to recommend final dividend to the shareholders for their approval at the AGM of the Company. Dividend recommended by the Board of Directors cannot be changed before holding of the AGM.

4.00 Common Types of Dividend

- Cash Dividend: A cash dividend is a payment made by a company out of its earnings to investors in the form of cash.
- Bonus/Stock Dividend: A stock dividend, on the other hand, is an increase in the number of shares of a company with the new shares being given to shareholders. Companies may decide to distribute this type of dividend to shareholders of record if the company's availability of liquid cash is in short supply and EPS appears to be very much satisfactory and/or consistent with the policy of the relevant regulators.

5.00 Declaration of Dividend Decision

The Company shall endeavor to maintain a consistent dividend over the year with appropriate consideration of factors relevant to such decisions. It is the Company's practice to declare dividends on an annual financial performance basis. However, the Board may also declare an interim dividend based on periodic financial results between 02 (two) Annual General Meeting (AGM). The company intends to pursue the same policy in the future depending on the operating and financial context prevailing at that time.

6.00 Factors Governing Dividend policy

The dividend shall be declared on a per-share basis on the Ordinary shares of the Company. The circumstances for dividend pay-out decision depends on various internal and external factors which the Board of Directors shall consider while recommending/ declaring the dividend including the following:

6.1 Internal Factors

- Ensure satisfactory salary, wages and other compensation packages at par top-level pharmaceutical company of Bangladesh.
- Consolidated net operating profit after tax;
- Working capital requirements;
- Capital Expenditure needs for the existing businesses
- Expansion/Modernization of the business
- Cash flow required to meet contingencies;

- Commitment of Outstanding borrowings including repayment of short-term and long-term borrowings.
- Any other factor as deemed appropriate by the Board.

6.2 External Factors

- Compliance with relevant regularity requirements in respect of dividend distribution policy.
- To meet with the claim and/or demand which may be raised by Income Tax, VAT, Customs, and/or any other Government Authority.

7.00 Financial Parameters for Declaring Dividend

The Company is committed to deliver sustainable value to its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits among the shareholders in the form of dividend.

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also endeavor to provide consistent return over a period of time. While deciding on the dividend, micro and macroeconomic parameters for the country in general and the Company, in particular, shall also be considered. Taking into consideration the aforementioned factors, the Board shall endeavor to maintain a dividend pay-out.

8.00 Unpaid or Unclaimed Dividend

The company shall comply with the directives issued by Bangladesh Securities and Exchange Commission regarding unpaid or unclaimed dividends from time to time.

Referring to the BSEC Directive no. BSEC/CMRRCD/2021-386/03 dated 14th January, 2021 Unclaimed dividend of more than 03 years is as under:

Financial Year	Cash / Bonus	% of Dividend	No. of BO	Date of AGM	Unclaimed Dividend (Tk.)	Date of Transfer to CMSF
2015-2016	Cash	35%	4,557	07.11.2016	2,416,940	31 August 2021
2016-2017	Cash	35%	1,888	04.12.2017	1,238,514	31 August 2021
2017-2018	Cash	35%	1,116	06.12.2018	7,39,970	31 May 2022
Total					43,95,424	

9.00 Disclosure of Dividend Information

The Company maintains a record of unpaid or unclaimed Dividends. Summary of such record shall be available in the Annual Report and the Quarterly Financial Statements. The Company shall also publish such record on its website in accordance with Directives BSEC.

10.00 Eligibility of shareholders for dividend

The dividend shall be declared on the face value of each Equity Share. Unless otherwise stated, all holders of Equity Share, whose names were appeared in the Share Register/ Depository Register of the Company at the close of business on the 'Record Date' declared by the Company for entitlement of dividend, shall be eligible to get the dividend.

11.00 Policy Review and Amendment

Apart from mandatory revision, modification, or amendment as necessitated by the legal and regulatory requirements, the company shall review this policy periodically and make necessary revisions or amendments to keep the policy-relevant and up to date. The Board of Directors of the company shall approve the revision and/or amendment as it deems fit.

12.00 Disclaimer

The above Policy Statement neither gives a guarantee of dividend to be declared by the Company nor does it constitute a commitment for any future dividend and thus be read as general guidance on different dividend-related issues. The policy upholds the Board's absolute/complete liberty to recommend any dividend as may think justified subject to the final approval of Shareholders in the AGM.

13.00 Disclosure

This Dividend Policy shall be disclosed in the Annual Report of the Company and on the Company's website www.acmeglobal.com.

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 cannot be the only goal of any organization, well-being of the people and environments are also equally important. Moreover, it is our constitutional obligation as well to protect and improve the environment, bio-diversity etc. for the present and future citizen of Bangladesh. Hence, ACME has adopted Triple Bottom Line concept as its business philosophy.

The TBL dimensions synergistically include three Ps;

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

PEOPLE

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

& Multipurpose Centers and Sub Centers in the new areas of medicinal plant cultivation.

- Due to well understanding, good coordination and unique relationship between ACME and the medicinal plant growers despite of several constraints and natural disasters thousands of small and marginal farmers predominantly women have been producing huge quantity of selective herbs. They are regularly supplying medicinal plant materials to ACME and other medicine manufacturing companies of the country which provides additional income and also helping them to become self-reliant.
- Approximately BDT 56,000 has been spent for Graduate Students Internship Program (GSIP) in cash and kind.
- Introduced following employees' well-being programs:
 - BDT 113,571,955 was disbursed under the scheme of WPPF and WWF.
 - In addition to- BDT 126,155,080 was spent as contribution to provident fund.
 - BDT 10,998,951 has been spent for the purpose of employee's group insurance.
- In addition to above, the company Introduced the following programs/activities in broader way:
 - The scope of Best Employee Award and innovative Idea Man Award.
 - Support Employment for the special and/or incapacitate people

PLANET

- Recycled approximately 5 Lac liters' water in a day through Effluent Treatment Plant.
- Reused approximately 24,000 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 2021-22 the

company used 8,922 kg HFA gas through reducing the equivalent amount of CFC uses which is vital evils for global warming and ozone layer depletion.

- Saved energy consumption significantly through using energy saving electronic equipment (i.e. light, fan, computers, etc.)
- Minimized the risk of air pollution by using/installing HVAC systems in each and every manufacturing facility.
- The company is upgrading its Effluent Treatment Plant (ETP) facility to make it more environments friendly. For this purpose, in the coming year we are going to implement zero discharge ETP water from our plants.
- The Company signed agreement with two international NGOs namely, United Purpose and HEVETAS Swiss Inter-cooperation, in order to ignite cultivation of different medicinal plants including those are facing extinction crisis throughout the country for improving health of Human, animal, environment and biodiversity.

PROFIT

- Achieved 14.87% Sales growth during the year 2021-2022;

➤ During the year 2021-22, Percentage of Net Profit to Net Sales ratio is 8.85;

➤ During the year 2021-22, Earnings Per Share is BDT 9.98 on one Equity Share of BDT 10.00 each;

➤ Net Assets Value per share is BDT 102.50 as at 30 June 2022;

➤ During the year The Board of Directors recommend 30% Cash Dividend.

HUMAN RESOURCES

2021-2022 was a very challenging year for everyone in the world due to epidemic situation regarding COVID-19 & global crisis. Our more than 8400 strong workforce worked relentlessly to ensure medicines continue to reach patients who rely on us. Our teams being part of essential services, ensured our manufacturing plant, nationwide 27 (twenty-seven) distribution hub, R&D centers and sales offices countrywide continue to operate. We are grateful to our employees who made this happen with a safety-first mind set. The top priority for the Human Resource function was providing a safe work environment to employees nationally.



Solid Dosages Unit

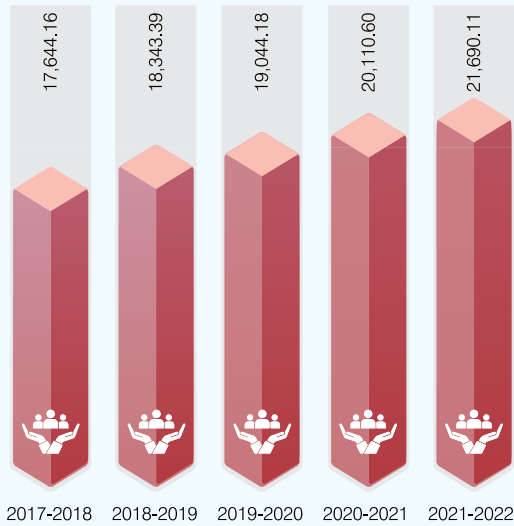


Selected Growth Indicators

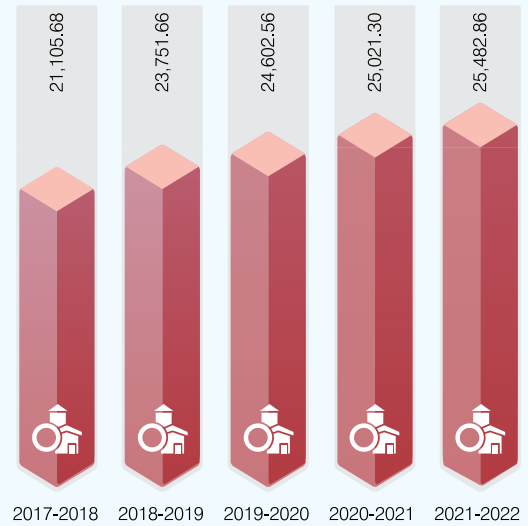
BDT in million



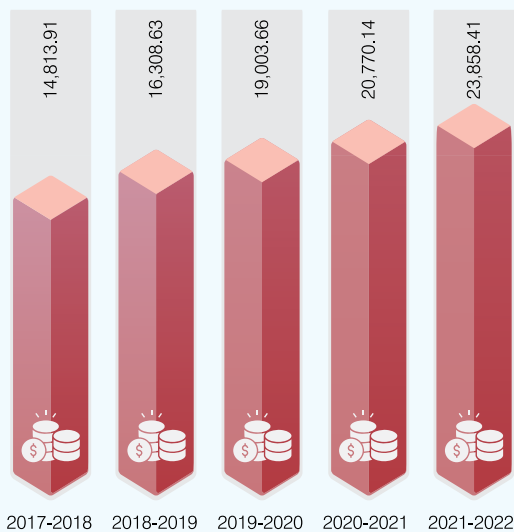
Shareholders Equity



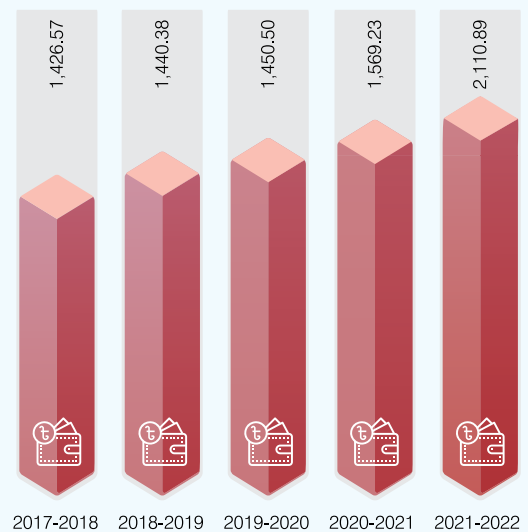
Property, Plant and Equipment



Revenue

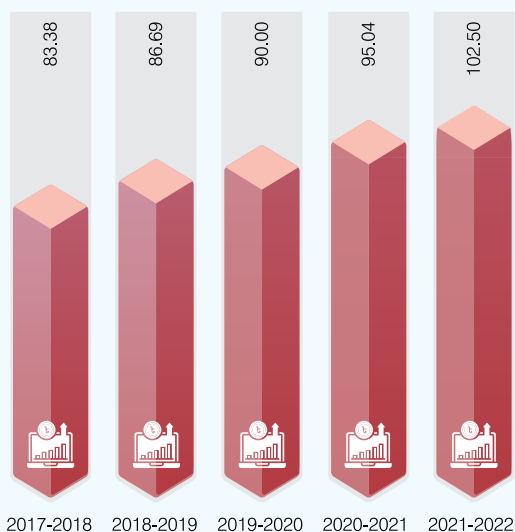


Profit after Tax

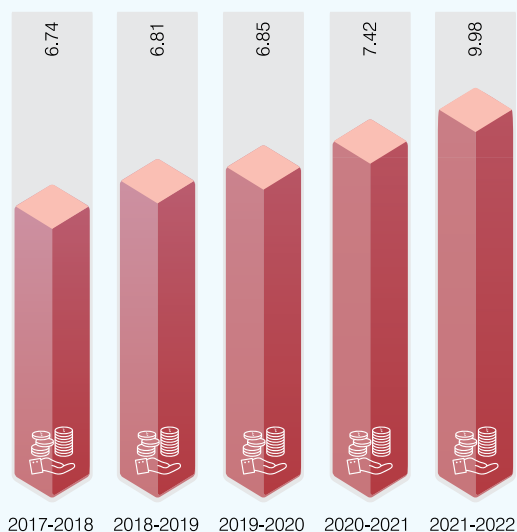




Net Asset Value Per Share (NAVPS)



Earnings Per Share (EPS)



Our Role in Bangladesh



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

ACME's Marketing & Distribution Strengths

- Novel Mission, Vision and commitments
- More than 68 years' company brand image
- Consistent Quality Policies
- Fool-proof scientific integrated marketing strategy
- Time-tested high quality products

- Excellent relationship with doctors, chemists and other concerned persons.
- Mega sales force comprising of more than three thousand experienced, skilled and devoted persons.
- Diverse range of products
- World class manufacturing facilities
- Comprehensive marketing and distribution network (Both in domestic and international markets)

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

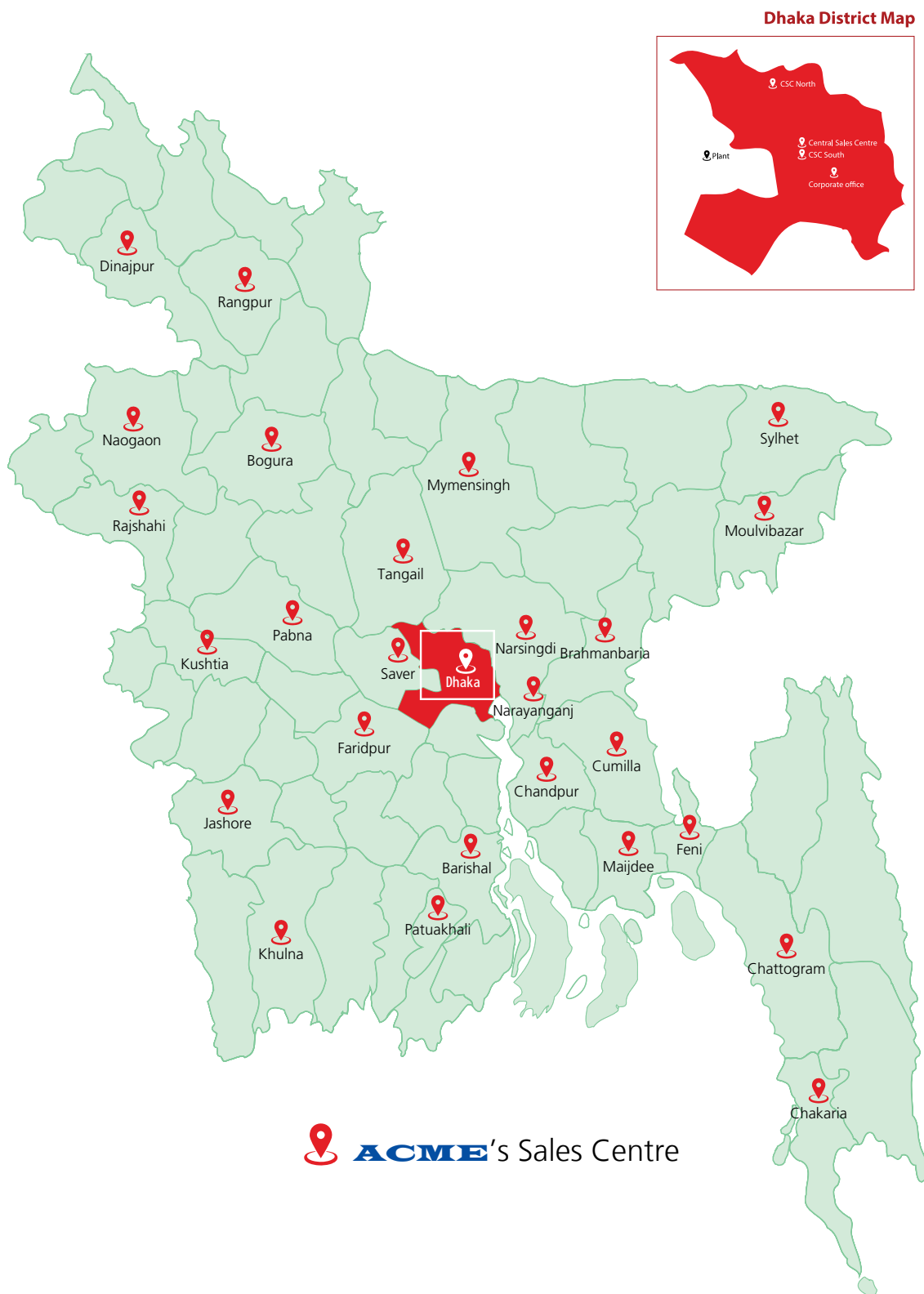
Expanding the Horizon



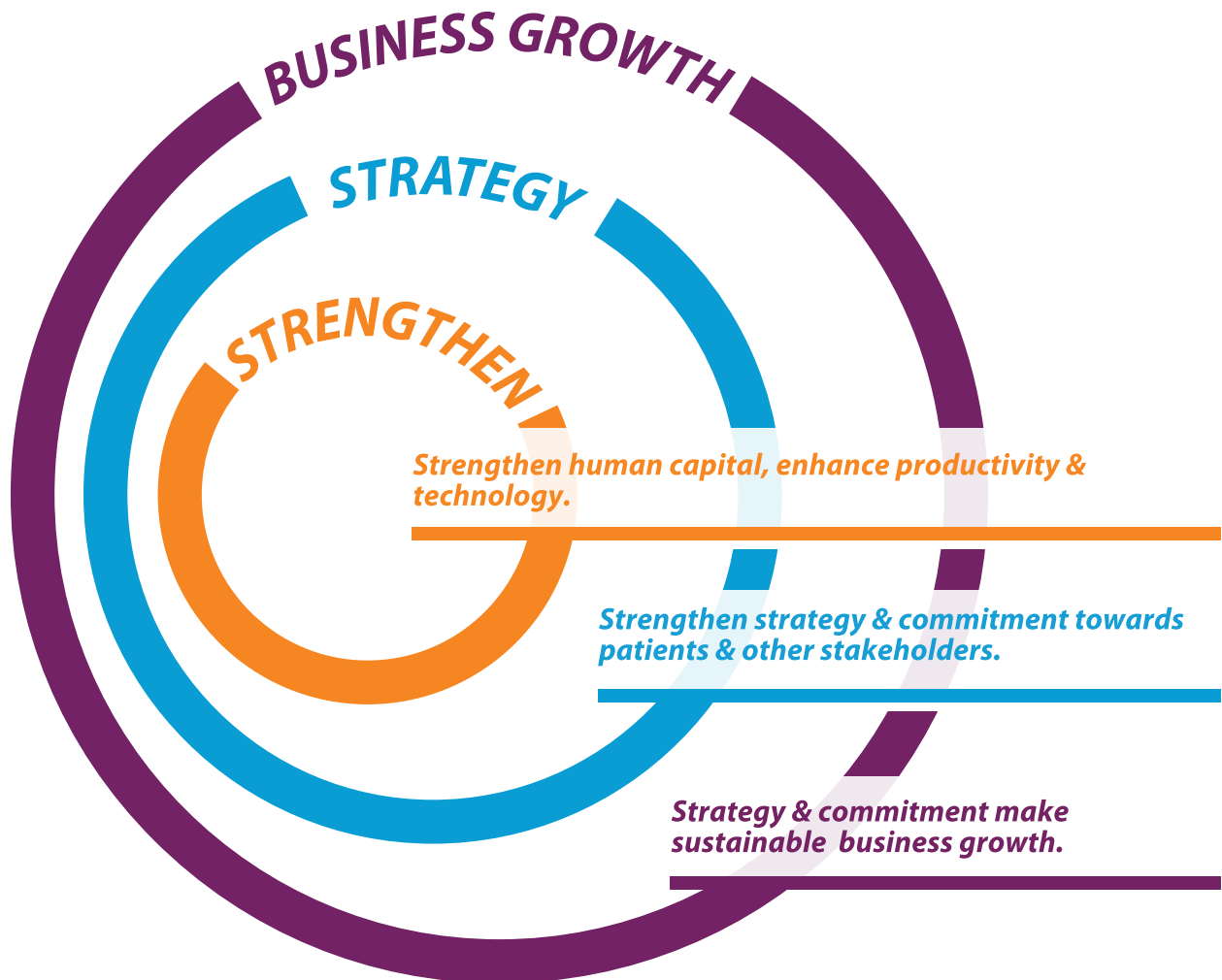
In continuation with the relentless efforts, the success in the domestic market prompted the Company to establish its strong footing in the global market. In the year 1995, the Company exported its first consignment to Bhutan. By this time, it has made a strong footprint in more than 30 countries across the continents. Being, one of the leading Pharmaceutical Companies in the Country, ACME is continuously trying to strengthen its competencies and enhance its capacity horizontally as well as vertically. With the use of its sophisticated cutting-edge technologies and quality management system, ACME achieved UK-MHRA certificate in 2018 and successfully shipped its first consignment to UK.

