

# ANNUAL REPORT

2022-2023



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**ACME**

# Annual Report 2022-2023



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Annual Report 2022-2023  
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**ACME**

For Health, Vigour and Happiness

*Serving the  
nations since 1954...*

# Our Visionary Leaders

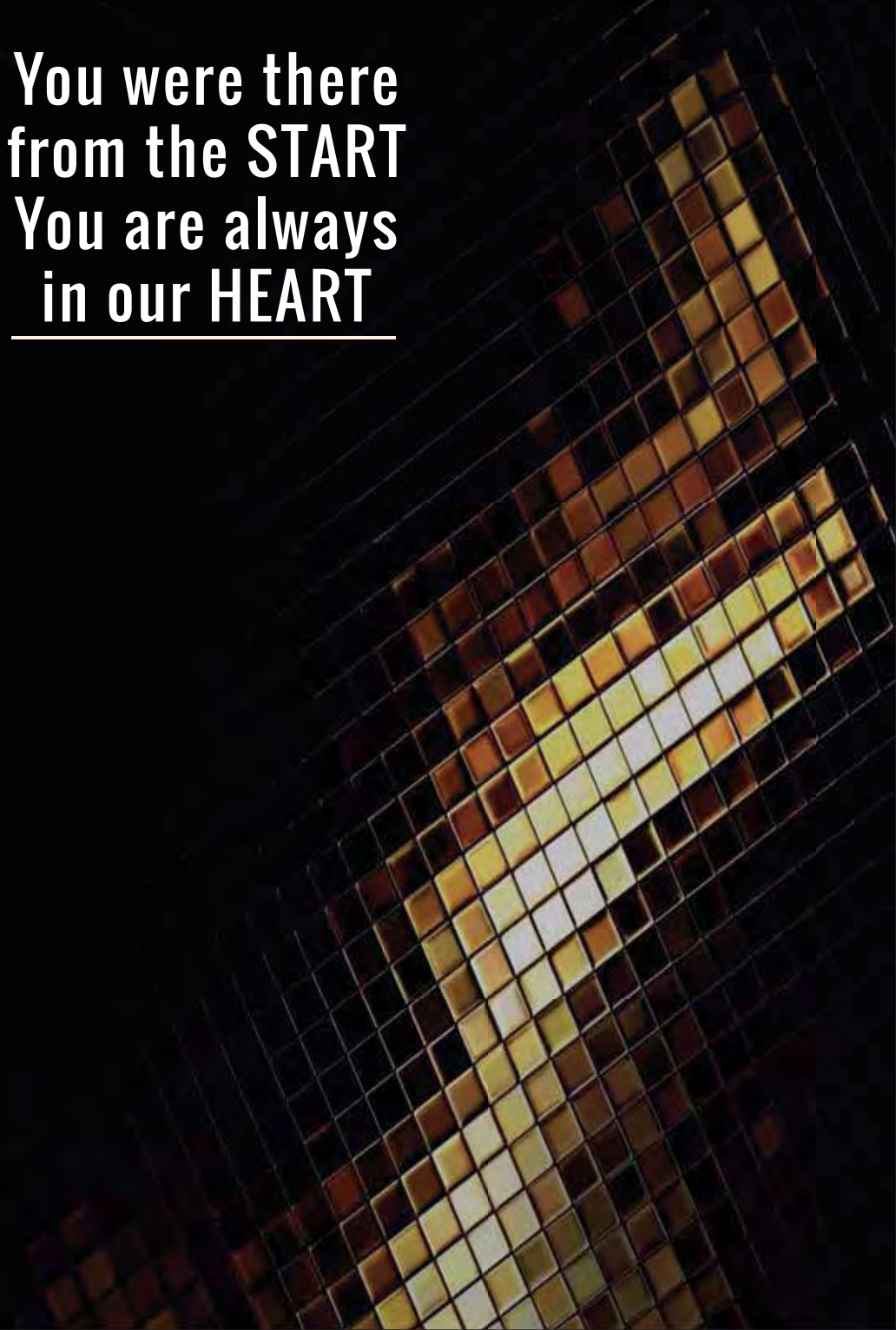


Hamidur Rahman Sinha



Noor Jahan Sinha

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





Our Former Chairmen

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# Transmittal Letter

26 November 2023

**The Members**

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

**Subject: Annual Report for the year ended 30 June 2023.**

Dear Sir(s),

Greetings from The ACME Laboratories Ltd.

We are pleased to enclose a copy of the Annual Report 2022-2023 containing Directors' Report and Auditor's Report together with the Audited Financial Statements which includes the Statement of Financial Position as at 30 June 2023, 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 2023 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



26 November 2023

## NOTICE OF THE 47<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given to all respected Members of **The ACME Laboratories Ltd.** that the **47<sup>th</sup> Annual General Meeting (AGM)** of the Shareholders of the Company will be held on **Monday, 18 December 2023** 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

<b>A 2023-47- 01 :</b>	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2023 and the Reports of the Directors' and the Auditors' thereon.
<b>A 2023-47- 02 :</b>	To approve the proposed dividend for the year ended 30 June 2023.
<b>A 2023-47- 03 :</b>	To elect/re-elect Directors of the Company.
<b>A 2023-47- 04 :</b>	To approve appointment/re-appointment of Independent Directors.
<b>A 2023-47- 05 :</b>	To approve the appointment of Deputy Managing Director of the Company.
<b>A 2023-47- 06 :</b>	To appoint Statutory Auditor and fixation of their remuneration for the Financial Year 2023-2024.
<b>A 2023-47- 07 :</b>	To appoint Compliance Auditor and fixation of their remuneration for the Financial Year 2023-2024.

By order of the Board

**Md. Arshadul Kabir, FCA**

Company Secretary (Acting)

#### Notes:

- The record date was fixed on '22 November 2023'. 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. Wednesday, on 22 November 2023 will be eligible to join the 47<sup>th</sup> 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. 100 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 providing their respective Names, 16-digit Beneficial Owner (BO) Accounts and Number of shares. Full login/ participation process of AGM through Digital Platform will be available in the Company's website: [www.acmeglobal.com](http://www.acmeglobal.com).
- In compliance with BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81; dated: 20 June 2018:
  - Annual Report, 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 2022-2023 is also available on the Company's website linked with the websites of both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange PLC.
- 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 **04 December 2023**. The Merchant Banks and Depository Participants (DP) are also requested to provide us with their Bank Names, Account Numbers and Routing Numbers etc.

#### SPECIAL NOTE

No gift or benefit in cash or kind shall be paid / distributed to the shareholders for attending the AGM of the Company in compliance with Clause (c) of the Notification No. SEC/SRMI/2000-953/1950 dated 24 October 2000.



CORPORATE OFFICE  
Court de la **ACME**

# Our Recognition



The ACME Laboratories Limited has received a number of prestigious accreditations from USFDA, UK-MHRA, TGA Australia, and WHO (Geneva). In addition ACME also received ISO certification and GMP approval from various health authorities in Philippines, Tanzania, Uganda, Kenya, Ethiopia, Peru, and Nigeria.



The ACME Laboratories Ltd. has received the prestigious & Most Stringent US FDA Approval.



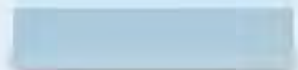
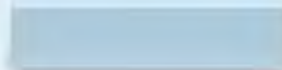
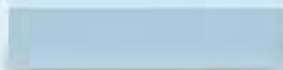
The ACME Laboratories Ltd. received cGMP certification from UK MHRA.



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



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





**The ACME Laboratories Ltd.** has received prestigious



This prestigious accreditation will enable ACME to export products to the US market.

A PROUD MOMENT FOR  
**BANGLADESH**



# 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.

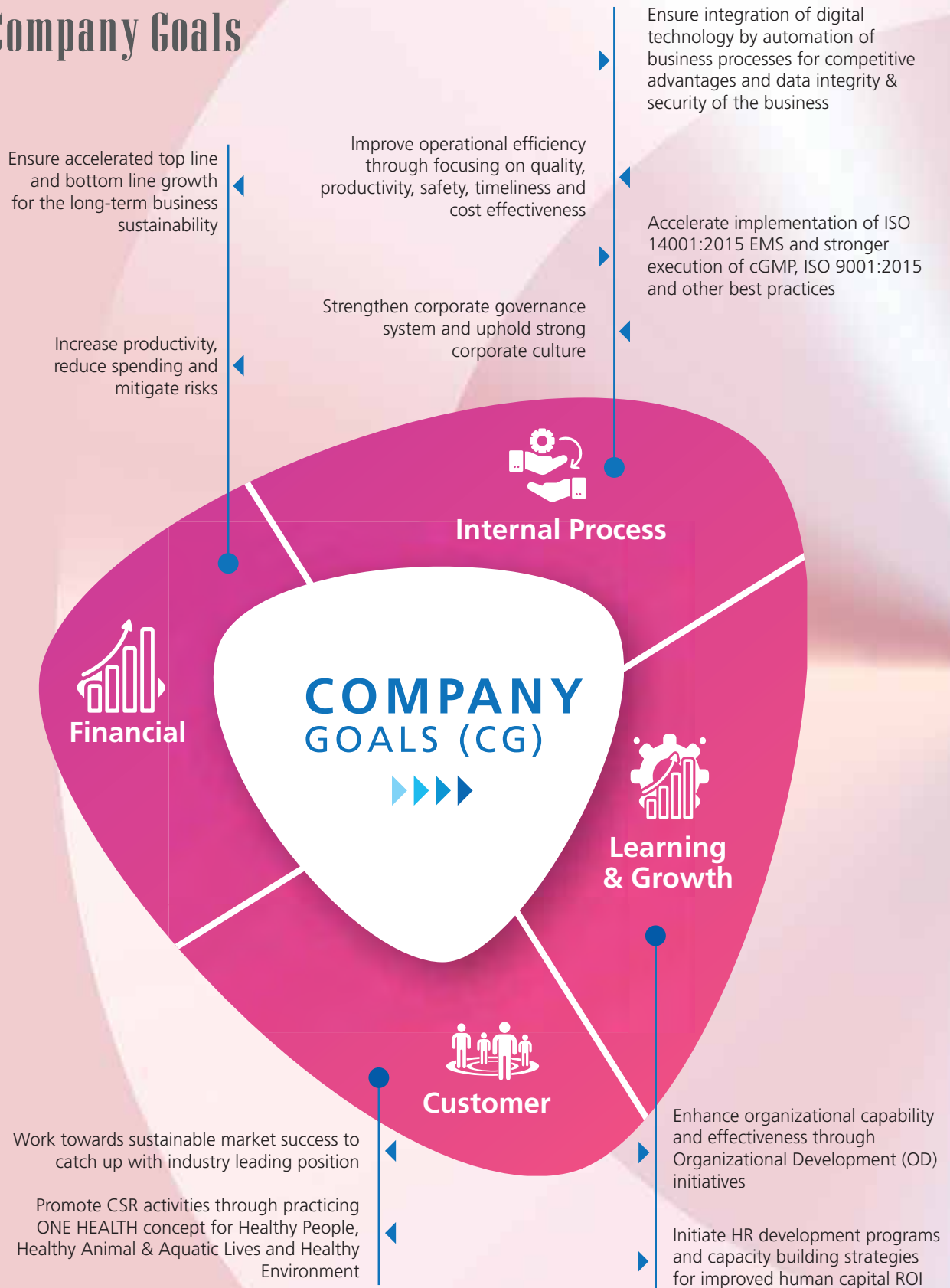
We view ourselves as partners with the doctors, healthcare professionals, all other customers, our employees and harmonize with environmental issues.

# 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, Excellence, Integrity, Responses to Social Needs and Conserving Nature & Protecting Environment. These values determine our actions in our daily dealing with customers and business partners as well as in our teamwork and our collaboration with each other.



# 69 Years of Dynamic Journey

Serving the nations since 1954...

► **1954**

Year of foundation of ACME as proprietorship firm.

1954-1974

1975-1980

1981-1985

1986-1990

1991-1995

1996-2000

► **1983**

Commercial operation in modern facilities after BMRE project at Dhamrai.

► **1995**

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

► **1976**

The firm converted into a Private Limited Company.

► **1999**

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

2001-2005

▶ 2004

Celebration of 50 years' anniversary.

2006-2010

▶ 2006

Commission of 18-storied new corporate office

▶ 2007

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

▶ 2009

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

▶ 2019

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.

2011-2015

▶ 2013

Company raised paid up capital amounting BDT 2,060 million by issuing 39.63 million Ordinary Shares, ASPL amalgamated with The ACME Laboratories Ltd.

▶ 2011

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

2016-2020

▶ 2016

Listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. Commencement of construction work of Steroid & Hormone and Penicillin project.

▶ 2017

Up-gradation of ISO standard from 9001:2008 to 9001:2015 version. Received the Letter of Allotment for API Plots.

▶ 2018

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).

2021-2023

▶ 2023

The oral Solid Dosages Unit (SDU) of The ACME Laboratories Ltd. has received prestigious US FDA approval.

▶ 2022

Signing of collaborative partnership agreement between ACME & US-AID

▶ 2021

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.

▶ 2020

Launching of Zolpidem IR Tablet in US Market. Successfully shipped the first consignment to UK.

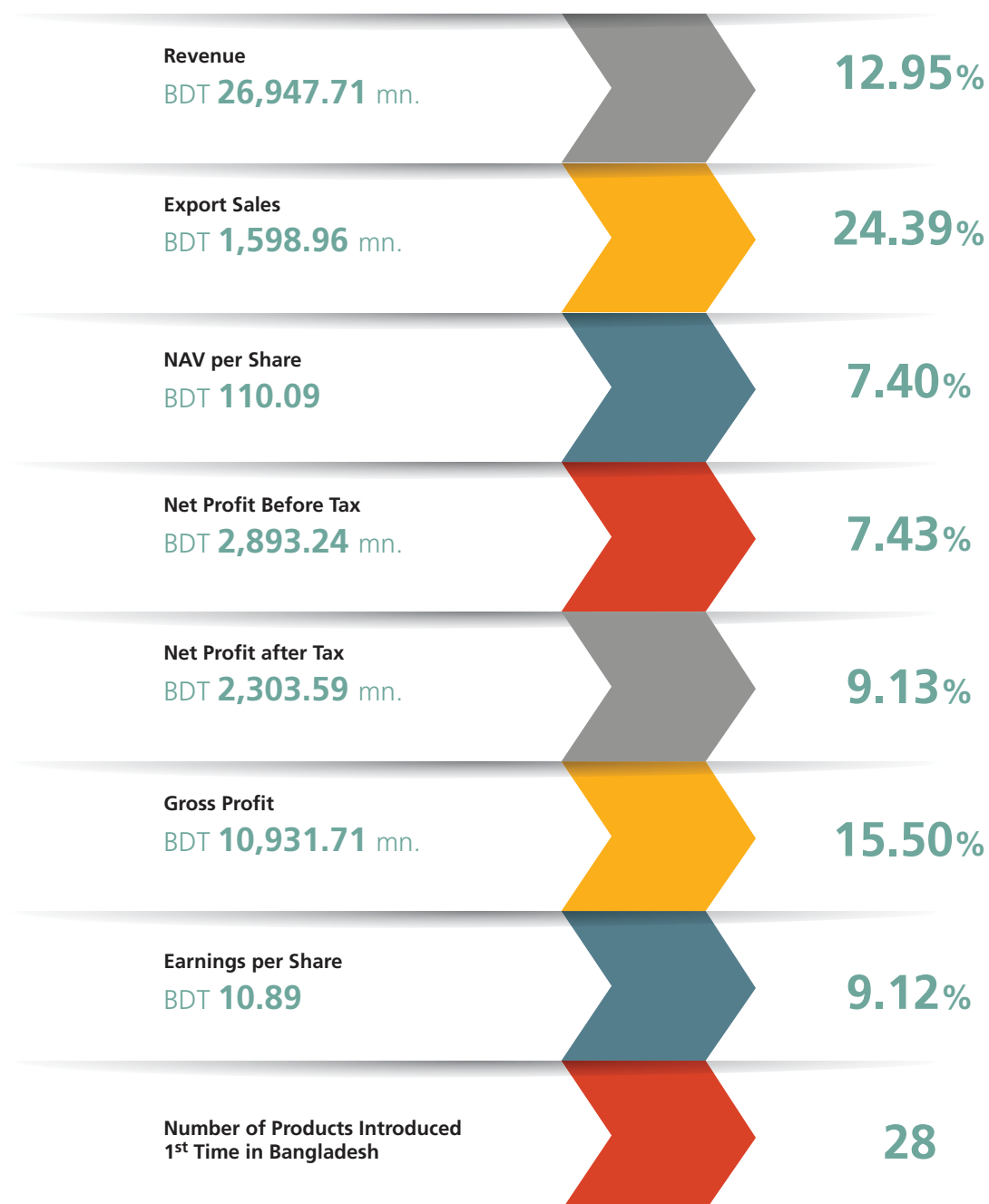
2014

Commencement of Commercial operation of Cephalosporin facilities.  
Commencement of Commercial operation of Liquid in hard gelatin facilities & BFS facilities.

2012

Achieved certification of ISO 9001-2008 for the new state-of-the-art solid dosages.

# Key Financial Highlights for the Year 2022-2023



## Key Financial Highlights for the Year 2022-2023

Shareholders Equity



**BDT 2,330 cr**

(2021-2022: BDT 2,169 cr)

Return on Shareholders Fund



**9.89%**

(2021-2022: 9.73%)

GP Margin



**40.57%**

(2021-2022: 39.67%)

P/E



**7.99**

(Share price based on 30.06.2023)

# 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.



# Cephalosporin Unit



# ACME's Certified Lead Auditors of QMS & EMS Team

The ACME Laboratories Ltd. has consistently strived to ensure its employees have thorough awareness and understanding of internationally recognized management systems, in order to sustain its Perpetual Quest for Excellence and continual improvement. Previously, HR Division arranged the Certified Lead Auditor Training Programs where 18 participants were qualified in QMS and 35 participants qualified in EMS. Consequently, HR & QMS have jointly facilitated the development of a group of cross-functional QMS & EMS Certified Lead Auditors Team (SMEs) from both Corporate Office and Plant.

These SMEs having with them the in-depth knowledge of the ISO standards and will apply their expertise by cascading this knowledge within their own Department & Division to improve the integration of these standards into their functional & operational activities. Besides, the Lead Auditors will participate in Internal QMS Audits to create an interdisciplinary framework for continual improvement by identifying non-conformities, discrepancies & opportunities to further reinforce and add to ACME's existing compliance practices. The qualified EMS Lead Auditors are equally committed to expediting the implementation of EMS practices within the organization.

In order to ensure the dissemination of that knowledge across all levels of the company, QMS Department conducts periodic integrated training sessions at the Corporate Office, Plant, and Depots throughout Bangladesh. This approach will accelerate that our employees will receive the necessary training for process improvement, skill development, and reinforcement of ACME's QMS practices.



QMS & EMS Certified Lead Auditors Team (SMEs) from Corporate Office.



QMS & EMS Certified Lead Auditors Team (SMEs) from Plant.

## ACME introduced 28 Pioneer products (16 Brands) in Bangladesh during the year



New products have been always the core strength of The ACME Laboratories Ltd. With the continuation to that, ACME has already launched 28 new impressive products (16 Brands) for the 1<sup>st</sup> time in Bangladesh. All the products are already available in the market and lot more to come!

## *Mid-year Sales & Marketing Review*

Mid-year Sales & Marketing Review for the year 2022-2023 of The ACME Laboratories Ltd. was held at Hotel Pan Pacific Sonargaon, Dhaka on 18 August. Honorable Board of Directors, Divisional Heads, and Leaders of Sales and Marketing were present at the event. A business review of the running year and planning for the future was discussed at the event. The Honorable Board of Directors shared their valuable guidance regarding successful business acceleration. The whole event was full of enthusiasm and it became a momentum for all to achieve the yearly business goal together as a team.



## *Off-Site Strategic Meeting*

The ACME Laboratories Ltd. arranged its yearly Off-Site Strategic Meeting at the end of 2022 at Tea Resort & Golf, Sreemongal. The meeting was arranged to overview the business performances of 2022 & also the strategic discussion for the next year. Director, Mr. Fahim Sinha along with other top Management of the Sales & Marketing team participated in the meeting.



## *Internal Training Session*

The ACME Dhamrai Plant organized Internal Training Session which was conducted by the Executive Director of Plant Operation, Dr. Syed A.M. Mustafij Billah as a part of the ongoing efforts to foster corporate culture, enhance GMP behavior and cultivate a positive attitude in ACME.



## *Formation of new Team "GERON"*

"Meet the game-changers: 'Team GERON' has emerged, a powerhouse formed as ACME transforms its hormone team in January '23. With a mission to promote women's healthcare, this dynamic team collaborates with gynecologists in the Dhaka metro regions and explores ACME's cutting-edge Gynocare products."



## Employee Recognition Initiatives

Capturing moments of excellence! ACME celebrates its Star Performer Award ceremony quarterly, honoring and appreciating employees' outstanding achievements. This initiative not only fosters greater engagement but also elevates retention, cultivates a positive work environment, and propels increased productivity and profitability.



### *Best Powerful Entrepreneur of 2022*

Heartiest Congratulations from the ACME Family to Our Beloved Deputy Managing Director **Ms. Tasneem Sinha** Madam for becoming the **"Best Powerful Entrepreneur of 2022"**, Powered By: Arthakantha - Business Excellence Award



## ***World Hypertension Day***

In commemoration of World Hypertension Day on May 17th, ACME's Cardiac Care team took proactive steps to raise awareness and advocate for hypertension prevention, detection, and control. At the Corporate Office, a significant seminar was organized, featuring Dr. G.M. Faruque, Professor of Cardiology at Ibrahim Cardiac Hospital, as the Chief Guest. Dr. Faruque delivered a compelling presentation on Life and Hypertension. To further empower individuals in their journey toward heart health, ACME's Cardiac Care team launched the "Heart to Heart" dedicated Cardiac Page. This platform serves as a valuable resource for knowledge acquisition and regular updates, facilitating a path to lead a happy and healthier lifestyle. ACME continues to champion initiatives that prioritize cardiovascular well-being and contribute to a healthier community.



## ***Vet. Mobile App "VET HEALTH"***

ACME has proudly launched the Veterinary Mobile App "VET HEALTH" on 7th June 2023. "VET HEALTH" is a trusted, easy-to-use & updated digital platform for Farmers, Chemists, Doctors, and Academicians to find all product-related, technical & farm management information in one place. It will also help to increase farmers' connectivity using digital platforms.



## *Employee Welfare Fund*

ACME extends support to the families of deceased employees by offering financial assistance with the aim of alleviating the financial burden that arises during such difficult times. ACME always demonstrates its commitment and caring towards its employees and their loved ones, ensuring their well-being even in the face of adversity.



**NEW RESPONSIBILITY**

The Board of Directors of the Company in its 148th Meeting held on 24th May 2023, appointed **Ms. Tasneem Sinha** as the Deputy Managing Director of The ACME Laboratories Ltd. We, the whole ACME family convey our heartfelt congratulations on this remarkable occasion and wish her all the success for her new role in the company..



**Ms. Tasneem Sinha**  
Deputy Managing Director

## Employee Appreciation Day

At ACME, we firmly believe that our employees are the cornerstone of our success, constituting our most valuable asset. Recognizing the pivotal role they play in driving our organization's growth and prosperity, ACME hosted a special 'Employee Appreciation Day' event at its Dhamrai Plant premises where the Board of Directors, Divisional Heads, and all other members of the ACME's plant, all coming together to underscore the significance of acknowledging and valuing the hard work and contributions of our dedicated workforce. At ACME, we understand that our employees are instrumental in realizing our strategic objectives, and we are truly grateful for their collective dedication and effort. As a cohesive team, they remain our most cherished and indispensable asset.





**ACME**

## **USFDA APPROVAL**

With great honor and pride, the state-of-the-art manufacturing facility, the Oral Solid Dosage Unit (SDU) of The ACME Laboratories Ltd. has received the esteemed USFDA approval. This prestigious accreditation has enabled ACME to export products into the US market portraying our continued commitment towards Quality, Safety, and Efficacy for global healthcare which displays our firm dedication to infuse a positive impact on the lives of people while serving the nation.



## **Launching of Corporate AV**

ACME unveiled its latest addition to the corporate world with the launch of the New Corporate AV. This innovative audiovisual reveals ACME's commitment to staying ahead in the business landscape. With state-of-the-art technology and sleek design, the New Corporate AV delivers immersive experiences, captivating audiences and enhancing communication within corporate environments. The seven-decade-old success story reflects history and heritage that uncovers a journey of indomitable passion towards prosperity for The ACME Laboratories Ltd. This corporate video shows the journey of The ACME Laboratories Ltd. to become one of the top-tiered pharmaceutical companies in Bangladesh.

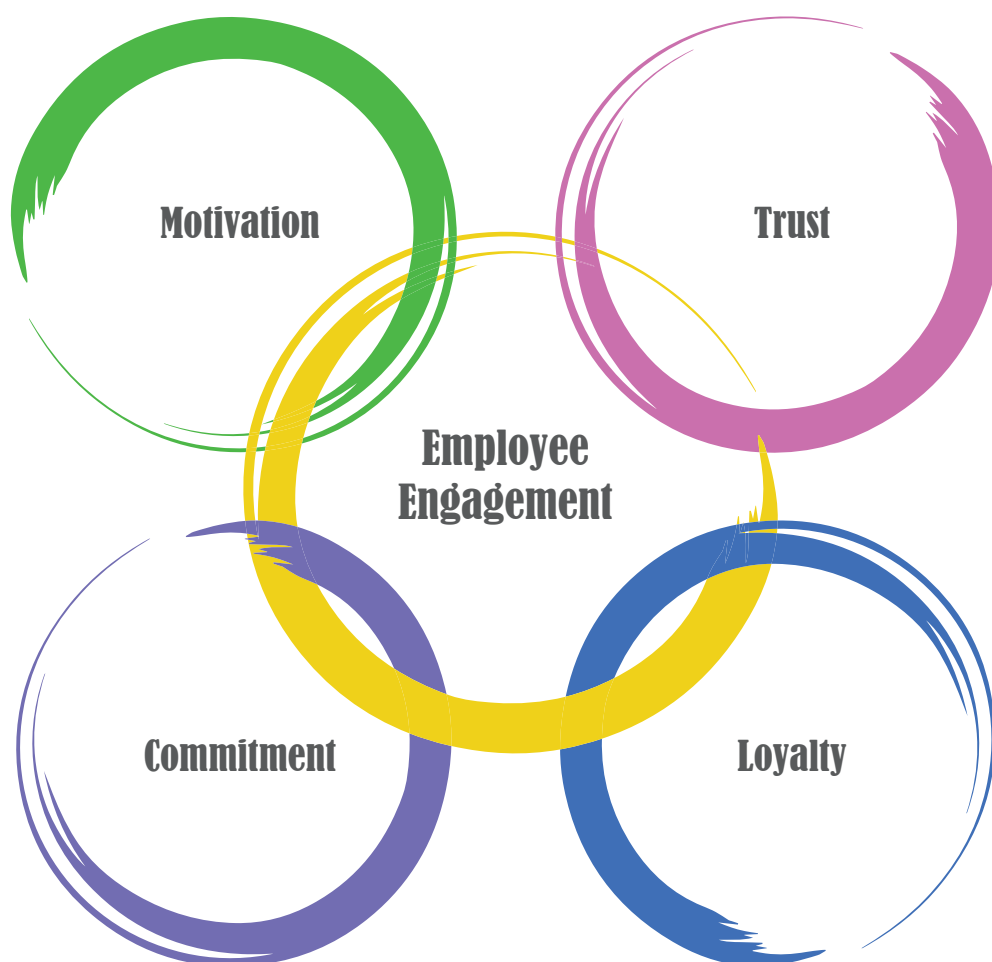
# Value of Employee's Engagement and Commitment

The synergy between employee engagement and organizational commitment plays a pivotal role in influencing work performance and the ability to attract and retain valuable employees. These concepts act as catalysts for the optimal functioning of engaged employees within the organization, fostering a balance between their professional responsibilities and personal aspects such as family, societal connections, and continuous learning.

It is imperative to seamlessly integrate the connection and contributions of employee engagement and organizational commitment to enhance overall outcomes and performance. Striking the right balance between these elements is essential for achieving superior results in the workplace.

At ACME, our employees stand as our most valuable assets, serving as consistent enablers in realizing our purpose: ensuring 'Health, Vigor, and Happiness.' Their unwavering dedication has been the driving force behind our ability to cater to millions of patients globally for the past 69 years. We advocate for an inclusive work culture that prioritizes employees' aspirations, fostering an environment that encourages them to deliver with courage and imagination.

Our commitment remains steadfast in constructing and fulfilling well-rounded careers for our employees, centered on values of respect, care, and purpose. This dedication propels our focused initiatives in Human Resource Development, Promoting Diversity, and ensuring Employee Health and Safety.



# Steroid & Hormone Unit





“

Our sustainability approach is guided by a visionary commitment to create modern healthcare solutions that align harmoniously with our fundamental vision of Health, Vigour and Happiness for all.

**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 47<sup>th</sup> Annual General Meeting (AGM) of The ACME Laboratories Ltd. through the digital platform. As the Chairman of The ACME Laboratories Ltd., I would like to present the Annual Report for the Financial Year 2022-2023, along with our Financial Position, numerous accomplishments, and significant progress made during this challenging period of the ongoing world economic crisis and the aftermath of the pandemic. I would like to express my earnest appreciation towards all the shareholders and investors for your unwavering confidence, continuous trust, encouragement, and explicit support to the Company's Management.

The challenges posed by the COVID-19 pandemic and the Russia-Ukraine war have indeed made the fiscal year 2022-2023 one of the most difficult and uncertain years in recent history. These global events have had far-reaching impacts on trade, food supply chains, and a surge in oil prices, which, in turn, has resulted in a high inflation rate. In the face of these formidable challenges, I am proud to report that The ACME Laboratories Ltd. has not only weathered the storm but has also continued to achieve business growth and scale to new heights. This remarkable resilience and success are a testament to the robust strategies and relentless hard work put forth by our dedicated team. I want to express my heartfelt gratitude to our employees who have shown extraordinary commitment and dedication. I also want to extend my appreciation to our Management team for their sound decision-making and the implementation of appropriate strategies during these turbulent times.

Our revenues and operating profit have seen remarkable growth, with an increase of BDT 308.92 Crore and BDT 32.75 Crore in the financial year 2022-2023 compared to the previous year. This robust financial performance signifies our dedication to growth and financial strength. This dedication is evident in our financial metrics, such as Earnings Per Share (EPS) which stands at BDT 10.89, Net Asset Value (NAV) per share at BDT 110.09, and Net Operating Cash Flow Per Share (NOCFPS) at BDT 5.95.

In addition, we are proud to announce that The ACME Laboratories Ltd. has obtained global accreditations from several Regulatory Authorities, including the USFDA, UK MHRA, TGA Australia, and UNICEF. These accreditations underscore our unwavering commitment to quality and regulatory compliance, positioning us as a trusted player in the global pharmaceutical industry.

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.

Maintaining a hygienic environment in our manufacturing facilities is a top priority for us, and we are proud to report that this commitment extends to all of our units, including the General Unit, Solid Dosages Unit (SDU), Cephalosporin Unit, BFS, Liquid, and Semi-Solid Unit, Penicillin Unit, Hormone & Steroid Unit, Herbal & Ayurvedic Unit, and Veterinary Unit. This dedication ensures that we meet the highest standards of quality and safety in our production processes. Our sustainability approach is guided by a visionary commitment to create modern healthcare solutions that align harmoniously with our fundamental vision of Health, Vigour and Happiness for all. Corporate governance is a cornerstone of our business philosophy. We are committed to upholding the highest standards of Corporate Governance and adhering to the requirements set out by the Bangladesh Securities and Exchange Commission (BSEC). This commitment is not only a regulatory obligation but a fundamental part of our ethical framework.

Finally, on behalf of the Board of Directors, I want to express our heartfelt gratitude to each and every individual and entity that has played a role in our journey. We are deeply appreciative of:

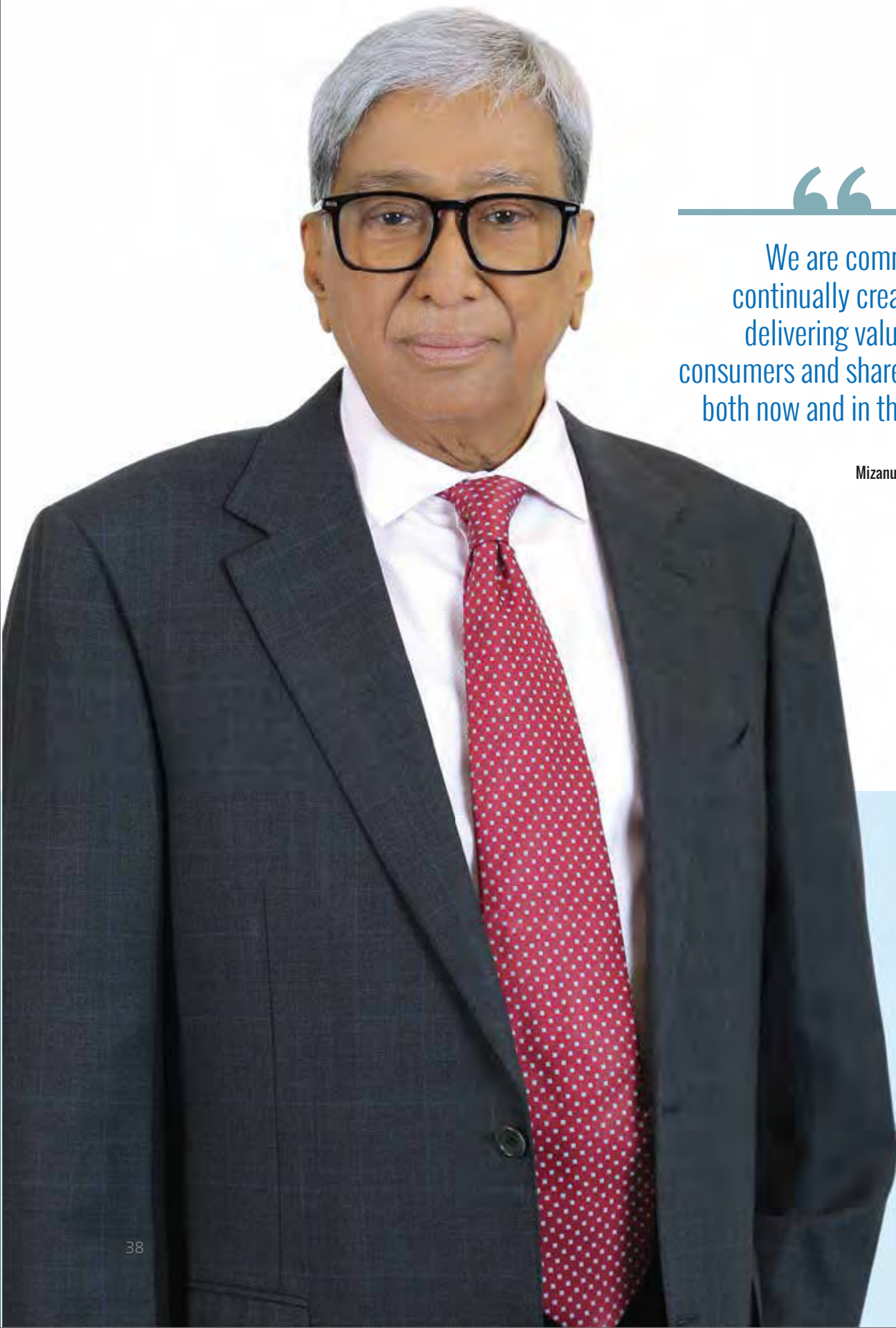
- o Our dedicated employees for their sincere dedication, unwavering commitment, and hard work, which has been the driving force behind our success.
- o Our valued customers, traders, and healthcare professionals for their trust and continued partnership. Your feedback and support have been instrumental in our growth.
- o Our financial partners, including banks, for their support and collaboration, which has been crucial to our financial stability and expansion.
- o Government bodies such as the National Board of Revenue (NBR), the Directorate General of Drug Administration (DGDA), the 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), and other relevant government agencies for their cooperation and trust.

It is all your unwavering support, trust, and collaboration that has allowed The ACME Laboratories Ltd. to thrive and make a positive impact in the field of healthcare. We look forward to continuing this journey together, with a commitment to excellence and a focus on the well-being of all our stakeholders.

Thank you once again for your trust and support.

*Nagina Afzal Sinha*

**Nagina Afzal Sinha**  
Chairman



“

We are committed to continually creating and delivering value for our consumers and shareholders, both now and in the future.

**Mizanur Rahman Sinha**  
Managing Director

# Message From The Managing Director

## Dear Shareholders,

I'd like to extend my sincere appreciation for the trust and confidence you have placed in our company over the years. It is indeed an honor for me, as well as on behalf of the Board of Directors, to extend a warm welcome to all of you, as we convene for the 47<sup>th</sup> Annual General Meeting (AGM) of The ACME Laboratories Ltd. conducted through this digital platform.

In today's global landscape, we are all too familiar with the unprecedented levels of volatility, uncertainty, complexity, and ambiguity that persist. These challenges have been notably exacerbated by the ongoing pandemic, which continues to exert a profound impact on both the global economy and healthcare infrastructure. Additionally, recent geopolitical tensions in Europe and the Middle East, notably the war between Russia and Ukraine, Israel and Palestine, have added to the prevailing uncertainty and potential risks. However, here at ACME, we remain resolute in our belief that we are well-prepared to confront these external challenges head-on. Our steadfast goal is to assume an even more significant and influential role within both the domestic and global healthcare ecosystem, exemplifying our commitment to resilience and progress.

In the Financial year 2022-2023, ACME has achieved remarkable milestones, recording the highest-ever revenue in amount in the company's history. This success is a testament to our commitment to growth and innovation. We maintained strong market positions and healthy ranks in our key areas, both in the domestic and international markets, driven by unwavering momentum. Notably, our domestic sales remained a driving force, constituting a substantial 94.06% of our total revenue. Our flagship brands, including Monas, Maxima, Ecosporin, FIX-A, Coralex, TPC, Famiclav, DDR, Orthogen, and Lino, continued to assert their strong influence in the market throughout the year. It's a point of pride that we successfully launched 36 new products during the year, with 10 of them being introduced for the first time in Bangladesh. This substantial growth reaffirms our commitment to product innovation and market leadership.

It is my immense pleasure to announce that our products "Chlorzoxazone 500 mg and Zolpidem tablets" which were manufactured from our Solid Dosage Unit (SDU – Unit 2) of The ACME Laboratories Ltd., Dhulivita, Dhamrai, Dhaka and submitted to US FDA, has been approved by US Food & Drug Administration (US FDA) recently. This prestigious accreditation will enable ACME to export products to the US market. The journey with the US FDA was not very easy and smooth rather it was very cumbersome. Besides, very recently the Company have received GMP accreditation for our entire human facilities from TMDA Tanzania, NDA Uganda, and PPB Kenya, which will enable us to explore new market in Africa. Moreover, the company also achieved prestigious certifications from Stringent Regulatory Authorities, like, UK MHRA, TGA Australia, and UNICEF.

These certifications are a testament to our dedication to upholding the highest standards of quality and regulatory compliance.

The construction work of Active Pharmaceutical Ingredients (API) is completed, and the installation work of machinery and other equipment is ongoing. We are optimistic that the commercial operation will be started within the stipulated time frame. Once the API Park is completed, Bangladeshi companies will be able to produce a substantial portion of their raw materials from the units of the said API park which will reduce the reliance on imports and lead time related to the import of Raw Materials.

Our business encompasses a diverse range of stakeholders throughout our value chain. From material suppliers to regulators and healthcare professionals, each stakeholder plays a vital role in our mission to deliver high-quality products that improve the well-being of our consumers.

For over sixty-nine years of our dynamic journey, ACME has been consistently upholding professional values and delivering quality products. Our commitment to society runs deep, and it is a testament to our enduring legacy. Our company is firmly rooted in the pursuit of excellence, an empathetic approach to healthcare that transcends mere profit and growth. Since our establishment in 1954, our primary objective has always been the well-being of our patients.

I want to express our heartfelt gratitude on behalf of the company to all our employees for their unwavering dedication, commitment, and their extraordinary hard work throughout the year. Additionally, we extend our deep appreciation for the continuous support and cooperation from the Regulators, Government officials, Healthcare Professionals, Bankers, and our valued trade partners.

I also want to acknowledge and express our gratitude for the invaluable guidance and leadership provided by the Board of Directors and the Management of the Company. Their insights and direction have been instrumental in our journey.

As we move forward, our passion remains undiminished. We are committed to continually creating and delivering value for our consumers and shareholders, both now and in the future. Thank you for being an essential part of our journey and our commitment to excellence.

With warm regards,



**Mizanur Rahman Sinha**  
Managing Director

# Board Of Directors



**Nagina Afzal Sinha**  
Chairman

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**Mizanur Rahman Sinha**  
Managing Director

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**Jabilur Rahman Sinha**  
Deputy Managing Director

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**Jahanara Mizan Sinha**  
Deputy Managing Director

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**Tasneem Sinha**  
Deputy Managing Director

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**Sabrina Juned**  
Director

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**Tanveer Sinha**  
Director



**Fahim Sinha**  
Director



**Mr. Das Deba Prashad**  
Independent Director



**Mr. Ehsan Ul Fattah**  
Independent Director



**Kazi Sanaul Hoq**  
Independent Director



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



**Md. Hasibur Rahman**  
Additional Deputy Managing 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 re-elected as the Chairman of the Company on September 5, 2023 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., Sinha Printers Ltd. and Sinha Knit Industries 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.



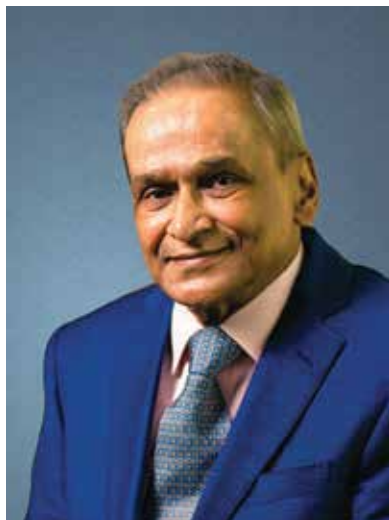
**Mizanur Rahman Sinha**

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 47 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).



**Ms. Tasneem Sinha**

Deputy Managing 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.

The Board of The ACME Laboratories Ltd. in its 148<sup>th</sup> meeting appointed Ms. Tasneem Sinha as Deputy Managing Director of the Company for a period of 5 (five) years. Subject to the approval of the share holders in the 47<sup>th</sup> AGM.

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 Agrovet and Beverages Ltd., and ACME Consumer Products Ltd., J.M. Sinha and Agriculture Food Processing Industries Ltd., Sinha Knit and Denims Ltd., Sanjar Aviation Ltd. and ACME Sustainable Agro 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.



**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 Chairman of the ACME Sustainable Agro Ltd., and Director of The ACME Agrovat 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. 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 Agrovet 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.. Marine Coast Resort and Spa Ltd. and ACME Sustainable Agro 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 Narayangonj Club Ltd.



**Mr. Fahim Sinha**

Director

Mr. Fahim Sinha, Director of the company is the son of former Chairman Mr. Afzalur Rahman Sinha and current Chairman Mrs. Nagina Afzal Sinha. Mr. Sinha joined in ACME in the year 2005 and got officially enrolled in the Board of The ACME Laboratories Ltd., on 10 September 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., and ACME Sustainable Agro 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).



**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 Audit Committee.



**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).



**Kazi Sanaul Hoq**

\* Independent Director

Kazi Sanaul Hoq, a distinguished professional with a strong academic background, holds a B. Com (Hon's) and M. Com in Accounting from the prestigious University of Dhaka. With an extensive career in the field of commerce, he has garnered a wealth of experience and expertise. Currently serving as the Chairman of the Board of Directors of Rupali Bank Ltd., he has held pivotal roles in various financial institutions. Prior to his current position, Mr. Hoq served as the Managing Director of Dhaka Stock Exchange Ltd. His illustrious career includes leadership roles as the Managing Director of the Investment Corporation of Bangladesh, Rajshahi Krishi Unnayan Bank, and Bangladesh Karmasangsthan Bank. Commencing his career as a Senior Officer at ICB on October 25, 1984, he climbed the ranks, serving in different senior positions within the Investment Corporation of Bangladesh and its subsidiaries. Notably, he also acted as a Nominee Director (Nominated by ICB) of The ACME Laboratories Ltd. from September 11, 2017, to September 9, 2019. Kazi Sanaul Hoq's diverse experience and leadership in the financial sector underscore his commitment to excellence and his significant contributions to the industry.

*\*The Board of Directors in its 153<sup>rd</sup> Meeting held on 13 November 2023 appointed Mr. Kazi Sanaul Hoq as Independent Director of The ACME Laboratories Ltd. for a period of three years with effect from 13 November 2023. However, this appointment is subject to obtaining necessary consent from the Bangladesh Securities and Exchange Commission (BSEC) and final approval from the Shareholders in its 47<sup>th</sup> Annual General Meeting.*



**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. Md. Abul Hossain joined in the board of Director of The ACME Laboratories Ltd. as a nominee Director by the Investment Corporation of Bangladesh since 9 September 2019 and is also the member of the Nomination and Remuneration Committee (NRC) and member of the Audit Committee of the Company.

# Directors' Report

For the year ended 30 June 2023

## DEAR SHAREHOLDERS,

On behalf of the Board of Directors of The ACME Laboratories Ltd., I would like to extend a warm welcome to all of you to the 47<sup>th</sup> Annual General Meeting of our esteemed company. We appreciate your presence here today as shareholders and stakeholders who have played a vital role in our journey over the past year.

At this Annual General Meeting, we are proud to present the Directors' Report and Audited Financial Statements for the financial year ending on 30<sup>th</sup> June 2023. This report contain information about the company's performance, financial health, and strategic initiatives during the past year. The preparation of these reports is in accordance with the following regulatory guidelines.

1. Section 184 of the Companies Act, 1994.
2. Rule 12 and the schedule thereunder of the Bangladesh Securities and Exchange Rules, 1987.
3. Bangladesh Securities and Exchange Commission Notification no. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018.

## PROFIT AND ITS APPROPRIATION

Particulars	(BDT in million)	
	2022-2023	2021-2022
Net Profit after Tax	2,303.590	2,110.889
Adjustment for depreciation on revaluation surplus	47.719	47.798
Adjustment for disposal/ discard of PPE	8.325	-
Profit brought forward from previous year	9,124.947	7,495.264
Total Profit Available for appropriation	11,484.581	9,653.951

### Appropriation

Final Cash Dividend for the year 2021-2022 (Comparative year 2020-2021)	(634.805)	(529.004)
Closing Retained Earnings at the year- end (before proposed Dividend)	10,849.777	9,124.947
Proposed cash dividend for the year 2022-2023 @ 33%	(698.286)	(634.805)
Retained earnings after Proposed Dividend	10,151.491	8,490.142

## 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 market size of BDT 307,000 million. According to the Bangladesh Association of Pharmaceutical Industries (BAPI) and 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 8.70%. The industry is on its way towards maintaining this growth momentum and according to the industry experts, the sector will grow 10 percent year on year to reach \$4 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 are losing cost advantages. Cost of labor in Bangladesh is 3 to 4 times lower than that of China and India. That is why; we are ensuring the best quality medicine with an affordable price.

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

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

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

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

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

The ACME Laboratories Limited has already completed its Construction work of API Project. L/C has already been opened for Machineries of the said project. Very soon the company will start commercial operation.

### **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 2022-2023 is BDT 16,016.00 million which is 59.43% of the revenue of the Company. In the previous year, the same was BDT 14,394.05 million which was 60.33% of the revenue. On the other hand, Gross Profit margin and Net Profit margin for the financial years 2022-2023 are 40.57% and 8.55%, with compare to the previous year the same was 39.67% and 8.85%, respectively. From the above information, it appears that the company has been able to reduce the Cost of Goods Sold as a percentage of revenue in the most recent financial year. This improvement in cost management has led to an increase in the Gross Profit Margin. However, the Net Profit Margin has seen a slight decrease, which could be due to various factors like increased operating expenses or other financial considerations.

The company's efficient management and necessary measures/initiatives have contributed to the reduction in the Cost of Goods Sold, which is a positive sign for profitability. It's important for the company to continue monitoring and managing its costs effectively to sustain and potentially improve its profit margins in the future.

### **EXTRAORDINARY ACTIVITIES**

The company's long and dynamic history, strong presence in the domestic market, and its recent achievement of the US FDA certification highlight its success and ambition to continue growing, both locally and internationally. The introduction of 36 new products further underscores its commitment to innovation and competitiveness in the pharmaceutical sector.

### **RELATED PARTY TRANSACTIONS 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 2023.

### **PRESENT STATUS OF UTILIZATION OF IPO PROCEEDS**

Details regarding status of utilization of IPO proceeds has been given in page no. 62-63.

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

The company listed its securities with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. in the year 2016. This listing was done by issuing 50,000,000 Ordinary Shares with a face value of BDT 10.00 each and raised BDT 409.60 crore including premium. The entire fund was duly utilized by the company within the January 2022. The successful completion of the Initial Public Offering (IPO) marked a significant milestone for the company. No further issue of any instrument was made during the financial year.

The financial results of the company have consistently improved after the IPO, as indicated on page no. 53 under the "Financial Highlights for the Last 5 Years." This suggests that going public and being listed on the stock exchanges have had a positive impact on the company's financial performance, potentially leading to increased investor interest and capital infusion.

## REMUNERATION PAID TO THE DIRECTORS INCLUDING INDEPENDENT DIRECTORS

During the year 2022-2023, 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	2022-2023	2021-2022
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 no. 127-128 of the report.

## BOOKS OF ACCOUNTS

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

## CONSISTENCY OF APPROPRIATE ACCOUNTING POLICIES

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

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

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

## INTERNAL CONTROL

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

## INTEREST OF MINORITY SHAREHOLDERS

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

## GOING CONCERN

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

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

No Significant deviation has been occurred from the last years operating results of the company.

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

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

### Financial Highlights

For last 5 Years

BDT in million

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
<b>Statement of Profit or Loss</b>					
Revenue	26,947.71	23,858.41	20,770.14	19,003.66	16,308.63
Cost of Goods Sold	16,016.00	14,394.05	12,719.82	11,728.94	9,882.88
Gross Profit	10,931.71	9,464.36	8,050.32	7,274.72	6,425.75
Profit before Taxation	2,893.24	2,693.14	2,073.50	1,979.43	1,953.34
Profit after Taxation	2,303.59	2,110.89	1,569.23	1,450.50	1,440.38
<b>Statement of Financial Position</b>					
Share Capital	2116.02	2,116.02	2,116.02	2,116.02	2,116.02
Share Premium	5127.6	5,127.60	5,127.60	5,127.60	5,127.60
Revaluation Surplus	5,017.45	5,136.05	5,183.84	5,238.75	5,319.64
Gain/(Loss) on Marketable Securities (Unrealized)	4.81	6.04	8.41	(2.16)	6.94
Tax Holiday Reserve	179.46	179.46	179.46	179.46	179.46
Retained Earnings	10,849.78	9,124.95	7,495.26	6,384.51	5,593.73
<b>Key Ratios</b>					
Number of shares	211.60	211.60	211.60	211.60	211.60
Earnings per share (Taka)	10.89	9.98	7.42	6.85	6.81
Current Ratio - (Times)	1.12	1.12	1.14	1.05	0.93
Net operating cash flow per share (Taka)	5.95	5.37	12.72	5.42	7.81
Net Asset Value Per Share (Taka)	110.09	102.50	95.04	90.00	86.69
NP Margin	8.55%	8.85%	7.56%	7.63%	8.83%

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

The Company always maintains Consistent Dividend Policy and has been paying Dividend constantly. During the year, the Company proposed 33% 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 2022-2023.

## BOARD MEETINGS AND ATTENDANCE BY EACH DIRECTOR

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

As at 30 June 2023

Name of Directors	Position	No. of Meetings held	No. of Meetings attended
Mrs. Nagina Afzal Sinha	Chairman	9	9
Mr. Mizanur Rahman Sinha	Managing Director	9	9
Dr. Jabilur Rahman Sinha	Deputy Managing Director	9	7
Mrs. Jahanara Mizan Sinha	Deputy Managing Director	9	9
Ms. Tasneem Sinha	Deputy Managing Director	9	9
Mr. Md. Abul Hossain	Nominee Director of ICB	9	9
Mr. Tanveer Sinha	Director	9	8
Mrs. Sabrina Juned	Director	9	9
Mr. Fahim Sinha	Director	9	9
Mr. Das Deba Prashad	Independent Director	9	8
Mr. Ehsan Ul Fattah	Independent Director	9	9
*Mrs. Evana Haque, FCA	Independent Director	9	9

\*Mrs. Evana Haque, FCA, Independent Director resigned from her position of Independent Director and Chairperson of Audit committee, which was approved by the Board of Directors in its 151<sup>st</sup> Meeting held on 10 October 2023.

## A REPORT ON THE PATTERN OF SHAREHOLDING AS AT 30 JUNE 2023

A report on the pattern of shareholding as at 30 June 2023 disclosing the aggregate numbers of shares (along with name-wise details) is stated below:-

As on 30 June 2023

SI No.	Name and Particulars	Designation	Number of holding
A. Parent or Subsidiary or Associated Companies and other related parties:			
01.	The ACME Laboratories Ltd. does not have any Parent, Subsidiary, or Associated Companies as at 30 June 2023. However, other related parties do not hold any shares of the Company.		
B. (I) Directors and their spouses and minor children (name-wise details):			
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	8,574,000
05.	Mrs. Jahanara Mizan Sinha, W/O Mr. Mizanur Rahman Sinha	Deputy Managing Director	5,290,000
06.	Ms. Tasneem Sinha, D/O Mr. Mizanur Rahman Sinha	Deputy Managing Director	9,761,300
07.	Mr. Tanveer Sinha, S/O Mr. Mizanur Rahman Sinha	Director	9,600,659
08.	Dr. Jabilur Rahman Sinha	Deputy Managing Director	4,860,696
09.	Hasina Jabil Sinha, W/O Dr. Jabilur Rahman Sinha	Shareholder	3,641,245
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
B. (II) CIAE , ED & CFO, Company Secretary and their spouses and minor children (name-wise details):			
01.	Md. Hasibur Rahman	Additional DMD and Chief Internal Audit Executive (CIAE)	60,180
02.	Kazi Mohammed Badruddin, FCA, FCMA	Executive Director & Chief Financial Officer	N/A
03.	Mr. Md. Arshadul Kabir, FCA, and his spouse including minor child	Company Secretary (Acting)	N/A
C. Executives			
01.	Mr. Md. Hasibur Rahman	Additional Deputy Managing Director	60,180
02.	Kazi Mohammed Badruddin, FCA, FCMA	Executive Director & Chief Financial Officer	N/A
03.	Dr. Syed A.M. Mustafij Billah	Executive Director-Factory Admin & HR	N/A
04.	Mr. Md. Ferdous Khan	Director- Sales & Distribution	N/A
05.	Mr. Asad Quader Shamsuddin	Director- Engineering Division	N/A
D. Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)			
01.	There is no shareholder who holds 10% or more shares of The ACME Laboratories Ltd.		

\*Mrs. Evana Haque, FCA, Independent Director resigned from her position of Independent Director and Chairperson of the Audit committee, which was approved by the Board of Directors in its 151<sup>st</sup> Meeting held on 10 October 2023.

## COMPOSITION OF SHAREHOLDING POSITION

The shareholding Position as at 30 June 2023 of the Company is given below:

As at 30 June 2023

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	8,574,000	4.05%
Dr. Jabilur Rahman Sinha	Deputy Managing Director	4,860,696	2.30%
Mrs. Jahanara Mizan Sinha	Deputy Managing Director	5,290,000	2.50%
Ms. Tasneem Sinha	Deputy Managing Director	9,600,659	4.54%
Mr. Tanveer 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 (ICB)	Shareholder	8,419,940	3.98%
Institute	Shareholder	63,976,943	30.23%
Foreign	Shareholder	294,800	0.14
General Public	Shareholder	62,936,472	29.74%
<b>Total</b>		<b>211,601,700</b>	<b>100%</b>

## REAPPOINTMENT OF DIRECTORS

Mrs. Nagina Afzal Sinha, Mrs. Jahanara Mizan Sinha, Dr. Jabilur Rahman Sinha, and Mr. Fahim Sinha, members of the Board of Directors of the Company shall retire from the Board in the forthcoming 47<sup>th</sup> 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 47<sup>th</sup> 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. 42-49.