As a part of the successful step, the Company has also launched in US Market Zolpidem IR Tablet which is used to treat sleep problems (Insomnia) in adults and Cinacalcet used to treat the symptoms of Primary Hyperparathyroidism (PTH), Secondary Hyperparathyroidism, and Parathyroid

Carcinoma. As part of an unstoppable journey for excellence, in 2021 ACME achieved WHO Pre-qualification of Zinc Dispersible Tablet. Long and proven track record, sophisticated state-of-the-art manufacturing facilities, and highly professional & committed workforce made ACME an attractive and reliable contract manufacturing organization (CMO) to many global generic players and as part of this, ACME has started working on the technology transfer of five products for UK & another five products for EU in its facilities. For enhancing the capacity of the Company, the Company has planned and accordingly, in some cases necessary steps have already been taken to add some other products by implementing a number of new projects. We hope that the projects will not only strengthen the footing of ACME but also advance the Pharmaceutical industry of the country as a whole. With the implementation of these projects, ACME will not only fulfill the domestic demands but also will be able to serve the global markets.




Strategy Strengthened for a Sustainable Tomorrow



Taking into account, the dynamic business and regulatory landscape, ACME has developed a robust strategy for sustainable value creation. This strategy acts as an enabler of business growth and empower us to deliver on our commitments towards patients and other stakeholders. We have established an internal Strategy Governance process that enables us to measure, quantify and compare the progress made against pre-defined benchmarks. We engage on issues that are important to us as a business as well as to the stakeholders, with the objective of addressing their concerns and identifying new opportunities to create value.

Through periodic dedicated discussions, the Board is kept abreast of key developments on the global strategy front. The Management and the Board review and update the strategy to stay aligned with business needs.


Guidance for 2022-2023




Promoting Anti-Microbial Resistance (AMR) solutions and embracing one health concept to overcome Animal and Human Health Hazard. In this regard, a collaborative partnership Agreement has been signed between ACME and USAID




Started work to introduce diversified product portfolio in upcoming year focusing on high tech products




Strategy to faces global challenges like post impact of COVID-19, Global crisis and TRIPS



Focusing on impact-driven interaction with customers and chemist



Focusing on access and affordability of healthcare solutions for patients




Ensure maximization of shareholders' wealth through increasing operational performance




Establishment of Strong brand and company image through quality products



Strengthening our existing market share, cope with the changing scenario in the pharmaceuticals industry to ensure higher business growth, transparency and launching of new products and services for our existing and potential customers




Provide utmost efforts, by all available means, for stabilization and development of our position in both local and global pharma market



Continue to grow the net asset value of the Company and increase earnings per share by:

- maximizing free cash flow from existing operations;
- enhancing export by penetrating new markets and exploiting contract manufacturing opportunities;
- advancing our pipeline of compliance and capacity building projects;
- Continue trend of strong earnings and cash flow generation



Providing Priority to facilitate efficient distribution network

Report on the Activities of the Audit Committee

2021-2022

Audit Committee of the Board:

In compliance with condition # 5 of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC), the Board of Directors of The ACME Laboratories Ltd. in its 140th Meeting held on 26 April 2022 has reconstituted the Audit Committee to assist the Board, and the report on the activities of the Audit Committee (AC) has been presented below which provides independent oversight of the Company's Financial Reporting, Internal Control Systems and compliance to governing rules and regulation during the financial year 2021-2022.

The Committee is comprised of :-

1. Mrs. Evana Haque, FCA Independent Director & Chairman of the Audit Committee,
2. Mr. Md. Abul Hossain, Nominee Director of ICB
3. Mr. Ehsan Ul Fattah, Independent Director
4. Mr. Das Deba Prashad, Independent Director.

All members of the Committee are non-executive Directors and the Chairman of the Audit Committee is an Independent Director. As required, all members of the Audit Committee are 'Technically sound, financially literate' who can read and understand the financial statements, such as the statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement and they skillfully and effectively discharge their roles and responsibilities.

Purpose of Audit Committee:

The role of the Audit Committee is to oversee the financial reporting, monitor, and review the integrity of the financial statements of the Company, and make recommendations to the Board through holding adequate committee meeting(s) on business performance, risks, internal controls and compliances. The Committee satisfies itself, by means of suitable steps and by properly collecting appropriate information and they have also found that satisfactory internal control systems are in place to identify and contain business risks. Finally, the Committee members are satisfied that the Company's Business is being conducted systematically and soundly. The Audit Committee assists the Board of Directors to ensure that the financial statements reflect a true and fair view of the state of affairs of the Company and ensure a good monitoring system within the business. The Audit Committee is accountable to the Board of Directors. The duties of the Audit Committee are clearly defined in its Terms of Reference (ToR).

Responsibilities and Duties:

The responsibilities and duties of the Audit Committee are:

Financial Reporting:

- To review the quarterly and annual financial statements of the Company, focusing particularly on:
 - o Any significant changes to accounting policies and practices;
 - o Significant adjustments arising from the audits;
 - o Compliance with applicable Financial Reporting Standards and other legal and regulatory requirements; and
 - o The going concern assumption.

Related Party Transactions:

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

Audit Reports:

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

Internal Control:

- To consider annually the Risk Management Framework adopted within the Company and to be satisfied that the methodology deployed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Company to minimize losses and maximize opportunities;

- To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored;
- To review the extent of compliance with established internal policies, standards, plans and procedures;
- To obtain assurance that proper plans for controlling have been developed before the commencement of major areas of change within the Company; and
- To recommend to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors and from the consultations of the Audit Committee itself.
- To be advised of and decide to or not to make significant use of the external auditor in performing non-audit services within the Company, considering both the types of services rendered and the fees, so that its position as auditors are not deemed to be compromised; and
- To review the external auditors' findings arising from audits, particularly any comments and responses in management letters as well as the assistance given by the employees of the Company in order to be satisfied that appropriate action is being taken.

Other Matters:

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

Internal Audit:

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

External Audit:

- To review the external auditors' nature and scope of the audit plan, audit report as well. The Audit Committee will consider a consolidated opinion on the quality of external auditing at one of its meetings;
- To review the Statement on Risk Management and Internal Control of the Company for inclusion in the Annual Report;
- To review any matters concerning the appointment and re-appointment, audit fee and resignation or dismissal of the external auditors;
- To review and evaluate factors related to the independence of the external auditors and assist them in preserving their independence;

REPORTING OF THE AUDIT COMMITTEE:

Reporting to the Board of Directors:

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

Reporting to the Authorities:

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

Reporting to the Shareholders and General Investors:

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

Chairperson of the Audit Committee and disclosed in the Annual Report of the Issuer Company.

Authority:

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

Meeting Attendance:

The Audit Committee met with the internal auditors on an annual basis without any Member of the Management being present. The Company Secretary is the Member Secretary of the Audit Committee, who facilitates the Chairman and other members for the effective functioning of the Committee as per its terms of reference (TOR) as well as the Corporate Governance notification of BSEC. The details of attendance of each member at the Audit Committee meetings during 2021-2022 are given below:

Name of Directors	Position	No. of Meetings held	No. of Meetings attended
Mrs. Evana Haque, FCA	Chairman	04	04
Mr. Md. Abul Hossain	Member	04	04
Mr. Ehsan Ul Fattah	Member	04	04
*Mr. Das Deba Prashad	Member	01	01

*The Board of Directors of The ACME Laboratories Ltd. has appointed Mr. Das Deba Prashad as a member of the audit Committee in its 140th Meeting, held on 26 April 2022.

Summary of Activities during the Year:

In 2021-2022, the Audit Committee reviewed its terms of reference in line with the requirements of BSEC notification on Corporate Governance. The Audit Committee carried out its responsibilities and duties in accordance with the terms of reference and carried out the following activities in the year 2021-2022.

Financial Reporting:

Reviewed the 1st, 2nd, and 3rd Quarter Un-audited Financial Statements and Annual Financial Statements of the Company focusing on particularly significant changes to accounting policies and practices, adjustments arising

from the audit compliance with accounting standards and compliance with other legal applicable provisions before recommending financial performance to the Board of Directors for approval and concluded that the financial statements are presented a true and fair view of the state of affairs of the Company and ensuring a good monitoring system within the business.

Internal Control:

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

Internal Audit:

- Reviewed internal audit plans as to their consistency with the Risk Management Framework used and adequacy of coverage.
- Reviewed status reports from internal audit to ensure that appropriate actions had been taken to implement the audit recommendations.
- Reviewed and enhanced the internal control processes. Where appropriate, the Audit Committee instructs to rectify and improve the internal control processes based on internal audit.

External Audit:

- Reviewed the Company's quarterly and annual financial statements focusing on findings arising from audits, particularly comments and responses in the management letter as well as assistance given by the employees of the Company before recommending the report to the Board of Directors for approval.
- Reviewed the external auditors' audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and coordination of the external auditors.
- Reviewed the external auditors' findings arising from audits, particularly comments and responses in management letters as well as the assistance given by the employees in order to be satisfied that appropriate action is being taken.

- Exercised its right to hold meetings with the external auditor (private audience with statutory auditor) without the presence of the Executive Directors or management. These private sessions help to reinforce the independence of the external audit function of the Company.
- Reviewed the overall performance of the external auditors for the year 2021-2022.

Related Party Transactions:

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

Ethical and Integrity Areas:

- Deliberated reports on whistle-blowing and Standards of Business Conduct breach incidents.
- Deliberated on Security and Safety matters and risk reports.
- Deliberated on the Environmental Health and Safety review reports.

Annual Reporting:

- Reviewed disclosures required by the Statement on Corporate Governance, Audit Committee Report, Standards of Business Conduct, Statement on Risk Management and Internal Control for the financial year ended 30 June 2022 for inclusion in the Annual Report for the year 2021-2022 and recommended their adoption by the Board.

Focus Internal Audit:

The role of Internal Audit for the Company is designed in line with the laws of the land. This approach ensures a high level of independence and gives access to more skilled and specialized resources than would otherwise be available within the Company. The Audit Committee formally approves

the internal audit plan and reviews the plan quarterly. The audit committee approves any subsequent changes to the internal audit plan. The scope of Internal Audit covers the audits of all divisions and operations. Internal Audit adopts a risk-based approach towards the planning and conduct of audits, which is consistent with the Company's established framework in designing, implementing and monitoring its control systems. Other main activities performed by the Internal Audit are as follows:

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

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



Mrs. Evana Haque, FCA
Chairman of Audit Committee

Report on the Activities of the Nomination and Remuneration Committee 2021-2022

Nomination and Remuneration Committee of the Board:

The Board of Directors of The ACME Laboratories Ltd. has been having a duly constituted a Nomination and Remuneration Committee (NRC).

In compliance with condition #6 of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC), the Board of Directors of The ACME Laboratories Ltd. in its 140th Meeting held on 26 April, 2022 reconstituted the Nomination and Remuneration Committee (NRC) in order to assist the Board broadly in the formulation of policy with regard to determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for a formal process of considering remuneration of Directors, top-level executives.

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

Composition and Meetings:

The NRC of The ACME Laboratories Ltd. is comprised of Five (5) members who are Non-Executive Directors, including three (3) Independent Directors. The Board re-constituted the Nomination and Remuneration Committee (NRC) with the following members:

1. Mr. Das Deba Prashad	Chairman
2. Mr. Md. Abul Hossain,	Member
3. Mrs. Jahanara Mizan Sinha,	Member
4. Mr. Ehsan Ul Fattah,	Member
5. Mrs. Evana Haque, FCA	Member

The Independent Director, Mr. Das Deba Prashad acts as Chairman of the Committee. As per regulatory guidelines, the Company Secretary (acting), Mr. Md. Arshadul Kabir, FCA acts as Member Secretary to the Committee. The NRC performs in coherence and ensures compliance with the Corporate Governance Code promulgated by the Bangladesh Securities and Exchange Commission (BSEC). and assist the Board in the formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences, and independence of directors and top-level executives as well as a policy for the formal process of considering their remuneration of Directors, top-level executives.

No member of the NRC receives, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than director's fees or honorarium from The ACME Laboratories Ltd.

Permanent invitees to the meetings are the Head of Finance & Accounts and the Head of Human Resources. Relevant Heads of Divisions and other members of the Management team also attend the meetings on occasions, as required.

Major Responsibilities of NRC:

The purpose, authority, composition, duties, and responsibilities of the Nomination and Remuneration Committee (NRC) have been delineated in its Charter. Some of the major responsibilities of the NRC are as follows:

- Recommend a policy on Board's diversity taking into consideration age, gender, experience, education and nationality;
- Formulate the criteria for determining qualification and independence of Directors;
- Identify persons who are qualified to become Directors and top-level executives and recommend their appointment and removal;
- Formulate the criteria for evaluation of the performance of Independent Directors and the Board;
- Recommend a policy to the Board relating to the remuneration of the Directors, and top-level executives;
- Assess that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the Company successfully;
- Evaluate that remuneration to Directors and top-level executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- Identify the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria by using the existing Performance Evaluation System (PES) of The ACME Laboratories Ltd. for the year 2022;

- Recommend and review annually the Company's human resources and training policies;
- Recommend the remuneration policy of the Company, particularly in relation to the yearly increment principle;
- Recommend the Code of Conduct for the Chair of the Board, other Board Members and Chief Executive Officer of the Company.

Nomination, Election and Selection of Directors:

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

Evaluation of the Board:

The NRC is responsible for ensuring the effectiveness of the Board. The Board shall carry out an evaluation once a year of its work, functions, and performance as well as monitoring of internal control over financial reporting for the preparation of external financial statements and the safeguarding of assets. The evaluation includes a review of the administration of the Board and its committees covering their operations, agenda, reports, and information produced for consideration, and relationship with Management.

Top Level Executive Selection and Remuneration Policy:

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

Remuneration for Board of Directors:

Each Executive/Non-Executive Director receive reasonable remuneration and/or sitting allowance from the Company for every meeting attended.

Meeting Attendance:

The details of attendance of each member at the NRC meetings during 2021-2022 are given below:

Name of Directors	Position	No. of Meetings held	No. of Meetings attended
Mr. Das DebaPrashad	Chairman	01	01
Mr. Md. Abul Hossain	Member	01	01
Mrs. Jahanara Mizan Sinha	Member	01	01
Mr. Ehsan Ul Fattah	Member	01	01
*Mrs. Evana Haque, FCA	Member	01	01

*The Board of Directors of The ACME Laboratories Ltd. has appointed Mrs. Evana Haque as a member of Nomination and Remuneration Committee in its 140th Meeting, held on 26 April 2022.

Activities of the NRC during the reporting period:

In the year 2021-2022, only one meeting was held. The reconstituted NRC noted the nomination and remuneration initiatives ensuring the standards and compliance accordingly. The major activities of the NRC during the year were as follows:

- Formulate a policy relating to the remuneration of the Directors and top-level executives of the Company;
- Practicing the criteria for determining qualifications, positive attributes and independence of the Directors;
- Formulate the criteria for evaluation of the performance of Independent Directors as per TOR;
- Adopt a Code of Conduct for the Company.

This Nomination and Remuneration Committee Report has been made in compliance with condition #6 of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC).



Das Deba Prashad
Chairman,
Nomination and Remuneration Committee

Blow-Fill-Seal (BFS) LVP & SVP & Liquid & Semi-Solid Units



Signing of Collaborative Partnership Agreement



Signing of collaborative partnership agreement between ACME and USAID funded Feed the Future Bangladesh Livestock and Nutrition Activity, ACDI/VOCA regarding 'Promoting Anti-Microbial Resistance (AMR) Solutions and Embracing 'One Health' Concept to Overcome Shared Health Threats Among Humans, Animals and the Environment'

ACME has recently joined in collaborative partnership agreement with USAID funded Feed the Future Bangladesh Livestock and Nutrition Activity, ACDI/VOCA on 5th June'2022. This agreement was signed by **Mr. Md. Hasibur Rahman**, Additional Deputy Managing Director on behalf of ACME and **Mr. Muhammad Nurul Amin Siddiquee** on behalf of ACDI/VOCA with the presence of their authorized representatives at corporate office of ACME.

The aim of this collaborative partnership agreement is to reduce Anti-Microbial Resistance (AMR) and embracing 'One Health' concept to overcome shared health threats among humans, animals and the environment. This collaborative partnership agreement will engage ACME's human resource to enhance technical ability and skills of livestock service providers (LSPs) through which the farmers, consumers and overall environment of our country will be main beneficiaries.



ACME's employee training



Livestock Service Providers (LSPs) training by ACME's employee



Livestock farmer training in lawn meeting by qualified/trained LSPs



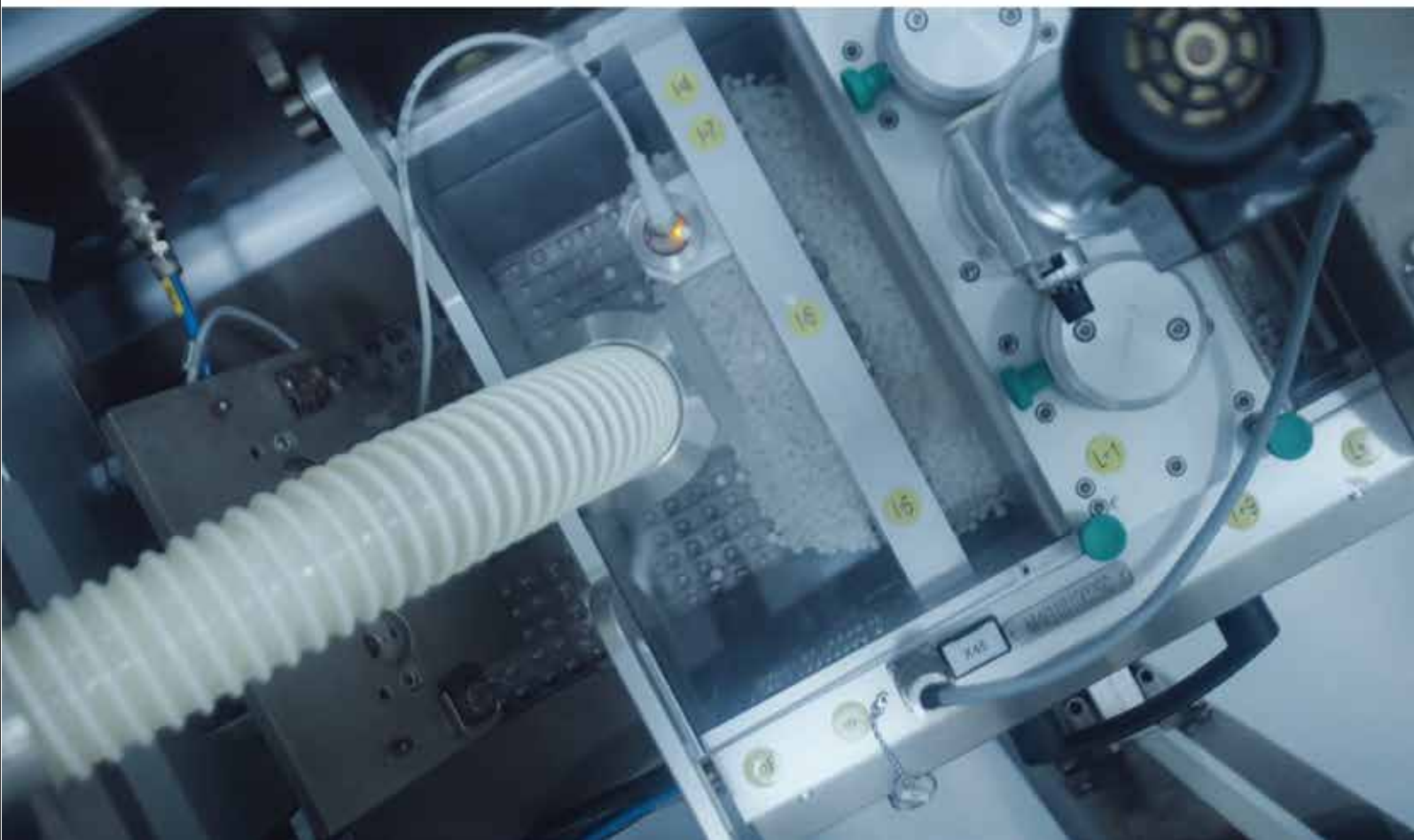
ACME has recently joined as collaborative partnership agreement with USAID funded by Feed the Future Bangladesh Livestock and Nutrition Activity, ACDI/VOCA regarding 'Promoting antimicrobial resistance (AMR) solutions and embracing One Health concept to overcome animal and human health hazard'. The aim of this project is to strengthen the promotion of non-antimicrobial immunity booster products, vitamins, minerals, herbals, anthelmintic etc. by delivering training and awareness initiatives of 2180 selected livestock service providers (LSPs) and 60000 livestock farmers in 16 districts and 43 upazilla of Bangladesh.

Cephalosporin Unit





World Class Indoor Facilities



Canteen At Plant





45th AGM



Steroid & Hormone Unit



Transformation of Livestock Farming

Introduction

Livestock is a major component in agriculture in most of the countries and play an important role in their national economy. Livestock and their products provide direct cash income, as animals are a living bank for many farmers.



The ultimate goal of sustainable agriculture according to National Research Council, USA and other sources as well, is to develop farming systems that are productive, profitable, energy-conserving, environmentally sound, conserving of natural resources, and that ensure food safety and quality.