## APPOINTMENT/RE-APPOINTMENT OF INDEPENDENT DIRECTORS

Mr. Das Deba Prashad and Mr. Ehsan Ul Fattah, Independent Directors of the company are on the verge of completing their first three-year tenure as Independent Directors on 3 December 2023. Both directors, being eligible, have given their consent to serve another three-year term as Independent Directors. In the light of the recommendation of NRC, the Board of Directors in its 152<sup>nd</sup> Meeting held on 26 October 2023, re-appointed two existing Independent Directors namely Mr. Das Deba Prashad and Mr. Ehsan Ul Fattah for a second consecutive term of three years commencing from 4 December 2023, subject to consent getting from Bangladesh Securities and Exchange Commission and final approval by the Shareholders in the forthcoming 47<sup>th</sup> Annual General Meeting. The profile of the two Independent Directors are provided in the Directors' profile section of this Annual Report on. 42-49.

The Board of Directors in its 153<sup>rd</sup> Meeting held on 13 November 2023 appointed Mr. Kazi Sanaul Hoq as Independent Director of The ACME Laboratories Ltd. for a period of three years with effect from 13 November 2023. However, this

appointment is subject to obtaining necessary consent from the Bangladesh Securities and Exchange Commission (BSEC) and final approval from the Shareholders in its 47<sup>th</sup> Annual General Meeting. The profile of the Independent Director is provided in the Directors' profile section of this Annual Report on. 49.

### APPOINTMENT OF COMPANY SECRETARY

In the light of the recommendation of the Nomination and Remuneration Committee the Board of Directors in its 152<sup>nd</sup> meeting held on 26 October 2023, appointed Mr. Masudur Raman Bhuiyan, FCS, as the Company Secretary, effective from 17 August 2023. Mr. Masudur Rahman Bhuiyan is a distinguished Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB), recognized for his expertise and contributions to the field of corporate governance and Secretarial practices. With a career spanning over 18 years, he has consistently demonstrated his proficiency in various facets of corporate affairs, internal audit, legal compliance, and leadership.

### 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. 59-61.

### 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. 127-128.

### 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. 129 and 130-143 respectively.

### APPOINTMENT OF AUDITORS

The existing Statutory Auditor of the Company M/s. Fames & R, Chartered Accountants (Prime Global, An Association of Independent Accounting Firms) has conducted their Audit for the financial year 2022-2023. M/s. Fames & R, Chartered Accountants (Prime Global, An Association of Independent Accounting Firms), the Auditors of the Company retires at this Annual General Meeting and being eligible offered themselves for reappointment as Statutory

Auditor of the Company for the financial year 2023-2024 at a remuneration of BDT 6,00,000.00 (Six Lac) only including Income Tax, subject to the approval of the shareholders in its forthcoming 47<sup>th</sup> 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 financial year 2023-2024 with a remuneration of BDT 50,000 (Taka Fifty Thousand) only including Income Tax, subject to the approval of the Shareholders in its forthcoming 47<sup>th</sup> Annual General Meeting.

### CONTRIBUTION TO NATIONAL EXCHEQUER

During the year 2022-2023, your Company paid BDT 562 Crore to the National Exchequer in the form of Corporate Income Tax and Value Added Tax (VAT) and Import Duties.

### CORPORATE GOVERNANCE

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

In order to enhance Corporate Governance Practice for the interest of investors and the Capital Market; Bangladesh Securities and Exchange Commission (BSEC) has imposed some further conditions and issued a revised notification vide No. BSEC/CMRRCD/2006-158/207/Admin/80; Dated: 3 June 2018. The compliance status of the above-mentioned Code by The ACME Laboratories Ltd. has been depicted on Page no. 130-143 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 PLC. (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.	Mr. Das Deba Prashad	Chairperson	Independent Director
02.	*Mrs. Evana Haque, FCA	Chairperson (Retired on 10 October 2023)	Independent Director
03.	Mr. Md. Abul Hossain	Member	Nominee Director of ICB
04.	Mr. Ehsan Ul Fattah	Member	Independent Director
05.	Mr. Md. Arshadul Kabir, FCA	Secretary of the committee	Company Secretary (Acting)

\*Mrs. Evana Haque, FCA, Independent Director resigned from her position of Independent Director and Chairperson of Audit committee, which was approved by the Board of Directors in its 151<sup>st</sup> Meeting held on 10 October 2023, on the same meeting existing Independent Director, Mr. Das Deba Prashad appointed as Chairperson of the Audit committee.

## 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:

Sl.	Name	Position in NRC	Position in Board
01.	Mr. Das Deba Prashad	Chairperson	Independent Director
02.	Mr. Md. Abul Hossain	Member	Nominee Director of ICB
03.	Mrs. Jahanara Mizan Sinha	Member	DMD
04.	Mr. Ehsan Ul Fattah	Member	Independent Director
05.	*Mrs. Evana Haque, FCA	Member	Independent Director
06.	Mr. Md. Arshadul Kabir, FCA	Secretary of the committee	CS (Acting)

\*Mrs. Evana Haque, FCA, Independent Director resigned from her position of Independent Director and Chairperson of Audit committee, which was approved by the Board of Directors in its 151<sup>st</sup> Meeting held on 10 October 2023.

## 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 PLC. (CSE), Central Depository of Bangladesh Ltd. (CDBL), National Board of Revenue (NBR), Directorate General of Drug Administration & Licensing Authority (DGDA), Registrar of Joint Stock Companies and Firms (RJSC) and Insurance Development and Regulatory Authority (IDRA) for their continued support and co-operation extended to us and sincerely look forward the same in future as well.

On behalf of the Board,

*Nagina Afzal Sinha*

Nagina Afzal Sinha  
Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS 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 as an on-going 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 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	2022-2023		2021-2022		2020-2021		2019-2020		2018-2019	
	Amount in BDT	Growth (%)	Amount in BDT	Growth (%)	Amount in BDT	Growth (%)	Amount in BDT	Growth (%)	Amount in BDT	Growth (%)
Revenue (in million)	26,947.71	12.95%	23,858.41	14.87%	20,770.14	9.30%	19,003.66	16.53%	16,308.63	10.09%
Net Profit After Tax (in million)	2,303.59	9.13%	2,110.89	34.51%	1,569.23	8.19%	1,450.50	0.70%	1,440.38	0.97%
Net Asset Value Per Share	110.09	7.40%	102.50	7.85%	95.04	5.60%	90.00	3.82%	86.69	3.97%
EPS	10.89	9.12%	9.98	34.44%	7.42	8.32%	6.85	0.63%	6.81	1.04%
Operating Cash Flows Per Share	5.95	10.80%	5.37	-57.79%	12.72	134.69%	5.42	-30.62%	7.81	4.74%

Overall business performance of the company has been found to be sustainable over the years. The reported revenue of the company stood at BDT 26,947.71 million in Financial Year 2022-2023 against BDT 16,308.63 million in Financial Year 2018-2019 indicating a Compound Annual Growth Rate (CAGR) is 13.38% 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 (Rounded off to the nearest Tk.)

Financial Performance	ACME	RENETA	BEXIMCO	SQUARE	BEACON
Revenue (Net)	2,386	3,107	3,022	5,760	802
Gross profit	946	1,473	1,371	2,964	415
Profit Before Tax	269	612	674	2,102	129
Net Profit After Tax	211	511	516	1,642	94
<b>Financial Position</b>					
No. of Outstanding Shares	21.16	10.72	44.61	88.65	23.10
Shareholders' Equity	2,169	2,941	4,032	9,301	594
Total Assets	4,297	4,202	5,969	9,754	1,082
Total Liabilities	2,128	1,260	1,938	453	487
Current Assets	1,734	1,551	1,553	6,275	644
Current Liabilities	1,544	1,120	1,107	335	467
<b>Cash Flows</b>					
Net Cash generated from Operating Activities	114	301	503	1,235	108
Net Cash used in investing Activities	(162)	(608)	(752)	(169)	(184)
Net Cash used in financing Activities	13	242	(261)	(556)	96

### Financial and Economic Scenario of the Country and the Globe

The International Monetary Fund's World Economic Outlook 2022: Countering the Cost-of-Living Crisis, released in October 2022, warns all countries, including Bangladesh, of an impending economic downturn. According to the report, as pandemic-era expansionary monetary and fiscal policies are gradually phased out, the economies of an increasing number of countries are contracting or slowing down. Record inflation, tightening monetary and fiscal policies, Russia's invasion of Ukraine, and the seemingly never-ending Covid-19 pandemic have all contributed to hunger and want in developing countries and a cost-of-living crisis in developed ones.

However, the pharmaceutical industry is already announced as a promising sector by the Hon. Prime Minister Sheikh Hasina, as it is contributing much to the improvement of country's economic growth. The anticipated market size of the Bangladesh pharmaceutical industry is more than USD 6 billion by 2025 with an absolute growth of 114% from 2019 levels, while the pharma exports of Bangladesh is likely to cross USD 450 million by 2025.

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

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

The risks and concerns related to the company's financial statements are as follows:

- Risk related to an unprecedented Foreign currency crisis and unstable exchange rate.
- The shrinkage of opening letters of credit
- The availability of required credit facilities
- Business turbulence due to Geopolitical Global war.

- Risk related to the timing and accuracy of the recognized amounts of revenue.
- Inflation Rate
- Higher utility cost

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 2023.

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 standards on the 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 the functional, business and corporate level on a regular basis to safeguard the Company's assets and to protect shareholders' interests.

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

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

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

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

The company's products "Chlorzoxazone 500 mg and Zolpidem tablets" which were manufactured from Solid Dosage Unit (SDU – Unit 2) of The ACME Laboratories Ltd., Dhulivita, Dhamrai, Dhaka and submitted to US FDA, have been approved by US Food & Drug Administration (US FDA) recently. This prestigious accreditation will enable ACME to export products to the US market.

Earlier, ACME got another prestigious regulatory accreditation- UKMHRA approval from the UK authority. ACME also received WHO (Geneva) approval for Zinc Dispersible Tablets. ACME is the world's 4th company to receive this prestigious approval for Zinc Tablets.

Besides, very recently the Company have received GMP accreditation for our entire human facilities from TMDA Tanzania, NDA Uganda, and PPB Kenya, which will enable to explore new market in Africa.

To cater to ever-increasing market demand and introduce new product segments with existing portfolios, it has become essential to expand the existing Solid Dosages Unit within the next financial year. The company also evaluating the financial feasibility of the Biotech project, Vaccine project, Oncology project and Insulin project.

The Company expects that the current year's top-line growth will be sustained in the future as well and as part of the strategic capacity plan, the company should expand its existing capacity in a normal course of business to keep pace with future growth.



**Mizanur Rahman Sinha**  
Managing Director

# Status of Utilization of IPO Proceeds

The ACME Laboratories Ltd. utilized the entire amount of funds raised through Initial Public Offering proceeds within the due time. In this regard, the company submitted the status of the utilization of IPO proceeds report to the Bangladesh Securities Exchange Commission.

## Active Pharmaceuticals Ingredients Project (API)

The construction phase of the Active Pharmaceutical Ingredients (API) project has been completed, marking a significant milestone in the company's strategic initiatives. Currently, the focus is on the installation of machinery and other essential equipment, that is well underway. Anticipating a timely completion, we are optimistic about commencing commercial operations within the stipulated time frame.

Upon the successful completion of the API Park, Bangladeshi pharmaceutical companies will achieve a significant milestone in self-sufficiency. The completion of this state-of-the-art facility will empower these companies to produce a substantial portion of their crucial raw materials within the confines of the API Park. This transformative capability will markedly reduce the reliance on imports, providing a more secure and sustainable source of essential raw materials. Importantly, this strategic shift is anticipated to streamline processes and substantially diminish lead times associated with the importation of raw materials, fostering efficiency and resilience within the domestic pharmaceutical industry.

Relevant to mention here that 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 44<sup>th</sup> 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 the approval of the shareholders in its 46th Annual General Meeting, the project will be supposed to be completed within June 2024. It is to be noted here that despite all efforts on the part of the company the project could not be commissioned by June 2022 due to non-completion of the Gas line and the construction work of Central ETP by the 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 and Israel vs Palestine may also impact on the activities of the Project.

However, the company deployed its all efforts to start the commercial operation of the Project by 30 June 2024 and we are hopeful that if external factors remain okay, the company will start the commercial operation of the API project in time.

# API Project



Architectural design of API Project



Present Status of API Project



# *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 Objectives:

**Implementation of an Integrated Business Plan (IBP) for transforming the company's traditional approach to current modern practice and increasing revenue**

**Set short-range, mid-range & long-range strategic business plans maintaining alignment with the company goals and objectives**

**Accelerate top-line growth and initiate appropriate cost/expense reduction strategies for bottom-line improvement**

**Formulate different strategies and/or initiatives to combat the upcoming business threats/challenges in order to ensure sustainable business operations.**

**Conduct investment appraisal and feasibility analysis of upcoming projects to adopt profitable business prospects and assess business risks of those accordingly**

**Strengthen good corporate governance system and uphold the corporate culture**

**Strengthen internal control & internal audit system**

**Ensure integration of digital technology by automation of business processes**

**Uphold ONE HEALTH concept for Healthy People, Healthy Animal & Healthy Environment**

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.



ACME

# 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



Mohammad Ziauddin  
Member



Md. Abu Zafor Mohiuddin  
Member



Gobinda Goshwami  
Member



Dr. Mohammad Zahurul Hossain  
Member



Brahmmarpan Pikaso  
Member



Md. Zakir Hossain  
Member



Amalesh Sen Gupta  
Member

# 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

## Cost/Expense Reduction and Profit Optimization Sub-Committee



Tanveer Sinha  
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

## 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



Brahmmarpan Pikaso  
Member Secretary



Mohammad Ziauddin  
Member



Md. Zahidul Islam  
Member



Md. Zakirul Islam  
Member



Md. Shofikul Islam Shohug, ACA  
Member



Foyez Ahmed  
Member

# CISPIC Management Sub-Committee

## QMS, EMS and Risk Management Sub-Committee



Md. Hasibur Rahman  
Chairman



Tasneem 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



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



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



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



Motiur Rahman Sinha  
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



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



Md. Humayun Kabir  
Member



Asad Quader Shamsuddin  
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, GM, Regulatory Affairs
5. Member : Ms. Afroza Akhter, Senior Manager II
6. Member : Kazi Sharmin Sultana, Senior Manager II
7. Member : Md. Abdullah-Al-Farooque, Senior Manager II
8. Member : Md. Abul Kalam Azad, Manager
9. Member : Mohammad Masiur Rhaman, Manager
10. Member : Mohammad Rajib Al Masud Bhuiyan, Manager
11. Member : Md. Mahbubur Rahman, Deputy Manager
12. 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, Senior AGM, Distribution
6. Member : Syed Nazrul Islam, AGM, Sales
7. Member : Md. Aminul Islam, AGM, Sales
8. Member : Shanta Kumar Ghosh, NSM, Sales
9. Member : Md. Aftab Ali, SM, Sales-Vet
10. Member : S.M.M. Saydul Arefin, SM, Institutional Sales
11. Member : A.F.M. Fakrul Islam, Sr. Manager-I, Sales Support
12. Member : Mohammed Solaiman, Sr. Manager-II, Distribution
13. Member : Leton Kumar Kundu, Manager, Distribution

## International Business Working Committee

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

### Supply Chain Working Committee

1. Chairman : Tasneem Sinha, DMD
2. Co-Chairman : Sabrina Juned, Director & Motiur Rahman Sinha, Director
3. Member Secretary : Brahmmapan Pikaso, GM
4. Member : Md. Zakir Hossain, GM, 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 : Rezanur Rahman, Assistant Manager
12. Member : Azhar ul Islam, Assistant Manager

### HR & Admin Working Committee

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

### Information Technology (IT) Working Committee

1. Chairman : Tasneem Sinha, DMD
2. Co-Chairman : Sabrina Juned, Director  
: Motiur Rahman Sinha, Director  
: K. M. Badruddin, Executive Director
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, DMD
2. Co-Chairman : Tanveer Sinha, Director  
: K. M. Badruddin, Executive Director
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, Sr. Manager-II
8. Member : Md. Abidur Rahman, Manager
9. Member : Md. Humayun Kabir, Sr. Manager-II
10. Member : Md. A.N.M. Shakil, Sr. Manager-II
11. Member : Abdullah Al Mamun, Manager
12. Member : Mohammad Aktar Hossain, Deputy Manager

### Quality Operation Working Committee

1. Chairman : Tasneem Sinha, DMD
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, DMD
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 : Ripon Ahmed, Manager
11. Member : Raju Ahmed, Deputy Manager
12. Member : Nahid Newaz, Deputy Manager
13. Member : Saiful Islam

### Engineering Operation Working Committee

1. Chairman : Tanveer Sinha, DMD
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
10. Member : Md. Fazlul Hoque, Deputy Manager
11. Member : Md. Tayeful Rahman, Deputy Manager
12. Member : Md. Rakib Hossain, Deputy Manager

### Technical Operation Working Committee

1. Chairman : Tasneem Sinha, DMD
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
10. Member : Md. Jannatul Ferdous, 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, Sr. Manager-II, 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 – consistent revenue growth, improvement of Earnings Per Share (EPS), Net Assets Value per share (NAVPS), and other financial indicators, for which, the bottom line has improved to a satisfactory state.

**02**

Implemented an Integrated Business Plan (IBP) process for which 12.95% revenue growth was achieved compared to the previous year.

**03**

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

**04**

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

**05**

The first phase of the Collaborative Partnership Project between ACME and USAID-funded “Feed the Future Bangladesh Livestock and Nutrition Activity” to achieve sustainable livestock farming, was successfully implemented by ACME and ACIDI-VOCA.

**06**

Transformed Performance Management System where KPI along with KEI provided a synergistic effect facilitated to boost an effective and efficient performance-oriented culture in the organization.

**07**

Launched 28 first-time in BD products.

**08**

QMS Department facilitated the development of SMEs who possess in-depth knowledge of the ISO standards and utilize their expertise by cascading this knowledge within their own Department and division, which accelerates the necessary training of all concerned for process improvement, skill development, and reinforcement of ACME's QMS practices.

**09**

ACME Strengthened its corporate culture by awarding star performers, long long-service contributors, introducing subsidized/Discontinued Medicines and launched Day care center for employees.

**10**

All necessary preparations are in full swing to inaugurate the commercial operations at the state-of-the-art API Plant in June 2024, which will be cherished as a key milestone in the glorious journey of ACME in the days to come.

**11**

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

**12**

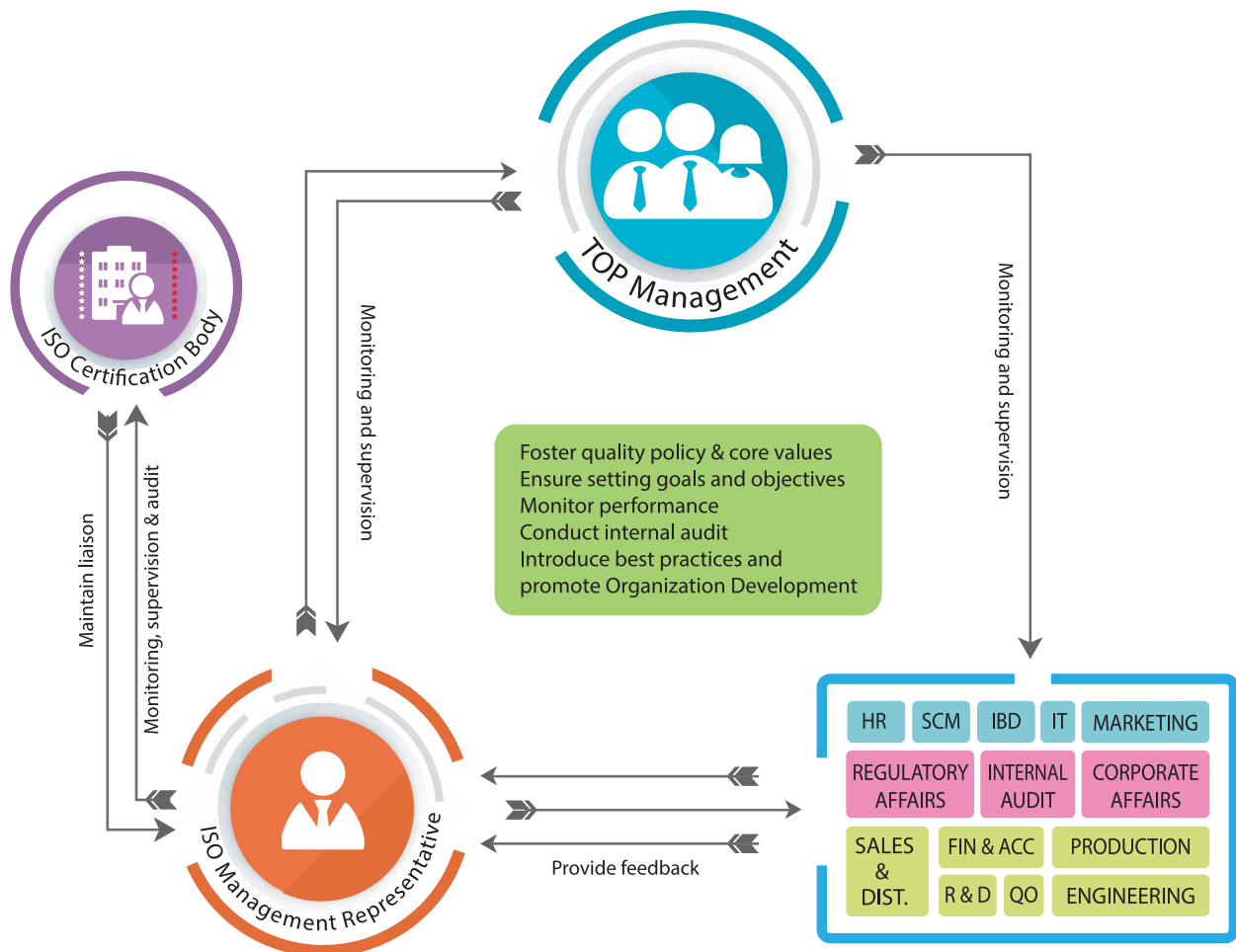
Digital Healthcare App “HealthAid” and veterinary Mobile App “VetHealth” were launched to aid patients/customers, and Corporate AV was aired to reinforce corporate branding.

**13**

Achievement of the prestigious USFDA accreditation displays ACME's ardent dedication to imbue a positive impact on people's lives and to serve the nation.

# QMS Operations

Our Board of Directors is highly influenced by Quality Management Operations that is monitored and supervised by Australian 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





Penicillin

Solid Dosages Unit (SDU)



Unit

Blow Fill Seal  
Liquid & Semi-solid  
Sterile (BLS) Unit

Hormone & Steroid Unit

Herbal Unit

# 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 January 14<sup>th</sup>, 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
2018-2019	Cash	35%	1,578	12.12.2019	13,67,430.92	12 February 2023
<b>Total</b>					<b>57,62,854.92</b>	

## 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](http://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 নিদেশিকা 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 268,600 has been spent for Graduate Students Internship Program (GSIP) in cash and kind.
- Introduced following employees' well-being programs:
  - BDT 171,386,021 was disbursed under the scheme of WPPF and WWF.
  - In addition to- BDT 143,267,377 was spent as contribution to provident fund.
  - BDT 13,216,257 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 135,000 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 2022-23 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.
- During the year 2022-23, Earnings Per Share is BDT 10.89 on one Equity Share of BDT 10.00 each;
- Net Assets Value per share is BDT 110.09 as at 30 June 2023;
- During the year The Board of Directors recommend 33% Cash Dividend.

## HUMAN RESOURCES

2022-2023 was a very challenging year for everyone in the world due to geopolitical unrest like Russia Ukrain war, israel palestine war & post epidemic situation regarding COVID-19 & global crisis. Our more than 8800 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 29 (twenty-nine) 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.

## PROFIT

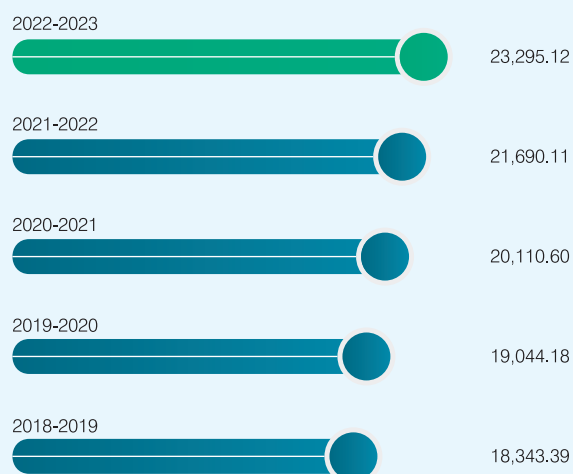
- Achieved 12.95% Sales growth during the year 2022-2023;
- During the year 2022-23, Percentage of Net Profit to Net Sales ratio is 8.55;