Most world food authorities believe that livestock production will retain its importance in the future as well. Phillips lists 5 factors that favour continuation of animal agriculture:

1. **Food requirements of a rapidly expanding human population.**
2. **Nutritional merit or special qualities of animal food products.**
3. **Special ability of animals to transfer feedstuffs into edible food for humans.**
4. **Role of animals in maintaining soil fertility and in soil and water conservation.**
5. **Need for animals as a source of power (In developing countries).**

(Ref: Phillips, R.W.: Factors favouring animal production).

The role of animals in developing programmes is generally underrated in spite of the demand for animal products and services. Improved efficiency of animal agriculture with its various commodities and service products is critical to achieving sustainable agricultural development and food security, particularly in a low-income food deficit country like ours.

Besides, food products from animals are in great demand. Our livestock resources supply major portion of our calcium, protein, phosphorus, energy etc.

Transformation of Livestock Farming

Despite the above potentials of livestock sectors conventional livestock farming needs to be transformed due to various obvious reasons.



- Conventional livestock farming systems are not sustainable, due to the absence of digital data-driven & other advanced technologies, good animal husbandry, animal welfare & scientific waste management practices as well as innovative technology to increase productivity, reduce cost & increase profitability.
- High incidence of AMR.
- It does not ensure food safety & security as well as traceability. As such, interests of stakeholders like consumers, farmers etc. are not protected.
- Pollute and damage the environment. The ultimate result is negative impacts on the climate, the planet and its inhabitants.



The transformation of the conventional livestock farming system should address the challenges and threats of livestock sectors and mitigate the probable risks. If properly implemented, transformation of livestock farming will act as a lighthouse, which will ensure healthy animals, healthy people and healthy environment.



Key focuses

- **Human and Animal**- Preventing AMR & Zoonotic diseases.
- **Climate**- Strengthening ecosystem resilience and halting emissions.
- **Nature**- Protecting what we have and restoring what we have lost.
- **Pollution**- Tackling waste and pollutants threatening human and ecosystem health.
- **Livestock Farming**- Technology-based and innovative sustainable livestock farming solutions for co-existence and co-prosperity.

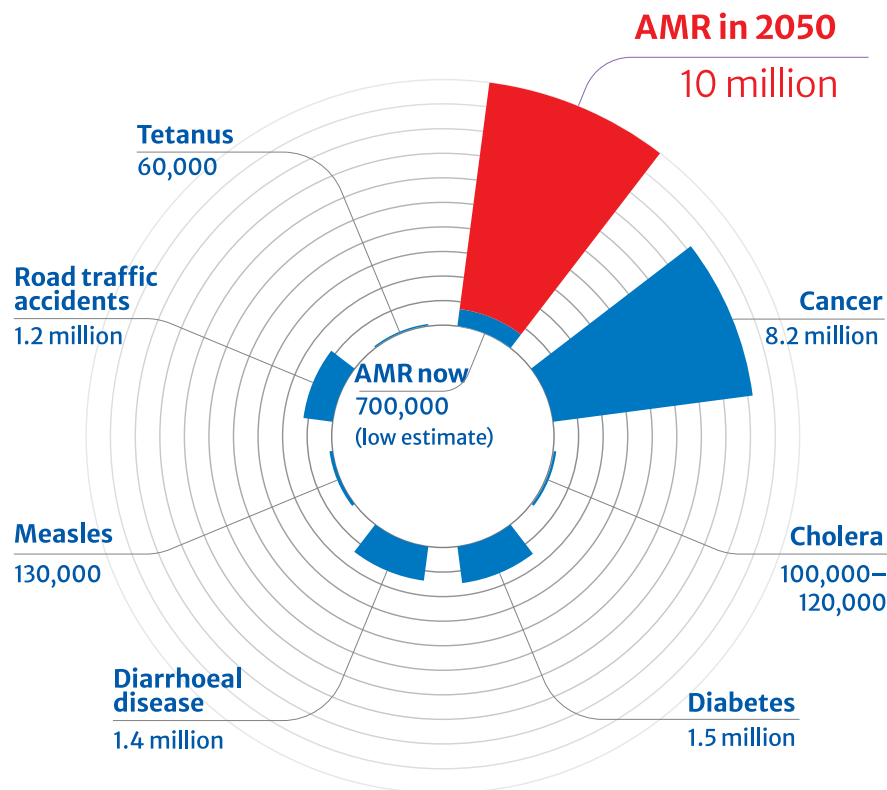
Antimicrobial Resistance (AMR) Devastation!

Independent Review

- In 2014, as per the desire of UK Prime Minister David Cameron, Jim O' Neill made an independent review on AMR through the lens of economics and mortality compared to other major causes of death.

- According to the independent review, if no action is taken, by 2050 key disasters due to AMR are likely to be:
- 10 million deaths annually
 - \$100 trillion loss of GDP
 - A threat to development and global prosperity

Deaths Attributable to AMR Every Year (Compared to other major causes of death)



Source: *The Review on Antimicrobial Resistance*, Jim O'Neill 2014

Global burden of bacterial antimicrobial resistance in 2019: a systematic analysis

Methods: The study estimated deaths and disability adjusted life years (DALYs) attributable to and associated with bacterial AMR for 23 pathogens and 88 pathogen-drug combinations in 204 countries and territories in 2019.

Data obtained from systematic literature reviews, hospital systems, surveillance systems, and other sources, covering 471 million individual records or isolates and 7585 study-location-years.

Findings: The six leading pathogens for deaths associated with resistance were responsible for 929000 deaths attributable to AMR and 3.57 million deaths associated with AMR in 2019 are:

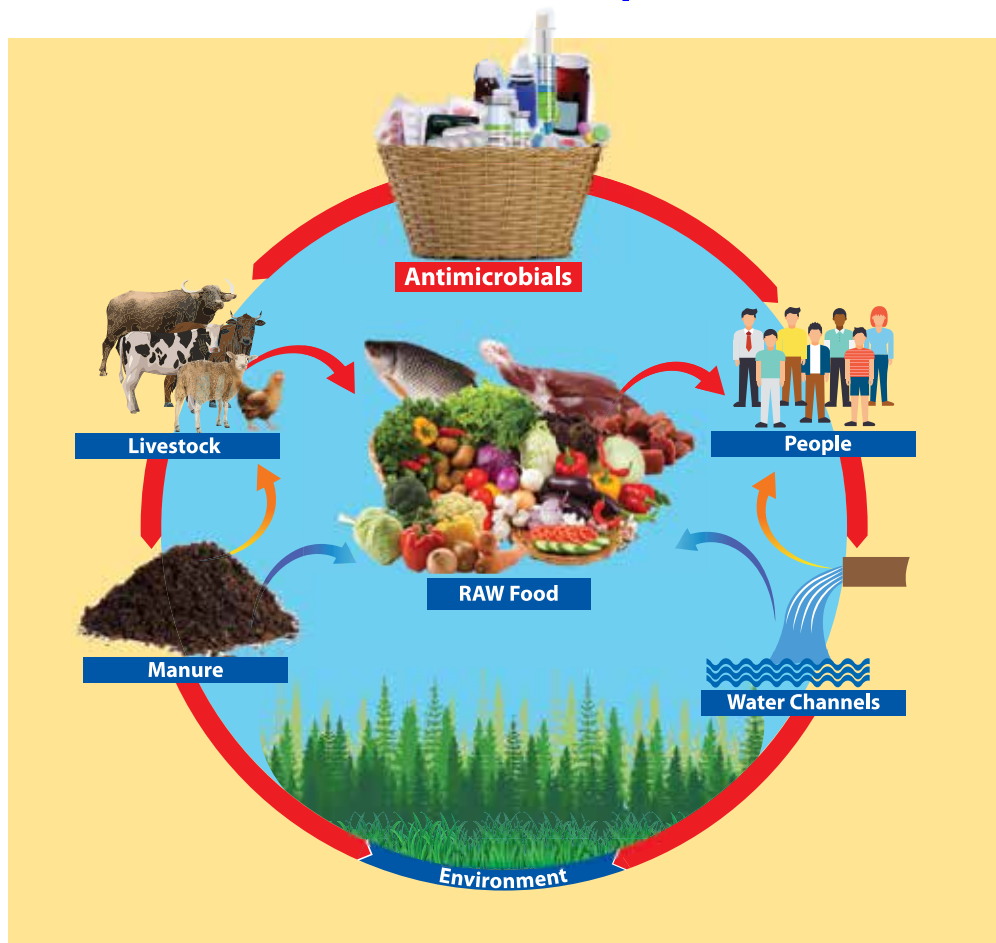
- *Escherichia coli*
- *Klebsiella pneumonia*
- *Acinetobacter baumannii*
- *Staphylococcus aureus*
- *Streptococcus pneumonia*
- *Pseudomonas aeruginosa*

Interpretation

This study provides the first comprehensive assessment of the global burden of AMR, as well as an evaluation of the availability of data. AMR is a leading cause of death around the world, with the highest burdens in low-resource settings. Understanding the burden of AMR and the leading pathogen–drug combinations contributing to it is crucial to making informed and location specific policy decisions, particularly about infection prevention and control programmes, access to essential antibiotics, and research and development of new vaccines and antibiotics. There are serious data gaps in many low-income settings, emphasising the need to expand microbiology laboratory capacity and data collection systems to improve our understanding of this important human health threat.

Reference: The Lancet, Vol 399, February 12, 2022

AMR Catastrophe



Antimicrobial Resistance (AMR)



Currently, 80% of the human antimicrobial drugs and medicines are being used indiscriminately to livestock health care management, the residues of which are being accumulated scatteredly through livestock products & excreta and contaminating the environment, soil, water, raw food etc.

The conventional livestock farming system is not sustainable, climate smart nature positive, hazardous for human health care and responsible for pollution of soil, water, and environment. As such, transformation of the conventional livestock farming system inevitable required forthwith.

STOP AMR Spread Through Livestock Farming

To Stop AMR spread through livestock farming following steps should be taken forthwith:

- Stop inappropriate use of Antimicrobials.
- Stop underuse or incomplete compliance with Antimicrobials treatment.
- Ensure data-driven prompt disease diagnosis and digital farm management system.
- Strengthen disease prevention, farm-husbandry, & bio security system.
- Ensure scientific waste management.



Biosecurity of Livestock Farming

Biosecurity at the farm level can be defined as the management practices enabling producers to prevent the movement of disease-causing agents onto and off of livestock operations. This includes environmental contamination. Biosecurity therefore involves many aspects of farm management, such as disease control and prevention (e.g. closed herd, vaccinations), and visitor control. Although controlling and limiting the movement of livestock is recognised as the most important biosecurity measure for most diseases, many important hazards can be carried on contaminated clothing, boots, equipment and vehicles. This Factsheet focuses on measures that reduce the biosecurity risks associated with visitors, particularly to livestock facilities.

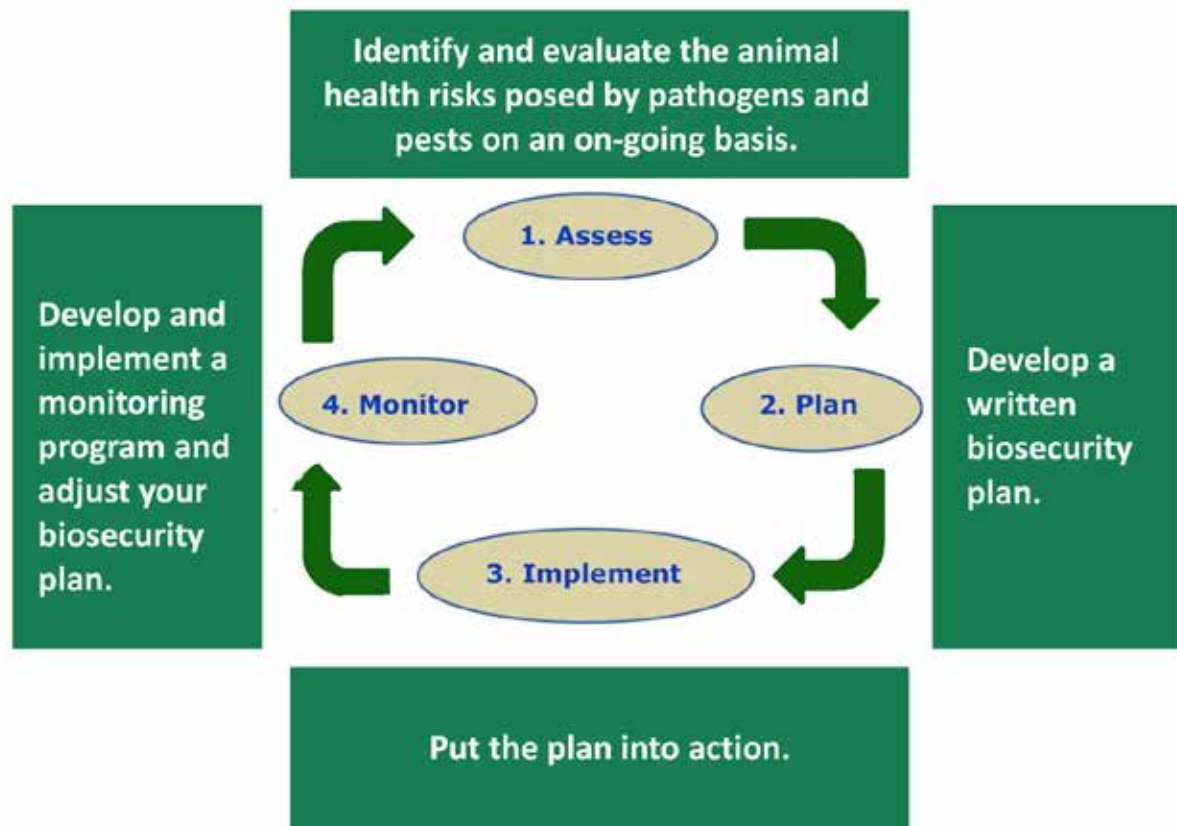


All visitors need to understand the possible risk they present when entering a farm, what a farmer expects from them, and what precautions need to be taken between farms that are visited. This applies to anyone entering or leaving the premises who may be visiting other livestock operations, and not just those of the same species or commodity type. The list includes:

- **Neighbours and friends**
- **Agribusiness and service representatives**
- **Veterinarians**
- **Municipal/regulatory personnel, inspectors**
- **Deadstock collectors**
- **Custom manure/biosolids haulers and applicators**

Biosecurity planning practices are intended to prevent the spread of infectious diseases into a livestock operation. The goal of any biosecurity plan is to minimize the movement of threatening organisms and the dogs, cats, birds, rodents, people that can carry them into a livestock facility.

Biosecurity Plan of Livestock Farming



Infectious diseases can spread between the livestock facilities by:

- The introduction of diseased cattle or healthy cattle incubating disease.
- Introduction of healthy cattle who have recovered from disease but are now carriers.
- Vehicles, equipment, clothing and shoes of visitors or employees who move between herds.
- Contact with inanimate objects that are contaminated with disease organisms.
- Carcasses of dead cattle that have not been disposed of properly.
- Feedstuffs, especially high risk feedstuff which could be contaminated with feces.
- Impure water (surface drainage water, etc.).
- Manure handling and aerosolized manure and dust and
- Non livestock (horses, dogs, cats, wildlife, rodents, birds and insects).

Possible Infection Threats

- Air
- Water
- Feed
- Vehicles
- Equipment
- Manure
- Dead Animals
- Visitors
- Workers
- Cats and Dogs
- Rodents
- Wild Birds
- Insects
- Pasture



Smart Mitigation of Biosecurity Challenges



Quarantine incoming animals

Vaccinate animals regularly

Only trade vaccinated animals

Don't trade sick animals

Ensure balanced feed and pure drinking water



Continuously monitor herd health & hygiene

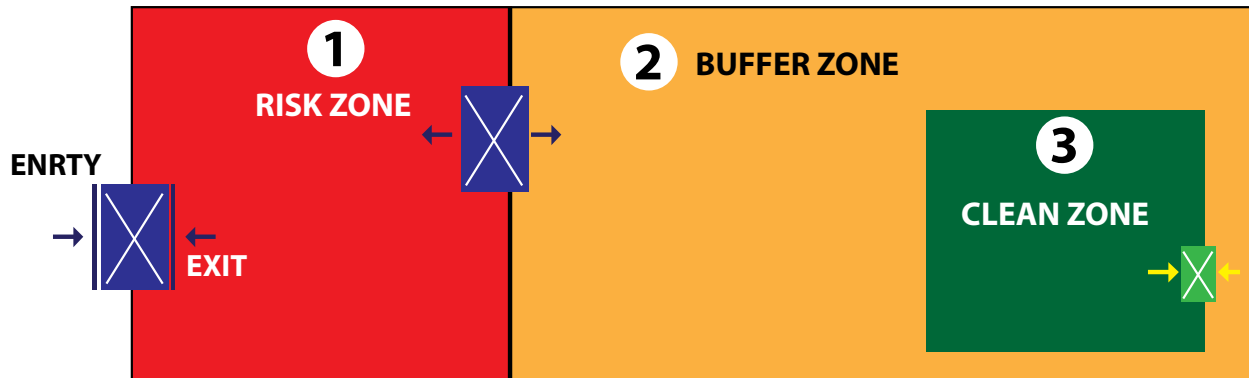
Keep accurate records of livestock events

Improving hygiene in husbandry

Isolating/separating sick animals

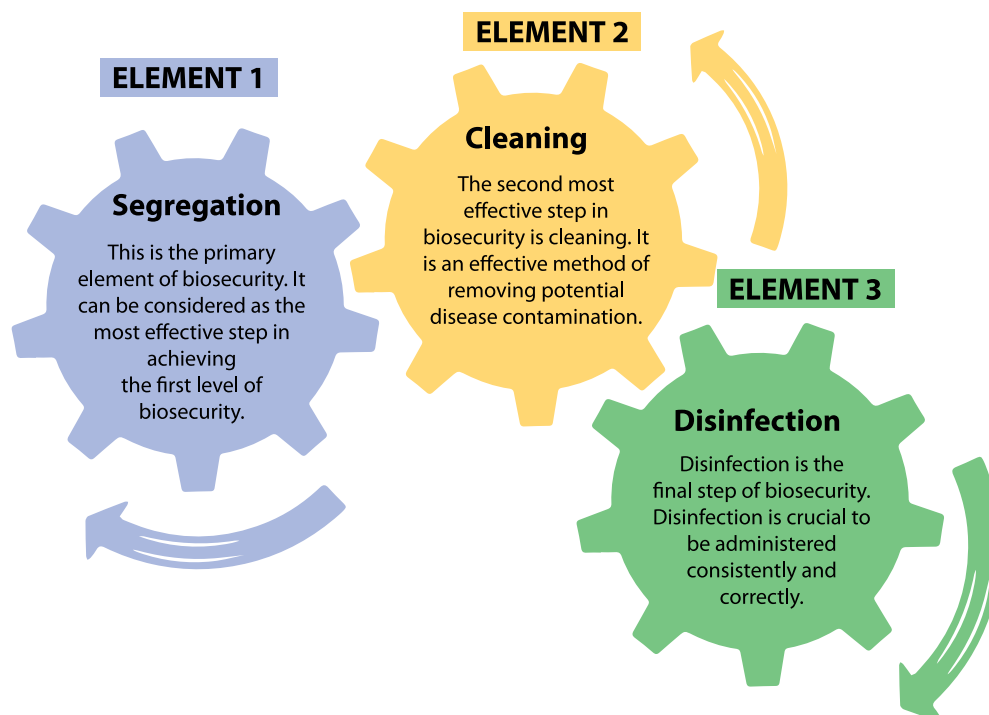
Don't communally graze sick animal

Biosecurity Canvas



1. Creating the **1** Risk zone **2** Buffer zone and **3** Clean zone.
2. Restricting the movement of vehicles, supplies, equipment and visitors at the entry point of the Risk zone.
3. Implementing quarantine and other operations in the Buffer zone.
4. Ensure the highest degree of biosecurity in the Clean zone and make it dedicated only to the healthy animals and designated personnel.
5. Maintain herd health scientifically.
6. Enhancing hygiene and awareness of the farm workers and other users.

Key Elements of Biosecurity



Investment in the biosecurity of livestock farms is not at all unnecessary and/or redundant. If it is appropriately made, biosecurity pays a regular handsome dividend as well as capital gain in return. As such, all concerned should take their best shots in implementing both internal and external biosecurity of their farms.

Animal Husbandry



As a verb, husband means **“to manage carefully,”** derives from an older meaning of husband, which in the 14th century referred to the ownership and care of a household or farm, but today means the **“control or judicious use of resources,”** and in agriculture, the cultivation of plants or animals. Farmers and ranchers who raise livestock are considered to practice animal husbandry.

Animal husbandry refers to livestock raising and selective breeding. It is the management and care of animals in which the genetic qualities and behavior of animals are further developed for profit. A large number of farmers depend upon animal husbandry for their livelihood. Animals provide us with a variety of food products, which have high nutritional values. Therefore, they require a lot of care and attention.

Animals are bred commercially in order to meet the high demand for food. Dairy products from animals like cows, buffaloes, goats, are rich sources of protein. These animals are called milch animals as they provide us with milk.



Animals can be kept extensively or intensively. Extensive systems involve animals roaming at will, or under the supervision of a herdsman, often for their protection from predators. Ranching in the Western United States involves large herds of cattle grazing widely over public and private lands. Similar cattle stations are found in South America, Australia and other places with large areas of land and low rainfall.