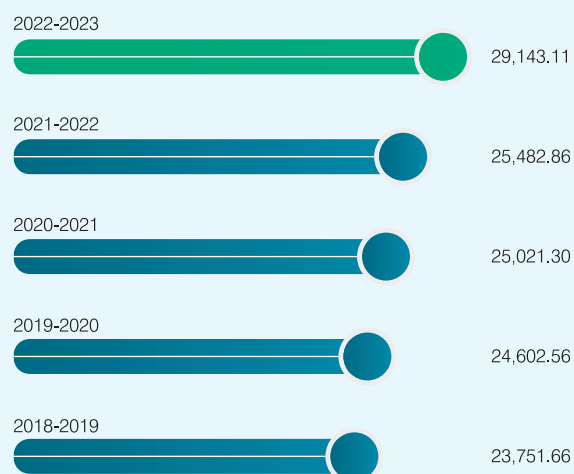
# Selected Growth Indicators

BDT in million

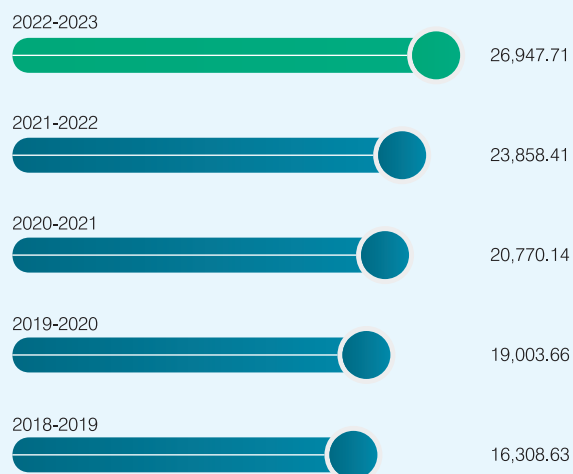
## Shareholders Equity



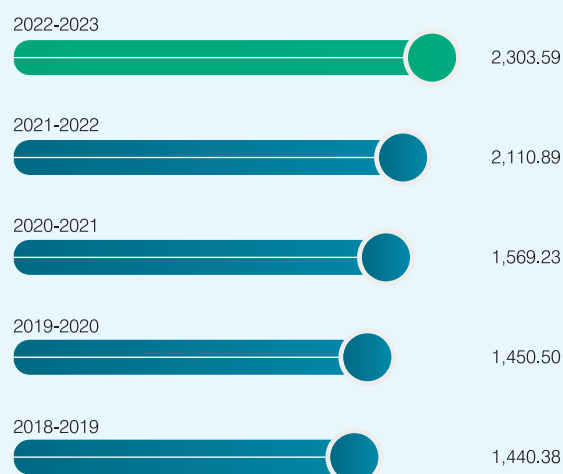
## Property, Plant and Equipment



## Revenue

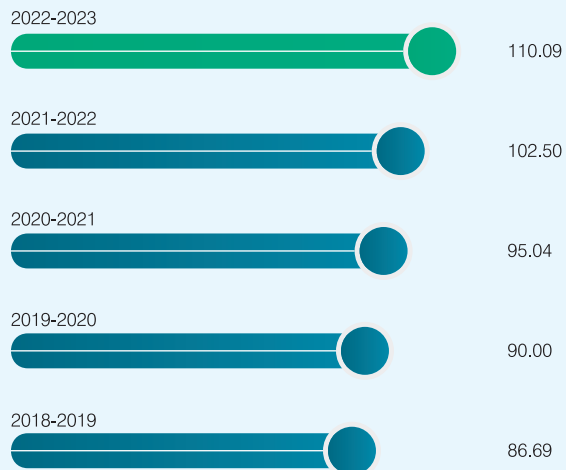


## Profit after Tax

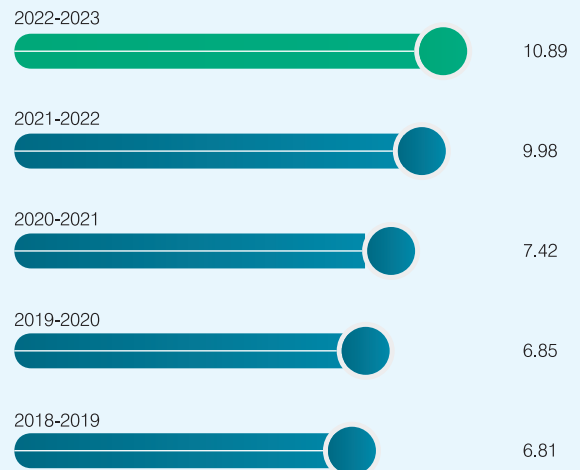




### Net Asset Value Per Share (NAVPS)



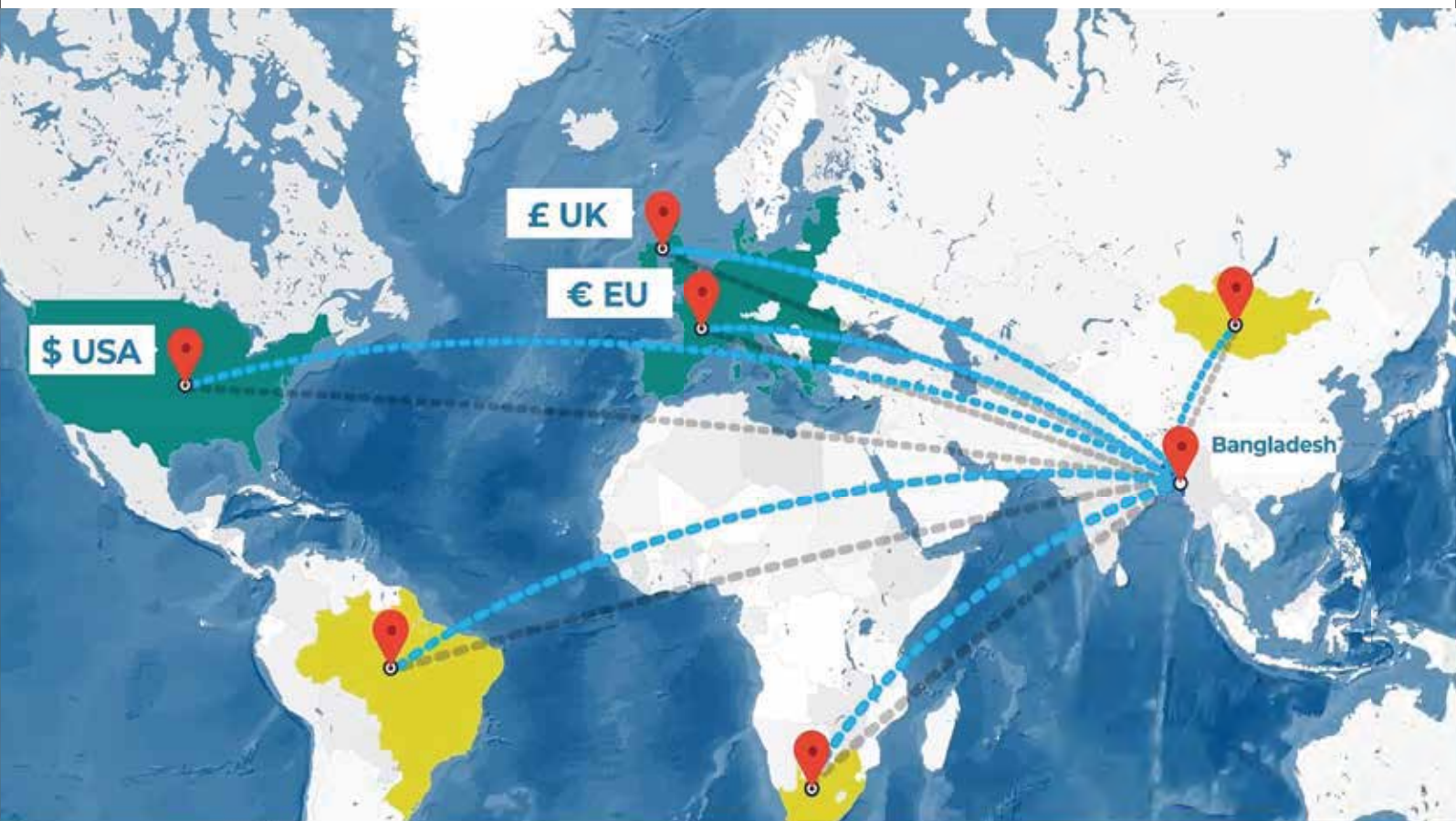
### Earnings Per Share (EPS)



# Solid Dosages Unit



# 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. ACME is the first among Bangladeshi pharma companies to receive US FDA approval of it's own ANDA in 2023 without a single observation followed by approval of it's manufacturing site at Dhamrai by the most stringent regulatory authority, US FDA. 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, in 2023 ACME has successfully started exporting products to UK. Export to USA and EU is also expected in near future. 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.

# Our Role in Bangladesh

Since 2010, The ACME Laboratories Ltd. has been steadfastly implementing its visionary business philosophy, "Integrated Pharmaceutical Marketing - Ideas for New Vision." This strategic approach underscores the company's commitment to holistic and cohesive marketing strategies. Integrated Marketing, as embraced by ACME Laboratories, extends beyond traditional boundaries, encapsulating the entire spectrum of business operations. This innovative philosophy aligns operating policies, values, decision-making processes, and promotional practices. From medical education to public relations, sales force activities, and other divisions of the company, the Integrated Marketing approach ensures alignment around a service-based, ideal marketing model. The seamless integration of Customer Relationship Management (CRM) technology further enhances the company's ability to deliver a comprehensive and unified marketing experience. This forward-thinking philosophy positions ACME Laboratories at the forefront of the pharmaceutical industry, reflecting its dedication to excellence and a customer-centric approach.

## ACME's Marketing & Distribution Strengths

- The ACME Laboratories is guided by a forward-thinking mission and vision, setting it apart in the pharmaceutical industry.
- The company's enduring presence for over six decades has solidified its brand image and reliability.

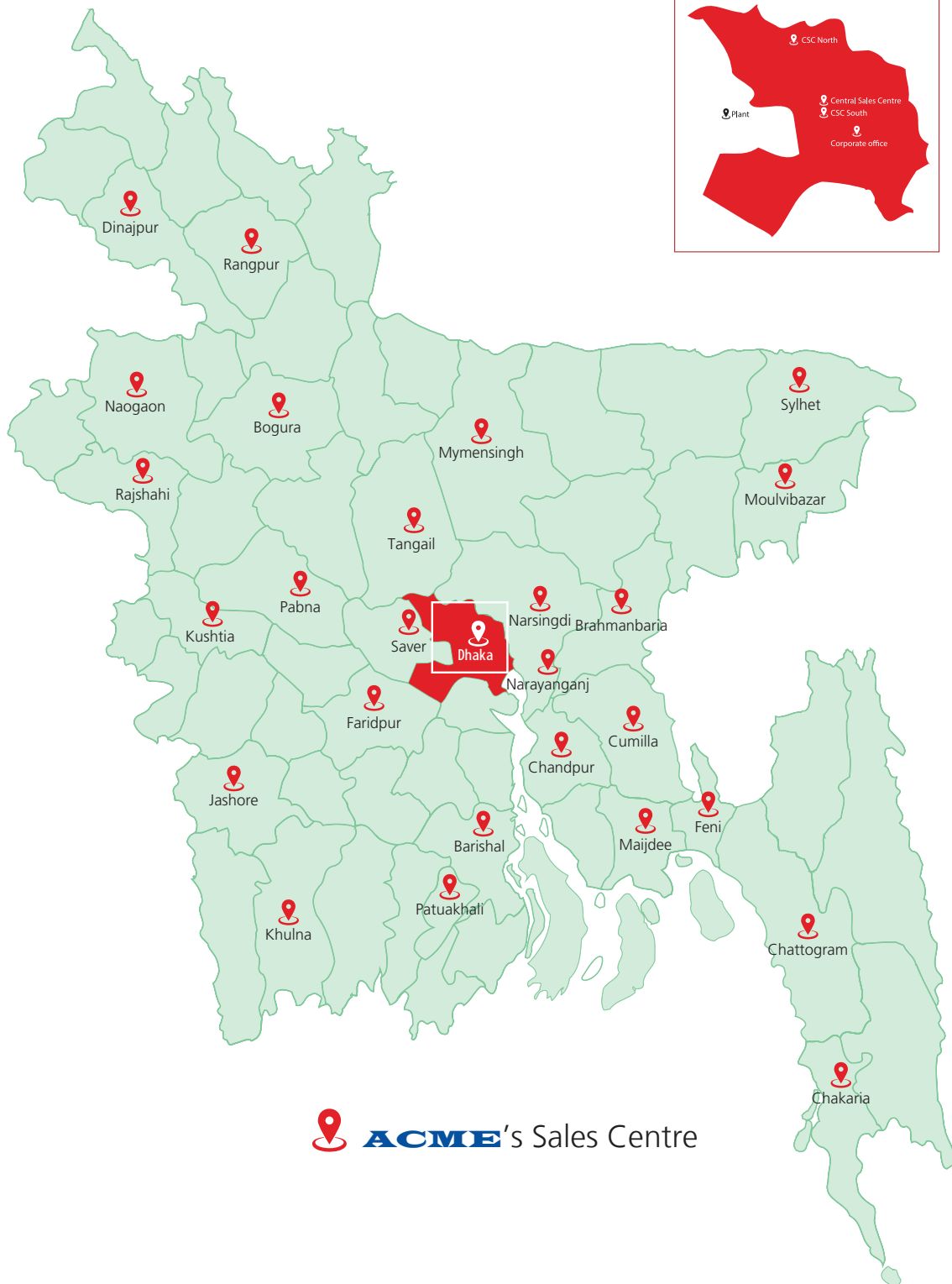
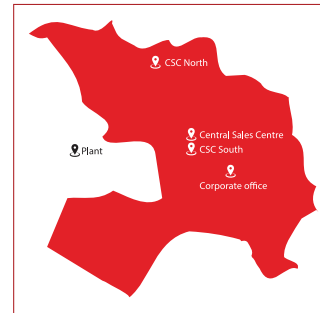
- The ACME Laboratories maintains a commitment to consistent quality policies, ensuring high standards across its product range.
- The company employs a fool-proof scientific integrated marketing strategy, ensuring a comprehensive and targeted market approach.
- ACME's product line includes time-tested high-quality pharmaceuticals, reflecting its commitment to excellence.
- The company has cultivated excellent relationships with doctors, chemists, and other stakeholders, creating a network of trust.
- A mega sales force of over three thousand experienced, skilled, and devoted individuals drives effective market engagement.
- The company boasts world-class manufacturing facilities, ensuring the production of high-quality pharmaceuticals.
- ACME has established a comprehensive marketing and distribution network, both domestically and internationally, showcasing its commitment to global reach and accessibility.

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



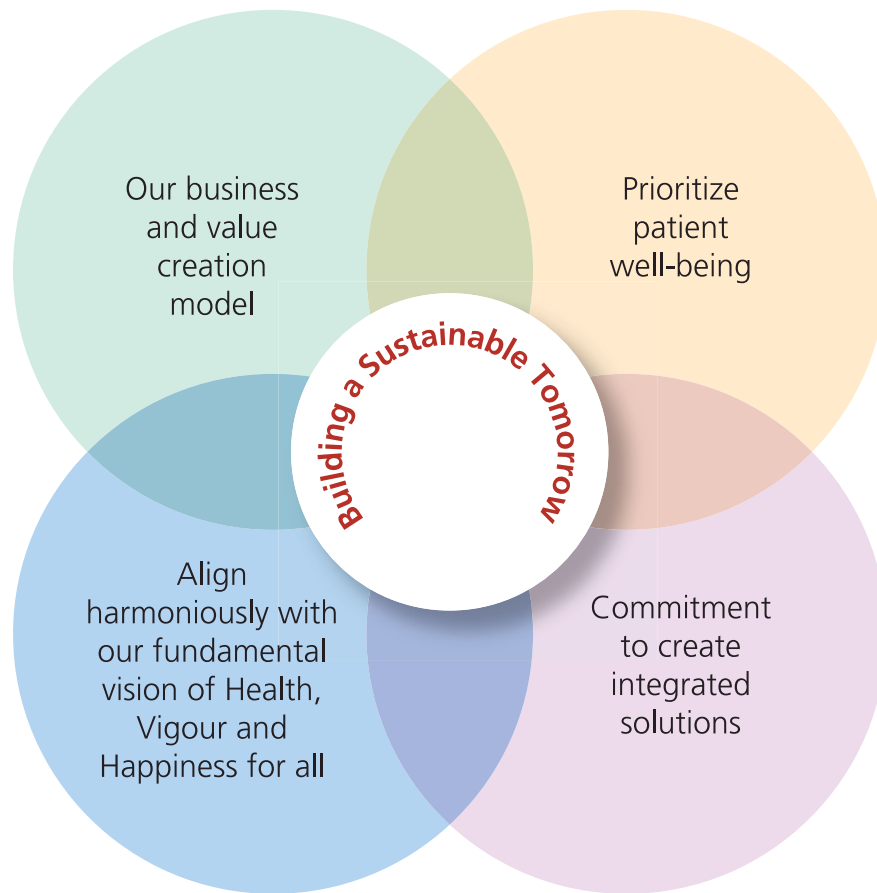


Dhaka District Map



 **ACME's Sales Centre**

# Strategy Strengthened for a Sustainable Tomorrow



Expanding our global footprint, we always prioritize patient well-being as the cornerstone of our growth. Sustainability and responsibility are deeply ingrained in the foundation of our business, seamlessly integrated into our daily decisions and overarching strategy. Our sustainability approach is guided by a visionary commitment to creating intelligent solutions that align harmoniously with our fundamental vision of Health, Vigour and Happiness for all.

# Guidance for 2023-2024

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

Formulate smart & effective strategies along with appropriate action plan for the improvement of top-line growth and bottom-line growth

Implement the integration of digital technology to ensure transition and transformation of various business processes from traditional practice

Exploring new business opportunities

Focusing on Bio Pharmaceutical related products

Ensure maximization of shareholders' wealth through increasing operational performance

Concentrating on TRIPS Facilities

Commercial Launch of API Project

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 Corporate Governance

## CORPORATE GOVERNANCE

Corporate Governance encompasses a comprehensive framework of policies, processes, and procedures that guide the control and administration of the company to accomplish the strategic vision. It is a practice that recognizes and respects the diverse array of stakeholders involved, including shareholders, management, board of directors, employees, depositors, customers, creditors, suppliers, regulators, and the broader legal framework.

The ACME Laboratories Ltd. places a strong emphasis on corporate governance philosophy, which includes transparency, fairness, accountability, corporate ethics, legal compliance, disclosure of pertinent information, professionalism, and the ultimate goal of enhancing shareholders' value. This philosophy is firmly rooted in the principle of balancing the interests of all stakeholders, acknowledging that safeguarding shareholders' interests goes hand in hand with ensuring that the board and management fulfill their responsibilities to nurture the company's long-term sustainability, growth, and profitability.

The Board of Directors views itself as a mediator for the company's shareholders, bearing a fiduciary duty to act in their best interests and to generate and safeguard their wealth. The ACME Laboratories Limited's approach to corporate governance is guided by principles of integrity, responsibility, and a steadfast commitment to the well-being of all stakeholders.

ACME's approach to governance, which has remained largely consistent over time, is to:

- promote the long-term profitability of The ACME Laboratories Limited while cautiously managing risk
- drive superior and sustainable shareholder value over the long term through the alignment of the interests of stakeholders and employee
- Meet Corporate Governance Elegance

ACME's Corporate Governance Compliances are carried out by the organisms mentioned hereafter:

## BOARD OF DIRECTORS:

### Composition of the Board:

The Board of The ACME Laboratories Ltd. consists of 12 (twelve) Directors, comprising a diverse and highly skilled team. Among them, 8 (eight) members are shareholder Directors. Additionally, there is 1(one) nominee Director nominated by the Investment Corporation of Bangladesh (ICB) and 3 (three) Independent Directors, out of which

one of the Independent Directors resigned and the Board accepted her resignation on October 10, 2023. Furthermore, the Board of Directors in its 153<sup>rd</sup> meeting held on 13 November 2023 appointed Mr. Kazi Sanaul Hoq as Independent Director subject to necessary consent from BSEC and final approval from shareholders in the forthcoming. The Chairman of the board is elected from the pool of Non-Executive Directors, reflecting a commitment to effective governance. Each member of the board brings substantial professional experience, expertise, and a strong dedication to their roles. Their collective knowledge and diverse backgrounds equip them with the necessary tools to oversee the company's business activities, ensuring responsible and effective management.

The members of the Board of Directors are as follows:

Name of Directors	Position
Mrs. Nagina Afzal Sinha	Chairman
Mr. Mizanur Rahman Sinha	Managing Director
Dr. Jabilur Rahman Sinha	Deputy Managing Director
Mrs. Jahanara Mizan Sinha	Deputy Managing Director
Ms. Tasneem Sinha	Deputy Managing Director
Mr. Md. Abul Hossain	Nominee Director of ICB
Mr. Tanveer Sinha	Director
Mrs. Sabrina Juned	Director
Mr. Fahim Sinha	Director
Mr. Das Deba Prashad	Independent Director
Mr. Ehsan Ul Fattah	Independent Director
Mr. Kazi Sanaul Hoq	Independent Director

The Board is reconstituted every year at its Annual General Meeting by the rotation and re-election of one-third of the directors in order to meet the requirements of the Companies Act, 1994 and the Articles of Association of the Company.

## Role of the Board

The Board of Directors is a body appointed by the Shareholders during the Annual General Meeting (AGM), and accountable to the Shareholders. The Board is responsible for formulating strategy, policy and ensuring that the business activities are soundly administered and effectively controlled. Directors maintain a vigilant watch over the Company's financial health, ensuring that its operations, accounts, and asset management are subject to rigorous and prudent controls. Moreover, the Board plays a pivotal role in upholding ACME's established

Policies, Procedures, and Codes of Conduct, ensuring their proper implementation and maintenance. It is their duty to ensure that the company adheres to universally recognized principles of good corporate governance and efficient management, guaranteeing transparency and accountability in the company's 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 2022-2023, Nine (09) 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.

## SEPARATE ROLE OF THE CHAIRMAN AND MANAGING DIRECTOR

In The ACME Laboratories Ltd., there are two distinct individuals serving on the board, with one fulfilling the role of chairman and the other as the Managing Director, each contributing to the effective governance and management of the company. The specific details of their respective roles are outlined as follows:

### Role of Chairman

In line with the Corporate Governance Code of BSEC and 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 for leading 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, provisions of 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 that 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.

## CODE OF CONDUCT

The Board of Directors of The ACME Laboratories Ltd. is committed to the highest standards of conduct in their relationships with ACME's employees, customers, members, shareholders, regulators, and the stakeholders. This means conducting our business in accordance with all applicable laws and regulations and it also means commitment to the spirit of the law. Our actions should reflect ACME's values, demonstrate ethical leadership, and promote a work environment that upholds ACME's reputation for integrity, ethical conduct, and trust.

The Code is intended to provide a statement of the fundamental principles applicable to our Directors. This code of Conduct for the Chairperson, other Board Member, and Chief Executive Officer has been adopted by the Board of Directors in its 92nd meeting of the Board held on 05 September 2018 and framed by the Company in compliance with the requirements of the Condition 1(7) of Corporate Governance Code vid Notification No.BSEC/CMRRCD/2006-158/207/ Admin/80 dated 3 June 2018 of Bangladesh Securities and Exchange Commission.

This Code of Conduct adopted by the board has been published on the website of the company. i.e. [www.acmeglobal.com](http://www.acmeglobal.com).

## SUB-COMMITTEES OF THE BOARD:

To ensure good corporate governance the Board of The ACME Laboratories Ltd. has two following sub-committees:

- I. Audit Committee:
- II. Nomination and Remuneration Committee (NRC):

### I) 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 was reconstructed the committee on 26<sup>th</sup> April 2022 in its 140<sup>th</sup> meeting. The Board of Directors of The ACME Laboratories Ltd. in its 151<sup>st</sup> Meeting held on 10 October 2023 accepted the resignation of Mrs. Evana Hoque, FCA Independent Director and the Chairperson of the Audit Committee and in the same meeting, the Board has appointed Mr. Das Deba Prashad, existing Independent Director of the company, as the new Chairperson of the Audit Committee.

### The composition of the committee as follows:

SL.	Name	Role
1.	Mr. Das Deba Prashad	Chairperson (Independent Director)
2.	Mr. Md. Abul Hossain	Member (Non-Executive Director)
3.	Mr. Ehsan Ul Fattah	Member (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 Audit Committee to assist the Board. 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.

### 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;
- 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.

### Meeting Attendance:

The details of attendance of each member at the Audit Committee meetings during 2022-2023 are given below:

Name of Directors	Position in AC	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	04	04

\*Mrs. Evana Haque, FCA, resigned from her position of Independent Director and Chairperson of Audit committee, which was duly approved by the Board of Directors in its 151<sup>st</sup> Meeting held on 10 October 2023.

### Other Matters:

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

### II. Nomination and Remuneration Committee of the Board:

The Board of Directors of The ACME Laboratories Ltd. has been having a duly constituted 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. formed 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 of NRC:

The NRC of The ACME Laboratories Ltd. is comprised of Four (4) members who are Non-Executive Directors, including Two (2) Independent Directors. Composition of the Nomination and Remuneration Committee (NRC) are as follows:

SL.	Name	Role
1.	Mr. Das Deba Prashad	Chairman (Independent Director)
2.	Mr. Md. Abul Hossain	Member (Non-Executive Director)
3.	Mrs. Jahanara Mizan Sinha	Member (Non-Executive Director)
4.	Mr. Ehsan Ul Fattah	Member (Independent Director)

The Independent Director, Mr. Das Deba Prashad acts as Chairman of the Committee. As per regulatory guidelines, the Company Secretary act's as 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 assists 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.

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 the Board's diversity taking into consideration age, gender, experience, education and nationality;
- Formulate the criteria for determining the 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 Management System (PMS) of The ACME Laboratories Ltd. for the year 2022-23;
- 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.

### Chief Internal Audit Executive (CIAE), CHIEF FINANCIAL OFFICER (CFO) and COMPANY SECRETARY (CS)

In line with the Corporate Governance Code of the BSEC, the company ensured the appointment of 3 (three) individuals as Chief Internal Audit Executive (CIAE), Chief Financial Officer (CFO), and Company Secretary (CS) and also defined their roles, duties, and responsibilities.

All these three individual plays a pivotal role in the company's successful implementation of the strategy taken by the Board and ensure effective corporate governance within the company.

Internal audit provides assurance by assessing and reporting on the effectiveness of governance, risk management, and control processes designed to help the organization achieve strategic, operational, financial, and compliance objectives.

The Chief Financial Officer has direct responsibility for leading the development and implementation of the financial strategy necessary to deliver the organization's strategic objectives sustainably which aligns with the overall corporate governance and management structure.

A Company Secretary plays a pivotal role in ensuring compliance, good corporate governance, and effective communication between the company's management, board of directors, shareholders, and regulatory bodies. The Company Secretary acts as a bridge between various stakeholders.

### OTHER GOVERNANCE APPARATUS

#### Independent Director

In compliance with the BSEC Regulations on Good Governance, the Board of Directors appointed the following persons as non-shareholding Independent Directors with the expectation that their expertise would help contribute to the further disclosure and protect the interests of the stakeholders, investors in general and smaller investors in particular:

#### Statutory Auditors

The Company appointed The Statutory Auditors in line with the relevant laws and as per guidelines of the Corporate Governance Code of BSEC (Condition # 7) to perform their duties and responsibilities. The Company does not engage its external/statutory auditors to perform any other services of the company that are not permissible.

## Maintaining the Website of the Company

In compliance with Condition #8 of the Corporate Governance Code, the Company has been maintaining an official website (www.acmeglobal.com). This website is seamlessly linked with the platforms of two Stock Exchanges, ensuring its continuous functionality since the day of listing. The Company has consistently provided comprehensive and timely regulatory disclosures on this website, adhering to the highest standards of transparency and corporate governance.

## Compliance Auditors

In accordance with Condition # 9 of the code, the Company has appointed a dedicated Compliance Auditor to meticulously review and assess its corporate governance practices. The Compliance Auditor has diligently examined every facet of the company's governance framework and has subsequently issued a Certificate on Compliance with the Corporate Governance Code, providing stakeholders with the assurance that the company's corporate governance practices meet the stringent requirements laid out by the BSEC.

## SHAREHOLDERS' RELATIONSHIP

### Shareholders' relationship

Shareholder relations play a pivotal role in the governance of a company, and they are primarily delineated in the corporate charter and other shareholder provisions. At The ACME Laboratories Ltd., the board of directors takes responsibility for safeguarding the shareholders' interests. To foster strong and transparent relationships with our shareholders, we have consistently provided all necessary regulatory disclosures, engaged in open dialogue through our Annual General Meetings (AGM), and maintained an informative and accessible corporate website & email.

### Redressal:

The company puts due emphasis on shareholders' queries. To address the same effectively, the Company has implemented multiple channels of communication like a platform of AGM/EGM, shareholders' corner of share department, office of public relations, company website, Annual Report, requisite disclosures pattern, etc. to maintain an effective relationship with the shareholders of the Company.

## DIVIDEND POLICY

Detailed dividend policy of the company has been defined on page no. 86-87 of this Annual Report.

## Corporate Social Responsibility (CSR)

The ACME Laboratories Ltd. maintains its commitment to achieving not only business and financial success but also leaving a lasting positive impact on society and the environment. A fundamental company objective is to champion Corporate Social Responsibility (CSR) initiatives aimed at serving people, the nation, and the planet, thereby enhancing its corporate image among diverse stakeholder groups. As an integral part of its CSR endeavors, ACME has actively promoted nature-positive farming practices for medicinal plants across various regions of the country through a dedicated project known as the Social, Environmental, and Economic Development (SEED) project. The company's steadfast dedication to CSR is exemplified by its substantial expenses in the year, underlining its genuine commitment to making a difference in the community and the environment.

## SECRETARIAL STANDARD

As per Condition No. 6 of the Corporate Governance Code, a detailed report on Bangladesh Secretarial Standard-1 [BSS-1] has been defined on page no. 144-147 of this Annual Report.

## COMPLIANCE OF THE CORPORATE GOVERNANCE CODE:

The Company diligently strives to adhere to all applicable or practicable conditions outlined in the Code and is resolute in its commitment to transparent and ethical business practices. In line with Condition No. 9(3) of the Code, the Company has provided a comprehensive statement on its corporate status, as mandated, on page no. 130-143 of this annual report, ensuring that all necessary disclosures are meticulously detailed. Moreover, as a testament to the company's dedication to sound corporate governance, an independent Audit Firm has issued a certificate regarding the Company's governance practices, and this certificate is disclosed on page no. 129 of this Annual Report.

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



# Report on Activities of the Audit Committee during the year 2022-2023

The Audit Committee acts as a sub-committee of the Board of Directors of The ACME Laboratories Ltd., assisting in assuring and performing its oversight responsibilities.

## Member of the Committee

1. Mr. Das Deba Prashad, Independent Director.
2. Mr. Md. Abul Hossain, Nominee Director of ICB
3. Mr. Ehsan Ul Fattah, Independent Director

The Company Secretary of the Board, acts as the Secretary to the Committee.

## Key responsibilities of the Committee

- To review the quarterly and annual financial statements of the Company, focusing on any significant changes to accounting policies and practices, any significant adjustment arising from the audits and compliance with the other relevant laws;
- To review the statement of significantly related party transactions and conflict of interest.
- To prepare the Audit Committee report and submit it to the Board.
- To review the Board's statements regarding compliance with the BSEC Codes of Corporate Governance.
- To consider annually the Risk Management Framework adopted within the Company.
- To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored;
- Overseen, reviewed, and approved the procedure and task of the internal audit.
- Reviewed the process and effectiveness of the internal audit, the findings of the internal audit team, and of its corrective actions.

## Major activities of the Audit Committee during the year 2022-2023

- o Extensively Reviewed, the quarterly and annual financial statements and ensured that the financial statement have been prepared and presented in a manner that is prescribed by prevailing standards and laws.
- o The committee reviewed the Annual Audited financial statements including the key factors and risk thereon disclosed by the Statutory Auditors' and recommending to the Board for their consideration.
- o Reviewed the activities, functions and others (as applicable) of the statutory auditors.
- o Reviewed the management discussion analysis and related party transaction of the company.
- o Overseen, reviewed, and approved the procedure and task of the internal audit.
- o Reviewed the Annual audit plan and program of Internal Audit division and, the findings of the internal audit team, and of its corrective actions.
- o Reviewed the process and effectiveness of the existing internal control system of the company.