At the other extreme, in the more developed parts of the world, animals are often intensively managed; dairy cows may be kept in zero-grazing conditions with all their forage brought to them.

In between these two extremes are semi-intensive, often family-run farms where livestock graze outside for much of the year, silage or hay is made to cover the times of year when the grass stops growing, feed, and other inputs are brought onto the farm from outside.

Animals are raised for a wide variety of products, principally meat, wool, milk, and eggs, but also including tallow, isinglass and rennet. Animals are also kept for more specialized purposes, such as to produce vaccines and antiserum (containing antibodies) for medical use. Where fodder or other crops are grown alongside animals, manure can serve as a fertilizer, returning minerals and organic matter to the soil in a semi-closed organic system.

Animal husbandry is the most important branch of livestock farming upon which success or failure of a farm depends to a large extent.

Key Elements of Animal Husbandry:

- **Breeding** (Climate resilient and less disease-prone, breed and species)
- **Feed & nutrition**
- **Record keeping and identification of animals**
- **Animal health**
- **Animal welfare**
- **Health & hygiene**
- **Morbidity and mortality**
- **Housing of cattle & calf pen**
- **Vaccination, deworming and nutritional management**
- **Proper ventilation & lighting**
- **Adequate supply of drinking water**
- **Safety and welfare of farm worker as well as farm animals**
- **Scientific waste management etc.**



Inadequate Animal Husbandry

Mismanagement of farm animals may include inadequate feeding, inadequate housing (not allowing enough light, space, ventilation), overcrowding, unsanitary conditions, abuse of antibiotics, vaccines, and methods of forced growth. Such mismanagement may lead to a loss of productive capacity but, significantly, it may be unnecessarily inhumane and lead to severe animal stress and discomfort. The problem may occur through ignorance or through excessive commercial exploitation of animals, often by industrial concerns, which have less knowledge and appreciation of the requirements of animals than does the farming community in general.

In the next 30 years, the population of our planet is estimated to increase by over a third to reach 9-10 billion people. A higher level of animal protein in terms of dairy, meat and fish consumption per capita is therefore expected due to rising levels of affluence and the trend towards globalization. The crucial importance of the world's agriculture system has never been as widely recognized as it is today, as the demand for calories from animal products is likely to double in that time.

At the same time, the future food production system is part of a growing discussion on sustainable practices when it comes to animal husbandry and housing systems. Meeting the nutritional demands of the food chain as our world's population expands will require significant investment in high quality genetics as well as better training of farm staff to support them providing the best animal care possible.

Strategies to be taken

In order to face the aforesaid challenges the following strategies have to be taken:

- **Digital monitoring and continuous herd-health surveillance**
- **Ensuring judicious use of Antimicrobials**
- **Reducing overgrazing**
- **Developing animal husbandry skill**
- **Informing about animal sanitation**
- **Improving livestock production**
- **Implementing scientific and climate smart nature positive animal waste management systems**

Key animal health aspects to ensure healthy animals and healthy environment



A.

- Have a biosecurity plan and implement it strictly
- Quarantine new arrival of animals into the farm for 3 weeks
- Use of foot bath
- Ensure trained, skilled and/or semi skill manpower in the farm
- Practice approved method of regular disinfection and sanitation
- Prevent the introduction and spread of disease
- Introduce udder care practice strictly

B.

- Avoid overcrowding in the farm house
- Separate young animals from the adults
- Keep healthier, genetically feasible and economically viable animal in the farm
- Improved milk, meat and reproductive performance

C.

- Regular vaccination, deworming etc.
- Judicious use of antimicrobials
- Regularly check animal stock and treat timely
- Eliminate ticks, lice, mites and control predatory animals
- Lower mortality rates

D.

- Adequate feed management with balanced feed (TMR) enriched with vitamins, minerals, prebiotic, probiotic etc.
- Ensure uncontaminated feed & water

E.

- Appropriate record keeping (e.g. Animal identification, milking, heard health, feeding, breeding, disease etc.
- Analyzing of reports and prompt decision making on the basis of record maintained
- Cull (remove) chronically infected animals

F.

- Value added nature positive waste management
- Higher ROI

Conclusion

To Avoid Catastrophe, Use Diversion Road



- AMR causing global public health catastrophe and antimicrobial drug bankruptcy
- Over use and inappropriate use of antimicrobials accelerated the AMR problems throughout the world
- Conventional ways of livestock farming are greatly responsible for AMR health disaster
- Conventional livestock farming is not sustainable, climate smart, nature positive and hazardous for human health. As such, transformation of livestock farming is inevitable.

All concerned, like policy makers, academicians, researchers, physicians, veterinarians, livestock farmers, digital livestock service providers, development partners and health care companies should come forward and work together to prevent further recurrence of any sort of catastrophe and also transformation of livestock farming.

Value Added Statement

(BDT in Thousand)



Gross turnover & Other income



Less: Brought in material & Services

Total value added

Application:



Duties and Taxes to Govt. Exchequer



Salaries and Benefits



Dividend



Workers Profit Participation Fund

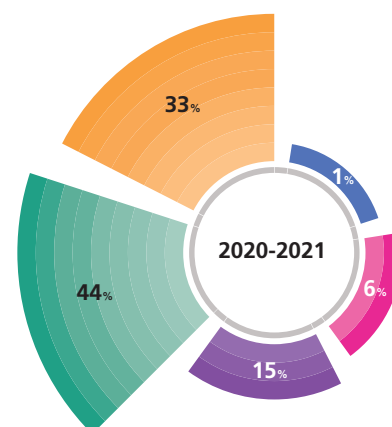
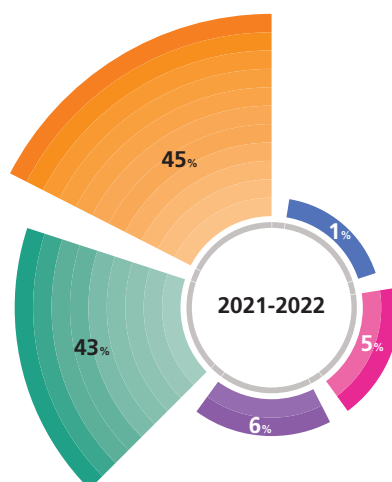


Retained earnings

2021-2022	
Amount	%
27,534,505	63.1%
16,114,404	36.9%
11,420,100	100%
Application:	
5,165,990	45%
4,898,633	43%
529,004	5%
113,572	1%
713,714	6%
11,420,100	100%

2020-2021	
Amount	%
23,964,217	61.4%
15,070,455	38.6%
8,893,762	100%
Application:	
2,958,990	33%
3,955,649	44%
529,004	6%
103,675	1%
1,346,444	15%
8,893,762	100%

- Duties and Taxes to Govt. Exchequer
- Salaries and Benefits
- Dividend
- Workers Profit Participation Fund
- Retained earnings





The ACME Laboratories Ltd.

MANUFACTURERS OF ETHICAL DRUGS & MEDICINES

ISO 9001: 2015 Certified Company

Annexure-A
[As per condition No. 1(5) (xxvi)]

20 October 2022

The Board of Directors

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

Subject: **Declaration on Financial Statements for the year ended on 30 June 2022**

Dear Sirs,

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

- (1) The Financial Statements of The ACME Laboratories Ltd. for the year ended on 30 June 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgements related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Corporate Office:
Court de la ACME
1/4, Kallayanpur, Mirpur Road
Dhaka-1207, Bangladesh.
Phone : +88 02 9004194-6
Fax : +88 02 9016872
E-mail : headoffice@acmeglobal.com

www.acmeglobal.com

Plant:
Dhamrai, Dhaka, Bangladesh.
Phone : +88 02 7730881-2
+88 02 7730816-7, 7730142
Fax : +88 02 7730141
E-mail : plant@acmeglobal.com



The ACME Laboratories Ltd.

MANUFACTURERS OF ETHICAL DRUGS & MEDICINES

ISO 9001: 2015 Certified Company

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30 June 2022 and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) These statements collectively present true and fair view of the Company's affairs and comply with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal, or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Kazi Mohammed Badruddin FCMA, FCA
Executive Director and CFO

Mizanur Rahman Sinha
Managing Director

Corporate Office:
Court de la ACME
1/4, Kallayanpur, Mirpur Road
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E-mail : plant@acmeglobal.com

**ACME**

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



An International Affiliated Member Firm Of
MGM Accountants Pty Ltd. Australia.

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

**Report to the Shareholders
of
The ACME Laboratories Ltd. On Compliance on
the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by The ACME Laboratories Ltd. for the year ended on 30 June 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80; dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

Dated : Dhaka
November 02, 2022


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



www.mzislam.co

Eastern View (10th Floor), 50 D.I.T. Extension Road, Nayapaltan, Dhaka-1000, Bangladesh
Tel : +880 2 222220092, 48310365, E-mail : mzislam.ca@gmail.com, afakrul@yahoo.com

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

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

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.	BOARD OF DIRECTORS:			
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	Independent Directors: All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:-			
1(2)(a)	At least 1/5 th of the total number of Directors in the Company's Board shall be Independent Directors;	√		
1(2)(b)(i)	Independent Director does not hold any share or holds less than one percent (1%) shares of the total paid-up Shares of the Company;	√		
1(2)(b)(ii)	Independent Director is not a Sponsor of the Company or is not connected with the Company's any Sponsor or Director or Nominated Director or Shareholder of the Company or any of its associates, sister concern, subsidiaries and parents or holding entities who holds 1% or more shares of the total paid-up share of the Company on the basis of family relationship and his/her family members all shall not hold above mentioned shares in the company.	√		
1(2)(b)(iii)	Independent Director should not be an executive of the Company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	Independent Directors does not have any other relationship, whether pecuniary or otherwise, with the Company or its Subsidiary or Associated Companies;	√		
1(2)(b)(v)	Independent Director is not a member or TREC (Trading Right Entitlement Certificate) holder, Director or Officer of any Stock Exchange;	√		
1(2)(b)(vi)	Independent Director is not a shareholder, Director excepting independent director or officer of any member or TREC holder of Stock Exchange or an intermediary of the Capital Market;	√		
1(2)(b)(vii)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned Company's Statutory Audit Firm or Audit Firm engaged in Internal Audit Services or Audit Firm conducting Special Audit or Professional certifying compliance of this Code;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(viii)	Independent Director is not Independent Director in more than 5 (five) Listed Companies;	√		
1(2)(b)(ix)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI);	√		
1(2)(b)(x)	Independent Director has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days;	√		
1(2)(e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only;	√		
1(3)	Qualification of Independent Director: -			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3)(b)	Independent Director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a Promoter or Director of an unlisted Company having minimum paid-up capital of Tk. 100.00 million or any listed Company or a member of any National or International Chamber of Commerce or Business Association;	√		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted Company having minimum paid up capital of Tk. 100.00 million or of a Listed Company;	√		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	√		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	√		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(c)	The Independent Director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and / or Chief Executive Officer (CEO) are filled by different individuals.	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed Company shall not hold the same position in another listed Company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the Company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive Directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1(5)	The Directors' Report to Shareholders			
1(5)(i)	An Industry outlook and possible future developments in the industry;	√		
1(5)(ii)	Segment-wise or product-wise performance;	√		The Company operates in a single product segment
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5)(x)	A statement of remuneration paid to the directors including Independent Directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the Issuer Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the Issuer Company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgement;	✓		
1(5)(xiv)	A Statement that International Accounting Standards (IAS) or International Financial Reporting Standard (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubts upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the Issuer Company shall be highlighted and the reasons there of shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (Five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board Meetings held during the year and attendance by each Director shall be disclosed;	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name wise details where stated below) held by: -	√		
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives;	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the Company (name-wise details);			N/A
1(5)(xxiv)	In case of the appointment or re-appointment of a Director, a disclosure on the following information to the Shareholders: -	√		
1(5)(xxiv)(a)	A brief resume of the Director;	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of Companies in which the person also holds the Directorship and the Membership of Committees of the Board;	√		
1(5)(xxv)	A Management's discussion and analysis signed by CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the Financial Statements, among others, focusing on:	√		
1(5)(xxv)(a)	Accounting policies and estimation for preparation of Financial Statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			N/A
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediately preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risks and concerns mitigation plan of the Company;	√		
1(5)(xxv)(g)	Future plan or projection or forecast for Company's operation, Performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1(6)	Meetings of the Board of Directors			
	The Company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the Company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the Company including, among others, prudent conduct and behavior; confidentiality, conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2.	GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY:-			
2(a)	Provisions relating to the composition of the Board of the holding Company shall be made applicable to the composition of the Board of the subsidiary Company;			N/A
2(b)	At least 1 (one) Independent Director on the Board of the holding Company shall be a Director on the Board of the Subsidiary Company;			N/A
2(c)	The minutes of the Board Meeting of the Subsidiary Company shall be placed for review at the following Board meeting of the Holding Company;			N/A
2(d)	The minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the Subsidiary Company also;			N/A
2(e)	The Audit Committee of the Holding Company shall also review the Financial Statements in particular the investments made by the Subsidiary Company.			N/A

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.	MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS):-			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), Chief Financial Officer (CFO), and Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other Company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and Stock Exchange(s).	√		
3(2)	Requirement to attend Board of Directors’ Meetings			
	The MD or CEO, CS, CFO and HIAC of the Company shall attend the meetings of the Board:	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed Financial Statements for the year and that to the best of their knowledge and belief:	√		
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
3(3)(a)(ii)	These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company’s Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
4.	BOARD OF DIRECTORS' COMMITTEE:-			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5.	AUDIT COMMITTEE:-			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	The Company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit committee:			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the Company excepting Chairperson of the Board and shall include at least 1 (one) Independent Director;	√		
5(2)(c)	All members of the Audit Committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The Company Secretary shall act as the Secretary of the Audit Committee;	√		
5(2)(f)	The quorum of Audit Committee meeting shall not constitute without at least 1 (One) Independent Director.	√		
5(3)	Chairperson of the Audit Committee:			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent Director;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
5(4)	Meeting of the Audit Committee:			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an Independent Director is a must.	√		
5(5)	Role of Audit Committee The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the Annual Financial Statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the Annual Financial Statements before submission to the Board for approval;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	√		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors:			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any: -			
5(6)(a)(ii)(a)	Report on conflicts of interests;	√		
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the Financial Statements;	√		
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, rules and regulations;	√		
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	√		
5(6)(b)	Reporting to the Authorities:			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	√		
5(7)	Reporting to the Shareholders and General Investors:			
5(7)	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the Annual Report of the issuer Company.	√		
6.	NOMINATION AND REMUNERATION COMMITTEE (NRC).			
6(1)	Responsibility to the Board of Directors:			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(1)(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an Independent Director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		
6(2)(g)	The Company Secretary shall act as the Secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.	√		
6(3)	Chairperson of the NRC:			
6(3)(a)	The Board shall select 1 (One) member of the NRC to be Chairperson of the Committee, who shall be an Independent Director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(3)(c)	The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders.	√		
6(4)	Meeting of the NRC:			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting upon request by any member of the NRC;	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an Independent Director is must as required under condition No. 6(2) (h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6(5)	Role of the NRC:			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	√		
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend a policy to the Board, relating to the remuneration of the Directors, top level executives considering the following:			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the Company successfully;	√		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	√		
6(5)(b)(i)(c)	The remuneration to Directors, top level executive involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	Identifying persons who are qualified to become Directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of Independent Directors and the Board;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(v)	Identifying Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the Company's human resources and training policies;	√		
6(5)(c)	The Company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its Annual Report;	√		
7.	EXTERNAL OR STATUTORY AUDITORS:			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: -			
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	Financial information systems design and implementation;	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or Financial Statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services;	√		
7(1)(vii)	Any service that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of Corporate Governance as required under condition No. 9(1);	√		
7(1)(ix)	Any other service that may create conflict of interest	√		
7(2)	No partner or employees of the External or Statutory Auditors audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any share in the said Company;	√		
7(3)	Representative of External or Statutory Auditors shall remain present in the Shareholders Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8.	MAINTAINING A WEBSITE BY THE COMPANY:			
8(1)	The Company shall have an official website linked with the website of the Stock Exchange.	√		
8(2)	The Company shall keep the website functional from the date of listing;	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned Stock Exchanges(s);	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
9.	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
9(1)	The Company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.;	√		
9(2)	The professional who will provide the certificate on compliance of Corporate Governance Code shall be appointed by the Shareholders in the Annual General Meeting;	√		
9(3)	The directors of the Company shall state, in accordance with the Annexure-C attached, in the Directors’ Report whether the Company has complied with these conditions or not.	√		



Audited Financial Statement 2021-2022



Independent Auditor's Report

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

Opinion

We have audited the Financial Statements of **"The ACME Laboratories Limited"** which comprise the Statement of Financial Position as at June 30, 2022 and Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements give a true and fair view, in all material respects, of the Financial Position of the company as at June 30, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

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



Risk	Revenue Recognition
Our response to the risk	
<p>We identified revenue recognition as key audit matter and a significant risk of material misstatement because of the risk related to the timing and accuracy of the recognized amounts of revenue. The total net revenue generated for the year ended was Taka 23,858,412,334/-</p> <p>The timing of the revenue recognition and realization increases the risk of exposure of revenue to foreign exchange fluctuations.</p> <p>There is a risk that invoices may be issued to local customers or Government & Non-Government Institutional customers erroneously. There may be duplication of invoice placed to customers as there is huge number of customers.</p> <p>There is also a risk that revenue may be overstated /understated due to the timing differences.</p>	<ul style="list-style-type: none"> • Our audit procedures comprised the testing of internal controls in connection with the revenue recognition including the application controls in the most important IT applications impacting the financial reporting. We performed analytical procedures that focused on analyzing the development of turnover. In addition, we performed audit procedures such as compared revenue transactions near year end to the supporting documentation, analyzed general ledger journal entries in order to identify abnormal entries as well as compared trade receivables to the payments received. • Segregation of duties in invoice creation and modification (if any) and timing of revenue recognition. • We physically visited depots and checked procedures to recognize revenue from local customers. • Obtaining supporting documents for sale transactions recognized during the year with the sale invoices and other relevant underlying documents.
<p>We focused on this area as recognition of revenue involves significant judgment and estimates made by management including whether contracts contain multiple performance obligations which should be accounted for separately and the most appropriate method for recognition of revenue for identified performance obligations. This comprises allocation of consideration to the individual performance obligations of multi-element contracts as noted above, assessing whether performance obligations under supply and installation contracts are satisfied at a point in time or over time.</p>	<ul style="list-style-type: none"> • We read a sample of contracts to assess whether the method for recognition of revenue was relevant and consistent with IFRS-15 and had been applied consistently. We focused on contract classification, allocation of income and cost to the individual performance obligations and timing of transfer of controls. Where a contract contained multiple elements, we considered Management's judgments as to whether they comprised performance obligations that should be accounted for separately and in such cases, challenged the judgments made in the allocation of the consideration to each performance obligation. • We evaluated and challenged the significant judgments and estimates made by management in applying the company's accounting policy to a sample specific contracts and separable performance obligations of contracts and we obtained evidence to support including details of contractual agreements, delivery records, receipts and project plans.
Please see to the Statement of profit or loss & other Comprehensive Income.	

Valuation of Inventory	
<p>As at June 30,2022 the reported amount of inventory is Taka 5,813,348,745/- held in plants, Central warehouse and twenty-Seven depots situated at different locations across the Country.</p> <p>Most of the inventories are of specialized in nature and required to be maintained in controlled environment. Regular monitoring is required as the inventories are material by its value, quantity and its nature.</p> <p>On the reporting date, inventories are carried at the lower of cost and net realizable value. As such, the companies apply judgment in determining the appropriate values of inventory in accordance with International Accounting Standards.</p> <p>Considering the risk as stated above the valuation of Inventory is a key audit matter to the Financial Statements.</p>	<p>We verified the appropriateness of, management's assumptions applied in calculating the value of the inventory as per International Accounting Standards (IASs) by:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the factory, warehouse and depots. • Attending inventory counts and reconciling the count results to the inventory listing to test the accuracy of data. • Along with inventory count we checked whether the inventories were maintained in good condition and maintaining all compliances. • We have reconciled the inventory with purchase production and sales to ensure the physically shown stock at the depots as on date were accurate. • Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year. • Obtaining a detailed review with the subsequent sales to compare with the net realizable value.
Please see note no. 10 to the Financial Statements	

Valuation of Tangible Fixed Assets	
<p>The carrying value of the tangible fixed assets is Tk. 25,482,863,887/-as at June 30, 2022. The valuation of tangible fixed assets was identified as a key audit matter due to significance of this balance to the Financial Statements.</p> <p>The expenditures are classified as an asset, if it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.</p> <p>The useful lives of tangible fixed assets items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of the useful life of the assets is a matter of judgments based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> • We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. • We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured during the year. • We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, the physical condition of the assets and its uses. • We checked whether the depreciation of tangible fixed assets items was commenced from the date of ready to use and found the depreciation had been started accordingly.
Please see note no. 06 to the Financial Statements	

**Long Term Loan and Loan & Overdrafts**

As at June 30, 2022, the reported amount of total Term loan (Long & Current portion) is Taka 6,502,789,622/-and Short-term Borrowings is Taka 9,383,189,695/- respectively.

The company may face difficulties due to unfavorable movement in interest rate & monetary policy that may result in short-term and cash flow crisis.