On behalf of the Audit Committee



**Das Deba Prashad**  
Chairperson of the Committee

# REPORT ON THE ACTIVITIES OF THE NOMINATION AND REMUNERATION COMMITTEE 2022-2023.

## Nomination and Remuneration Committee of the Board:

The ACME Laboratories Ltd.'s Board of Directors has demonstrated a strong commitment to corporate governance by maintaining a duly constituted Nomination and Remuneration Committee (NRC), a sub-committee of the Board.

In accordance 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. Its primary role is to collaborate with the Board in shaping the nomination criteria and policies governing the qualifications, positive attributes, experiences, and independence of directors and top-level executives. Additionally, it oversees the formulation of a comprehensive policy that outlines the formal process for evaluating the remuneration of Directors and top-level executives, further reinforcing the company's commitment to ethical and transparent corporate practices.

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

## Composition of NRC:

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

Under the leadership of the Independent Director, Mr. Das Deba Prashad, who serves as the Committee's Chairman, The ACME Laboratories Ltd.'s Nomination and Remuneration Committee (NRC) operates in accordance with regulatory guidelines. The Company Secretary (acting), Mr. Md. Arshadul Kabir, FCA, fulfills the role of Secretary to the Committee. The NRC functions seamlessly, ensuring strict adherence to the Corporate Governance Code established by the Bangladesh Securities and Exchange Commission (BSEC).

No member of the Nomination and Remuneration Committee (NRC) receives any form of remuneration, whether direct or indirect, for their participation in advisory, consultancy roles, or any other duties, apart from the standard director's sitting fees or honorarium provided by The ACME Laboratories Ltd.

Additionally, the NRC's meetings are attended by permanent invitees, including the Head of Finance & Accounts and the Head of Human Resources, who play crucial roles in these discussions. Furthermore, relevant Heads of Divisions and other members of the management team may also join these meetings as necessary, contributing to the comprehensive and informed decision-making process of the NRC.

## 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 Management System (PMS) 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) plays a pivotal role in upholding the transparency and judiciousness of procedures for appointing new Directors within The ACME Laboratories Ltd. The Board places a strong emphasis on ensuring that its membership reflects diversity in a comprehensive sense. This diversity encompasses various factors, including age, gender, experience, ethnicity, educational background, nationality, and other pertinent personal attributes. Such diversity is essential in providing a wide range of perspectives, insights, and challenges, which are crucial for sound decision-making. The recruitment and selection processes for Board members are meticulously designed to identify candidates with the most suitable skills, knowledge, experiences, and personal values. Qualifications explicitly stated in ACME's corporate governance principles and culture promote fair and impartial selection, reinforcing the company's commitment to equitable representation and unbiased decision-making.

### 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 be contributed for attracting, engaging and retaining the right employees to deliver sustainable value for shareholders in accordance with the ACME's culture and practice.

### Remuneration for the Board of Directors:

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

### Meeting Attendance:

The details of attendance of each member at the NRC meetings during 2022-2023 are given below:

Name of Directors	Position in NRC	No. of Meetings held	No. of Meetings attended
Mr. Das Deba Prashad	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

\*Mrs. Evana Haque, FCA, Independent Director resigned from her position of Independent Director and Chairperson of Audit committee as well as member of the NRC, which was duly approved by the Board of Directors in its 151<sup>st</sup> Meeting held on 10 October 2023.

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

During the financial year 2022-2023, The ACME Laboratories Ltd.'s Nomination and Remuneration Committee (NRC) conducted a single meeting. In the meeting, the NRC meticulously reviewed the company's nomination and remuneration initiatives and others. The major activities of the NRC during the year were as follows:

- Recommendation to appoint Deputy Managing Director from Directors of the company as per the complying with the relevant provision of the company's policy.
- 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;
- Discussion and recommendation on recent inflation

in Bangladesh and its impact on the salary, wages and Other benefits of the employee of the Company.

- Recommended the re-appointment of foreign consultant under the R&D Division of the Company for a period of next one year with his existing benefits subject to complying with the other prerequisites of the regulators.

This Nomination and Remuneration Committee Report has 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





## World Class Indoor Facilities



## Canteen At Plant



# 46<sup>th</sup> AGM



ACME



# Phytobiotics-The Natural Feed Additives

## For Safe Livestock And Aquaculture Products



### INTRODUCTION

Livestock farming and aquaculture are vital sectors in the global food industry, and the demand for animal food products is likely to double as the world's population is expected to reach 9.5 billion people by 2050. In modern feeding practices, feed additives are assuming a position of prime importance in livestock production. Extensive research work has been conducted to reduce the feed cost, encompassing judicious use of available feed resources, precise nutrient supply and augmenting nutrient utilization through feed processing and supplementation with suitable feed additives. Antibiotics have long been used at sub-therapeutic levels in poultry, aquaculture and ruminant feed. However, the use of antibiotic growth promoters (AGPs) in animal feed is now restricted due to public concerns regarding antibiotic residue in animal tissue and the development of antimicrobial resistance (AMR) in humans. In addition, the presence of antibiotic residues in waste used as agricultural fertilizers is harmful to the environment by altering the availability of soil nutrients due to changes in microflora and microfauna and leading to the development of AGP-resistant bacteria in the soil. All these challenges associated with the use of AGPs triggered the necessity of a sustainable alternative to AGPs.

The practice without using AGPs in food animal production has been banned in European Union countries since 2006 and more countries are expected to follow the same. There are number of challenges after the withdrawal of antibiotics from feed. The cost-effectiveness in substituting antibiotics with alternatives is the most challenging one, which remains critical for ensuring long-term sustainable animal production. There have been a significantly increased number of studies focused on searching for alternatives to antibiotics with similar antimicrobial and growth-promoting effects without inducing bacterial resistance or potential side effects on animals.

Phytobiotics or phytogetic feed additives are plant-derived natural bioactive compounds that can be incorporated into feed to improve the productivity of livestock farming and aquaculture. Phytobiotics encompass a wide range of natural compounds extracted from plants. These compounds, which include essential oils, herbs, and spices, have been used for centuries in traditional medicine for their therapeutic properties. Phytobiotics are compounds known for their anti-inflammatory, antioxidant, anti-carcinogenic, immunomodulatory, hypolipidemic, detoxifying, flavoring, and digestive-stimulating properties. These beneficial effects of phytobiotics depend on the part of the plant used (bark, leaves, stem, roots, fruit, flower, seeds) or their extract. Many in vitro and in vivo studies have confirmed the safety and efficacy of phytobiotics in animal nutrition. Due to their safety and broad-spectrum efficacy, phytobiotic feed additives are moving further into the spotlight among scientists, nutritionists, feed manufacturers, producers and farmers. Therefore, there are immense scope of use of phytobiotics in livestock farming and aquaculture to improve health, production and reproduction and more importantly to ensure safety & improve the quality of the final products.

## CLASSIFICATION OF PHYTOBIOTICS

Active ingredients of phytobiotics are secondary metabolites of plants. They are produced by plants and serve various functions, such as defense against pests, viruses, or bacteria.

Phytobiotics include:

<b>Alkaloids</b>	A group of organic chemical compounds that contain nitrogen in their structure. They have various biological properties and can show both beneficial and toxic effects on living organisms. Examples of alkaloids are quinine, berberine, theobromine, caffeine, and lobeline.
<b>Tannins</b>	Tannins are phenol derivatives present in many different herbs, tea, and plant extracts. They can bind with proteins.
<b>Glycosides</b>	Sugar derivatives that contain a sugar (monosaccharide or disaccharide) and another chemical part called aglycone. This group of compounds includes cardiac glycosides (e.g., digitoxin) or steviol glycosides and salicin, rutin, hesperidin, or saponin.
<b>Flavonoids</b>	They can act as antioxidants, helping neutralize free radicals and preventing oxidative stress. Some flavonoids have anti-inflammatory, antiviral, antibacterial properties and support the cardiovascular system. In plants, flavonoids act as a dye. Examples of flavonoids include quercetin, catechins, anthocyanins, isoflavones, and naringenin.
<b>Terpenes and terpenoids</b>	Aliphatic hydrocarbons, naturally occurring volatile compounds in plants responsible for releasing plant, fruit, and spice aromas. This group of compounds includes eucalyptol, thymol, carvacrol, geraniol, limonene. Terpenes owe their name to turpentine, an ingredient in coniferous tree resins.
<b>Mucilage</b>	Mixtures of polysaccharide compounds, characterized by a gel-like consistency. In medicine, they are used as coating, protective, and softening agents. Raw materials containing mucilage include the leaves and roots of marshmallow, black mallow flower, psyllium seed, linseed, fenugreek seed, and trees, e.g., Senegal acacia, from which gum arabic is obtained.
<b>Essential oils</b>	They are liquid, volatile aromatic substances obtained in the distillation process. Many properties of natural essential oils are mentioned, mainly disinfecting, antiseptic, and bactericidal properties. Some of them stimulate circulation and facilitate expectoration.
<b>Organic acids</b>	They are considered safe, have been used for centuries to preserve food. They have antibacterial effects and strengthen the immune system. This group of compounds includes citric, formic, butyric, propionic, and acetic acids. Metabolites are found in various parts of plants, such as leaves, rhizomes, stems, roots, or flowers. Their action is used in medicine and cosmetology to produce drugs, dietary supplements, creams, or ointments.






## MECHANISM OF ACTION OF PHYTOBIOTICS






There are various positive effects of phytobiotics on health, production and reproduction of livestock animals and fish. Some plant extracts influence digestion and secretion of digestive enzymes and besides, they exhibit antibacterial, antiviral, and antioxidant activities. Phytobiotics especially those from the group of essential oils are often claimed to improve flavour and palatability of feed and hence, to raise performance of monogastrics livestock through stimulation of feed intake. A wide range of phytobiotics are known to exert pharmacological actions within the digestive tract, such as laxative and spasmolytic effects. Some phytobiotics act also as antioxidant and may, thus indirectly stabilize the nutritional and sensorial feed quality. The active compounds of phytobiotics are secondary plant constituents, which have variety of functions, including antimicrobial, anthelmintic, anticoccidial, antiviral, antioxidative, immunomodulatory, anti-inflammatory, hypocholesteremic effects and improvement in the palatability of feed and gut health.






## PHYTOBIOTICS FOR LIVESTOCK PRODUCTION



The use of phytobiotic feed additives as natural growth promoters (NGPs) has been growing in popularity due to their beneficial effect on gut health, immunity and growth performance. A list of few plants, herbs and spices that are used as phytobiotic feed additives in livestock farming is presented in Table-1.

**Table-1: List of selective plants, herbs and spices used as phytobiotic feed additives in livestock farming**

SL. No.	Name of Plants/ Herbs/ Spices	Pictorial Appearance	Key Actions & Uses
1.	<b>Turmeric</b> (Halud), <i>Curcuma longa</i> L.		<ul style="list-style-type: none"> <li>• Antioxidant,</li> <li>• Antimicrobial</li> <li>• Anti-inflammatory</li> <li>• Antifungal</li> <li>• Immunomodulatory</li> <li>• Anti-coccidial</li> <li>• Natural growth promoter</li> <li>• Nutrient enhancer</li> <li>• Increase egg production and egg quality</li> </ul>
2.	<b>Garlic</b> (Roshun), <i>Allium sativum</i> L.		<ul style="list-style-type: none"> <li>• Anti-oxidant</li> <li>• Anti-bacterial</li> <li>• Immune enhancer</li> <li>• Anti-fungal</li> <li>• Anti-protozoal</li> <li>• Anti-parasitic</li> <li>• Cholesterol lowering effects</li> <li>• Enhance reproductive functions</li> <li>• Growth promoter</li> <li>• Improve meat quality and egg quality</li> </ul>
3.	<b>Black Cumin</b> (Kalo Jeera), <i>Nigella sativa</i> L.		<ul style="list-style-type: none"> <li>• Ant-bacterial,</li> <li>• Anti-inflammatory</li> <li>• Anti-oxidant</li> <li>• Immunomodulatory</li> <li>• Anti-tumour agent</li> <li>• Poultry- growth promoter</li> <li>• Feed intake enhancer efficiency</li> <li>• Improve egg production &amp; quality</li> </ul>
4.	<b>Clove</b> (Labonga) <i>Syzygium aromaticum</i> (L) Merr & L. M. Perry		<ul style="list-style-type: none"> <li>• Antioxidant</li> <li>• Antimicrobial</li> <li>• Anti-inflammatory</li> <li>• Anti-fungal</li> <li>• Immunostimulant</li> <li>• Anti-allergic</li> <li>• Anti-depressant</li> </ul>
5.	<b>Neem,</b> <i>Azadirachta indica</i> A. Juss.		<ul style="list-style-type: none"> <li>• Anti-fungal</li> <li>• Anti-tumor</li> <li>• Antiviral</li> <li>• Anti-inflammatory</li> <li>• Anti-pyretic</li> <li>• Analgesic</li> </ul>

SL. No.	Name of Plants/ Herbs/ Spices	Pictorial Appearance	Key Actions & Uses
6.	<b>Indian Goose Berry</b> (Amlaki), <i>Phyllanthus emblica</i> L.		<ul style="list-style-type: none"> <li>• Antioxidant</li> <li>• Antimicrobial</li> <li>• Anti-ulcerent</li> <li>• Gastroprotective</li> <li>• Immune modulation</li> </ul>
7.	<b>Ginger</b> (Ada), <i>Zingiber officinale</i> Roscoe		<ul style="list-style-type: none"> <li>• Antioxidant</li> <li>• Anti-inflammatory</li> <li>• Immunomodulatory</li> <li>• Cardio-protective</li> <li>• Nephro-protective</li> <li>• Anti-tumor</li> <li>• Prevents cold cough and flu</li> <li>• Blood circulation enhancer</li> <li>• Anti-allergic</li> <li>• Anti-diarrhoeal</li> <li>• Antimicrobial</li> <li>• Anti-viral</li> <li>• Anti-gastritis</li> <li>• Anti-ulcerent</li> <li>• Anti-emetic</li> </ul>
8.	<b>Peppermint</b> (Pudina), <i>Mentha piperita</i> L.		<ul style="list-style-type: none"> <li>• Antioxidant</li> <li>• Antimicrobial</li> <li>• Carminative</li> <li>• Anti-spasmodic</li> <li>• Intestinal relaxation effect</li> <li>• Anti-inflammatory</li> <li>• Anti-tumor</li> <li>• Enhance production performance in poultry</li> </ul>
9.	<b>Wheat Grass</b> (Gom ghas), <i>Triticum aestivum</i>		<ul style="list-style-type: none"> <li>• Antioxidant,</li> <li>• Anti-inflammatory,</li> <li>• Anti-carcinogenic,</li> <li>• Hepato-protective,</li> <li>• Haematopoetic,</li> <li>• Feed intake enhancer</li> <li>• Growth promoter</li> </ul>
10.	<b>Holy Basil</b> (Tulsi), <i>Ocimum sanctum</i> L.		<ul style="list-style-type: none"> <li>• Antioxidant</li> <li>• Antimicrobial</li> <li>• Immunomodulatory</li> <li>• Wound healing</li> <li>• Anti-inflammatory and</li> <li>• Aanti-cancer activity.</li> </ul>

SL. No.	Name of Plants/ Herbs/ Spices	Pictorial Appearance	Key Actions & Uses
11.	<b>Giloy</b> (Gulanha), <i>Tinospora cordifolia</i> (Thunb.) Miers		<ul style="list-style-type: none"> <li>• Antioxidant</li> <li>• Antimicrobial</li> <li>• Immunomodulatory</li> <li>• Anti-inflammatory</li> <li>• Hepato-protective,</li> <li>• Galactagogue (improves milk yield and quality)</li> </ul>
12.	<b>Cumin</b> (Jeera) <i>Cuminum Cyminum</i> L.		<ul style="list-style-type: none"> <li>• Antioxidant</li> <li>• Antimicrobial</li> <li>• Immunomodulatory</li> <li>• Analgesic</li> <li>• Anti-osteoporotic</li> <li>• Growth promoter</li> <li>• Performance enhancer</li> <li>• Enteric methane mitigating agent</li> </ul>
13.	<b>Coriander</b> (Dhonia) <i>Coriandrum sativum</i> L.		<ul style="list-style-type: none"> <li>• Antioxidant</li> <li>• Antibacterial</li> <li>• Antifungal</li> <li>• Anti-hyperglycemic</li> <li>• Hypolipidemic</li> <li>• Anthelmintic</li> <li>• Diuretic</li> <li>• Enteric methane mitigating agent</li> <li>• Increase yield and Improve quality</li> <li>• Immune enhancer</li> <li>• Anti-stress substance</li> </ul>
14.	<b>Ajwan</b> <i>Trachyspermum ammi</i> L. Sprague ex Turrill		<ul style="list-style-type: none"> <li>• Antioxidant</li> <li>• Antimicrobial</li> <li>• Anti-inflammatory</li> <li>• Digestive stimulant increase milk production</li> <li>• Broncho-dilating activity</li> <li>• Detoxification of aflatoxins</li> </ul>
15.	<b>Shatavari</b> (Shotomuli), <i>Asparagus racemosus</i> Willd.		<ul style="list-style-type: none"> <li>• Antioxidant</li> <li>• Antimicrobial</li> <li>• Immunomodulatory</li> <li>• Growth promoting effect</li> <li>• Adaptogenic activity</li> <li>• Enhance reproductive performance</li> <li>• Increase milk production and improve milk quality</li> <li>• Enhances overall growth performance and immune system of poultry birds.</li> </ul>

SL. No.	Name of Plants/ Herbs/ Spices	Pictorial Appearance	Key Actions & Uses
16.	<b>Fenugreek</b> (Methi), <i>Trigonella foenum-graecum</i> L.		<ul style="list-style-type: none"> <li>• Antioxidant</li> <li>• Immunomodulatory</li> <li>• Gastro-protective</li> <li>• Growth promoting effect</li> <li>• Enhance reproductive performance in poultry</li> <li>• Increase milk yield in dairy animal.</li> </ul>
17.	<b>Moringa/ Drumstick tree</b> (Sojina), <i>Moringa oleifera</i> Lam.		<ul style="list-style-type: none"> <li>• Antioxidant</li> <li>• Antimicrobial</li> <li>• Increase milk production in dairy animals</li> <li>• Increase feed intake and digestibility of nutrients</li> </ul>

## SOME KEY RESEARCH FINDINGS OF PHYTOBIOTICS

### Turmeric (*Curcuma longa* L.)

- Antimicrobial, Antioxidant and anti-inflammatory effects: Curcumin reduces *E. coli* induced generation of inflammatory mediators such as IL-1 while increasing antibody secretion [1]. In addition, curcumin reduces Aflatoxins (AFBI)-induced hepatic toxicity in cattle [2].
- Effects on intestinal health: Curcumin repairs and improves the morphology of ileum epithelial mucosa in piglets infected with *E. coli*-induced intestinal injury [1].
- Improves animal reproductive health: Dairy cows supplemented with certain phytonutrients including curcumin, have improved milk production and nutritional status in  $\frac{3}{4}$  Holstein  $\times$   $\frac{1}{4}$  Gir cows [3].
- Effects on poultry performance: Curcumin prevent growth impairment induced by heat stress in broilers [4]. It has oxidative stress-relieving ability and potential of increasing poultry growth performance and immune status [5]. It has protective effect on poultry gut microbiome [6].
- Curcumin supplementation improves laying performance, egg and meat quality in poultry [7]. It also showed detoxifying effect against aflatoxins in poultry [8].
- In a study, it was found that 5.0 g/kg dietary supplementation of turmeric meal significantly reduced feed conversion ratio, improved body weight gain, as well as increased egg production, egg weight, and egg mass of laying hens[9].
- Curcumin supplementation reduces absolute and abdominal fat weights by regulating lipid metabolism in broiler chickens [10].

### Ginger (*Zingiber officinale* Roscoe)

- Ginger improve body weight gain, increase reproductive performance, improve laying performance, laying rate, egg weight, egg mass, improve carcass traits, decrease abdominal fat in poultry [11].
- Adjunct to nausea control in cancer care and chemotherapy, adjunctive dirofilariasis treatment, osteoarthritis, improving circulation in geriatric or non-ambulant animals [12].

- Potential natural immunomodulator against *Salmonella enteritidis* infection [13].
- Ginger may be involved in enhancing gut function and antioxidation in poultry [14].
- Ginger essential oil may be used in poultry to reduce cholesterol level in bird's products and increase egg weight [15].
- It helps in tenderization of poultry meat [16].

### **Moringa (*Moringa oleifera* Lam.)**

- Flavonoids, glycosides, terpenoids, and phenols in the leaf extract of *M. oleifera* showed potent antibacterial activity against *Staphylococcus aureus* and *Escherichia coli*, as well as antifungal effects and antioxidant activities [17, 18]. The flowers and roots also contain Pterygospermin, which showed a potential effect against microbial species such as *Fusarium solani*, *Bacillus subtilis*, *Staphylococcus aureus*, and *Pseudomonas aeruginosa* [19].
- Various studies showed that using *M. oleifera* either individually or in combination with other feed stuff improved the production performance (growth rate, milk yield, and milk quality) in cattle, sheep, and goats. Cows fed with *M. oleifera* (40 and 20% DM) had higher milk yields compared to those fed with alfalfa ration (40%). The milk constituents, including total solids, fat, protein, and ash, were significantly higher when Moringa forage was used, which correlated to higher nutrient digestibility levels, better nitrogen utilization, increased levels of rumen volatile fatty acids, microbial yield, and acetic acid concentration [20]. Another study showed that cows fed 15 kg Moringa green fodder had higher milk yields, significantly more milk fat, lactose, and  $\beta$ -Carotene, but reduced cholesterol content compared to the control group [21]. All parts of Moringa can sequester more atmospheric carbon dioxide, and, by feeding it to ruminants, can also reduce rumen methane emissions.

### **Black Cumin (*Nigella sativa* L.)**

- Several investigations confirmed the ability of black cumin and its extracts to improve feed efficiency when supplemented to poultry rations [22]. In another research It was found that broiler diets with 4% grounded *Nigella sativa* resulted in less feed consumption but better feed efficiency comparing with the control diet [23].
- An increased body weight was found by adding grounded *Nigella sativa* seeds to broiler diet [24, 25]. Many researchers reported improved average daily weight gain and better Feed Conversion Ratio (FCR) in broilers by feeding of 1% *Nigella sativa* seed incorporated in the diet [26, 27].

### **Cumin (*Cuminum cyminum*)**

- Number of researchers has proved that the inclusion of cumin increases digestibility of nutrients and enhance nutrient utilization additionally, it has potential to reduce methane emission from ruminants [28, 29].
- Additions of cumin have potential to reduced methane to the extent of 22% in buffered rumen fluid, *in vitro* [30]. The methane emission in goats which had received diet supplemented with cumin seed extract was found lower (11.8%) [31].
- Supplementing broiler diet with cumin oil has significantly increased body weight as compared with control [32]. It was reported that negative effects of heat stress can be alleviated and growth performance can be improved by adding 2% cumin in diet of heat stressed broiler [33].
- The addition of cumin seed extract (1.27% of DM) significantly ( $P < 0.05$ ) enhanced milk production by 13% in supplemented goat in comparison to control group [31]. Number of studies conducted in India showed that cumin oils exhibited high antioxidant activity due to flavonoids particularly apigenin and luteolin of cumin seeds [34].
- Cumin essential oil showed antibacterial activity comparable with standard antibiotics against common pathogens. Cuminaldehyde demonstrated antimicrobial and antifungal properties against *E. coli*, *P. chrysogenum*, *A. flavus* and *A. niger* [35]. Similarly, the researchers also reported anti-microbial activity of cumin essential oil against molds (*A. niger*), gram positive bacteria (*B. subtilis*, *S. epidermidis*), gram negative bacteria (*E. coli*) and yeast (*S. cerevisiae* and *C. albicans*) [36].

### **Fenugreek (*Trigonella foenum-graecum* L.)**

- The researchers reported activation of reproductive performance and improved semen quality by inclusion of fenugreek seeds in the diet of broiler breeder chicken [37]. Supplementation of fenugreek seeds has also been reported to improve the reproductive performance of aged layer chicken [38].

- One study showed that supplementation of fenugreek seeds on lactating Murrah buffaloes resulted in an increase in milk production although non-significant, no change in milk composition and significantly decrease in blood glucose concentration [39]. It was possible to increase the effectiveness of rumen fermentation, feed effectiveness, and everyday body weight growth in beef cattle by supplementing garlic and combining it with SR, which was enhanced with organic minerals (Cr and Zn).
- Since long Fenugreek is being used as a growth promoter particularly in broiler chicken. Inclusion of Fenugreek seeds in the diet significantly improves the body weight of broiler chicken [40,41,42]. Further, it improves the feed efficiency with reduction in feed cost when used as natural feed additive in broiler chicken diets [43].

### Garlic (*Allium sativum* L.)

- The strong methane (CH<sub>4</sub>) mitigating effect of garlic bulbs compared to the control was found in several studies when supplementing garlic extracts [44,45] and ground garlic bulbs [46]. In another study, researchers added 100 and 250 mg/l of garlic oil to mixed ruminal microbes which decreased CH<sub>4</sub> formation by about 70% [45].
- It has been reported that fresh dietary garlic improve the immune-stimulatory effect during Ehrlich ascites tumour cell challenge in mice and Newcastle disease, avian influenza and bursal disease challenge in broilers [47].
- The dietary garlic paste was effective in reducing the amount of cholesterol in laying hens and egg yolk [48]. Moreover, meat from broilers fed garlic supplemented diets had greater protein content and lower fat content compared with broilers fed a control diet [49].

### Indian Goose Berry (*Phyllanthus emblica* L.)

- An experiment regarding the effect of feeding different levels of amlaki on performance of broilers during 0-6 weeks of age concluded that the effect of addition of amlaki powder on live weight gain, feed intake and feed conversion ratio was significant due to supplementation of amlaki powder @10kg/t and 15kg/t of feed[50].
- Amlaki fruit powder as feed additive has been reported to possess antistress, adaptogenic, immunogenic and growth-stimulating properties resulting in better performance of broiler [51,52].

### Holy Basil (*Ocimum sanctum* L.)

- Immunotherapeutic potential of aqueous extract of *O. sanctum* L. leaf in bovine sub-clinical mastitis(SCM) was investigated after intramammary infusion of aqueous extract. The results revealed that the aqueous extract of *O. sanctum* L. treatment reduced the total bacterial count and increased neutrophil and lamphocyte counts with enhanced phagocytic activity and phagocytic index [53].
- In another research, broiler chickens at two weeks of age were supplemented with different doses viz. 0,100, 200, 300, 400, 500, and 600 mg of Tulsi leaf powder per chicken for 15 days. It was found that maximum weight gain was observed in the group of chicken treated with 200mg of dried leaves powder per birds daily for 15 days as compared to control group [54].
- *O. sanctum* L. fed in the diet as (0.1%, 0.15%, 0.2% and 0.25%) showed ameliorating effect on aflatoxicosis in broilers at a dose related fashion. Among the various doses, 0.20% was found to be the best [55].
- In one study the clinicopathological and immunological effects of *O. sanctum* L. were found in chicken. Tulsi leaf powder supplemented @ 5 gm/kg feed did not cause any pathological lesion in the tissue. Delayed type hypersensitivity response against di nitro chloro benzene antigen was significantly increased in the *O. sanctum* L. leaf powder group, indicating the immunomodulatory activity of tulsi leaf [56].
- It was reported in a study that, supplementation of tulsi leaf powder @ 0.5% and 1.0% significantly increased the final body weight and weekly body weight gain in broiler chicken. Feed conversion ratio also improved in 1.0% tulsi leaf powder group. Tulsi leaf powder @ 0.1% in broiler diet for 42 days reduced the meat and serum cholesterol with increase in serum HDL-cholesterol [57].

### Shatavari (*Asparagus racemosus* Willd)

- Calves supplemented with Shatavari root decoction at the rate of 100 mg/kg for a varying period of 4 weeks to 8 months showed 81.19% weight gain as compared to 67.9% in non-supplemented group [58].
- In a study it was reported that, supplementation of Shatavari (100 g on alternate day) post-partum alone led to 100%

estrus and 75% conception in treatment group as compared to 50% in control crossbred cow within 90 days of calving [59].

- In another research it was found that supplementation of Shatavari root powder 100g+ 10g Aloe dried pulp powder to cows following artificial insemination per animal/day improved conception rate [60].
- Supplementation of Shatavari root powder 100g/day/animal and 50 g/day/animal irrespective of body weight have been found to increase milk production in crossbred cows [61]. In another study, it was found that supplementation of fresh root at the rate of 500g per day with concentrates at the time of milking significantly increased milk yield of buffaloes [62].

### Neem (*Azadirachta indica* A. Juss.)

- Neem leaves contain appreciable amount of protein, minerals and carotene and adequate amount of trace minerals except zinc. These may be helpful in alleviating the copper deficiency, when feeding straw and dry fodder [63].
- Deoiled neem seed cake can considerably reduce the shortage of protein supplements in high producing animals. Neem cake consists of all essential and non-essential amino acids including sulphur containing amino acids but with negligible quantities of valine and tryptophan. Neem oil can be used in poultry rations. The fatty acid composition of oil indicates that it is rich source of long chain fatty acids [64].

## PHYTOBIOTICS OF ESSENTIAL OILS

Their intense aromas and unique biological properties have been attracting the attention of scientists, doctors, and healthy lifestyle enthusiasts for centuries. Essential oils have a long history of use in various cultures, serving as medicinal, cosmetic, and aromatic agents.

Oregano is one of the sources of essential oils, which, like garlic, has health-promoting properties. The antibacterial, antifungal, anti-inflammatory, and anti-cancer properties of oregano are attributed to two main bioactive substances: carvacrol and thymol [65].

The high antimicrobial activity of carvacrol is due to several key features that distinguish it from other volatile compounds present in essential oils. The key factor is the presence of a free hydroxyl group, which plays a significant role in its antibacterial action. Additionally, carvacrol is characterized by distinct hydrophobicity, which translates into its ability to penetrate the cell membranes of microorganisms. It is also worth emphasizing the presence of a characteristic phenolic group, which further enhances its antimicrobial properties. The use of essential oils requires caution and adherence to recommendations regarding doses and methods of application. This is because they are highly concentrated and can cause allergic reactions or irritations.

## PHYTOBIOTICS FOR AQUACULTURE

Use of plant products for aquaculture disease management is a new and promising alternative to chemical drugs. Many products from the plant origin have been reported to stimulate appetite, promote growth performance, act as immunostimulants, antibacterial, antiviral and anti-parasitic (protozoans, monogeneans) agent in aquaculture. These activities are observed due to the presence of bioactive compounds such as phenols, sulphur, terpenoids, alkaloids, flavonoids, and saponins [66-67].

Aquaculture faces significant challenges related to disease outbreaks. Phytobiotics, with their antimicrobial properties, can help reduce the prevalence of diseases like *Vibrio* and *Aeromonas* infections in fish and shrimp. Phytobiotics can help maintain better water quality in aquaculture systems, as they can mitigate the growth of harmful algae and bacteria. Reducing the use of antibiotics and synthetic additives in aquaculture contributes to a more sustainable and environmentally friendly industry.

List of few plants, herbs and spices that can be used as therapeutics in aquaculture shown in Table-2:

**Table 2: List of selective plants, herbs and spices used as phytobiotic feed additive in aquaculture**

SL. No.	Name of Herbs/Spices/Plants	Properties	Reference
1.	Turmeric (Halud) <i>Curcuma longa</i> L.	• Antibacterial	Harikrishnan <i>et al.</i> , 2010
2.	Ginger (Ada) <i>Zingiber officinalis</i> Roscoe	• Antistress, • Growth promoter, • Antibacterial	Punitha <i>et al.</i> , 2008; Citarasu <i>et al.</i> , 1998 [Citarasu <i>et al.</i> , 2002; Nya & Austin, 2009; Indu <i>et al.</i> , 2006
3.	Long pepper (Pipul) <i>Piper longum</i> L.	• Growth promoter, • Antiparasitic	Punitha <i>et al.</i> , 2008; Traxler, 1971
4.	Neem <i>Azadirachta indica</i> A. Juss.	• Antibacterial • Antifungal • Antiparasitic	Chitmanat <i>et al.</i> , 2005; Campbell <i>et al.</i> , 2001
5.	Malabar Nut (Basak) <i>Justicia adhatoda</i> L.	• Antibacterial	Velmurugan & Citarasu, 2010
6.	Tulsi <i>Ocimum sanctum</i> L.	• Appetite stimulation • Growth promoter • Antibacterial	Pavaraj <i>et al.</i> , 2011; Logambal <i>et al.</i> , 2000; Direkbusarakom, 1998; Venkatalakshmi & Michael, 2001
7.	Indian gooseberry (Amlaki) <i>Phyllanthus emblica</i> L.	• Antimicrobial	Minomol, 2005
8.	Garlic (Roshun) <i>Allium sativum</i> L.	• Antibacterial • Antiparasitic	Musa <i>et al.</i> , 2008; Militz <i>et al.</i> , 2013
9.	Kalomegh <i>Andrographis paniculata</i>	• Antibacterial, • Growth promoter	Rattanachaikun sapon and Phumkhachorn, 2009; Rani, 1999
10.	Aloe (Ghritokumari) <i>Aloe vera</i>	• Antibacterial	Ahilan <i>et al.</i> , 2010
11.	Asiatic pennywort (Thankuni) <i>Centella asiatica</i>	• Antibacterial	Purkait <i>et al.</i> , 2018
12.	Ashwagandha, Indian ginseng <i>Withania somnifera</i> L.	• Antibacterial, • Growth promoter • Antistress	Sharma <i>et al.</i> , 2010; Citarasu <i>et al.</i> , 1998; Citarasu <i>et al.</i> , 2002
13.	Thorn apple (Dhutor) <i>Datura metel</i>	• Antibacterial • Antifungal	Ravikumar <i>et al.</i> , 2010; Adiguzel <i>et al.</i> , 2005
14.	Stonebreaker (Bhumi amlaki) <i>Phyllanthus niruri</i>	• Growth promoter	Punitha <i>et al.</i> , 2008
15.	False Daisy (Bhringaraj) <i>Eclipta alba/Eclipta erecta</i>	• Antistress, • Growth promoter • Antibacterial	Rani, 1999; Direkbusarakom, 1998
16.	Heart leaved moonseed (Gulantha) <i>Tinospora cordifolia</i>	• Antiviral	Direkbusarakom, 1998
17.	Bermuda grass <i>Cynodon dactylon</i>	• Antiviral • Growth promoter	Balasubramanian <i>et al.</i> , 2007; Balasubramanian <i>et al.</i> , 2008; Punitha <i>et al.</i> , 2008
18.	Candle bush (Daadmordon) <i>Cassia alata</i>	• Antiviral	Direkbusarakom, 1998
19.	Star gooseberry (Orboroi) <i>Phyllanthus acidus</i>	• Antiviral	Direkbusarakom <i>et al.</i> , 1996

SL. No.	Name of Herbs/Spices/Plants	Properties	Reference
20.	Indian nut (Supari) <i>Arica catechu</i>	• Antiparasitic	Dung, 1990
21.	China berry (Ghora-neem) <i>Melia azedarach</i>	• Antiparasitic	Dung, 1990
22.	Chlorella <i>Chlorella vulgaris</i>	• Growth promotion • Immune stimulation • Enhancement of reproductive performance • Immunostimulants	Alagawany <i>et al.</i> , 2021 Muhammad <i>et al.</i> , 2018.
23.	Black seed (Kalo Jeera) <i>Nigella sativa</i> L.	• Growth promoter • Antioxidant and hepatic-nephric protector • 2.5% black seed supplementation is suggested in rohu diet to avoid oxidative stress related losses and increase its growth & overall fish production.	Latif <i>et al.</i> , 2020

## CONCLUSION

The timely discovery of alternatives to antibiotic growth promoters (AGPs) is essential due to growing concerns about the rise in superbugs and the lack of safe growth promoter development for livestock farming and aquaculture. Hence, the trend in the use of phytobiotic feed additives in livestock farming and aquaculture has made it imperative to shift towards more sustainable, safer, and nature-positive practices in the agricultural sector. The use of phytobiotics in animal feed has increased during the last two decades. The health benefits and growth-promoting effects of phytobiotics may be dependent on several mechanisms based on their various biological activities. Many studies have shown the antimicrobial, antioxidant, anti-inflammatory, immunomodulatory, and growth-promoting effects of phytobiotics. The anti-oxidative function of phytobiotics can positively affect the stability of animal feed and increase animal products' quality and storage time. Phytobiotics offer a range of benefits, from improved digestive health to disease prevention and mitigating the risks of AMR, while reducing the reliance on synthetic antibiotics and conventional additives. As these industries continue to evolve and adapt to meet the demands of a growing population, phytobiotics emerge as a major breakthrough that can lead to healthier people, animals, higher-quality products, and a more sustainable future. **Because nature is the ultimate healthcare system, it holds everything that is beneficial for the health and wellbeing of both humans and animals. Let's promote/practice phytobiotic feed additives for more healthy people, healthy animals and a healthy environment.**

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# Value Added Statement



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

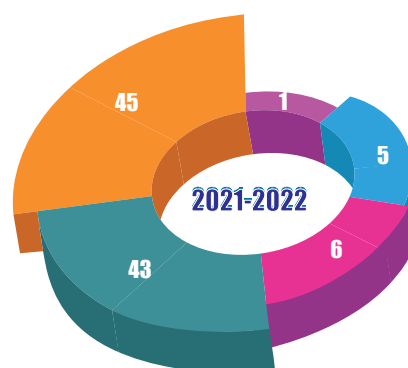
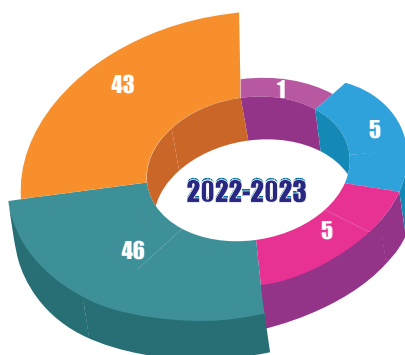


Retained earnings

2022-2023	
Amount	%
30,931,575	63.4%
17,836,041	36.6%
<b>13,095,534</b>	<b>100%</b>
Application:	
5,623,619	43%
5,938,827	46%
698,286	5%
171,386	1%
663,417	5%
<b>13,095,534</b>	<b>100%</b>

(BDT in Thousand)	
2021-2022	
Amount	%
27,534,505	63.1%
16,114,404	36.9%
<b>11,420,100</b>	<b>100%</b>
Application:	
5,165,990	45%
4,898,633	43%
529,004	5%
113,572	1%
731,714	6%
<b>11,420,100</b>	<b>100%</b>

- 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)]

18 October 2023

## **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 2023**

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 2023 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**  
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Fax : +88 02 58056299  
E-mail : headoffice@acmeglobal.com

[www.acmeglobal.com](http://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 2023 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:**  
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**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 2023. 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 scrutiny 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 scrutiny 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.

Place: Dhaka  
Date: November 05, 2023



  
**Mohammad Fakhru Alam Patwary FCA**  
Enrolment # 1249  
Managing Partner  
**M. Z Islam & Co.**  
Chartered Accountants

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[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 <sup>th</sup> of the total number of Directors in the Company's Board shall be Independent Directors;	√		
1(2)(b)(i)	Independent Director does not hold any share or holds less than one percent (1%) shares of the total paid-up Shares of the Company;	√		
1(2)(b)(ii)	Independent Director is not a Sponsor of the Company or is not connected with the Company's any Sponsor or Director or Nominated Director or Shareholder of the Company or any of its associates, sister concern, subsidiaries and parents or holding entities who holds 1% or more shares 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;	√		
<b>1(3)</b>	<b>Qualification of Independent Director: -</b>			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
<b>1(3)(b)</b>	<b>Independent Director shall have following qualifications:</b>			
1(3)(b)(i)	Business Leader who is or was a Promoter or Director of an unlisted Company having minimum paid-up capital of Tk. 100.00 million or any listed Company or a member of any National or International Chamber of Commerce or Business Association;			N/A
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;			N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(c)	The Independent Director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
<b>1(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-</b>			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and / or Chief Executive Officer (CEO) are filled by different individuals.	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed Company shall not hold the same position in another listed Company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the Company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive Directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			N/A
<b>1(5)</b>	<b>The Directors' Report to Shareholders</b>			
1(5)(i)	An Industry outlook and possible future developments in the industry;	√		
1(5)(ii)	Segment-wise or product-wise performance;	√		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;			N/A
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	
<b>1(5)(xxiii)</b>	<b>A report on the pattern of shareholding disclosing the aggregate number of shares (along with name wise details where stated below) held by: -</b>	√		
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
<b>1(5)(xxiv)</b>	<b>In case of the appointment or re-appointment of a Director, a disclosure on the following information to the Shareholders: -</b>	√		
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;	√		
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 <b>Annexure-A;</b>	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per <b>Annexure-B and Annexure-C.</b>	✓		
<b>1(6)</b>	<b>Meetings of the Board of Directors</b>			
	The Company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the Company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the Company including, among others, prudent conduct and behavior; confidentiality, conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
<b>2.</b>	<b>GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY:-</b>			
2(a)	Provisions relating to the composition of the Board of the holding Company shall be made applicable to the composition of the Board of the subsidiary Company;			N/A
2(b)	At least 1 (one) Independent Director on the Board of the holding Company shall be a Director on the Board of the Subsidiary Company;			N/A
2(c)	The minutes of the Board Meeting of the Subsidiary Company shall be placed for review at the following Board meeting of the Holding Company;			N/A
2(d)	The minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the Subsidiary Company also;			N/A
2(e)	The Audit Committee of the Holding Company shall also review the Financial Statements in particular the investments made by the Subsidiary Company.			N/A

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

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
4.	BOARD OF DIRECTORS' COMMITTEE:-			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5.	AUDIT COMMITTEE:-			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	The Company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit committee:			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the Company excepting Chairperson of the Board and shall include at least 1 (one) Independent Director;	√		
5(2)(c)	All members of the Audit Committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			N/A
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.			N/A
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
<b>5(4)</b>	<b>Meeting of the Audit Committee:</b>			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an Independent Director is a must.	√		
<b>5(5)</b>	<b>Role of Audit Committee</b> The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the Annual Financial Statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the Annual Financial Statements before submission to the Board for approval;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		

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

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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(3)(c)	The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders.	✓		
<b>6(4)</b>	<b>Meeting of the NRC:</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting upon request by any member of the NRC;	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an Independent Director is must as required under condition No. 6(2) (h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
<b>6(5)</b>	<b>Role of the NRC:</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	✓		
<b>6(5)(b)(i)</b>	<b>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:</b>			
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;	√		
<b>7.</b>	<b>EXTERNAL OR STATUTORY AUDITORS:</b>			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: -			
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	Financial information systems design and implementation;	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or Financial Statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services;	√		
7(1)(vii)	Any service that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of Corporate Governance as required under condition No. 9(1);	√		
7(1)(ix)	Any other service that may create conflict of interest	√		
7(2)	No partner or employees of the External or Statutory Auditors audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any share in the said Company;	√		
7(3)	Representative of External or Statutory Auditors shall remain present in the Shareholders Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
<b>8.</b>	<b>MAINTAINING A WEBSITE BY THE COMPANY:</b>			
8(1)	The Company shall have an official website linked with the website of the Stock Exchange.	√		
8(2)	The Company shall keep the website functional from the date of listing;	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned Stock Exchanges(s);	√		

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

**REPORT ON COMPLIANCE WITH  
BANGLADESH SECRETARIAL STANDARD-1[BSS-1]  
[Secretarial Standard on Meetings of Board of Directors]**

**Name of the Entity:** The ACME Laboratories Ltd.

**Reporting Period:** For the Year ended 30 June 2023

No.	Standard	(Put √ in the Appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.1.1	Any Director of a company including the Chairman may, and the Secretary on the requisition of a Director shall, at any time, summon a Meeting of the Board unless the Articles of the company provide otherwise.	√		
1.2.1	Every Director of the Company shall be entitled to get the Notice of every meeting in writing in any mod including by hand or by post or by facsimile or by email or by any other electronic mod. A director may specify any particular mod to receive such notices. If any of the directors so species, the notice shall be send to him by such mod.	√		
1.2.2	The Notice of the Meeting shall specify the day, date, time and full address of the venue wherein the meeting be held.	√		
1.2.3	The Notice of a meeting shall be given in respect of all meetings including the Meetings which are held on pre-determined dates or at pre-determined intervals.	√		
1.2.4	Notice shall be given at least seven (7) days before scheduled date of the Meeting unless the Articles of the company denote a longer period for such notice.	√		
1.2.5	Unless a Notice has not been given to the directors then no business shall be transacted at a Meeting	√		
1.2.6	The Agenda as to be transacted at the Meeting along with Notes to the Agenda shall be circulated or sent at least three (3) days before the date of the Meeting.	√		
1.2.7	Each Agenda to be transacted in the meeting shall be supported by notes, details of the item and, where a Resolution is required to be passed, the draft Resolution shall be attached with the Notice.	√		
1.2.8	The Notice may be given at shorter period of time than those respectively stated above if the majority of members of the Board or Committee so agree. The proposal to hold the Meeting at a shorter notice shall be stated in the Notice and the fact that consent thereto was obtained shall also be recorded in the Minutes.	√		
1.2.9	Any supplementary item not originally included in the Agenda may be taken up for consideration with the permission of the Chairman and with the consent of the majority of the Directors present in the Meeting. However, no supplementary item which is of significance or is in the nature of unpublished price sensitive information shall be taken up by the Board without prior written Notice.	√		

No.	Standard	(Put √ in the Appropriate column)		Remarks (if any)
		Complied	Not Complied	
2.1.1	The Board shall meet at least once in every quarter of a calendar year i.e. in three months, and at least four Meetings are to be held in each year. The maximum interval between any two Meetings shall not be more than 90 days.	√		
2.2.1	Committees shall meet at least as often as stipulated by the Board or as prescribed by any other authority.	√		
3.1.1	Quorum shall be present throughout the Meeting. No business shall be transacted unless the Quorum is so present.	√		
3.1.2	Where the number of directors is reduced below the minimum fixed by the Articles, no business shall be transacted unless the number is first made up by the remaining Director(s) or through a general meeting.	√		
3.2.1	The presence of all the members of any Committee constituted by the Board is necessary to form the Quorum for Meetings of such Committee unless otherwise stipulated by the Board while constituting the Committee.	√		
4.1.1	An Attendance Register shall be maintained containing the names and signatures of the Directors present at the Meeting.	√		
4.2.1	Leave of absence shall be granted to a Director only when a request for such leave has been communicated to the Secretary or to the Board or to the Chairman.	√		
5.1.1	Every company shall have a Chairman who will preside over the Meetings of the Board.	√		
5.1.2	It will be the duty of the Chairman to look into that the Meeting is duly convened and constituted as per the provisions of the Act or any other applicable guidelines, Rules and Regulations before it proceeds to transact business.	√		
5.1.3	The Chairman shall then conduct the proceedings of the Meeting and ensure that only those items of business as have been set out in the Agenda are transacted and ideally in the order in which the items appear on the Agenda.	√		
5.1.4	The Chairman shall encourage deliberations and debate and assess the sense of the Meeting. The Chairman shall ensure that the proceedings of the Meeting are correctly recorded and, in doing so, he may include or exclude any matter as he deems fit.	√		
5.2.1	The Board, while constituting any Committee, shall also appoint the Chairman of the Committee so constituted.	√		
6.1.1	A Resolution proposed to be passed by circulation shall be sent in draft, together with supporting papers to all the Directors separately, and in the case of a Committee, to all the members of the Committee.			N/A
6.1.2	The Resolution as to be passed by circulation and the supporting papers shall be circulated by hand, or by post, or by facsimile, or by e-mail or by any other electronic mode.			N/A

No.	Standard	(Put √ in the Appropriate column)		Remarks (if any)
		Complied	Not Complied	
6.2.1	The Resolution shall be deemed to have been passed on the date on which it is signed and dated as approved by all the Directors then in Bangladesh, being not less than the Quorum, or on the date on which it is approved by the majority of the Directors entitled to vote on the Resolution, whichever is earlier.			N/A
6.2.2	Resolutions sent for passing by circulation shall be noted along with the decision thereof, at the next Meeting of the Board or Committee, as the case may be, and to be recorded in the Minutes of such Meeting.			N/A
6.3.1	The annual accounts of a company shall be approved at a Meeting of the Board and shall not be by a Resolution by circulation.	√		
6.3.2	Quarterly or half-yearly financial results shall be approved at a Meeting of the Board or its Committee and shall not be by a Resolution by circulation.	√		
6.3.3	In the case of a listed company, if there is any material variance between un-audited and audited results, the review report of the Auditors shall also be discussed and approved at a Meeting of the Board and not approved by a Resolution by circulation.	√		
7.1.1	Within fifteen days from the date of the Meeting of the Board or Committee or of an adjourned Meeting, the draft Minutes thereof shall be circulated to all the members of the Board or the Committee, as the case may be, for their necessary comments.			N/A
7.1.2	The Minutes of proceedings of a Meeting shall be entered in the Minutes Book within thirty days from the conclusion of the Meeting.	√		
7.1.3	The date of entering the Minutes shall be specified in the Minutes Book by the Secretary.	√		
7.1.4	The Chairman shall put his initial on each page of the Minutes, and put his full signature on the last page of the Minutes along with the date of signing of the Minutes.	√		
7.1.5	Minutes shall not be pasted or attached to the Minutes Book.	√		
7.1.6	Minutes, if maintained in loose-leaf form, shall be bound at intervals coinciding with the financial year of the company.	√		
7.1.7	Extracts of the Minutes shall be given only after the Minutes have duly been signed. However, certified copies of any Resolution passed at a Meeting may be issued even pending signing of the Minutes by the Chairman, if the draft of that Resolution had been placed at the Meeting and was duly approved.	√		
7.1.8	Minutes of an earlier Meeting shall be noted at the next Meeting.	√		
7.1.9	Any alteration, other than grammatical, typographical or minor corrections, in the Minutes as entered, shall be made only under the approval taken in the subsequent Meeting in which such Minutes are sought to be altered.	√		

No.	Standard	(Put √ in the Appropriate column)		Remarks (if any)
		Complied	Not Complied	
7.1.10	The Minutes of Meetings of any Committee shall be circulated to the Members of the Board along with the Agenda for the Meeting of the Board next following such Meeting of the Committee and shall be noted at the Board Meeting.	√		
7.2.1	The names of the Directors present in the Meeting along with the names of persons who were in attendance and the names of invitees in the Meeting, if any, shall be recorded in the Minutes.	√		
7.2.2	A part from the Resolution or the decision, the Minutes shall mention the brief background of the proposal and the rationale for passing the Resolution or taking of the decision	√		
7.2.3	The names of the Directors who have dissented or have abstained from the decision shall be recorded. Similarly, the fact that an interested Director who did not participate in the discussion or vote on the agenda shall also be recorded in the Minutes.	√		
7.2.4	Wherever any approval of the Board or of the Committee is taken on the basis of certain papers laid before the Board or the Committee, proper identification by initialing of such papers by the Chairman or any Director shall be made and a reference thereto shall be made in the Minutes.	√		
7.3.1	The Minutes of all Meetings shall be preserved permanently.	√		
7.3.2	If a company has been merged or amalgamated with any other company, the Minutes of all Meetings of the Board and Committees of the transferor company shall be preserved permanently by the transferee company for any future references notwithstanding the fact that the identity of the transferor company may not survive under such arrangement.	√		
7.3.3	All office copies of Notices, Agenda and Notes to Agenda and other related papers shall be preserved in orderly manner for as long as they remain current or for twelve years, whichever is later, and may not be destroyed thereafter without the authority of the Board.	√		
8.1.1	The Annual Report of a company shall disclose the number of Meetings of the Board and Committees held during the year indicating the number of Meetings attended by each Director.	√		



# Audited Financial Statement 2022-2023



# 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, 2023 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, 2023 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
<p><b>Our response to the risk</b></p> <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 26,947,708,020/-</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 &amp; 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"> <li>• 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.</li> <li>• Segregation of duties in invoice creation and modification (if any) and timing of revenue recognition.</li> <li>• We physically visited depots and checked procedures to recognize revenue from local customers.</li> <li>• Obtaining supporting documents for sale transactions recognized during the year with the sale invoices and other relevant underlying documents.</li> </ul>
<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"> <li>• 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.</li> <li>• 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.</li> </ul>

**Please see to the Statement of profit or loss & other Comprehensive Income.**

### **Valuation of Inventory**

As at June 30, 2023 the reported amount of inventory is Taka 6,894,247,309/- held in plants, Central warehouse and twenty nine depots situated at different locations across the Country.

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.

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.

Considering the risk as stated above the valuation of Inventory is a key audit matter to the Financial Statements.

We verified the appropriateness of, management's assumptions applied in calculating the value of the inventory as per International Accounting Standards (IASs) by:

- 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**

The carrying value of the tangible fixed assets is Tk.29,143,106,373/- as at June 30, 2023. The valuation of tangible fixed assets was identified as a key audit matter due to significance of this balance to the Financial Statements

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.

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.