We have tested the design and operating effectiveness of key controls focusing on the following:

- Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure the proper use of loan
- We verified sanction letter, loan schedule bank statements to confirm the loan outstanding and found that the balance had been reported in the Financial Statements accurately.
- We checked the financial expenses and classification of loan and repayment schedule on a test basis as well.
- We checked the recording date of transactions and found the recording date is in line with the loan disbursement date.

Please see note no. 21, 24 & 25 to the Financial Statements

Recoverability Assessment of Trade Receivable

The total amount of Account Receivable is Taka 2,236,356,282/-at 30 June 2022. There are significant large numbers of individual customers. Customers in different business segments and jurisdictions are subject to their independent business risk.

The increasing challenges over the economy and operating environment in developing the software and sale of service during the year have increased the risks of default on receivables from the customers. In particular, in the event of insolvency of customers, the company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.

Accordingly, we identified the recoverability of receivables as a key audit matter because of the significance of receivables to company's Financial Position and because of the significant degree of management judgment involved in evaluating the adequacy of the allowance for doubtful debts.

Our audit procedures to assess the recoverability of trade receivables including the following:

- Tested the accuracy of aging of receivables at year end on a sample basis;
- Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards;
- Assessing the classification of account receivables in the debtors ageing report by comparison with sales invoice and other underlying documentation on a taste basis;
- Assessed the recoverability of the debtors on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers and
- Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to account receivable balances at June 30,2022.

Please see note no. 11 to the Financial Statements

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the Financial Statements we are responsible for the direction, supervision and performance of the company audit. We are solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, and The Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

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

Fouzia Haque, FCA
Partner

FAMES & R

Chartered Accountants

DVC # 2210291032AS402152

Dated: 29 October 2022**Place: Dhaka**

The ACME Laboratories Ltd.
Statement of Financial Position
As at 30 June 2022

FAMES & R
Chartered Accountants

Particulars	Notes	Amount in Taka	
		30-06-2022	30-06-2021
ASSETS			
Non-Current Assets :		25,631,867,153	25,135,909,392
Property, Plant and Equipment	6.00	25,482,863,887	25,021,302,535
Right-of-Use Assets	7.A	116,116,552	79,079,936
Intangible Assets	8.00	3,875	15,500
Investment in Securities	9.00	32,882,839	35,511,421
Current Assets:		17,343,019,174	15,340,513,013
Inventories	10.00	5,813,348,745	3,872,009,643
Trade Receivable	11.00	2,236,356,282	2,215,620,762
Other Receivable	12.00	19,806,550	19,933,211
Advance, Deposits & Pre-Payments	13.00	2,801,297,508	3,051,719,911
Advance Income Tax	14.00	3,119,571,359	3,154,867,216
Material In Transit	15.00	2,065,588,465	1,252,395,519
Term Deposit	16.00	48,141,777	180,116,317
Cash and Cash Equivalents	17.00	1,238,908,488	1,593,850,434
TOTAL ASSETS		42,974,886,327	40,476,422,405
EQUITY AND LIABILITIES			
Shareholders' Equity :		21,690,114,535	20,110,595,026
Share Capital	18.00	2,116,017,000	2,116,017,000
Share Premium	19.00	5,127,599,728	5,127,599,728
Revaluation Surplus	6.01	5,136,046,235	5,183,844,849
Gain/(Loss) on Marketable Securities (Unrealized)	9.01	6,039,883	8,405,607
Tax Holiday Reserve	Ref- SOCE	179,464,241	179,464,241
Retained Earnings	20.00	9,124,947,448	7,495,263,601
Non Current Liabilities:		5,847,104,275	6,878,700,145
Long Term Loan- Net off Current Maturity	21.00	4,174,567,982	5,441,816,500
Long Term Lease Liability	7.B	73,197,775	62,884,633
Provision For Gratuity	22.00	691,751,677	500,455,725
Deferred Tax Liability	23.00	907,586,841	873,543,287
Current Liabilities:		15,437,667,517	13,487,127,234
Loans & Overdrafts	24.00	9,383,189,695	7,141,067,455
Current Maturity of Long Term Loans	25.00	2,328,221,640	2,601,493,765
Trade Payable	26.00	448,995,103	350,249,816
Provision for Income Tax	27.00	2,661,467,504	2,855,903,656
Current Lease Liability	7.B	22,332,335	14,265,147
Liability for Expenses and Others	28.00	589,083,867	516,914,537
Dividend Payable	29.A	4,377,373	3,577,404
Unclaimed Dividend Account	29.B	-	3,655,454
TOTAL EQUITY AND LIABILITIES		42,974,886,327	40,476,422,405
Net Asset Value Per Share (NAVPS)	18.04	102.50	95.04

The annexed notes 1 to 49 form an integral part of these Financial Statements.


Md. Arshadul Kabir FCA
Company Secretary (Acting)


Kazi Mohammed Badruddin FCMA, FCA
ED & CFO


Mizanur Rahman Sinha
Managing Director


Nagina Afzal Sinha
Chairman

Signed in terms of our report of even date annexed



Dated: 29 October 2022
Place: Dhaka

FAMES & R
Chartered Accountants
DVC # 2210291032AS402152

The ACME Laboratories Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

Particulars	Notes	Amount in Taka	
		July 2021 to June 2022	July 2020 to June 2021
Revenue	30.00	23,858,412,334	20,770,140,096
Less: Cost of Goods Sold	31.00	14,394,048,720	12,719,818,570
Gross Profit/(Loss)		9,464,363,614	8,050,321,526
Add: Other Income	32.00	(17,581,658)	136,981,358
		9,446,781,956	8,187,302,884
Less: Selling, Marketing and Distribution Expenses	33.00	4,179,773,785	3,403,323,211
		5,267,008,171	4,783,979,673
Less: Administrative Expenses	34.00	1,130,039,906	998,435,133
Profit from Operation		4,136,968,265	3,785,544,540
Less: Financial Expenses	35.00	1,309,174,705	1,608,373,867
Profit Before Contribution to WPPF and WWF		2,827,793,560	2,177,170,673
Less: Contribution to WPPF and WWF	36.00	134,656,836	103,674,794
Net Profit Before Tax		2,693,136,724	2,073,495,879
Less: Current Tax Expenses	37A	547,940,829	489,159,082
Less: Deferred Tax (Income)/Expenses	37B	34,306,412	15,110,070
Net Profit After Tax		2,110,889,483	1,569,226,727
Other Comprehensive Income			
Gain/(Loss) on Marketable Securities (Unrealized)		(2,628,582)	11,742,071
Total Comprehensive Income for the year		2,108,260,901	1,580,968,798
Earnings Per Share (on the Equity share of Tk. 10 each)	38.00	9.98	7.42

The annexed notes 1 to 49 form an integral part of these Financial Statements.


Md. Arshadul Kabir FCA
Company Secretary (Acting)


Kazi Mohammed Badruddin FCMA, FCA
ED & CFO


Mizanur Rahman Sinha
Managing Director


Nagina Afzal Sinha
Chairman

Signed in terms of our report of even date annexed



FAMES & R
Chartered Accountants
DVC # 2210291032AS402152

Dated: 29 October 2022
Place: Dhaka

The ACME Laboratories Ltd.
Statement of Changes in Equity
For the year ended 30 June 2022

FAMES & R
Chartered Accountants

Amount in Taka

Particulars	Share Capital	Share Premium	Revaluation Surplus	Gain/(loss) on Marketable Securities (Unrealized)	Tax Holiday Reserve	Retained Earnings	Total
Balance as at July 01, 2021	2,116,017,000	5,127,599,728	5,183,844,849	8,405,607	179,464,241	7,495,263,601	20,110,595,026
Net Profit after Tax for the year ended 30 June 2022	-	-	-	-	-	2,110,889,483	2,110,889,483
Final Dividend for the year 2020-2021	-	-	-	-	-	(529,004,250)	(529,004,250)
Gain/(loss) on Marketable Securities (Unrealized)	-	-	-	(2,628,582)	-	-	(2,628,582)
Adjustment for Depreciation on Revaluation Surplus & Others	-	-	(47,798,614)	-	-	47,798,614	-
Deferred Tax on Unrealized Gain/Losses on Investment in Securities	-	-	-	262,858	-	-	262,858
Balance as at 30 June 2022	2,116,017,000	5,127,599,728	5,136,046,235	6,039,883	179,464,241	9,124,947,448	21,690,114,535

Statement of Changes in Equity
For the year ended 30 June 2021

Amount in Taka

Particulars	Share Capital	Share Premium	Revaluation Surplus	Gain/(loss) on Marketable Securities (Unrealized)	Tax Holiday Reserve	Retained Earnings	Total
Balance as at July 01, 2020	2,116,017,000	5,127,599,728	5,238,752,312	(2,162,257)	179,464,241	6,384,509,141	19,044,180,165
Net Profit after Tax for the year ended 30 June 2021	-	-	-	-	-	1,569,226,727	1,569,226,727
Revaluation during the year	-	-	15,137,594	-	-	-	15,137,594
Final Dividend for the year 2019-2020	-	-	-	-	-	(529,004,250)	(529,004,250)
Gain/(loss) on Marketable Securities (Unrealized)	-	-	-	11,742,071	-	-	11,742,071
Adjustment for Depreciation on Revaluation Surplus & Others	-	-	(70,471,047)	-	-	70,957,973	486,926
Adjustment for disposal of Motor Vehicle	-	-	425,990	-	-	(425,990)	-
Deferred Tax on Unrealized Gain/Losses on Investment in Securities	-	-	-	(1,174,207)	-	-	(1,174,207)
Balance as at 30 June 2021	2,116,017,000	5,127,599,728	5,183,844,849	8,405,607	179,464,241	7,495,263,601	20,110,595,026

The annexed notes 1 to 49 form an integral part of these Financial Statements.


Md. Arshadul Kabir FCA
Company Secretary (Acting)


Kazi Mohammed Badruddin FCMA, FCA
ED & CFO


Mizanur Rahman Sinha
Managing Director


Nagina Afzal Sinha
Chairman

Signed in terms of our report of even date annexed



Dated: 29 October 2022
Place: Dhaka

FAMES & R
Chartered Accountants
DVC # 2210291032AS402152

The ACME Laboratories Ltd.

Statement of Cash Flows

For the year ended 30 June 2022

Particulars	Notes	Amount in Taka	
		July 2021 to June 2022	July 2020 to June 2021
Cash Flows From Operating Activities:			
Collection from Sales and others		23,817,704,432	20,600,884,433
Payment to Suppliers & Others		(20,555,932,496)	(15,822,598,936)
Payment to WPPF and WWF		(113,571,955)	(89,074,449)
Cash generated from operation		3,148,199,981	4,689,211,048
Financial Expenses		(1,305,031,541)	(1,604,937,637)
Income Tax Paid		(707,081,124)	(392,303,292)
Net Cash Generated From Operating Activities		1,136,087,316	2,691,970,119
Cash Flows From Investing Activities:			
Acquisition of Property, Plant & Equipments		(1,751,442,024)	(1,776,710,868)
Term Deposit		131,974,540	94,250,995
Sale of Property, Plant and Equipment (Motor Vehicles)		1,415,001	4,220,000
Dividend received from Investment in Marketable Securities		1,209,156	1,062,916
Net Cash Used in Investing Activities		(1,616,843,327)	(1,677,176,957)
Cash Flows From Financing Activities:			
Dividend Paid		(531,859,735)	(528,507,035)
Principal Portion payment of Lease Liability		(43,927,797)	(19,401,537)
Net Increase / (Decrease) in Loans and Overdrafts		2,242,122,240	(1,174,253,184)
Net Increase / (Decrease) in Long Term Borrowings		(1,540,520,643)	477,402,511
Net Cash Generated/(Used) From Financing Activities		125,814,065	(1,244,759,245)
Increase/(Decrease) in Cash and Cash Equivalents		(354,941,946)	(229,966,083)
Cash and Cash Equivalents at the Opening		1,593,850,434	1,823,816,517
Cash and Cash Equivalents at the Closing		1,238,908,488	1,593,850,434
Net Operating Cash Flow Per Equity Share (NOCFPS)	39.00	5.37	12.72


Md. Arshadul Kabir FCA
Company Secretary (Acting)


Kazi Mohammed Badruddin FCMA, FCA
ED & CFO


Mizanur Rahman Sinha
Managing Director


Nagina Afzal Sinha
Chairman


FAMES & R
Chartered Accountants
DVC # 2210291032AS402152

Dated: 29 October 2022
Place: Dhaka

The ACME Laboratories Ltd.
Property, Plant & Equipment
As at 30 June 2022

Annexure-A
(Amount in Taka)

Particulars of Assets	COST / REVALUATIONS						DEPRECIATION										
	Historical Cost as at 01.07.21	Revaluation Surplus as at 01.07.21	Additions during the year (Cost)	Additions during the year Revaluation Surplus	Disposal		Adjustment of Machinery in transit/ CWIP	Total as at 30.06.22	Accumulated Dep. As at 01.07.21 on Cost	Accumulated Dep. As at 01.07.21 on Revaluation Surplus	Depreciation on Historical Cost during the year	Depreciation on Revaluation Surplus during the year	Disposal		Total as at 30.06.22	Written Down Value as at 30.06.22	
					Cost	Revaluation Surplus							Cost	Revaluation Surplus			
Land and land development Building	888,987,171	4,078,318,429	260,334,500	-	-	-	-	5,227,640,100	-	773,608,202	-	-	-	-	-	-	5,227,640,100
Machinery & Equipment	4,896,021,639	1,873,926,371	1,341,757,680	-	-	-	-	8,111,705,690	1,394,355,440	31,495,084	190,955,378	46,112,449	-	-	-	2,405,031,469	5,706,674,221
Furniture & Fixture	9,651,582,263	36,624,041	645,732,507	-	-	-	-	10,333,938,811	3,170,527,609	265,708,819	25,473,754	1,606,869	-	-	-	3,951,259,831	6,382,678,980
Motor Vehicle	525,472,143	-	128,533,414	-	-	-	-	654,005,557	654,005,557	496,188,009	76,379,048	-	-	-	-	291,182,573	362,822,984
Utilities, Electrical Installation & Eng.	1,093,870,049	25,469,869	124,826,930	-	(7,910,142)	(763,401)	-	1,235,493,305	-	25,469,869	230,654,378	79,296	-	-	(763,401)	589,470,155	646,023,150
Office Equipment	2,647,374,922	57,205,328	741,862,254	-	-	-	-	3,446,442,504	1,416,553,608	57,205,328	33,475,195	-	-	-	-	1,704,413,314	1,742,029,190
Books and Periodicals	281,905,447	1,503,819	33,647,787	-	-	-	-	317,057,053	164,993,297	1,424,525	81,125	-	-	-	-	199,972,313	117,084,740
	6,343,045	-	-	-	-	-	-	6,343,045	5,285,266	-	-	-	-	-	-	5,366,391	976,654
Sub Total	19,991,556,679	6,073,047,857	3,276,695,072	-	(7,910,142)	(763,401)	-	29,332,626,065	6,913,612,048	889,203,008	1,304,649,147	47,798,614	(7,803,370)	(763,401)	9,146,696,046	20,185,930,019	
Machinery in Transit	1,317,179,127	-	504,905,491	-	-	(1,344,911,080)	-	477,173,538	-	-	-	-	-	-	-	-	477,173,538
Construction Work in progress	5,442,333,928	-	1,076,111,482	-	-	(1,698,685,080)	-	4,819,760,330	-	-	-	-	-	-	-	-	4,819,760,330
Sub Total	6,759,513,055	-	1,581,016,973	-	-	(3,043,596,160)	-	5,296,933,868	-	-	-	-	-	-	-	-	5,296,933,868
Total Taka (As at 30.06.2022)	26,751,069,734	6,073,047,857	4,857,712,045	-	(7,910,142)	(763,401)	-	34,629,559,933	6,913,612,048	889,203,008	1,304,649,147	47,798,614	(7,803,370)	(763,401)	9,146,696,046	25,482,863,887	
Total Taka (As at 30.06.2021)	25,027,820,492	6,058,570,263	2,379,180,518	15,137,594	(15,695,957)	(660,000)	-	32,824,117,591	5,664,008,431	819,817,951	1,261,319,743	70,471,047	(11,716,126)	(1,085,990)	7,802,815,056	25,021,302,535	

ALLOCATION OF DEPRECIATION:

	On Cost	On Revaluation	Total
Factory Overhead	1,095,905,283	40,150,836	1,136,056,119
Selling, Marketing & Distribution Expenses	107,633,555	3,943,386	111,576,941
Administrative Expenses	101,110,309	3,704,392	104,814,701
	1,304,649,147	47,798,614	1,352,447,761

**The ACME Laboratories Ltd.****Notes to the Financial Statements**

As at and for the year ended 30 June, 2022

1.00 Corporate Information

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

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

1.01 Address of Registered Office and Factory

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

2.00 Nature of business of the Company

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

3.00 Share Capital

Details of Authorized, Issued, Subscribed, and Fully Paid-up Capital as at 30 June 2022 and 30 June 2021 are as under:

Particulars	30 June 2022 (Tk.)	30 June 2021 (Tk.)
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 Capital:		
211,601,700 Ordinary Shares @ Tk.10 each.	2,116,017,000	2,116,017,000
Total	2,116,017,000	2,116,017,000

4.00 Basis of Preparation of Financial Statements**4.01 Directors' Responsibility Statement**

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

FAMES & R
Chartered Accountants

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June, 2022

4.02 Basis of measurement

The Financial Statements have been prepared on the historical cost basis except;

“Land and Land Development; Buildings; Machinery & Equipment; Motor Vehicle; Utilities, Electrical Installations & Engineering; Office Equipment,” which has been revalued by an independent valuer M/S M M Rahman & Co. Chartered Accountants, Dhaka, Bangladesh in the financial year 2020-2021. The entire class of above-mentioned Property, Plant, and Equipment has been revalued on the basis of the Current Cost Accounting (CCA) Method, as applicable. The valuation report of the valuer has been prepared in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), notification dated 18th August 2013 issued by the Bangladesh Securities and Exchange Commission in this regard, and other applicable laws, rules, regulations, and guidelines. The Financial Statements however, do not take into consideration the effects of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

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

4.03 Accrual Basis of Accounting

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

4.04 Materiality, Aggregation and Offsetting

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

4.05 Statement of compliance

These Financial Statements have been prepared in accordance with Framework, applicable International Accounting Standards (IASs), and International Financial Reporting Standards (IFRSs), Companies Act 1994, Bangladesh Securities and Exchange Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant laws and regulations applicable in Bangladesh.

4.06 Presentation of Financial Statements

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

The Financial Statements comprises of:

- (i) Statement of Financial Position as at 30 June 2022;
- (ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022;
- (iii) Statement of Changes in Equity for the year ended 30 June 2022;
- (iv) Statement of Cash Flows for the year ended 30 June 2022; and
- (v) Notes, comprising a summary of significant accounting policies and explanatory information.

4.07 Reporting Period

The Financial Statements cover the financial year commencing from 01 July 2021 to 30 June 2022.



The ACME Laboratories Ltd.

Notes to the Financial Statements

As at and for the year ended 30 June, 2022

4.08 Authorisation for Issue

The Financial Statements have been authorized for issue by the Board of Directors of the Company in their meeting held on 26.10.2022.

4.09 Functional and Presentation Currency

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

4.10 Comparative information

Comparative information disclosed is of the financial year 2020-2021 for all numerical information in the Financial Statements and also the narrative and descriptive information wherever it is relevant for the understanding of the current year's Financial Statements.

Figures for the comparative year have been Merged/regrouped/rearranged wherever considered necessary to ensure better comparability with the current year. During the year, TA/DA, Travelling Kits and Others have been merged with Salary and Daily Wages under note no 33 under the Head of Selling, Marketing and Distribution Expenses. Some head under Advance, Deposit and Prepayment note number 13 is also merged. Moreover, Cash and Cash Equivalent is re arranged for fair presentation which is duly shown under Note number 17 of this financial Statement.

4.11 Use of Estimates and Judgements

The preparation of Financial Statements requires management to make judgments, estimates, and assumptions that affect the reported value of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates arise because of uncertainties inherent within them but this does not undermine reliability. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the year in which the estimates are revised. Such revision however has been made in the year 2020-2021 for Property, Plant, and Equipment as required by the International Accounting Standard 16 "Property, Plant and Equipment" in respect to the periodicity of revaluation except in the useful life of two classes of non-current assets. There is no material impact of change of estimates on the financial results of the Company for the financial year 2021-2022.

4.12 Capital Management

The primary objective of the capital structure is to maintain an efficient combination of debt and equity ratios to achieve a low cost of capital. The management of the Company regularly reviews the return on equity, capital structure in light of the economic conditions, business strategies and future commitments. For that purpose, capital includes issued Share Capital, Securities Premium and all other Equity Reserves and Debt covering foreign currency term loan, Long-Term & Short Term Loan from domestic Financial Institutions/Banks and finance lease obligations, etc. During the financial year ended 30 June 2022, no significant changes were made in the objectives, policies, or processes relating to the management of the Company's capital structure.

4.13 Going Concern

The Company has adequate resources to continue in operation for the foreseeable future. To finance the further business expansion, in the financial year 2015-2016, the Company made for a public issue of Ordinary Shares through the "Book Building Method" allotted and issued 50,000,000 Ordinary Shares. The current credit facilities and resources of the

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June, 2022

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Company provide sufficient funds to meet the present requirements of its existing business operations and expansion. For these reasons, the Board of Directors of the Company continues to adopt the policy of a "Going Concern" basis in preparing the Financial Statements.

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

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

5.00 Significant Accounting Policies

Background:

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

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



The ACME Laboratories Ltd.

Notes to the Financial Statements

As at and for the year ended 30 June, 2022

5.01 Revenue Recognition

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

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

(a) Sales of Products:

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

(b) Interest Income

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

(c) Dividend

Dividend income from investment in Marketable Securities is recognized when the rights to receive payment have been established, provided that it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably.

(d) Cash Incentive

Cash incentive from Export Sales is recognized when the fund is duly deposited to the Bank Account of the Company. During the year the company received BDT 54,605,000 as cash incentive which is duly shown under the head of Other income in the financial statement for the year ended 30 June 2022.

(e) Scrap Sales

Scrap Sales is recognized when the items of Scrap is delivered to the customer. During the year the company received BDT 12,234,026 as scrap sales which is duly shown under the head of Other income in the financial statement for the year ended 30 June 2022.

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June, 2022

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5.02 Property, Plant and Equipment (PPE)

i) Recognition and Measurement

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

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

ii) Maintenance Costs

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

iii) Depreciation

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

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

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

iv) Impairment of Assets

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

V) Retirement and Disposal

On disposal of Non-current assets, the cost and accumulated depreciation are eliminated and gain or loss on such



The ACME Laboratories Ltd.

Notes to the Financial Statements

As at and for the year ended 30 June, 2022

disposal is recognized in the Statement of Profit or Loss and Other Comprehensive Income, which is determined with reference to the net book value of the assets and net sales proceeds. The revaluation surplus included in Equity in respect of disposed off/demolished/discarded Property, Plant and Equipment are treated as per the principle enunciated in the IAS 16.

5.03 Lease

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

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

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

The ACME Laboratories Limited applied IFRS 16 onwards from the date of 1st July 2019 since IFRS 16 is effective from the date of 1st January 2019. The Company has made a Right-of-Use Assets and Lease Liability against the Rental Expenses of 21 Depot all over the country. According to IFRS 16 Paragraph 47, a company is required to present Right-of-Use Asset and Lease Liability on the face of Statement of Financial Position separately from Other Assets. Interest expenses and Depreciation on Right of Use Asset are also to be shown separately. An incremental borrowing rate that has been used to determine the present value of lease payment and other calculation.

5.04 Intangible Assets

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

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

5.05 Financial Instruments

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

i) Financial Assets

Financial assets of the company include Cash and Cash Equivalents, Trade Receivable, Other Receivables and Equity Instrument of another entity. The Company initially recognized receivables 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 transfers the right to receive the contractual cash flows on the Financial Assets in a transaction in which substantially all the risks and rewards of ownership of the Financial Assets are transferred.

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June, 2022

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Trade Receivable

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

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash in hand, cash at bank and cash at BO Account that are readily convertible to the 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 derecognizes the financial liabilities when its contractual obligations are discharged or cancelled or expired. Financial liabilities include payable for expense, liability for capital expenditure, and other current liabilities.

5.06 Impairment

i) Financial Assets

Trade receivables and other 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, which can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indicates that a debtor or issuer will enter bankruptcy, etc.

ii) Non-Financial Assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. The carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss if, and only if, the recoverable amount of the asset is lesser than its carrying amount. Impaired loss is recognized immediately in the Statement of Profit or Loss and Other Comprehensive Income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset shall be treated as a revaluation decrease to the extent of the availability of revaluation surplus. If it is more than the revaluation surplus available, then it is routed through the Statement of Profit or Loss and Other Comprehensive Income.

5.07 Investment in Securities

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

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



The ACME Laboratories Ltd.

Notes to the Financial Statements

As at and for the year ended 30 June, 2022

5.08 Inventories

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

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

5.09 Provisions:

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

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

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

5.10 Income Tax Expense

Income tax expense comprised of current and deferred tax. Income tax expense is recognized in the Statement of Profit or Loss and Other Comprehensive Income and accounted for in accordance with the requirement of IAS 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 as per the provisions of Income Tax Ordinance, 1984 and duly amended by the Finance Act from time to time.

Deferred Tax

The company has recognized deferred tax using the balance sheet method in compliance with the provision of IAS 12: "Income Taxes". The policy for recognition of deferred tax assets/liabilities is based on temporary differences (taxable or deductible) between the carrying amount (Book Value) of assets and liabilities for financial reporting purposes 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).

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June, 2022

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

i) Borrowing Cost

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

ii) Charges on the Assets of the Company

There are Fixed and Floating charges over:

- All the Plant, Machinery and Equipment (both present and future) ;
- Floating assets (both present and future) including but not limited to book debts, bills receivable, goodwill, and other floating assets both tangible and intangible and all documents title, undertakings, contracts, engagements securities, and other documents whatsoever related to such assets of the Company in favor of various bankers securing the various kinds of loans taken by the company from them through a PariPassu security sharing agreement dated 16 January 2020 (8th Supplemental to the lenders' PariPassu Security Sharing Agreement) amongst the banks. As per the agreement under the names of the participating banks in the charges through the PariPassu agreement are stated hereunder:

- Dutch Bangla Bank Limited.
 - Dhaka Bank Limited.
 - The Hongkong and Shanghai Banking Corporation Limited.
 - Standard Chartered Bank.
 - Trust Bank Limited.
 - Eastern Bank Ltd.
 - Prime Bank Limited
 - Mutual Trust Bank Limited
- Registered mortgage of the specified Land of the Company executed in favor of Concerned Banks/ Financial Institutions.
 - Personal Guarantee of some /all sponsored directors submitted in favor of certain Banks/ Financial Institutions.

5.12 Employee Benefits

The Company maintains a Defined Contribution Plan and Defined Benefit Plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective agreements/trust deeds. The Company has accounted for and disclosed employee benefits in compliance with the provision of IAS19: 'Employee Benefits'.

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 the 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 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 an equal contribution.

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

The ACME Laboratories Ltd.

Notes to the Financial Statements

As at and for the year ended 30 June, 2022

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 provisions (non-funded) in the books of accounts.

iii) Short-Term Employee Benefits

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

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

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

v) Insurance Schemes

Employees of the company are covered under group hospitalization and group term life insurance including accidental benefits. The summary of the plans is stated hereunder:

A. Group Hospitalization Insurance Plan

In this scheme, the Company covers its employees under hospitalization and other medical expenses related to the hospitalization of the employees from salary Grade M 16 and above. Moreover, employees who belongs to salary grade M 12 and above their spouse is also eligible for the group hospitalization in insurance benefits. The hospitalization benefits are provided to employees as per a three-tier system and each tier of benefits covering from a different group of employees based on salary grade in the Company. The Company pays an 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, the 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, as a family planning incentive, if he/she leaves behind not more than two children then additional sum equivalent to 15% of sum insured is being paid to them.

Employee Position

During the financial year, there were 8,407 employees employed in the Company with remuneration above Tk. 3,000 per month, among them 6,853 employees has employed for the full year and the remaining 1,554 employees employed less than a full year.

During the year tax had been deducted at source from the salary income of 1,803 employees as per the provision of section 50 of Income Tax Ordinance 1984 against their payment.

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June, 2022

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5.13 Share Premium

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

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

5.14 Research Development and Experimental Cost

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

5.15 Earnings per Share (EPS)

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

Basic Earnings per Share (Numerator/Denominator)

Earnings (Numerator)

This represents earnings for the year attributable to Ordinary Shareholders.

No. of Ordinary shares (Denominator)

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

Diluted Earnings per Share

As per the existing term and conditions of the loans taken by the Company from various financial institutions and banks or contracts with various parties including employees, there is no condition related to the conversion of loan into Ordinary Share Capital 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 the same as Basic EPS.

5.16 Foreign Currency Transactions

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date. The monetary assets and liabilities, if any, denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Exchange differences are accounted as revenue expenditure/ income in compliance with the provision of IAS 21: "The Effects of Changes in Foreign Exchange Rates". Due to unfavourable fluctuation of Foreign Currency along with the war in between Russia and Ukraine there arisen a significant impact globally on business. During the year the company incurred foreign currency fluctuation losses which has been duly disclosed in the financial statement for the year ended 30 June 2022.



The ACME Laboratories Ltd.

Notes to the Financial Statements

As at and for the year ended 30 June, 2022

5.17 Triple Bottom Line Practice in ACME

In ACME, we believe that there is more to business than just making a profit. Long-term business success and sustainability rely 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, the well-being of the people and environment are also equally important, hence ACME has adopted the Triple Bottom Line concept as its business philosophy.

5.18 Segmental Reporting

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

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

5.19 Contingent Liabilities and Contingents Asset

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

5.20 Statement of Cash Flows

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

5.21 Events after the Reporting Period

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

5.22 Insurance Claim

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

5.23 Highest and Lowest Equity Share Price at Stock Exchanges

The monthly highest and lowest price of each equity shares of Taka 10 each fully paid up of the company listed at Dhaka and Chittagong stock exchange during the financial year 2021-22 is as under:

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June, 2022

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Trade Name	Date	Dhaka Stock Exchange		Chittagong Stock Exchange	
		Highest Quoted price	Lowest Quoted Price	Highest Quoted price	Lowest Quoted Price
ACMELAB	July 2021	76.70	73.20	76.60	73.00
	August 2021	94.10	76.50	94.00	77.00
	September 2021	107.70	90.60	109.00	90.30
	October 2021	112.30	86.60	113.10	87.30
	November 2021	92.50	83.70	92.70	83.10
	December 2021	88.80	81.60	88.90	81.70
	January 2022	92.90	85.90	93.10	85.70
	February 2022	104.00	89.10	104.30	89.30
	March 2022	92.50	84.20	92.70	83.90
	April 2022	92.00	84.80	92.80	85.00
	May 2022	96.20	85.00	96.00	84.80
	June 2022	89.70	86.70	89.10	87.00

5.24 Grant Income

According to IAS 20, Grant is recognised only when there is reasonable assurance that the entity will comply with any conditions attached to the grant and the grant will be received. A grant relating to assets may be presented as deferred income, or by deducting the grant from the asset's carrying amount. A grant relating to income may be reported separately as 'other income' or deducted from the related expense. During the period under Audit the ACME Laboratories Limited received a portion of an USAID (ACDI/VOCA Work Order No.: J2052-01) fund for an amount of Tk475,936 for promoting Anti-Microbial Resistance (AMR) Solutions and Embracing One Health Concept to Overcome Animal and Human Health Hazard.

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.



The ACME Laboratories Ltd.

Notes to the Financial Statements

As at and for the year ended 30 June, 2022

Management Perception

ACME has a good number of vendors and for each and every ingredient and service, the Company has more than one approved vendor. It uses to conduct vendor audits and its professionals are very conscious and concerned regarding the vendor issue. Further, none of the suppliers' accounts for a 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 exercises prudence in its cash flow management, supported by continued strength in sales and marketing. ACME is very careful in forecasting the prices of ingredients and manages its costs in an effective manner. To maintain an effective rate of return ACME also follow a 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 the exchange rate decreased against local currency opportunities will be created for generating more profit/surplus.

Management Perception

ACME earns some of its revenue in US dollars, thereby creating to built-up auto hedging scope. Besides, in case of significant BDT devaluation, to keep the cost to a 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 the approval of the concerned authorities.

Industry Risk

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

Management Perception

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

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June, 2022

FAMES & R
Chartered Accountants

Impact of Covid-19

In view of the continued uncertainties and its inability to predict the extent and duration of the COVID-19 situation, the Company currently is unable to predict any future impact on its business operations. The Company will continue to ensure the in time supply of essential medicines and take steps to mitigate any risks associated with the COVID-19 pandemic.

Management Perception

The Company continues to closely monitor the impact of COVID 19 pandemic on all aspects of its business including how it has been impacted and will impact its customers, employees, vendors, and other stakeholders.

The Management has exercised proper due care, in concluding on significant accounting judgements and estimates, inter alia, procurement of adequate inventory to ensure smooth supply, recoverability of receivables, based on information available to date, both internal and external, while preparing the financial statements for the year ended 30 June 2022.

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

Management Perception

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

Technology Related Risk

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

Management Perception

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

The ACME Laboratories Ltd.

Notes to the Financial Statements

As at and for the year ended 30 June, 2022

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

Management Perception

Since the product of pharmaceuticals industry is an 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 in the country, it is doing business by following all the rules and regulations of the land. Change in regulations will bring changed strategies for doing the business by the dynamic management of the Company. Besides, many of the patented drugs/molecules will be off patented and it will be an opportunity for the manufacturer to freely manufacture, promote and distribute without any restriction.

Potential Changes in Global and National Policies

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

Management Perception

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

History of Non-operation

The ACME Laboratories Limited started its journey in the year 1954 and converted into a private limited company on 17 March 1976 vide registration no. C-4745/163 of 1975-76 under the Companies Act-1913. Since the commencement of its operation, it has had no history of non-operation till now. The Company is running by a professional team and pursues a continuous full-proof market promotion system, which reduces 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 its obligation. Credit risk information helps users of Financial Statements assess the credit quality of the entity's financial assets and level and sources of impairment loss. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. As at 30 June 2022, a substantial part of the receivables is subject to insignificant credit risk. Risk exposures from other financial assets i.e. cash at the bank and other external receivables are very nominal.

Management Perception

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

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June, 2022

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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 the preparation of the cash flow forecast with due consideration of timeline of payment of the financial obligation and accordingly arrange for sufficient funds 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 the 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) The previous year's figures have been merged/regrouped/reclassified wherever considered necessary to conform to the current year's presentation. Figures have been rounded off to the nearest integer, as the currency represented in this Financial Statements.
- b) All shares are fully paid up.
- c) The company has not incurred any expenditure in foreign currency against royalties.
- d) No foreign exchange was remitted to the relevant shareholders during the year under audit.
- e) No amount of money was expended by the company for compensating any members of the Board for special service rendered.
- f) No brokerage was paid against sales during the year under audit.
- g) There was no bank guarantee issued by the company on behalf of directors.

The ACME Laboratories Ltd.

Notes to the Financial Statements

As at and for the year ended 30 June 2022

Note No.	Particulars	Amount (Tk.) 30-06-2022	Amount (Tk.) 30-06-2021
6.00	Property, Plant and Equipments		
	Details of Property, Plant and Equipment and Depreciation As at 30 June 2022 are shown in the annexed Schedule - A. This is arrived at as follows:		
	Cost	28,557,275,477	26,751,069,734
	Opening Balance (Cost)	26,751,069,734	25,027,820,492
	Add: Addition during the year (Cost)	4,857,712,045	2,379,180,518
	Less: Disposal (Cost)	(7,910,142)	(15,695,957)
	Less: Adjustment for CWIP/MIT	(3,043,596,160)	(640,235,319)
	Revaluation (Note-6.01)	6,072,284,456	6,073,047,857
	Opening Balance (Revaluation)	6,073,047,857	6,058,570,263
	Add: Addition during the year (Revaluation Surplus)	-	15,137,594
	Less: Disposal (Revaluation Surplus)	(763,401)	(660,000)
	Accumulated Depreciation on Cost	8,210,457,825	6,913,612,048
	Opening Balance	6,913,612,048	5,664,008,431
	Add: Addition during the year	1,304,649,147	1,261,319,743
	Less: Disposal	(7,803,370)	(11,716,126)
	Accumulated Depreciation on Revaluation Surplus	936,238,221	889,203,008
	Opening Balance	889,203,008	819,817,951
	Add: Addition during the year	47,798,614	70,471,047
	Less: Disposal	(763,401)	(1,085,990)
	Carrying Value		
	Cost	20,346,817,652	19,837,457,686
	Revaluation Surplus	5,136,046,235	5,183,844,849
	Closing balance	25,482,863,887	25,021,302,535

Details have been shown in Annexure-A

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June 2022

FAMES & R
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Note No.	Particulars	Amount (Tk.) 30-06-2022	Amount (Tk.) 30-06-2021
6.01	Revaluation Surplus		
	Current balance has been arrived as below:		
	M M Rahman & Co. Chartered Accountants, Dhaka, Bangladesh the valuer revalued the Land and Land Development, Building, Machinery & Equipment ,Motor Vehicle, Utilities Electrical Installation & Engineering and Office Equipment as at 30 June 2021 at " Current Cost Accounting Method (CCA)". Due to these revaluation, a net revaluation surplus amounting to Tk. 5,183,844,849 arised on dated 30 June 2021. Details of Revaluation Surplus has been given below:		
	Revaluation Surplus	6,072,284,456	6,073,047,857
	Opening Balance	6,073,047,857	6,058,570,263
	Add: Addition during the year	-	15,137,594
	Less: Adjustment due to Loss on Revaluation	-	-
	Less : Adjustment due to disposal/Discard	(763,401)	(660,000)
	Less: Accumulated depreciation on revaluation & Loss on Disposal	936,238,221	889,203,008
	Opening Balance	889,203,008	819,817,951
	Add: Depreciation charged for the year	47,798,614	70,471,047
	Less: Adjustment due to disposal/Discard	(763,401)	(1,085,990)
	Closing balance	5,136,046,235	5,183,844,849
7.A	Right-of-Use Assets		
	Openings Carrying Value	79,079,936	86,369,645
	Add: Addition during the year	72,060,474	17,578,606
	Less: Depreciation during the year	23,894,953	21,894,320
	Less: Expired/Discontinue of lease	11,128,905	2,973,995
	Closing balance	116,116,552	79,079,936
7.B	Lease Liability		
	Current Lease Liability	22,332,335	14,265,147
	Long term Lease Liability	73,197,775	62,884,633
	Closing balance	95,530,110	77,149,780
8.00	Intangible Assets		
	The Details are as under:		
	Application Software (Note no. 8.01)	940,285	940,285
	Less: Amortization	936,410	924,785
	Accumulated balance till last financial year	924,785	861,535
	Amortized during the year	11,625	41,625
	Closing balance	3,875	15,500

The ACME Laboratories Ltd.

Notes to the Financial Statements

As at and for the year ended 30 June 2022

Note No.	Particulars	Amount (Tk.) 30-06-2022	Amount (Tk.) 30-06-2021
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8.01 Application Software

Details have been given below :

Year of acquisition	Amount (Tk.)	Rate	Amortization			
			Opening balance	During the year	Total	Closing Balance
2000-01	385,285	7.50%	385,285	-	385,285	-
2007-08	400,000	7.50%	400,000	-	400,000	-
2009-10	155,000	7.50%	139,500	11,625	151,125	3,875
Total	940,285		924,785	11,625	936,410	3,875

9.00 Investment in Securities

Public Limited Co.'s Securities (Details are given in Note no. 9.01 below)

32,882,839	35,511,421
32,882,839	35,511,421

9.01 Public Limited Co.'s Securities

Particulars	No. of Equity Shares held	FV	Average cost per unit	Total cost as at 30.06.2022	Market Price as at 30.06.2022	Unrealized gain/(loss)
AB Bank Ltd.	31,393	10	16.6421	522,446	336,282	(186,164)
Eastern Bank Ltd.	31,213	10	18.6935	583,480	1,151,760	568,280
Pioneer Insurance Co. Ltd.	28,962	10	36.2549	1,050,013	2,590,072	1,540,059
Southeast Bank Ltd.	29,545	10	17.0760	504,509	433,248	(71,261)
EXIM Bank Ltd.	28,187	10	9.1010	256,530	310,057	53,527
Square Pharma Ltd.	106,613	10	173.8867	18,538,586	23,241,634	4,703,048
Square Textile Ltd.	262	10	-	-	17,266	17,266
Grameen Phone Ltd.	16,000	10	294.7140	4,715,424	4,801,600	86,176
C & A Textiles Ltd.	92	10	9.4565	870	920	50
				26,171,858	32,882,839	6,710,981
Less: Deferred Tax Liability @10% on Un-realized Gain						671,098
Balance as at 30 June 2022				26,171,858	32,882,839	6,039,883
Comparative year as at 30 June 2021				26,171,858	35,511,421	8,405,607

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June 2022

FAMES & R
Chartered Accountants

Note No.	Particulars	Amount (Tk.) 30-06-2022	Amount (Tk.) 30-06-2021
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10.00 Inventories

This balance is made up of as follows:

Raw Materials	2,230,385,076	1,157,656,749
Packing Materials	1,107,509,885	568,965,127
Work-in-Process	581,931,525	542,765,368
Finished Goods	1,450,565,230	1,225,437,654
Printing & Stationery	16,111,432	17,484,820
Spare & Accessories	426,845,597	359,699,925
Closing balance	5,813,348,745	3,872,009,643

11.00 Trade Receivable

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

Domestic	1,920,180,849	2,048,154,189
Exports	291,368,977	164,825,118
	2,211,549,826	2,212,979,307
Add: Foreign exchange Unrealized Gain	24,806,456	2,641,455
Closing balance	2,236,356,282	2,215,620,762

11.A Trade Receivable: Tk. 2,236,356,282

Ageing of the above receivables are given below:

Particulars	Up to 6 Months		Above 6 Months		Total	
	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021
Domestic	1,919,467,725	2,048,154,189	713,124	-	1,920,180,849	2,048,154,189
Exports	135,461,570	164,825,118	155,907,407	-	291,368,977	164,825,118
					2,211,549,826	2,212,979,307
Add: Foreign exchange Gain/(Loss)					24,806,456	2,641,455
Closing balance					2,236,356,282	2,215,620,762

12.00 Other Receivable

This consists of as follows:

Rent on Investment Property	19,386,000	19,386,000
Interest Receivable (Term Deposit)	392,363	503,898
Dividend Receivable on Marketable Securities	28,187	43,313
	19,806,550	19,933,211

The ACME Laboratories Ltd.