Our audit included the following procedures:

- 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, 2023, the reported amount of total Term loan (Long & Current portion) is Taka 8,221,963,170/- and Short-term Borrowings is Taka 12,523,296,751/- 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 2,705,071,780/- at 30 June 2023. 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 of 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 test 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, 2023

**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 no 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 bylaw 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 # 2310261032AS943997

**Dated: 26 October 2023****Place: Dhaka**

**The ACME Laboratories Ltd.**  
**Statement of Financial Position**  
As at 30 June 2023

**FAMES & R**  
Chartered Accountants

Particulars	Notes	Amount in Taka	
		30-06-2023	30-06-2022
<b>ASSETS</b>			
<b>Non-Current Assets :</b>		<b>29,274,155,747</b>	<b>25,631,867,153</b>
Property, Plant and Equipment	6.00	29,143,106,373	25,482,863,887
Right-of-Use Assets	7.A	99,533,397	116,116,552
Intangible Assets	8.00	-	3,875
Investment in Securities	9.00	31,515,977	32,882,839
<b>Current Assets:</b>		<b>21,135,865,863</b>	<b>17,343,019,174</b>
Inventories	10.00	6,894,247,309	5,813,348,745
Trade Receivable	11.00	2,705,071,780	2,236,356,282
Other Receivable	12.00	19,887,785	19,806,550
Advance, Deposits & Pre-Payments	13.00	2,988,468,855	2,801,297,508
Advance Income Tax	14.00	3,682,324,080	3,119,571,359
Material In Transit	15.00	3,340,043,272	2,065,588,465
Term Deposit	16.00	50,446,100	48,141,777
Cash and Cash Equivalents	17.00	1,455,376,682	1,238,908,488
<b>TOTAL ASSETS</b>		<b>50,410,021,610</b>	<b>42,974,886,327</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity :</b>		<b>23,295,116,896</b>	<b>21,690,114,535</b>
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.A	5,017,449,088	5,136,046,235
Gain/(Loss) on Marketable Securities (Unrealized)	9.A	4,809,707	6,039,883
Tax Holiday Reserve	Ref- SOCE	179,464,241	179,464,241
Retained Earnings	20.00	10,849,777,132	9,124,947,448
<b>Non Current Liabilities:</b>		<b>8,161,492,917</b>	<b>5,847,104,275</b>
Long Term Loan- Net off Current Maturity	21.00	6,167,983,247	4,174,567,982
Long Term Lease Liability	7.B	62,292,535	73,197,775
Provision For Gratuity	22.00	1,028,075,307	691,751,677
Deferred Tax Liability	23.00	903,141,828	907,586,841
<b>Current Liabilities:</b>		<b>18,953,411,797</b>	<b>15,437,667,517</b>
Loans & Overdrafts	24.00	12,523,296,751	9,383,189,695
Current Maturity of Long Term Loans	25.00	2,053,979,923	2,328,221,640
Trade Payable	26.00	490,891,189	448,995,103
Provision for Income Tax	27.00	3,255,425,419	2,661,467,504
Current Lease Liability	7.B	21,855,169	22,332,335
Liability for Expenses and Others	28.00	601,458,127	589,083,867
Dividend Payable	29.A	6,505,219	4,377,373
Unclaimed Dividend Account	29.B	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>50,410,021,610</b>	<b>42,974,886,327</b>
<b>Net Asset Value Per Share (NAVPS)</b>	<b>18.04</b>	<b>110.09</b>	<b>102.50</b>

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: 26 October 2023  
Place: Dhaka

**FAMES & R**  
Chartered Accountants  
DVC # 2310261032AS943997

**ACME****FAMES & R**

Chartered Accountants

**The ACME Laboratories Ltd.**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2023**

Particulars	Notes	Amount in Taka	
		July 2022 to June 2023	July 2021 to June 2022
Revenue	30.00	26,947,708,020	23,858,412,334
Less: Cost of Goods Sold	31.00	16,016,001,448	14,394,048,720
<b>Gross Profit/(Loss)</b>		<b>10,931,706,572</b>	<b>9,464,363,614</b>
Add: Other Income	32.00	(134,938,717)	(17,581,658)
		<b>10,796,767,855</b>	<b>9,446,781,956</b>
Less: Selling, Marketing and Distribution Expenses	33.00	5,013,811,680	4,179,773,785
		<b>5,782,956,175</b>	<b>5,267,008,171</b>
Less: Administrative Expenses	34.00	1,285,620,292	1,130,039,906
		<b>4,497,335,883</b>	<b>4,136,968,265</b>
Less: Financial Expenses	35.00	1,459,434,359	1,309,174,705
<b>Profit Before Contribution to WPPF and WWF</b>		<b>3,037,901,524</b>	<b>2,827,793,560</b>
Less: Contribution to WPPF and WWF	36.00	144,661,977	134,656,836
<b>Net Profit Before Tax</b>		<b>2,893,239,547</b>	<b>2,693,136,724</b>
Less: Current Tax Expenses	37A	593,957,915	547,940,829
Less: Deferred Tax (Income)/Expenses	37B	(4,308,327)	34,306,412
<b>Net Profit After Tax</b>		<b>2,303,589,959</b>	<b>2,110,889,483</b>
<b>Other Comprehensive Income</b>			
Gain/(Loss) on Marketable Securities (Unrealized)		(1,366,862)	(2,628,582)
<b>Total Comprehensive Income for the year</b>		<b>2,302,223,097</b>	<b>2,108,260,901</b>
<b>Earnings Per Share (on the Equity share of Tk. 10 each)</b>	38.00	<b>10.89</b>	<b>9.98</b>

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 # 2310261032AS943997

Dated: 26 October 2023  
Place: Dhaka

**The ACME Laboratories Ltd.**  
**Statement of Changes in Equity**  
For the year ended 30 June 2023

**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, 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
Net Profit after Tax for the year ended 30 June 2023	-	-	-	-	-	2,303,589,959	2,303,589,959
Final Dividend for the year 2021-2022	-	-	-	-	-	(634,805,100)	(634,805,100)
Gain/(loss) on Marketable Securities (Unrealized)	-	-	-	(1,366,862)	-	-	(1,366,862)
Adjustment for Depreciation on Revaluation Surplus & Others	-	-	(47,719,316)	-	-	47,719,316	-
Adjustment for disposal/ discard of PPE	-	-	(70,877,831)	-	-	8,325,509	(62,552,322)
Deferred Tax on Unrealized Gain/Losses on Investment in Securities	-	-	-	136,686	-	-	136,686
<b>Balance as at 30 June 2023</b>	<b>2,116,017,000</b>	<b>5,127,599,728</b>	<b>5,017,449,088</b>	<b>4,809,707</b>	<b>179,464,241</b>	<b>10,849,777,132</b>	<b>23,295,116,896</b>

**Statement of Changes in Equity**  
For the year ended 30 June 2022

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
<b>Balance as at 30 June 2022</b>	<b>2,116,017,000</b>	<b>5,127,599,728</b>	<b>5,136,046,235</b>	<b>6,039,883</b>	<b>179,464,241</b>	<b>9,124,947,448</b>	<b>21,690,114,535</b>

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: 26 October 2023  
Place: Dhaka

# The ACME Laboratories Ltd.

## Statement of Cash Flows

For the year ended 30 June 2023

Particulars	Notes	Amount in Taka	
		July 2022 to June 2023	July 2021 to June 2022
<b>Cash Flows From Operating Activities:</b>			
Collection from Sales and others		26,339,808,729	23,817,704,432
Payment to Suppliers & Others		(22,888,551,088)	(20,555,932,496)
Payment to WPPF and WWF		(171,386,021)	(113,571,955)
Cash generated from operation		3,279,871,620	3,148,199,981
Financial Expenses		(1,458,235,729)	(1,305,031,541)
Income Tax Paid		(562,752,721)	(707,081,124)
<b>Net Cash Generated From Operating Activities</b>		<b>1,258,883,170</b>	<b>1,136,087,316</b>
<b>Cash Flows From Investing Activities:</b>			
Acquisition of Property, Plant & Equipments		(5,259,903,825)	(1,751,442,024)
Term Deposit		(2,304,323)	131,974,540
Sale of Property, Plant and Equipment (Motor Vehicles)		21,831,120	1,415,001
Dividend received from Investment in Marketable Securities		1,673,207	1,209,156
<b>Net Cash Used in Investing Activities</b>		<b>(5,238,703,821)</b>	<b>(1,616,843,327)</b>
<b>Cash Flows From Financing Activities:</b>			
Dividend Paid		(632,677,254)	(531,859,735)
Principal Portion payment of Lease Liability		(30,314,505)	(43,927,797)
Net Increase / (Decrease) in Loans and Overdrafts		3,140,107,056	2,242,122,240
Net Increase / (Decrease) in Long Term Borrowings		1,719,173,548	(1,540,520,643)
<b>Net Cash Generated/(Used) From Financing Activities</b>		<b>4,196,288,845</b>	<b>125,814,065</b>
Increase/(Decrease) in Cash and Cash Equivalents		216,468,194	(354,941,946)
Cash and Cash Equivalents at the Opening		1,238,908,488	1,593,850,434
<b>Cash and Cash Equivalents at the Closing</b>		<b>1,455,376,682</b>	<b>1,238,908,488</b>
<b>Net Operating Cash Flow Per Equity Share (NOCFPS)</b>	39.00	<b>5.95</b>	<b>5.37</b>

  
Md. Arshadul Kabir FCA  
Company Secretary (Acting)

  
Kazi Mohammed Badruddin FCMA, FCA  
ED & CFO

  
Mizanur Rahman Sinha  
Managing Director

  
Nagina Afzal Sinha  
Chairman

Dated: 26 October 2023  
Place: Dhaka

**The ACME Laboratories Ltd.**  
**Property, Plant & Equipment**  
As at 30 June 2023

Annexure-A  
(Amount in Taka)

Particulars of Assets	COST/ REVALUATIONS					DEPRECIATION								
	Historical Cost as at 01.07.22	Revaluation Surplus as at 01.07.22	Additions during the year (Cost)	Disposal		Adjustment of Machinery in transit/ CWIP	Total as at 30.06.23	Accumulated Dep. As at 01.07.22 on Cost	Depreciation on Historical Cost during the year	Depreciation on Revaluation Surplus during the year	Disposal		Total as at 30.06.23	Written Down Value as at 30.06.23
				Cost	Revaluation Surplus						Cost	Revaluation Surplus		
Land and land development Building	1,149,321,671	4,078,318,429	21,695,000	(8,486,490)	(8,325,509)	-	5,232,523,101	-	-	-	-	-	-	5,232,523,101
Machinery & Equipment	6,237,779,319	1,873,926,371	1,834,063,609	(39,651,089)	(257,294,881)	-	9,648,823,329	1,585,310,818	193,276,470	46,112,449	(38,283,703)	-	2,411,394,126	7,237,429,203
Furniture & Fixture	10,297,314,770	36,624,041	169,649,260	-	-	-	10,503,588,071	3,918,157,878	771,680,919	1,606,869	-	-	4,724,547,619	5,779,040,452
Motor Vehicle	654,005,557	-	146,077,653	-	-	-	800,083,210	291,182,573	35,983,012	-	-	-	327,165,585	472,917,625
Utilities, Electrical Installation & Eng.	1,210,786,837	24,706,468	149,294,305	(13,772,719)	(1,472,128)	-	1,369,542,763	564,763,687	90,093,369	-	(12,611,618)	(763,401)	665,479,778	704,062,985
Office Equipment Books and Periodicals	3,389,237,176	57,205,328	210,752,727	-	-	-	3,657,195,231	1,647,207,986	237,892,619	-	-	-	1,942,305,933	1,714,889,298
	315,553,234	1,503,819	44,810,343	-	-	-	361,867,396	198,468,492	30,769,661	(2)	-	-	230,741,972	131,125,424
	6,343,045	-	-	-	-	-	6,343,045	5,366,391	81,125	-	-	-	5,447,516	895,529
<b>Sub Total</b>	<b>23,260,341,609</b>	<b>6,072,284,456</b>	<b>2,576,342,897</b>	<b>(61,910,298)</b>	<b>(267,092,518)</b>	<b>-</b>	<b>31,579,966,146</b>	<b>8,210,457,825</b>	<b>1,359,777,175</b>	<b>47,719,316</b>	<b>(50,895,321)</b>	<b>(196,214,687)</b>	<b>10,307,082,529</b>	<b>21,272,883,617</b>
Machinery in Transit	477,173,538	-	3,426,081,453	-	-	(400,082,586)	3,503,172,405	-	-	-	-	-	-	3,503,172,405
Construction Work in progress	4,819,760,330	-	1,403,048,630	-	-	(1,855,758,609)	4,367,050,351	-	-	-	-	-	-	4,367,050,351
<b>Sub Total</b>	<b>5,296,933,868</b>	<b>-</b>	<b>4,829,130,083</b>	<b>-</b>	<b>-</b>	<b>(2,255,841,195)</b>	<b>7,870,222,756</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,870,222,756</b>
<b>Total Taka (As at 30.06.2023)</b>	<b>28,557,275,477</b>	<b>6,072,284,456</b>	<b>7,405,472,980</b>	<b>(61,910,298)</b>	<b>(267,092,518)</b>	<b>(2,255,841,195)</b>	<b>39,450,188,902</b>	<b>8,210,457,825</b>	<b>1,359,777,175</b>	<b>47,719,316</b>	<b>(50,895,321)</b>	<b>(196,214,687)</b>	<b>10,307,082,529</b>	<b>29,143,106,373</b>
<b>Total Taka (As at 30.06.2022)</b>	<b>26,751,069,734</b>	<b>6,073,047,857</b>	<b>4,857,712,045</b>	<b>(7,910,142)</b>	<b>(763,401)</b>	<b>(3,043,596,160)</b>	<b>34,629,559,933</b>	<b>6,913,612,048</b>	<b>1,304,649,147</b>	<b>47,798,614</b>	<b>(7,803,370)</b>	<b>(763,401)</b>	<b>9,146,696,046</b>	<b>25,482,863,887</b>

**ALLOCATION OF DEPRECIATION:**

	On Cost	On Revaluation	Total
Factory Overhead	1,142,212,827	40,084,225	1,182,297,052
Selling, Marketing & Distribution Expenses	112,181,617	3,936,844	116,118,461
Administrative Expenses	105,382,731	3,698,247	109,080,978
	<b>1,359,777,175</b>	<b>47,719,316</b>	<b>1,407,496,491</b>

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

As at and for the year ended 30 June, 2023

**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 ACMELAB and trading codes -18491 and 13031 respectively.

**1.01 Address of Registered Office and Factory**

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

**2.00 Nature of business of the Company**

The Company is engaged in manufacturing, marketing, and distribution of generic pharmaceuticals formulation products which includes human drugs comprising dosages form like 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 2023 and 30 June 2022 are as under:

Particulars	30 June 2023 (Tk.)	30 June 2022 (Tk.)
<b>Authorized Capital:</b>		
500,000,000 Ordinary Shares @ Tk. 10 each	5,000,000,000	5,000,000,000
<b>Total</b>	<b>5,000,000,000</b>	<b>5,000,000,000</b>
<b>Issued, Subscribed and Fully Paid up Capital:</b>		
211,601,700 Ordinary Shares @ Tk.10 each.	2,116,017,000	2,116,017,000
<b>Total</b>	<b>2,116,017,000</b>	<b>2,116,017,000</b>

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

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

**FAMES & R**  
Chartered Accountants

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
**As at and for the year ended 30 June, 2023**

**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 2020, 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 2023;
- (ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023;
- (iii) Statement of Changes in Equity for the year ended 30 June 2023;
- (iv) Statement of Cash Flows for the year ended 30 June 2023; 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 2022 to 30 June 2023.



# **The ACME Laboratories Ltd.**

## **Notes to the Financial Statements**

**As at and for the year ended 30 June, 2023**

### **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 October 2023.

### **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 2021-2022 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.

### **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.

### **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 2023, debt equity ratios is 53.79:46.21 comparing to the 49.53:50.47 of previous year. This change occurs due to investment in Property, Plant and Equipment of API Project along with acquisition of Non-current assets for other projects and addition of Inventory.

### **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 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.

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at and for the year ended 30 June, 2023

**FAMES & R**  
Chartered Accountants

**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.

**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

# **The ACME Laboratories Ltd.**

## **Notes to the Financial Statements**

### **As at and for the year ended 30 June, 2023**

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 Taka23,972,711 as cash incentive which is duly shown under the head of Other income in the financial statement for the year ended 30 June 2023.

#### **(e) Scrap Sales**

Scrap Sales is recognized when the items of Scrap is delivered to the customer. During the year the company received Taka 20,047,099 as scrap sales which is duly shown under the head of Other income in the financial statement for the year ended 30 June 2023.

## **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.

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at and for the year ended 30 June, 2023

**FAMES & R**  
Chartered Accountants

**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 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

# **The ACME Laboratories Ltd.**

## **Notes to the Financial Statements**

**As at and for the year ended 30 June, 2023**

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.

Intangible Assets has been fully amortized during the reporting year.

### **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.

#### **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.

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at and for the year ended 30 June, 2023

**FAMES & R**  
Chartered Accountants

**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%.

**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.

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

As at and for the year ended 30 June, 2023

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 Act 2023 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).

**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".

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
**As at and for the year ended 30 June, 2023**

**FAMES & R**  
Chartered Accountants

**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
  - BRAC Bank Limited
  - Bank Asia
- Registered mortgage of the specified Land of the Company executed in favor of Banks/ Financial Institutions.
  - In maximum cases, Personal Guarantee of all shareholders directors submitted in favor of 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 IAS 19: '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.

**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.

# **The ACME Laboratories Ltd.**

## **Notes to the Financial Statements**

**As at and for the year ended 30 June, 2023**

### **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.

#### **Employee Position**

During the financial year, there were 8,816 employees employed in the Company with remuneration above Tk. 3,000 per month, among them 7,466 employees has employed for the full year and the remaining 1,350 employees employed less than a full year.

During the year tax had been deducted at source from the salary income of 1941 employees as per the provision of section 50 of Income Tax Ordinance 1984 against their payment.

### **5.13 Share Premium**

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

The Company shows share premium account balance after netting off of relevant transaction costs. The balance in 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.

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
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**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 2023.

**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.



# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at and for the year ended 30 June, 2023

### 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 2022-23 is as under:

Trade Name	Date	Dhaka Stock Exchange		Chittagong Stock Exchange	
		Highest Quoted price	Lowest Quoted Price	Highest Quoted price	Lowest Quoted Price
ACMELAB	July 2022	88.00	84.50	88.90	83.50
	August 2022	91.90	86.50	91.60	86.60
	September 2022	104.00	91.70	103.40	91.60
	October 2022	93.10	85.00	96.40	85.00
	November 2022	89.00	85.00	89.00	84.80
	December 2022	85.00	85.00	84.80	84.80
	January 2023	87.40	85.00	88.00	84.80
	February 2023	85.20	85.00	85.40	84.80
	March 2023	85.00	85.00	84.80	84.80
	April 2023	85.00	85.00	84.80	84.80
	May 2023	91.30	85.00	91.50	84.80
	June 2023	87.00	85.00	86.90	84.90

**The ACME Laboratories Ltd.**  
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#### **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 Taka 9,042,784 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.

##### **Management Perception**

ACME always try to maintain required number of vendors for each and every ingredient and service. The Company maintain purchase relation to all approved vendors through its professional team. Besides, it uses to conduct details vendor verification and its professionals are very conscious and concerned regarding the vendor issue.

##### **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 (Accepted Import Liabilities), 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.

# **The ACME Laboratories Ltd.**

## **Notes to the Financial Statements**

**As at and for the year ended 30 June, 2023**

### **Management Perception**

Management's perception of foreign currency risk depends on factors like the company's risk appetite, its approach to risk management, and the specific nature of its international operations. Companies typically have well-defined strategies and processes in place to address foreign currency risk in a manner that aligns with their overall business objectives.

### **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.

### **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.

### **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.

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
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**Potential or Existing Government Regulations**

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

**Management Perception**

Since 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. 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.

**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. 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, 2023**

### **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**

The management of the company is working relentlessly to minimize the cash operating cycle of the company. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 30 June, 2023. 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 2023

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Note No.	Particulars	Amount (Tk.) 30-06-2023	Amount (Tk.) 30-06-2022
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**6.00 Property, Plant and Equipments**

Details of Property, Plant and Equipment and Depreciation As at 30 June 2023 are shown in the annexed Schedule - A. This is arrived at as follows:

<b>Cost</b>	<b>33,644,996,964</b>	<b>28,557,275,477</b>
Opening Balance (Cost)	28,557,275,477	26,751,069,734
Add: Addition during the year (Cost)	7,405,472,980	4,857,712,045
Less: Disposal (Cost)	(61,910,298)	(7,910,142)
Less: Adjustment for CWIP/MIT	(2,255,841,195)	(3,043,596,160)
<b>Revaluation (Note-6.A)</b>	<b>5,805,191,938</b>	<b>6,072,284,456</b>
Opening Balance (Revaluation)	6,072,284,456	6,073,047,857
Add: Addition during the year (Revaluation Surplus)	-	-
Less: Disposal (Revaluation Surplus)	(267,092,518)	(763,401)
<b>Accumulated Depreciation on Cost</b>	<b>9,519,339,679</b>	<b>8,210,457,825</b>
Opening Balance	8,210,457,825	6,913,612,048
Add: Addition during the year	1,359,777,175	1,304,649,147
Less: Disposal	(50,895,321)	(7,803,370)
<b>Accumulated Depreciation on Revaluation Surplus</b>	<b>787,742,850</b>	<b>936,238,221</b>
Opening Balance	936,238,221	889,203,008
Add: Addition during the year	47,719,316	47,798,614
Less: Disposal	(196,214,687)	(763,401)
<b>Carrying Value</b>		
Cost	24,125,657,285	20,346,817,652
Revaluation Surplus	5,017,449,088	5,136,046,235
<b>Closing balance</b>	<b>29,143,106,373</b>	<b>25,482,863,887</b>

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

Factory Overhead	1,182,297,052	1,136,056,119
Selling, Marketing and Distribution Expenses	116,118,461	111,576,941
Administrative Expenses	109,080,978	104,814,701
<b>Total</b>	<b>1,407,496,491</b>	<b>1,352,447,761</b>

# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at and for the year ended 30 June 2023

Note No.	Particulars	Amount (Tk.) 30-06-2023	Amount (Tk.) 30-06-2022
<b>6.A</b>	<b>Revaluation Surplus</b>		
	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. 15,137,594 arised on dated 30 June 2021. Details of Revaluation Surplus has been given below:		
	Revaluation Surplus	<b>5,805,191,938</b>	<b>6,072,284,456</b>
	Opening Balance	6,072,284,456	6,073,047,857
	Add: Addition during the year	-	-
	Less: Adjustment due to Loss on Revaluation	-	-
	Less : Adjustment due to disposal/Discard	(267,092,518)	(763,401)
	Less: Accumulated depreciation on revaluation & Loss on Disposal	<b>787,742,850</b>	<b>936,238,221</b>
	Opening Balance	936,238,221	889,203,008
	Add: Depreciation charged for the year	47,719,316	47,798,614
	Less: Adjustment due to disposal/Discard	(196,214,687)	(763,401)
	<b>Closing balance</b>	<b>5,017,449,088</b>	<b>5,136,046,235</b>
<b>7.A</b>	<b>Right-of-Use Assets</b>		
	Openings Carrying Value	116,116,552	79,079,936
	Add: Addition during the year	29,828,047	72,060,474
	Less: Depreciation during the year	32,819,718	23,894,953
	Less: Expired/Discontinue of lease	13,591,484	11,128,905
	<b>Closing balance</b>	<b>99,533,397</b>	<b>116,116,552</b>
	Disclosure notes regarding ROU Assets given in note number 5.03		
<b>7.B</b>	<b>Lease Liability</b>		
	Current Lease Liability	21,855,169	22,332,335
	Long term Lease Liability	62,292,535	73,197,775
	<b>Closing balance</b>	<b>84,147,704</b>	<b>95,530,110</b>
	Disclosure notes regarding ROU Assets given in note number 5.03		
<b>8.00</b>	<b>Intangible Assets</b>		
	The Details are as under:		
	Application Software (Note no. 8.A)	940,285	940,285
	Less: Amortization	<b>940,285</b>	<b>936,410</b>
	Accumulated balance till last financial year	936,410	924,785
	Amortized during the year	3,875	11,625
	<b>Closing balance</b>	<b>-</b>	<b>3,875</b>

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Note No.	Particulars	Amount (Tk.) 30-06-2023	Amount (Tk.) 30-06-2022
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**8.A 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%	151,125	3,875	155,000	-
<b>Total</b>	<b>940,285</b>		<b>936,410</b>	<b>3,875</b>	<b>940,285</b>	<b>-</b>

**9.00 Investment in Securities**

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

31,515,977	32,882,839
<b>31,515,977</b>	<b>32,882,839</b>

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

Particulars	No. of Equity Shares held	FV	Average cost per unit	Total cost as at 30.06.2023	Market Price as at 30.06.2023	Unrealized gain/(loss)
AB Bank Ltd.	32,334	10	16.1578	522,446	319,913	(202,533)
Eastern Bank Ltd.	39,503	10	14.7705	583,480	1,161,396	577,916
Pioneer Insurance Co. Ltd.	33,450	10	31.3905	1,050,013	2,344,845	1,294,832
Southeast Bank Ltd.	30,726	10	16.4196	504,509	425,002	(79,507)
EXIM Bank Ltd.	28,187	10	9.1010	256,530	293,145	36,615
Square Pharma Ltd.	106,613	10	173.8867	18,538,586	22,367,407	3,828,821
Square Textile Ltd.	262	10	-	-	17,685	17,685
Grameen Phone Ltd.	16,000	10	294.7140	4,715,424	4,585,600	(129,824)
C & A Textiles Ltd.	92	10	9.4565	870	984	114
				<b>26,171,858</b>	<b>31,515,977</b>	<b>5,344,119</b>
Less: Deferred Tax Liability @10% on Un-realized Gain						<b>534,412</b>
<b>Balance as at 30 June 2023</b>				<b>26,171,858</b>	<b>31,515,977</b>	<b>4,809,707</b>
<b>Comparative year as at 30 June 2022</b>				<b>26,171,858</b>	<b>32,882,839</b>	<b>6,039,883</b>



**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at and for the year ended 30 June 2023

Note No.	Particulars	Amount (Tk.) 30-06-2023	Amount (Tk.) 30-06-2022
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**10.00 Inventories**

This balance is made up of as follows:

Raw Materials	2,966,921,878	2,230,385,076
Packing Materials	1,148,007,252	1,107,509,885
Work-in-Process	863,045,385	581,931,525
Finished Goods	1,384,387,903	1,450,565,230
Printing & Stationery	20,523,057	16,111,432
Spare, Accessories & Others	511,361,834	426,845,597
<b>Closing balance</b>	<b>6,894,247,309</b>	<b>5,813,348,745</b>

**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	2,372,163,928	1,920,180,849
Exports	322,039,413	291,368,977
	<b>2,694,203,341</b>	<b>2,211,549,826</b>
Add: Foreign exchange Unrealized Gain	10,868,439	24,806,456
<b>Closing balance</b>	<b>2,705,071,780</b>	<b>2,236,356,282</b>

**11.A Trade Receivable**

Ageing of the above receivables are given below:

Particulars	Up to 6 Months		Above 6 Months		Total	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
Domestic	2,371,262,643	1,919,467,725	901,285	713,124	2,372,163,928	1,920,180,849
Exports	266,392,129	135,461,570	55,647,284	155,907,407	322,039,413	291,368,977
					<b>2,694,203,341</b>	<b>2,211,549,826</b>
Add: Foreign exchange Gain/(Loss)					10,868,439	24,806,456
<b>Closing balance</b>					<b>2,705,071,780</b>	<b>2,236,356,282</b>

**12.00 Other Receivable**

This consists of as follows:

Rent on Investment Property	19,386,000	19,386,000
Interest Receivable (Term Deposit)	473,598	392,363
Dividend Receivable on Marketable Securities	28,187	28,187
	<b>19,887,785</b>	<b>19,806,550</b>

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at and for the year ended 30 June 2023

**FAMES & R**  
Chartered Accountants

Note No.	Particulars	Amount (Tk.) 30-06-2023	Amount (Tk.) 30-06-2022
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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	771,225,842	769,380,811
Advance for API Industrial Park	242,530,528	242,530,528
Advance to Suppliers and Others	1,210,674,268	1,067,555,757

**Deposit :**

Security Deposit and Earnest Money	134,127,361	114,797,592
Presumptive Tax on Share Premium	13,064,814	13,064,814
VAT Deposit on Stock	601,239,352	579,958,421

**Prepayments :**

Insurance	15,606,690	14,009,585
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**Closing balance**

<b>2,988,468,855</b>	<b>2,801,297,508</b>
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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	3,119,571,359	3,154,867,216
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	271,612,546	346,795,158
AIT collected by Bank from Export Bills	16,190,994	5,834,732
AIT deducted against supply of Medicines	56,165,618	38,393,171
AIT collected by BRTA Authority	11,215,900	10,585,500
AIT deducted on Bank Interest on FDRs and STD account	835,774	464,522
AIT deducted from Cash Incentive	2,397,271	5,460,500
AIT deducted from Dividend Received and others	334,618	191,751

**Paid by pay order:**

For the assessment year 2018-2019	-	2,500,000
For the assessment year 2021-2022	-	96,855,790
For the assessment year 2022-2023	-	200,000,000
For the assessment year 2023-2024	204,000,000	-

**Closing balance**

<b>3,682,324,080</b>	<b>3,119,571,359</b>
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**The ACME Laboratories Ltd.****Notes to the Financial Statements**

As at and for the year ended 30 June 2023

Note No.	Particulars	Amount (Tk.) 30-06-2023	Amount (Tk.) 30-06-2022
<b>15.00</b>	<b>Material in Transit</b>		
	Raw Materials	2,372,999,408	1,639,160,538
	Packing Materials	795,195,735	322,484,774
	Spare Parts, Mechanical and Electrical	171,848,129	103,943,153
	<b>Closing balance</b>	<b>3,340,043,272</b>	<b>2,065,588,465</b>
<b>16.00</b>	<b>Term Deposit</b>		
	As a part of efficient treasury management the company has made some short term investment with various Commercial Banks and Non Banking Financial Institutions which are stated below:		
	Agrani Bank Limited	50,446,100	48,141,777
	<b>Closing balance</b>	<b>50,446,100</b>	<b>48,141,777</b>
<b>17.00</b>	<b>Cash and Cash Equivalents</b>		
	This is made up as follows :		
	Cash in Hand	736,393,037	689,807,243
	Cash at BO Account	677,612	192,376
	Cash at Bank	718,306,033	548,908,869
	<b>Closing balance</b>	<b>1,455,376,682</b>	<b>1,238,908,488</b>
<b>18.00</b>	<b>Share Capital</b>		
	This is arrived at as follows :		
<b>18.01</b>	<b>Authorized Capital</b>		
	500,000,000 Ordinary share of Tk. 10 each	<b>5,000,000,000</b>	<b>5,000,000,000</b>
<b>18.02</b>	<b>Issued, Subscribed and Paid - Up Capital:</b>		
	211,601,700 Ordinary Shares @ Tk. 10 each	2,116,017,000	2,116,017,000
		<b>2,116,017,000</b>	<b>2,116,017,000</b>
<b>18.03</b>	<b>The movement in number of Ordinary Shares during the year is as under</b>		
	Opening Balance	211,601,700	211,601,700
	Add: Issued during the year	-	-
	<b>Closing Balance</b>	<b>211,601,700</b>	<b>211,601,700</b>

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at and for the year ended 30 June 2023

**FAMES & R**  
Chartered Accountants

Note No.	Particulars	Amount (Tk.) 30-06-2023	Amount (Tk.) 30-06-2022
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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	23,295,116,896	21,690,114,535
B Total Number of outstanding ordinary share at the end of the year	211,601,700	211,601,700
<b>C Net Asset Value per Ordinary Share (A/B) rounded of upto two decimal places</b>	<b>110.09</b>	<b>102.50</b>