Notes to the Financial Statements

As at and for the year ended 30 June 2022

Note No.	Particulars	Amount (Tk.) 30-06-2022	Amount (Tk.) 30-06-2021
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13.00 Advances, Deposits and Prepayments

The followings items are unsecured but considered good and consists of as follows :

Advances:

Advance to Employees	769,380,811	822,315,013
Advance for API Industrial Park	242,530,528	242,530,528
Advance to Suppliers and Others	1,067,555,757	1,195,432,750
Advance against Land	-	23,450,000

Deposit :

Security Deposit and Earnest Money	114,797,592	128,072,752
Presumptive Tax on Share Premium	13,064,814	13,064,814
VAT Deposit on Stock	579,958,421	613,766,527

Prepayments :

Insurance	14,009,585	13,087,527
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Closing balance

2,801,297,508	3,051,719,911
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14.00 Advance Income Tax

The breakup of the above amount is as under:

Opening Balance as per last A/C	3,154,867,216	2,762,563,924
Adjustment of Current Tax Provision and Advance Income Tax for completed assessment		
For the assessment year 2018-2019	(395,467,733)	-
For the assessment year 2019-2020	(386,533,640)	-
Advance Income Tax Refundable for the assessment year 2019-2020	39,624,392	-

Payment during the year:

AIT collected by Customs and Port Authority	346,795,158	214,461,186
AIT collected by Bank from Export Bills	5,834,732	3,613,979
AIT deducted against supply of Medicines	38,393,171	40,746,326
AIT collected by BRTA Authority	10,585,500	6,218,500
AIT deducted on Bank Interest on FDRs and STD account	464,522	1,674,401
AIT deducted from Cash Incentive	5,460,500	5,438,900
AIT deducted from Dividend Received and others	191,751	150,000

Paid by pay order:

For the assessment year 2018-2019	2,500,000	-
For the assessment year 2021-2022	96,855,790	120,000,000
For the assessment year 2022-2023	200,000,000	-

Closing balance

3,119,571,359	3,154,867,216
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The ACME Laboratories Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June 2022

FAMES & R
Chartered Accountants

Note No.	Particulars	Amount (Tk.) 30-06-2022	Amount (Tk.) 30-06-2021
15.00	Material in Transit		
	Raw Materials	1,639,160,538	872,400,910
	Packing Materials	322,484,774	290,187,609
	Spare Parts	103,943,153	89,807,000
	Closing balance	2,065,588,465	1,252,395,519
16.00	Term Deposit		
	Investment Corporation of Bangladesh (ICB)	-	134,012,364
	Agrani Bank Limited	48,141,777	46,103,953
	Closing balance	48,141,777	180,116,317
17.00	Cash and Cash Equivalents		
	This is made up as follows :		
	Cash in Hand	689,807,243	8 768,812,510
	Cash at BO Account	192,376	2,277,017
	Cash at Bank :	548,908,869	822,760,907
	Closing balance	1,238,908,488	1,593,850,434
18.00	Share Capital		
	This is arrived at as follows :		
18.01	Authorized Capital		
	500,000,000 Ordinary share of Tk. 10 each	5,000,000,000	5,000,000,000
18.02	Issued, Subscribed and Paid - Up Capital:		
	211,601,700 Ordinary Shares @ Tk. 10 each	2,116,017,000	2,116,017,000
		2,116,017,000	2,116,017,000
18.03	The movement in number of Ordinary Shares during the year is as under		
	Opening Balance	211,601,700	211,601,700
	Add: Issued during the year	-	-
	Closing Balance	211,601,700	211,601,700

The ACME Laboratories Ltd.

Notes to the Financial Statements

As at and for the year ended 30 June 2022

Note No.	Particulars	Amount (Tk.) 30-06-2022	Amount (Tk.) 30-06-2021
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18.04 Calculation of Net Asset Value (NAV) per ordinary share of Tk. 10 each:

A Total Equity of the Company	21,690,114,535	20,110,595,026
B Total Number of outstanding ordinary share at the end of the year	211,601,700	211,601,700
C Net Asset Value per Ordinary Share (A/B) rounded of upto two decimal places	102.50	95.04

18.05 History of allotment of Shares by the Company:

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

19.00 Share Premium

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

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

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June 2022

FAMES & R
Chartered Accountants

Note No.	Particulars	Amount (Tk.) 30-06-2022	Amount (Tk.) 30-06-2021
20.00	Retained Earnings		
	Opening balance	7,495,263,601	6,384,509,141
	Add: Addition during the year	2,158,688,097	1,639,758,710
	Net Profit after Tax for the year	2,110,889,483	1,569,226,727
	Adjustment for Depreciation on Revaluation Surplus	47,798,614	70,957,973
	Adjustment for disposal of Motor Vehicle	-	(425,990)
	Less: Adjustment during the year	529,004,250	529,004,250
	Dividend for the year 2020-2021	529,004,250	529,004,250
	Closing balance	9,124,947,448	7,495,263,601
21.00	Long Term Loans - Net off Current Maturity		
	Name of Financial Institution		
	Trust Bank Ltd.	162,636,955	266,336,878
	Dutch Bangla Bank Ltd.	484,725,854	151,026,372
	Eastern Bank Ltd.	218,750,000	343,750,000
	IDLC Finance Ltd.	168,624,219	246,152,050
	Dhaka Bank Limited	66,717,984	128,558,759
	Standard Chartered Bank	392,235,872	532,259,639
	IPDC	399,000,000	462,500,000
	HSBC Term Loan	267,339,732	508,469,749
	Lanka Bangla Finance Ltd.	440,000,000	600,000,000
	Prime Bank Limited	481,996,652	612,722,289
	Mutual Trust Bank Limited	87,528,286	136,326,495
	Bank Asia Limited	887,422,984	1,303,525,056
	United Commercial Bank Ltd.	117,589,444	150,189,213
	Closing balance	4,174,567,982	5,441,816,500
22.00	Provision for Gratuity		
	Opening Balance	500,455,725	361,679,351
	Add: Provision for the year	251,715,996	205,134,632
	Less: Paid during the year	60,420,044	66,358,258
	Closing Balance	691,751,677	500,455,725

**The ACME Laboratories Ltd.****Notes to the Financial Statements**

As at and for the year ended 30 June 2022

Note No.	Particulars	Amount (Tk.) 30-06-2022	Amount (Tk.) 30-06-2021
23.00	Deferred Tax Liability		
	Opening Balance	873,543,287	857,259,010
	Add : Deferred Tax Liability/(Assets) created during the year		
	Increase in Deferred tax liability	72,302,744	50,978,371
	On account of (deductable) /taxable temporary difference for PPE	68,448,314	49,321,625
	On account of (deductable) /taxable temporary difference for unrealized gain on Marketable Securities.	(262,858)	1,174,207
	Deferred Tax of Temporary difference on Lease	4,117,288	482,539
	Creation of Deferred Tax Assets	(38,259,190)	(34,694,094)
	on account of Provision for Gratuity	(38,259,190)	(34,694,094)
	Closing Balance	907,586,841	873,543,287
24.00	Loans & Overdrafts		
	Name of the Bank		
	Dutch Bangla Bank Ltd.	1,351,165,876	864,972,066
	Standard Chartered Bank	1,166,809,001	660,901,998
	Dhaka Bank Ltd.	852,021,239	300,981,065
	HSBC	1,597,153,658	1,589,049,131
	Eastern Bank Ltd.	915,251,008	944,524,427
	Trust Bank Ltd.	678,514,286	323,008,109
	The City Bank Ltd.	826,214,615	18,123,413
	Prime Bank Limited	509,499,567	492,497,098
	Mutual Trust Bank Ltd.	122,335,072	228,908,785
	Agrani Bank Ltd.	170,476,147	720,554,487
	IDLC Finance Ltd.	-	125,000,000
	Meghna Bank Ltd.	27,465,267	342,713,268
	United Commercial Bank Ltd.	8,567,815	469,833,608
	Lanka Bangla Finance Ltd.	-	60,000,000
	Bank Asia Ltd.	510,122,225	-
	Bank Alfalah Ltd.	448,402,126	-
	BRAC Bank Ltd.	199,191,793	-
	Closing Balance	9,383,189,695	7,141,067,455

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June 2022

FAMES & R
Chartered Accountants

Note No.	Particulars	Amount (Tk.) 30-06-2022	Amount (Tk.) 30-06-2021
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25.00 Current Maturity of Long Term Loans

This amount represents current portion of long term loans from Bank & Non-Banking Financial Institutions which are repayable within next 12 months from the balance Sheet date :

Name of Financial Institutions:

Trust Bank Ltd.	125,950,675	352,993,508
IDLC Finance Ltd.	123,740,925	135,282,861
IPDC	183,500,000	218,000,000
Eastern Bank Ltd.	125,000,000	175,000,000
HSBC Term Loan	256,244,038	280,818,129
Standard Chartered Bank	152,285,761	152,285,761
Dhaka Bank Ltd.	39,622,762	56,551,233
Dutch Bangla Bank Ltd.	160,786,842	69,185,772
Lanka Bangla Finance Ltd.	160,000,000	160,000,000
Prime Bank Limited	525,163,616	534,921,270
Mutual Trust Bank Limited	45,912,683	39,229,875
Bank Asia Limited	397,414,569	397,414,569
United Commercial Bank Ltd.	32,599,769	29,810,787
Closing Balance	2,328,221,640	2,601,493,765

26.00 Trade Payables

Trade Creditors	448,995,103	350,249,816
Closing Balance	448,995,103	350,249,816

27.00 Provision for Income Tax

Opening Balance	2,855,903,656	2,366,744,574
Add: Provision during the year	547,940,829	489,159,082
Less: Adjustment of current Tax Provision and Advance Income Tax for completed assessment		-
For the assessment year 2018-2019	395,467,733	-
For the assessment year 2019-2020	346,909,248	-
Closing Balance	2,661,467,504	2,855,903,656

27.A Income Tax Provision during the year

Provision made during the year	547,940,829	489,159,082
Closing Balance	547,940,829	489,159,082

The ACME Laboratories Ltd.

Notes to the Financial Statements

As at and for the year ended 30 June 2022

Note No.	Particulars	Amount (Tk.) 30-06-2022	Amount (Tk.) 30-06-2021
28.00	Liability for Expenses and Others		
	Salary & Allowances	21,134,727	10,018,199
	Power & Electricity	2,308,671	2,706,486
	Postage & Telephone	612,581	493,566
	Gas Bill	28,138,124	16,185,121
	Audit Fee	550,000	550,000
	WASA Bill	133,022	106,898
	Workers Profit Participation Fund (WPPF) and Workers Welfare Fund (WWF) 28.A	188,780,053	167,695,172
	Non Current Assets Valuation fee	-	747,500
	Advance against Export Sales	14,458,227	8,328,584
	Interest on WPPF and WWF	16,480,465	12,337,301
	VAT Payable	245,192,710	231,231,612
	Other Expenses and TDS & VDS	71,295,287	66,514,098
	Closing balance	589,083,867	516,914,537

28.A Workers Profit Participation Fund (WPPF) and Workers Welfare Fund (WWF)

The company makes a regular allocation of 5% on net profit before tax to this funds and payment is made to the workers as per provisions of Labor Law 2006 as amended in 2013.

Opening Balance	167,695,172	153,094,827
Add: Addition for the year	134,656,836	103,674,794
Less: Payment during the year	113,571,955	89,074,449
Closing Balance	188,780,053	167,695,172

29.00 Dividend Payable

The Board of Directors proposed 25% cash dividend of Tk. 529,004,250 for the year 2020-2021 which was duly approved in the 45th AGM by the shareholders . The details are stated below:

Opening Balance	7,232,858	6,735,643
Add: Final dividend declared for the year 2020-2021 (Gross)	529,004,250	529,004,250
Less: Dividend paid to Shareholders	527,464,310	528,507,035
Less: Unclaimed Dividend Transferred to Capital Market Stabilization Fund (Note-29.B)	4,395,425	-
Dividend Payable	4,377,373	7,232,858

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June 2022

FAMES & R
Chartered Accountants

Note No.	Particulars	Amount (Tk.) 30-06-2022	Amount (Tk.) 30-06-2021
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29.A Dividend payable

As per BSEC Directive no.BSEC/CMRRCD/2021-386/03 dated 14th January, 2021 Dividend payable not more than 03 years are as follows:

S.L	Financial Year	Dividend	% of Dividend	No. of BO	Date of AGM	Dividend Payable (Tk.)
1	2018-2019	Cash	35%	1,580	12.12.2019	1,436,906
2	2019-2020	Cash	25%	1,527	10.12.2020	1,052,343
3	2020-2021	Cash	25%	1,286	26.12.2021	1,888,124

4,377,373

Less: Unclaimed Dividend during the year

Dividend payable as at 30 June 2022

4,377,373

Dividend payable as at 30 June 2021

3,577,404

29.B Unclaimed Dividend Account

Referring to the BSEC Directive no.BSEC/CMRRCD/2021-386/03 dated 14th January, 2021 Unclaimed dividend of more than 03 years is as under:

S.L	Financial Year	Dividend	% of Dividend	No. of BO	Date of AGM	Unclaimed Dividend (Tk.)
1	2015-2016	Cash	35%	4,557	07.11.2016	2,416,940
2	2016-2017	Cash	35%	1,888	04.12.2017	1,238,514
3	2017-2018	Cash	33%	1,116	06.12.2018	739,970

4,395,425

Less: Unclaimed Dividend Transferred to Capital Market Stabilization Fund (CMSF)

Unclaimed Dividend as at 30 June 2022

4,395,425

Unclaimed Dividend as at 30 June 2021

3,655,454



The ACME Laboratories Ltd.

Notes to the Financial Statements

As at & for the year ended 30 June 2022

Note No.	Particulars	Amount in Taka	
		July 2021 to June 2022	July 2020 to June 2021
30.00	Revenue		
	This is made up as follows:		
	Gross Turnover		
	Domestic		
	Own Products	26,200,924,344	23,005,701,449
	Manufactured by Others	65,015,600	48,704,288
		26,265,939,944	23,054,405,737
	Export		
	Own Products	1,285,419,993	772,534,570
		1,285,419,993	772,534,570
	Others		
	Toll Manufacturing Charge	726,262	294,888
		726,262	294,888
	Total Gross Turnover	27,552,086,199	23,827,235,195
	Less: VAT	3,693,673,865	3,057,095,099
	Net Turnover	23,858,412,334	20,770,140,096

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at & for the year ended 30 June 2022

FAMES & R
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The Summarized Sales and Production Quantities are as follows:

Quantity in Thousand

Name of Category	Unit	Opening Balance	Production/ Purchase	Sales Consumption	Closing Balance
Human					
Tablet	Pcs	222,539	4,672,311	4,587,961	306,888.66
Capsule	Tube	27,843	622,466	618,070	32,239.04
Liquid/Handrub/Sanitizer	Bottles	6,383	74,970	73,126	8,227.86
Dry Syrup/Powder	Phials	1,546	13,994	14,158	1,381.77
Ointment/Gel	Pcs	400	3,276	3,270	405.50
Cream	Bottles	1,454	8,440	8,885	1,009.10
Suppository	Tube	2,240	43,010	42,339	2,911.27
Inhaler (DPI)	Pcs	4,912	59,371	57,397	6,885.99
Inhaler (MDI)	Pcs	230	1,940	1,978	192.40
Eye/Ear/Nasal Drop	Cans	2,213	13,856	14,250	1,818.69
Injection (Vial & Amps)	Pcs	2,650	46,068	46,039	2,678.99
Infusion	Pcs	1,549	4,798	5,172	1,174.72
Sachet/Premix	Bottles	1,096	33,523	34,009	609.82
Veterinary					
Bolus	Pcs	19,112	348,960	342,911	25,160.62
Liquid	Kg	1,479	11,684	11,250	1,913.15
Premix	Pcs	7,388	40,178	41,648	5,917.51
WSP	Pcs	1,013	15,148	14,851	1,309.88
Injection	Vial	2,236	13,859	14,197	1,897.16
Herbal & Ayurvedic					
Capsule	Pcs	433	11,233	11,231	445.59
Liquid	Pcs	1,085	13,064	13,052	1,096.08
Tablet	Pcs	1,219	23,069	23,063	1,224.84
Others					
Syringe	Pcs	35	-	35	-
Fish Feed	Kg	3	-	3	-
Vaporizer	Pcs	13	-	13	-

The ACME Laboratories Ltd.

Notes to the Financial Statements

As at & for the year ended 30 June 2022

Note No.	Particulars	Amount in Taka	
		July 2021 to June 2022	July 2020 to June 2021
31.00	Cost of Goods Sold		
	This is arrived at as follows :		
	Raw Materials Consumed (Refer Note 31.a)	7,482,231,198	6,461,012,007
	Packing Materials Consumed (Refer Note 31.b)	3,581,560,234	3,107,272,054
	Work in Process (Opening)	542,765,368	475,525,865
	Work in Process (Closing)	(581,931,525)	(542,765,368)
	Material Consumption during the period	11,024,625,275	9,501,044,558
	Factory Overhead (Refer Note 31.c)	3,529,535,421	3,231,361,410
	Cost of Production	14,554,160,696	12,732,405,968
	Purchase of Finished Goods	65,015,600	48,704,288
	Opening Stock of Finished Goods	1,225,437,654	1,164,145,968
	Finished Goods Available	15,844,613,950	13,945,256,224
	Closing Stock of Finished Goods	(1,450,565,230)	(1,225,437,654)
	Cost of Goods Sold	14,394,048,720	12,719,818,570

31.A Raw Materials Consumed

This is arrived at as follows :

Opening Stock of Raw Materials	1,157,656,749	1,324,987,587
Purchase during the year	8,554,959,525	6,293,681,169
Closing Stock of Raw Materials	(2,230,385,076)	(1,157,656,749)
Raw Material Consumed	7,482,231,198	6,461,012,007

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

Particulars	Quantity (Pcs)	Quantity (kg)		Quantity (Liter)		Quantity (Pcs)	
	Cap Shell	Active	Excepients	Active	Excepients	Active	Excepients
Opening Balance	230,125,487	2,481,756	1,258,125	912	18,542	7,000	693,218
Purchase	638,126,069	7,349,612	7,921,474	5,436	85,306	9,103,499	390,365
Available for use	868,251,556	9,831,368	9,179,599	6,348	103,848	9,110,499	1,083,583
Closing Balance	233,106,431	2,617,836	1,287,123	2,212	24,413	1,256,450	845,125
Consumption	635,145,125	7,213,532	7,892,476	4,136	79,435	7,854,049	238,458

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at & for the year ended 30 June 2022

FAMES & R
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Note No.	Particulars	Amount in Taka	
		July 2021 to June 2022	July 2020 to June 2021

31.B Packing Materials Consumed

This is arrived at as follows :

Opening Stock of Packing Materials	568,965,127	550,467,658
Purchase during the year	4,120,104,992	3,125,769,523
Closing Stock of Packing Materials	(1,107,509,885)	(568,965,127)
	3,581,560,234	3,107,272,054

The Total Quantity of Packing Materials are as under:

Qty in Thousand

Name of Category	Unit	Opening Balance	Purchase	Consumption	Closing Balance
Bottle	Pcs	17,311	101,975	101,376	17,910
Carton	Pcs	39,562	185,846	182,654	42,755
Plastic Item	Pcs	22,756	212,962	208,452	27,265
Cap	Pcs	17,762	130,739	128,869	19,633
Catch Cover	Pcs	15,967	42,590	40,813	17,744
Inner Leaflet	Pcs	29,597	173,248	160,535	42,310
Label	Pcs	5,440	81,171	80,340	6,270
Shipping Box Label	Pcs	5,462	12,265	10,721	7,006
PVC/PVDC	kgs	238	1,606	1,063	782
Shipping Box	Pcs	921	12,686	12,364	1,243
Tube	Pcs	2,903	12,521	12,277	3,146
Al. Foil- Blister	Kgs	97	263	227	132
Al. Foil- Strip	Kgs	358	800	787	371
Inner Board	Pcs	627	1,655	1,631	651
Vial and Ampoule	Pcs	21,637	66,145	62,551	25,231
Sticker Label	Pcs	30,223	112,393	108,264	34,352

The ACME Laboratories Ltd.

Notes to the Financial Statements

As at & for the year ended 30 June 2022

Note No.	Particulars	Amount in Taka	
		July 2021 to June 2022	July 2020 to June 2021
31.C	Factory Overhead		
	This is made up as follows :		
	Salary & Daily Wages	1,312,819,605	1,085,564,349
	Gratuity	56,268,863	57,137,163
	Group Insurance Premium	2,704,275	2,091,508
	Postage & Telephone	5,245,725	4,055,207
	Fuel & Electricity	352,185,036	424,592,291
	Conveyance	1,954,975	5,991,291
	Company's Contribution to RPF	30,457,868	25,916,707
	Gas Bill	221,876,749	176,008,591
	Factory Staff Uniform	7,055,891	4,958,092
	Carriage Inward	9,458,178	6,394,195
	Repairs & Maintenance	113,277,232	87,335,649
	Medical Expenses	44,709	663,083
	Insurance	21,858,136	19,090,830
	Fees, Renewal and Taxes	2,000,000	2,000,000
	Printing & Stationery & Others	50,228,217	42,242,418
	Research, Analysis & Product Development	13,930,186	9,333,783
	Welfare & Recreation	9,005,585	6,780,007
	Entertainment	28,582,061	21,509,751
	Canteen Expenses	37,123,164	30,459,588
	Spare Parts	115,780,092	96,830,556
	Travelling	1,622,755	3,702,088
	Depreciation	1,136,056,119	1,118,704,263
	Total	3,529,535,421	3,231,361,410
32.00	Other Income		
	This is made up as follows :		
	Income/(Loss) from sale of Motor Vehicle	1,308,229	179,234
	Interest on STD and SND Account	197,034	1,206,428
	Translation Gain/(loss) for foreign currency fluctuation	(9,144,445)	2,641,455
	Settlement Gain/(loss) for foreign currency fluctuation	(82,788,127)	15,983,004
	Interest on Term Deposit	4,336,659	15,741,322
	Dividend Income on marketable securities	1,194,030	1,062,916
	Cash incentive received against export sales	54,605,000	100,167,000
	Grant Received	475,936	-
	Sale of Scrap	12,234,026	-
	Total	(17,581,658)	136,981,358

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at & for the year ended 30 June 2022

FAMES & R
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Note No.	Particulars	Amount in Taka	
		July 2021 to June 2022	July 2020 to June 2021
33.00	Selling, Marketing and Distribution Expenses		
	This is made up as follows :		
	Salary, Daily Wages, TA/DA, Travelling Kits & Others	2,912,149,904	2,311,762,411
	Gratuity	163,705,566	122,438,744
	Company's Contribution to RPF	83,804,985	77,379,283
	Electricity & WASA, Gas	17,483,646	12,883,324
	Postage & Telephone	45,317,713	45,470,243
	Fuel for Generator	1,732,123	1,177,763
	Vehicle Expenses	115,654,551	86,263,753
	Printing, Stationery & Others	53,495,284	44,477,422
	Carriage Outward	161,540,731	96,842,030
	Seminar & Conference	24,899,991	15,316,441
	Medical Expenses	1,032,875	494,251
	Sales Promotion Expenses	132,796,032	179,720,169
	New Products Induction Expenses	494,856	2,809,558
	Group & Health Insurance Premium	6,084,633	4,965,298
	Export Expenses	65,005,210	37,170,912
	Welfare & Recreation	2,872,142	2,782,976
	Free Sample	122,331,004	104,751,172
	Insurance	11,219,837	8,327,610
	Fees & Renewals	18,401,173	23,758,671
	Repair & Maintenance	39,903,867	32,925,956
	Entertainment	56,803,204	53,241,808
	Advertisement	6,196,006	3,073,507
	Depreciation of Right-of-Use Assets (As per IFRS 16-Ref Note 7.A)	23,894,953	21,894,320
	Adjustment due to discontinuation of Lease rental	1,376,558	3,522,851
	Depreciation	111,576,941	109,872,740
	Total	4,179,773,785	3,403,323,211

The ACME Laboratories Ltd.

Notes to the Financial Statements

As at & for the year ended 30 June 2022

Note No.	Particulars	Amount in Taka	
		July 2021 to June 2022	July 2020 to June 2021
34.00	Administrative Expenses		
	This is made up as follows :		
	Directors Remuneration	45,600,000	45,600,000
	Salary & Daily Wages	673,663,203	558,322,113
	Directors Sitting Fees	2,530,000	2,933,333
	Group & Health Insurance Premium	2,210,043	1,089,466
	Postage & Telephone	5,936,690	5,262,232
	Electricity ,Gas & WASA	21,225,683	19,480,638
	Fuel for Generator & Vehicle	9,877,614	9,540,145
	Conveyance	2,183,174	2,112,458
	Refreshment Expenses	14,027,430	6,809,718
	Office General Expenses	9,186,137	9,965,274
	Vehicle Expenses	15,278,644	14,783,631
	Advertisement for Recruitment & Others	4,268,901	3,216,359
	Printing, Stationery & Others	7,967,368	8,570,458
	Intangible Assets Amortization	11,625	21,625
	Newspaper & Periodicals	15,177	641,036
	AGM Expenses	1,264,492	1,029,195
	Expenses for Legal Procedure	2,075,516	2,998,750
	Gratuity	31,741,567	25,558,725
	Company's Contribution to RPF	11,892,227	10,452,310
	Professional Fee	14,537,551	14,764,000
	Audit Fees	550,000	550,000
	Medicine Expenses	5,961,198	1,729,737
	Uniform and Liveries	899,289	1,074,922
	Travelling Expenses	6,873,867	6,729,408
	Repair and Maintenance	23,629,324	18,979,505
	Insurance	857,304	855,346
	Municipal Tax	3,726,162	3,726,162
	Fees and Renewals	13,601,440	12,171,519
	Welfare and Recreation	10,210,094	6,713,746
	Contribution to CSR Activities	321,659	1,237,190
	Product Registration (USFDA) & Others	83,101,826	98,302,346
	Depreciation	104,814,701	103,213,787
	Total	1,130,039,906	998,435,133

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at & for the year ended 30 June 2022

FAMES & R
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Note No.	Particulars	Amount in Taka	
		July 2021 to June 2022	July 2020 to June 2021

35.00 Financial Expenses

This is made up as follows :

Interest on Cash Credit	88,018,175	191,352,658
Interest on Overdraft	70,302,327	164,256,815
Interest on MTL & LTR	69,820,367	45,133,423
Interest on Revolving & STL	424,695,861	392,233,191
Interest on Lease Finance	151,412,557	196,552,327
Interest on Term Loan	400,669,713	494,477,426
Interest on Accepted Import Loan	81,370,092	94,166,933
Interest on WPPF & WWF	4,143,344	6,846,683
Interest on Lease Liability (For right-of-use assets as per IFRS 16)	6,764,563	6,976,999
Bank Charge	11,977,706	16,377,412
Total	1,309,174,705	1,608,373,867

36.00 Contribution to Workers Profit Participation Fund and Welfare Fund

This represent 5% of net profit before tax after charging contribution as per provision of section 15 of Bangladesh Labor Law 2006

Contribution to WPPF and Welfare Fund	134,656,836	103,674,794
	134,656,836	103,674,794

37.00 Income Tax Expenses

This is arrived at as follows :

A Current Tax Expenses

Current Tax for the year under review	547,940,829	489,159,082
	547,940,829	489,159,082

B Deferred Tax Expenses/(Income)

Deferred Tax Expenses/(Income)	34,306,412	15,110,070
	34,306,412	15,110,070

Total	582,247,241	504,269,152
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The ACME Laboratories Ltd.

Notes to the Financial Statements

As at & for the year ended 30 June 2022

Note No.	Particulars	Amount in Taka	
		July 2021 to June 2022	July 2020 to June 2021
38.00	Basic/Diluted Earning Per Share (EPS): Tk 9.98		
	The computation is given below :		
	Net Profit After Tax for the year	2,110,889,483	1,569,226,727
	Weighted average number of shares outstanding during the year (38.02)	211,601,700	211,601,700
	Basic Earnings Per Share	9.98	7.42
	Diluted Earnings Per Share	9.98	7.42
	Refer Policy notes 5.15		
38.01	Number of Ordinary Shares Outstanding		
	211,601,700 Ordinary Shares @ Tk.10/- each.	211,601,700	211,601,700
38.02	Weighted Average Number of Ordinary Shares		
	211,601,700 Ordinary Shares @ Tk.10/- each.	211,601,700	211,601,700
39.00	Net Operating Cash Flows Per Share		
	Net cash generated from operating activities	1,136,087,316	2,691,970,119
	Weighted average number of shares outstanding during the year	211,601,700	211,601,700
	Net Operating Cash Flows Per Share	5.37	12.72
	Due to increase of inventory and Material in Transit along with the increase of Income Tax Payment, the resultant Net Operating Cash Flows per Share during the year has been decreased comparing to the previous year.		
40.00	Reconciliation of Net Income or Net Profit with Cash Flows from Operating Activities-Indirect Method		
	Net Profit after Tax	2,110,889,483	1,569,226,727
	Add: Non Cash Items	1,385,476,370	1,354,813,229
	Less: Net Increase/Decrease in Current Asset	2,562,096,508	921,441,733
	Add: Net Increase/Decrease in Current Liabilities	167,774,417	673,087,619
	Add: Deferred Tax Liability (Created during the year)	34,043,554	16,284,277
	Net cash generated from operating activities-In Direct Method	1,136,087,316	2,691,970,119
	Net cash generated from operating activities-Direct Method	1,136,087,316	2,691,970,119

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at & for the year ended 30 June 2022

FAMES & R
Chartered Accountants

41.00 Related Party Disclosures

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

Name of the company	Relationship	Nature of Transaction	2021-2022		2020-2021	
			Value of transaction during the year	Balance as at 30 June, 2022	Value of transaction during the year	Balance as at 30 June, 2021
Sinha Printers Ltd.	Common Director	Local Supply Received	1,345,800,144	(409,899,362)	794,955,397	(334,360,298)
		Provide Services & Others	-	-	-	-
ACMUNIO Int. Ltd.	Common Director	Advance	10,000,000	86,479,473	-	96,479,473
		Rent on Investment Property	-	19,386,000	-	19,386,000
The ACME Agrovet & Beverages Ltd.	Common Director	Local Supply Received	386,410,023	91,501,956	25,585,545	-
Kalyar Packaging Ltd.	Common Director	Local Supply Received	236,342,801	78,149,958	-	35,705,370
Kalyar Replica Ltd.	Common Director	Local Supply Received	84,125,976	6,976,513	-	1,281,954
ACME Consumer Ltd.	Common Director	Local Supply Received	12,203,340	(2,921,597)	-	-

The ACME Laboratories Ltd.

Notes to the Financial Statements

As at & for the year ended 30 June 2022

Note No.	Particulars	Amount in Taka	
		July 2021 to June 2022	July 2020 to June 2021

42.00 Details regarding disposal of Motor Vehicle:

Particulars	Cost/Revaluation (Tk.)		Acc. Depreciation		Carrying Value (Tk.)		Sales Price (Tk.)	Disposition of total Gain/(Loss)		
	Cost	Revaluation Surplus	Cost	Revaluation Surplus	Cost	Revaluation Surplus		Charged to P/L (Tk.)	Charged to Equity (Tk.)	Total (Tk.) for the year 2021-2022
DHAKA-METRO-GA-35-4595	1,709,320	-	1,602,548	127,525	106,772	-	200,000	93,228	-	93,228
DHAKA METRO-GA-21-1107	1,296,065	143,651	1,296,065	136,512	-	-	200,000	200,000	-	200,000
DHAKA METRO-JHA-11-0125	479,750	479,750	479,750	-	-	-	210,000	210,000	-	210,000
DHAKA METRO-CHA-51-4848	1,350,000	-	1,350,000	97,508	-	-	380,000	380,000	-	380,000
DHAKA-METRO-GA-23-4448	1,271,000	140,000	1,271,000	117,519	-	-	200,001	200,001	-	200,001
DHAKA METRO CHA-53-5790	1,804,007	-	1,804,007	-	-	-	225,000	225,000	-	225,000
Total	7,910,142	763,401	7,803,370	763,401	106,772	-	1,415,001	1,308,229	-	1,308,229

43.00 Directors Remuneration and Sitting Allowance

Directors remuneration (Including MD's Remuneration for CY/PY amounting to Tk. 12,000,000)

45,600,000 45,600,000

Directors Sitting fees (Including MD's Sitting Allowance for CY Tk. 172,500/PY Tk. 287,500)

2,530,000 2,933,333

48,130,000 48,533,333

44.00 Audit Fees

550,000 550,000

550,000 550,000

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at & for the year ended 30 June 2022

FAMES & R
Chartered Accountants

45.00 Contingent Liability

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

SL No.	Writ No.	Value in Taka	Reason	Expiry Date/Result
1	8650/2008	Non-monitory	Medicine supply to ICDDR,B as Exempted	Valid up to disposal of hearing
2	785/2009	13,097,829	Rebate for exempted medicine	Valid up to disposal of hearing
3	3948/2004	2,730,765	Rebate cancel	Disfavor of our company and further leave to appeal no.1569
4	14250/2016	Non-monitory	Re-initiation and reopening of audit proceedings	Valid up to disposal of hearing
5	4478/2002	665,525	Difference in rate of custom duty with the department.	Verdict has already been given by the Honourable High Court Division but formal demand yet to receive from concern authority.
6	5196/2015	249,018,448	Premix supply as VAT exemted but VAT authority claim to impose VAT at mfg. Stg.	Valid up to disposal of hearing
7	2477/2015	4,000,000	The Writ against penalty in connection with Audit claim after adjustment Tk.7,711,245.36	Valid up to disposal of hearing
Total		269,512,567		

The ACME Laboratories Ltd.

Notes to the Financial Statements

As at & for the year ended 30 June 2022

46.00 Un Expired Bank Guarantees

Details of Unexpired Bank Guarantees of Tk. 101,473,252 (as at 30 June 2021 the amount was Tk. 73,762,873) given in the normal course of business on behalf of the company to various parties as at 30 June 2022 are as follows -

SL No.	Name of Bank	Date of Expiry	Amount in BDT
1	Trust Bank Ltd.	15.05.2026	12,401,250
2	Trust Bank Ltd.	15.05.2026	316,050
3	Trust Bank Ltd.	15.05.2026	2,320,400
4	Trust Bank Ltd.	15.05.2026	252,700
5	Trust Bank Ltd.	22.10.2026	1,093,820
6	Trust Bank Ltd.	30.10.2022	292,800
7	Trust Bank Ltd.	30.10.2022	699,400
8	Trust Bank Ltd.	30.10.2022	2,492,100
9	Trust Bank Ltd.	30.10.2022	366,300
10	Dutch Bangla Bank Ltd.	17.10.2026	249,800
11	Dutch Bangla Bank Ltd.	17.10.2026	180,900
12	Dutch Bangla Bank Ltd.	25.05.2027	766,350
13	Dutch Bangla Bank Ltd.	25.05.2027	164,680
14	Agrani Bank Ltd.	11.09.2023	1,547,350
15	Trust Bank Ltd.	31.08.2024	1,251,880
16	Trust Bank Ltd.	31.08.2024	1,940,420
17	Trust Bank Ltd.	31.08.2024	1,055,700
18	Trust Bank Ltd.	31.08.2024	8,366,400
19	Trust Bank Ltd.	29.04.2024	4,133,850
20	Trust Bank Ltd.	29.04.2024	701,550
21	Trust Bank Ltd.	31.07.2022	16,296,718
22	Trust Bank Ltd.	29.06.2023	4,888,380
23	Trust Bank Ltd.	31.01.2024	16,189,710
24	Trust Bank Ltd.	31.07.2022	800,000
25	Trust Bank Ltd.	10.03.2023	4,077,075
26	Trust Bank Ltd.	24.03.2023	4,089,813
27	Trust Bank Ltd.	23.10.2023	2,192,520
28	Trust Bank Ltd.	26.05.2023	4,234,169
29	Trust Bank Ltd.	29.06.2023	8,111,167
Total			101,473,252

47.00 Claim not acknowledge as debts

There is no claim against the company which have not been acknowledged as debt as at 30 June 2022.

The ACME Laboratories Ltd.
Notes to the Financial Statements
As at & for the year ended 30 June 2022

FAMES & R
Chartered Accountants

48.00 Production Capacity and Utilization

(Quantity in Thousand)

Name of Category	Unit	Production Capacity		Actual Production			
		2021-2022	2020-2021	2021-2022	%	2020-2021	%
Human							
Tablet	Pcs	8,476,895	8,476,895	4,672,311	55.12	4,531,425	53.46
Capsule	Pcs	764,893	764,893	622,466	76.11	563,805	73.71
Liquid	Bottle	90,180	90,180	74,970	83.13	72,532	80.43
Dry Syrup	Bottle	20,005	20,005	13,994	60.05	12,847	64.22
Ointment	Tube	7,013	7,013	3,276	46.71	3,226	46.00
Cream	Tube	19,000	19,000	8,440	44.42	8,433	44.39
Suppository	Pcs	51,866	51,866	43,010	82.92	43,899	84.64
Inhaler (DPI)	Cans	118,306	118,306	59,371	41.24	51,640	43.65
Inhaler (MDI)	Canist.	3,095	3,095	1,940	57.74	1,905	61.55
Eye/Ear/Nasal Drop	Phials	23,031	23,031	13,856	50.57	13,639	59.22
Injection (Vial & Amps)	Pcs	90,488	90,488	46,068	50.91	45,834	50.65
Infusion	Pcs	6,408	6,408	4,798	74.87	4,901	76.49
Sachet	Pcs	51,062	51,062	33,523	48.55	17,584	34.44
Veterinary							
Bolus	Pcs	685,496	685,496	348,960	50.91	344,369	50.24
Liquid	Pcs	25,995	25,995	11,684	44.95	11,181	43.01
Premix	Pcs	93,166	93,166	40,178	43.12	40,360	43.32
WSP	Pcs	46,635	46,635	15,148	24.01	15,000	32.16
Injection	Vial	15,741	15,741	13,859	53.41	13,738	87.28
Herbal & Ayurvedic							
Capsule	Pcs	32,260	32,260	11,233	23.43	10,740	33.29
Liquid	Pcs	15,846	15,846	13,064	65.94	12,935	81.63
Tablet	Pcs	74,135	74,135	23,069	31.12	22,740	30.67

49.00 VAT Return and Auditing status as at 30.06.2022

The Company deposits VAT & filing VAT returns on monthly basis with the concern authority. The authority has conducted and completed their audit up to the financial year 2014-15 and there was a demand of Tk. 3,202,628. Due to change of commissioner, new commissioner issued a letter to the company in respect of conducting re-audit for the financial year 2014-15. However, the company has filed a Writ petition with High Court Division of the Honorable Supreme Court of Bangladesh regarding the issue of re Audit for the financial year 2014-15. But decision is yet to come in this regard. Further, the audit for the financial year 2015-16 to 2019-20 have been completed by the Audit, Intelligence and Investigation Directorate, Value Added Tax, Dhaka on September 2022, final settlement of which to be settled by the respective Commissioner/Division.

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

Affix
Revenue Stamp
Tk.20.00

FORM OF PROXY

I/We -----

of-----

being a member of The ACME Laboratories Ltd. hereby appoint

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

of----- as my /our proxy to attend, vote for my / our behalf at the **46th Annual General Meeting** of the Company to be held on Tuesday, 20th day of December, 2022 at 11:30 a.m. through Digital Platform (in pursuant to the Bangladesh Securities and Exchange Commission's order no. SEC/SRMIC/94-231/91; dated: 31 March 2021) and at any adjournment thereof.

As witness my hand this-----Day of December 20, 2022

Signature of Member

Signature of Proxy

BO ID of Member

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মহযোগী অংশীদারিত্ব চুক্তি স্বাক্ষর

(Signing of Collaborative Partnership Agreement)



ACME এবং USAID এর সহযোগিতায় ফিড দি ফিউচার বাংলাদেশ লাইভস্টক অ্যান্ড নিউট্রিশন অ্যাক্টিভিটি, ACIDI/VOCA-এর মধ্যে “অ্যান্টি-মাইক্রোবিয়াল ঔষধের মাত্রাতিরিক্ত ও অপব্যবহার রোধ করার পাশপাশি ‘One Health’ ধারণা বাস্তবায়নের মাধ্যমে মানুষ ও প্রাণির স্বাস্থ্যঝুঁকি এবং পরিবেশের বিপর্যয় হ্রাস” শীর্ষক সহযোগী অংশীদারিত্ব চুক্তি স্বাক্ষর

টেকসই গবাদি পশুপালন ও স্বাস্থ্যঝুঁকি মোকাবেলায় গত ০৫ জুন, ২০২২ ইং তারিখে ACME-এর পক্ষে অতিরিক্ত উপ-ব্যবস্থাপনা পরিচালক জনাব মোঃ হাসিবুর রহমান এবং ACIDI/VOCA-এর পক্ষে প্রতিনিধি দলের প্রধান জনাব মুহাম্মদ নুরুল আমিন সিদ্দিকী ACME-এর কর্পোরেট অফিসে তাঁদের প্রতিনিধি দলের উপস্থিতিতে একটি চুক্তি স্বাক্ষর করেন। উক্ত চুক্তিটি গবাদি পশুতে অ্যান্টি-মাইক্রোবিয়াল রেজিস্ট্যান্স (AMR) হ্রাস করার পাশপাশি ‘One Health’ ধারণা বাস্তবায়নের মাধ্যমে মানুষ ও প্রাণির স্বাস্থ্যঝুঁকি এবং পরিবেশের বিপর্যয় হ্রাস এবং মানসম্পন্ন নিরাপদ খাদ্য উৎপাদন নিশ্চিত করবে। এটি ACME-এর কর্মীদের নিয়মিত দায়িত্ব পালনের মাধ্যমে গবাদি পশুর স্বাস্থ্যসেবা প্রদানকারীদের প্রযুক্তিগত সক্ষমতা এবং দক্ষতা বাড়ানোর জন্য সহায়ক হবে যার সরাসরি উপকারভোগী হবেন গবাদি পশুর খামারী, ভোক্তাবৃন্দ ও দেশের সার্বিক পরিবেশ।



Antimicrobial Resistance (AMR)



The Silent Killer



The ACME Laboratories Ltd.
For Health, Vigour and Happiness

ISO 9001:2015 CERTIFIED COMPANY

 www.acmeglobal.com

Corporate Office

Court de la ACME
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