**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
		<b>211,601,700</b>		<b>2,116,017,000</b>

**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	-	-
<b>Closing balance</b>	<b>5,127,599,728</b>	<b>5,127,599,728</b>



# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at and for the year ended 30 June 2023

Note No.	Particulars	Amount (Tk.) 30-06-2023	Amount (Tk.) 30-06-2022
<b>20.00</b>	<b>Retained Earnings</b>		
	<b>Opening balance</b>	<b>9,124,947,448</b>	<b>7,495,263,601</b>
	Add: Addition during the year	<b>2,359,634,784</b>	<b>2,158,688,097</b>
	Net Profit after Tax for the year	2,303,589,959	2,110,889,483
	Adjustment for Depreciation on Revaluation Surplus	47,719,316	47,798,614
	Adjustment for disposal of Motor Vehicle	8,325,509	-
	<b>Less: Adjustment during the year</b>	<b>634,805,100</b>	<b>529,004,250</b>
	Dividend for the year 2021-2022 (comparative year dividend was for the financial year 2020-2021)	634,805,100	529,004,250
	<b>Closing balance</b>	<b>10,849,777,132</b>	<b>9,124,947,448</b>
<b>21.00</b>	<b>Long Term Loans - Net off Current Maturity</b>		
	This represents long term borrowings from Financial Institutions which are as follows:		
	<b>Name of Financial Institution</b>		
	Trust Bank Ltd.	32,785,347	162,636,955
	Dutch Bangla Bank Ltd.	430,572,423	484,725,854
	Eastern Bank Ltd.	763,977,861	218,750,000
	IDLC Finance Ltd.	302,325,910	168,624,219
	Dhaka Bank Limited	617,544,901	66,717,984
	Standard Chartered Bank	385,894,702	392,235,872
	IPDC	235,000,000	399,000,000
	HSBC Term Loan	169,273,605	267,339,732
	Lanka Bangla Finance Ltd.	320,000,000	440,000,000
	Prime Bank Limited	271,606,500	481,996,652
	Mutual Trust Bank Limited	775,683,239	87,528,286
	Bank Asia Limited	1,385,612,552	887,422,984
	United Commercial Bank Ltd.	81,911,460	117,589,444
	Brac Bank Ltd.	395,794,747	-
	<b>Closing balance</b>	<b>6,167,983,247</b>	<b>4,174,567,982</b>
<b>22.00</b>	<b>Provision for Gratuity</b>		
	Opening Balance	691,751,677	500,455,725
	Add: Provision for the year	384,581,760	251,715,996
	Less: Paid during the year	48,258,130	60,420,044
	<b>Closing Balance</b>	<b>1,028,075,307</b>	<b>691,751,677</b>

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at and for the year ended 30 June 2023

**FAMES & R**  
Chartered Accountants

Note No.	Particulars	Amount (Tk.) 30-06-2023	Amount (Tk.) 30-06-2022
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**23.00 Deferred Tax Liability**

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

Opening Balance	907,586,841	873,543,287
Add : Deferred Tax Liability/(Assets) created during the year		
Increase in Deferred tax liability	62,819,713	72,302,744
On account of (deductable) /taxable temporary difference for PPE	59,879,260	68,448,314
On account of (deductable) /taxable temporary difference for unrealized gain on Marketable Securities.	(136,686)	(262,858)
Deferred Tax of Temporary difference on Lease	3,077,139	4,117,288
Creation of Deferred Tax Assets	(67,264,726)	(38,259,190)
on account of Provision for Gratuity	(67,264,726)	(38,259,190)
<b>Closing Balance</b>	<b>903,141,828</b>	<b>907,586,841</b>

**24.00 Loans & Overdrafts**

This represents the amount are as follows :

<b>Name of the Bank</b>		
Dutch Bangla Bank Ltd.	1,283,838,946	1,351,165,876
Standard Chartered Bank	1,384,197,598	1,166,809,001
Dhaka Bank Ltd.	927,123,797	852,021,239
HSBC	1,768,620,073	1,597,153,658
Eastern Bank Ltd.	1,210,748,132	915,251,008
Trust Bank Ltd.	650,713,124	678,514,286
The City Bank Ltd.	942,350,964	826,214,615
Prime Bank Limited	780,525,153	509,499,567
Mutual Trust Bank Ltd.	310,313,268	122,335,072
Agrani Bank Ltd.	631,716,095	170,476,147
Meghna Bank Ltd.	-	27,465,267
United Commercial Bank Ltd.	451,989,573	8,567,815
Bank Asia Ltd.	1,049,915,406	510,122,225
Bank Alfalah	449,656,247	448,402,126
BRAC Bank Ltd.	196,760,932	199,191,793
Pubali Bank Ltd.	484,827,443	-
<b>Closing Balance</b>	<b>12,523,296,751</b>	<b>9,383,189,695</b>



**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at and for the year ended 30 June 2023

Note No.	Particulars	Amount (Tk.) 30-06-2023	Amount (Tk.) 30-06-2022
<b>25.00</b>	<b>Current Maturity of Long Term Loans</b>		
	This amount represents current portion of long term loans from Bank & Non-Banking Financial Institutions which are repayable within next 12 months from the balance Sheet date :		
	<b>Name of Financial Institutions:</b>		
	Trust Bank Ltd.	117,752,568	125,950,675
	IDLC Finance Ltd.	151,298,293	123,740,925
	IPDC	164,000,000	183,500,000
	Eastern Bank Ltd.	125,000,000	125,000,000
	HSBC Term Loan	214,671,742	256,244,038
	Standard Chartered Bank	152,285,764	152,285,761
	Dhaka Bank Ltd.	44,299,843	39,622,762
	Dutch Bangla Bank Ltd.	192,762,096	160,786,842
	Lanka Bangla Finance Ltd.	160,000,000	160,000,000
	Prime Bank Limited	243,293,335	525,163,616
	Mutual Trust Bank Limited	49,523,726	45,912,683
	Bank Asia Limited	403,414,572	397,414,569
	United Commercial Bank Ltd.	35,677,984	32,599,769
	<b>Closing Balance</b>	<b>2,053,979,923</b>	<b>2,328,221,640</b>
<b>26.00</b>	<b>Trade Payables</b>		
	Trade Creditors	490,891,189	448,995,103
	<b>Closing Balance</b>	<b>490,891,189</b>	<b>448,995,103</b>
<b>27.00</b>	<b>Provision for Income Tax</b>		
	Opening Balance	2,661,467,504	2,855,903,656
	Add: Provision during the year	593,957,915	547,940,829
	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
	<b>Closing Balance</b>	<b>3,255,425,419</b>	<b>2,661,467,504</b>
<b>27.A</b>	<b>Income Tax Provision during the year</b>		
	Provision made during the year	593,957,915	547,940,829
	<b>Closing Balance</b>	<b>593,957,915</b>	<b>547,940,829</b>

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at and for the year ended 30 June 2023

**FAMES & R**  
Chartered Accountants

Note No.	Particulars	Amount (Tk.) 30-06-2023	Amount (Tk.) 30-06-2022
<b>28.00</b>	<b>Liability for Expenses and Others</b>		
	This is arrived at as follows:		
	Salary & Allowances	27,732,201	21,134,727
	Power & Electricity	14,139,735	2,308,671
	Postage & Telephone	624,682	612,581
	Gas Bill	40,150,073	28,138,124
	Audit Fee	550,000	550,000
	WASA Bill	256,360	133,022
	Workers Profit Participation Fund (WPPF) and Workers Welfare Fund (WWF) 28.A	162,056,009	188,780,053
	Advance against Export Sales	48,199,215	14,458,227
	Interest on WPPF and WWF	17,679,095	16,480,465
	VAT Payable	226,247,636	245,192,710
	Other Expenses and TDS & VDS	63,823,121	71,295,287
	<b>Closing balance</b>	<b>601,458,127</b>	<b>589,083,867</b>
<b>28.A</b>	<b>Workers Profit Participation Fund (WPPF) and Workers Welfare Fund (WWF)</b>		
	The company makes a regular allocation of 5% on net profit before tax to this funds and payment is made to the workers as per provisions of Labor Law 2006 as amended in 2013.		
	Opening Balance	188,780,053	167,695,172
	Add: Addition for the year	144,661,977	134,656,836
	Less: Payment during the year	171,386,021	113,571,955
	<b>Closing Balance</b>	<b>162,056,009</b>	<b>188,780,053</b>
<b>29.00</b>	<b>Dividend Payable</b>		
	The Board of Directors proposed 30% cash dividend of Tk. 634,805,100 for the year 2021-2022 which was duly approved in the 46th AGM by the shareholders . The details are stated below:		
	Opening Balance	4,377,373	7,232,858
	Add: Final dividend declared for the year 2021-2022 (Gross)	634,805,100	529,004,250
	Less: Dividend paid to Shareholders	631,309,823	527,464,310
	Less: Unclaimed Dividend Transferred to Capital Market Stabilization Fund (Note-29.B)	1,367,431	4,395,425
	<b>Dividend Payable</b>	<b>6,505,219</b>	<b>4,377,373</b>

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

As at and for the year ended 30 June 2023

Note No.	Particulars	Amount (Tk.) 30-06-2023	Amount (Tk.) 30-06-2022
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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	2019-2020	Cash	25%	1,526	10.12.2020	1,041,718
2	2020-2021	Cash	25%	1,283	26.12.2021	1,613,165
3	2021-2022	Cash	30%	1,236	20.12.2022	3,850,336

6,505,219

Less: Unclaimed Dividend during the year

**Dividend payable as at 30 June 2023**

-

**6,505,219****Dividend payable as at 30 June 2022****4,377,373****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 as at 30 June 2023 is as under:

S.L	Financial Year	Dividend	% of Dividend	No. of BO	Date of AGM	Unclaimed Dividend (Tk.)
1	2018-2019	Cash	35%	1,578	12.12.2019	1,367,431

1,367,431

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

1,367,431

**Unclaimed Dividend as at 30 June 2023**

-

**Unclaimed Dividend as at 30 June 2022**

-

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
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**FAMES & R**  
Chartered Accountants

Note No.	Particulars	Amount in Taka	
		July 2022 to June 2023	July 2021 to June 2022
<b>30.00</b>	<b>Revenue</b>		
	This is made up as follows:		
	<b>Gross Turnover</b>		
	<b>Domestic</b>	29,467,078,592	26,265,939,944
		<b>29,467,078,592</b>	<b>26,265,939,944</b>
	<b>Export</b>		
	Own Products	1,598,964,358	1,285,419,993
		<b>1,598,964,358</b>	<b>1,285,419,993</b>
	<b>Others</b>		
	Toll Manufacturing Charge	471,130	726,262
		<b>471,130</b>	<b>726,262</b>
	<b>Total Gross Turnover</b>	<b>31,066,514,080</b>	<b>27,552,086,199</b>
	Less: VAT	4,118,806,060	3,693,673,865
	<b>Net Turnover</b>	<b>26,947,708,020</b>	<b>23,858,412,334</b>

The Summarized Sales and Production Quantities are as follows:

						Quantity in Thousand
Name of Category	Unit	Opening Balance	Production/Purchase	Sales Consumption	Closing Balance	
<b>Human</b>						
Tablet	Pcs	306,889	4,775,754	4,642,430	440,212	
Capsule	Tube	32,239	720,148	712,262	40,125	
Liquid/Handrub/Sanitizer	Bottles	8,228	75,361	77,133	6,455	
Dry Syrup/Powder	Phials	1,382	14,538	14,956	964	
Ointment/Gel	Pcs	405	4,097	4,068	434	
Cream	Bottles	1,009	8,759	8,693	1,075	
Suppository	Tube	2,911	43,250	43,061	3,101	
Inhaler (DPI)	Pcs	6,886	62,661	62,945	6,602	
Inhaler (MDI)	Pcs	192	1,950	2,041	102	
Eye/Ear/Nasal Drop	Cans	1,819	22,569	22,567	1,821	
Injection (Vial & Amps)	Pcs	2,679	45,378	45,935	2,122	
Infusion	Pcs	1,175	4,785	5,235	724	
Sachet/Premix	Bottles	610	52,266	52,029	847	
<b>Veterinary</b>						
Bolus	Pcs	25,161	502,291	494,105	33,346	
Liquid	Kg	1,913	11,227	11,457	1,683	
Premix	Pcs	5,918	46,807	47,816	4,909	
WSP	Pcs	1,310	25,236	24,540	2,006	
Injection	Vial	1,897	14,017	14,199	1,715	
<b>Herbal &amp; Ayurvedic</b>						
Capsule	Pcs	446	13,252	13,249	449	
Liquid	Pcs	1,096	13,338	13,335	1,099	
Tablet	Pcs	1,225	30,191	30,205	1,211	



**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at & for the year ended 30 June 2023

Note No.	Particulars	Amount in Taka	
		July 2022 to June 2023	July 2021 to June 2022
<b>31.00</b>	<b>Cost of Goods Sold</b>		
	This is arrived at as follows :		
	Raw Materials Consumed (Refer Note 31.A)	8,170,998,267	7,482,231,198
	Packing Materials Consumed (Refer Note 31.B)	3,999,516,417	3,581,560,234
	Work in Process (Opening)	581,931,525	542,765,368
	Work in Process (Closing)	(863,045,385)	(581,931,525)
	<b>Material Consumption during the year</b>	<b>11,889,400,824</b>	<b>11,024,625,275</b>
	Factory Overhead (Refer Note 31.C)	4,060,423,297	3,529,535,421
	<b>Cost of Production</b>	<b>15,949,824,121</b>	<b>14,554,160,696</b>
	Purchase of Finished Goods	-	65,015,600
	Opening Stock of Finished Goods	1,450,565,230	1,225,437,654
	<b>Finished Goods Available</b>	<b>17,400,389,351</b>	<b>15,844,613,950</b>
	Closing Stock of Finished Goods	(1,384,387,903)	(1,450,565,230)
	<b>Cost of Goods Sold</b>	<b>16,016,001,448</b>	<b>14,394,048,720</b>

**31.A Raw Materials Consumed**

This is arrived at as follows :

Opening Stock of Raw Materials	2,230,385,076	1,157,656,749
Purchase during the year	8,907,535,069	8,554,959,525
Closing Stock of Raw Materials	(2,966,921,878)	(2,230,385,076)
<b>Raw Material Consumed</b>	<b>8,170,998,267</b>	<b>7,482,231,198</b>

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

Particulars	Quantity (Pcs)	Quantity (kg)		Quantity (Liter)		Quantity (Pcs)	
	Cap Shell	Active	Excipients	Active	Excipients	Active	Excipients
Opening Balance	233,106,431	2,617,836	1,287,123	2,212	24,413	5,121	845,125
Purchase	727,288,399	8,063,720	9,043,185	6,663	92,111	73,396	715,448
<b>Available for use</b>	<b>960,394,830</b>	<b>10,681,556</b>	<b>10,330,308</b>	<b>8,875</b>	<b>116,524</b>	<b>78,517</b>	<b>1,560,573</b>
Closing Balance	293,492,449	2,970,291	1,718,038	2,997	28,112	8,622	448,115
<b>Consumption</b>	<b>666,902,381</b>	<b>7,711,266</b>	<b>8,612,270</b>	<b>5,878</b>	<b>88,412</b>	<b>69,895</b>	<b>1,112,458</b>

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at & for the year ended 30 June 2023

**FAMES & R**  
Chartered Accountants

Note No.	Particulars	Amount in Taka	
		July 2022 to June 2023	July 2021 to June 2022

**31.B Packing Materials Consumed**

This is arrived at as follows :

Opening Stock of Packing Materials	1,107,509,885	568,965,127
Purchase during the year	4,040,013,784	4,120,104,992
Closing Stock of Packing Materials	(1,148,007,252)	(1,107,509,885)
	<b>3,999,516,417</b>	<b>3,581,560,234</b>

The Total Quantity of Packing Materials are as under:

					Qty in Thousand
Name of Category	Unit	Opening Balance	Purchase	Consumption	Closing Balance
Bottle	Pcs	17,910	112,547	112,454	18,003
Carton	Pcs	42,755	201,120	195,730	48,144
Plastic Item	Pcs	27,265	215,201	217,531	24,935
Cap	Pcs	19,633	135,553	135,634	19,552
Catch Cover	Pcs	17,744	45,167	44,910	18,001
Inner Leaflet	Pcs	42,310	165,874	166,081	42,103
Label	Pcs	6,270	80,719	80,596	6,393
Shipping Box Label	Pcs	7,006	12,418	12,298	7,126
PVC/PVDC	kgs	782	1,603	1,596	788
Shipping Box	Pcs	1,243	12,706	12,704	1,245
Tube	Pcs	3,146	12,341	12,732	2,756
Al. Foil- Blister	Kgs	132	290	289	133
Al. Foil- Strip	Kgs	371	900	890	382
Inner Board	Pcs	651	1,658	1,654	655
Vial and Ampoule	Pcs	25,231	60,057	59,589	25,699
Sticker Label	Pcs	34,352	132,204	133,990	32,566

# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at & for the year ended 30 June 2023

Note No.	Particulars	Amount in Taka	
		July 2022 to June 2023	July 2021 to June 2022
<b>31.C</b>	<b>Factory Overhead</b>		
	This is made up as follows :		
	Salary & Daily Wages	1,592,297,892	1,312,819,605
	Gratuity	80,015,960	56,268,863
	Group Insurance Premium	3,400,197	2,704,275
	Company's Contribution to RPF	36,422,360	30,457,868
	Postage & Telephone	7,342,636	5,245,725
	Fuel & Electricity	346,295,470	352,185,036
	Gas Bill	332,447,698	221,876,749
	Factory Staff Uniform	7,660,116	7,055,891
	Carriage Inward	4,047,677	9,458,178
	Repairs & Maintenance	100,771,916	113,277,232
	Insurance	25,678,534	21,858,136
	Fees, Renewal and Taxes	2,444,472	2,000,000
	Printing, Stationery & Others	49,640,985	50,228,217
	Research, Analysis & Product Development	25,748,650	13,930,186
	Medical, Welfare & Recreation	9,505,153	9,050,294
	Entertainment	31,671,060	28,582,061
	Canteen Expenses	54,408,719	37,123,164
	Spare Parts	165,171,085	115,780,092
	Travelling & Conveyance	3,155,665	3,577,730
	Depreciation	1,182,297,052	1,136,056,119
	<b>Total</b>	<b>4,060,423,297</b>	<b>3,529,535,421</b>
<b>32.00</b>	<b>Other Income</b>		
	This is made up as follows :		
	Income/(Loss) from sale of Motor Vehicle	1,318,519	1,308,229
	Gain on sale of Land	2,539,500	-
	Loss on Discard of Building	(1,367,385)	-
	Interest on STD and SND Account	2,317,598	197,034
	Translation Gain/(loss) for foreign currency fluctuation	(94,558,711)	(9,144,445)
	Settlement Gain/(loss) for foreign currency fluctuation	(102,925,186)	(82,788,127)
	Interest on Term Deposit	3,001,147	4,336,659
	Dividend Income on marketable securities	1,673,207	1,194,030
	Cash incentive received against export sales	23,972,711	54,605,000
	Grant Received	9,042,784	475,936
	Sale of Scrap	20,047,099	12,234,026
	<b>Total</b>	<b>(134,938,717)</b>	<b>(17,581,658)</b>

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at & for the year ended 30 June 2023

**FAMES & R**  
Chartered Accountants

Note No.	Particulars	Amount in Taka	
		July 2022 to June 2023	July 2021 to June 2022
<b>33.00</b>	<b>Selling, Marketing and Distribution Expenses</b>		
	This is made up as follows :		
	Salary, Daily Wages, TA/DA, Travelling Kits & Others	3,542,097,772	2,912,149,904
	Gratuity	247,631,049	163,705,566
	Group & Health Insurance Premium	6,950,960	6,084,633
	Company's Contribution to RPF	93,354,091	83,804,985
	Electricity & WASA, Gas	19,307,792	17,483,646
	Fuel for Generator	4,668,160	1,732,123
	Postage & Telephone	49,160,062	45,317,713
	Printing, Stationery & Others	48,162,423	53,495,284
	Vehicle Expenses	169,558,128	115,654,551
	Carriage Outward	176,613,548	161,540,731
	Seminar & Conference	28,290,348	24,899,991
	Medical Expenses	525,937	1,032,875
	Sales Promotion Expenses	140,471,204	132,796,032
	New Products Induction Expenses	717,720	494,856
	Export Expenses	67,586,155	65,005,210
	Welfare & Recreation	3,689,666	2,872,142
	Free Sample	135,863,171	122,331,004
	Insurance	14,574,569	11,219,837
	Fees & Renewals	28,669,456	18,401,173
	Repair & Maintenance	18,110,585	39,903,867
	Entertainment	60,053,634	56,803,204
	Advertisement	6,121,535	6,196,006
	Depreciation of Right-of-Use Assets (As per IFRS 16-Ref Note 7.A)	32,819,718	23,894,953
	Adjustment due to discontinuation of Lease rental	2,695,536	1,376,558
	Depreciation	116,118,461	111,576,941
	<b>Total</b>	<b>5,013,811,680</b>	<b>4,179,773,785</b>

# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at & for the year ended 30 June 2023

Note No.	Particulars	Amount in Taka	
		July 2022 to June 2023	July 2021 to June 2022
<b>34.00</b>	<b>Administrative Expenses</b>		
	This is made up as follows :		
	Salary & Daily Wages	804,431,121	673,663,203
	Group & Health Insurance Premium	2,865,100	2,210,043
	Gratuity	56,934,751	31,741,567
	Company's Contribution to RPF	13,490,926	11,892,227
	Directors Remuneration	45,600,000	45,600,000
	Directors Sitting Fees	4,583,333	2,530,000
	Postage & Telephone	7,198,233	5,936,690
	Electricity ,Gas & WASA	15,378,947	21,225,683
	Fuel for Generator & Vehicle	14,603,541	9,877,614
	Conveyance	2,350,473	2,183,174
	Refreshment Expenses	15,202,910	14,027,430
	Office General Expenses	8,716,893	9,186,137
	Vehicle Expenses	14,802,238	15,278,644
	Advertisement for Recruitment & Others	7,176,597	4,268,901
	Printing, Stationery & Others	10,623,401	7,967,368
	Intangible Assets Amortization	3,875	11,625
	Newspaper & Periodicals	42,931	15,177
	AGM Expenses	1,131,696	1,264,492
	Expenses for Legal Procedure	1,901,990	2,075,516
	Professional Fee	13,773,939	14,537,551
	Audit Fees	550,000	550,000
	Medicine Expenses	7,596,640	5,961,198
	Uniform and Liveries	1,130,578	899,289
	Travelling Expenses	12,149,767	6,873,867
	Repair and Maintenance	11,356,530	23,629,324
	Insurance	863,159	857,304
	Municipal Tax	3,886,823	3,726,162
	Fees and Renewals	14,992,615	13,601,440
	Welfare and Recreation	15,976,461	10,210,094
	Contribution to CSR Activities	1,000,000	321,659
	Product Registration (USFDA) & Others	66,223,846	83,101,826
	Depreciation	109,080,978	104,814,701
	<b>Total</b>	<b>1,285,620,292</b>	<b>1,130,039,906</b>

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at & for the year ended 30 June 2023

**FAMES & R**  
Chartered Accountants

Note No.	Particulars	Amount in Taka	
		July 2022 to June 2023	July 2021 to June 2022

**35.00 Financial Expenses**

This is made up as follows :

Interest on Cash Credit	140,388,897	88,018,175
Interest on Overdraft	114,972,444	70,302,327
Interest on MTL & LTR	70,593,206	69,820,367
Interest on Revolving & STL	598,528,272	424,695,861
Interest on Lease Finance	117,770,740	151,412,557
Interest on Term Loan	224,655,642	400,669,713
Interest on Accepted Import Loan	150,453,505	81,370,092
Interest on WPPF & WWF	13,465,684	4,143,344
Interest on Lease Liability ( For right-of-use assets as per IFRS 16)	8,251,799	6,764,563
Bank Charge	20,354,170	11,977,706
<b>Total</b>	<b>1,459,434,359</b>	<b>1,309,174,705</b>

**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	144,661,977	134,656,836
	<b>144,661,977</b>	<b>134,656,836</b>

**37.00 Income Tax Expenses**

This is arrived at as follows :

**A Current Tax Expenses**

Current Tax for the year under review	593,957,915	547,940,829
	<b>593,957,915</b>	<b>547,940,829</b>

**B Deferred Tax Expenses/(Income)**

Deferred Tax Expenses/(Income)	(4,308,327)	34,306,412
	<b>(4,308,327)</b>	<b>34,306,412</b>

<b>Total</b>	<b>589,649,588</b>	<b>582,247,241</b>
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# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at & for the year ended 30 June 2023

Note No.	Particulars	Amount in Taka	
		July 2022 to June 2023	July 2021 to June 2022
<b>38.00</b>	<b>Basic/Diluted Earning Per Share (EPS)</b>		
	The computation is given below :		
	Net Profit After Tax for the year	2,303,589,959	2,110,889,483
	Weighted average number of shares outstanding during the year (38.02)	211,601,700	211,601,700
	<b>Basic Earnings Per Share</b>	<b>10.89</b>	<b>9.98</b>
	<b>Diluted Earnings Per Share</b>	<b>10.89</b>	<b>9.98</b>
	Refer Policy notes 5.15		
<b>38.01</b>	<b>Number of Ordinary Shares Outstanding</b>		
	211,601,700 Ordinary Shares @ Tk.10/- each.	211,601,700	211,601,700
		<b>211,601,700</b>	<b>211,601,700</b>
<b>38.02</b>	<b>Weighted Average Number of Ordinary Shares</b>		
	211,601,700 Ordinary Shares @ Tk.10/- each.	211,601,700	211,601,700
		<b>211,601,700</b>	<b>211,601,700</b>
<b>39.00</b>	<b>Net Operating Cash Flows Per Share</b>		
	Net cash generated from operating activities	1,258,883,170	1,136,087,316
	Weighted average number of shares outstanding during the year	211,601,700	211,601,700
	<b>Net Operating Cash Flows Per Share</b>	<b>5.95</b>	<b>5.37</b>
<b>40.00</b>	<b>Reconciliation of Net Income or Net Profit with Cash Flows from Operating Activities-Indirect Method</b>		
	Net Profit after Tax	2,303,589,959	2,110,889,483
	Add: Non Cash Items	1,438,988,465	1,385,476,370
	Less: Net Increase/Decrease in Current Asset	3,463,802,132	2,562,096,508
	Add: Net Increase/Decrease in Current Liabilities	984,551,891	167,774,417
	Add: Deferred Tax Liability (Created during the year)	(4,445,013)	34,043,554
	Net cash generated from operating activities-In Direct Method	<b>1,258,883,170</b>	<b>1,136,087,316</b>
	Net cash generated from operating activities-Direct Method	<b>1,258,883,170</b>	<b>1,136,087,316</b>

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
As at & for the year ended 30 June 2023

**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	2022-2023		2021-2022	
			Value of transaction during the year	Balance as at 30 June, 2023	Value of transaction during the year	Balance as at 30 June, 2022
Sinha Printers Ltd.	Common Director	Local Supply Received	1,103,233,461	(448,050,049)	1,345,800,144	(409,899,362)
ACMUNIO Int. Ltd.	Common Director	Advance	-	86,479,473	10,000,000	86,479,473
		Rent on Investment Property	-	19,386,000	-	19,386,000
The ACME Agroviet & Beverages Ltd.	Common Director	Local Supply Received	368,708,913	53,447,784	386,410,023	91,501,956
Kalyar Packaging Ltd.	Common Director	Local Supply Received	267,782,258	(14,154,420)	236,342,801	78,149,958
Kalyar Replica Ltd.	Common Director	Local Supply Received	308,461,267	45,079,763	84,125,976	6,976,513
ACME Consumer Ltd.	Common Director	Local Supply Received	23,343,662	(6,033,191)	12,203,340	(2,921,597)
Sinha Logistics & Transport Ltd.	Common Director	Carrying Contractor	120,693,270	(2,181,741)	-	-

# The ACME Laboratories Ltd.

## Notes to the Financial Statements

As at & for the year ended 30 June 2023

Note No.	Particulars	Amount in Taka	
		July 2022 to June 2023	July 2021 to June 2022

### 42.00 Details regarding disposal of Motor Vehicle:

SL	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.)	Total (Tk.) for the year 2022-2023
1	DHAKA METRO-CHA-53-5228	3,740,835	-	3,740,835	-	-	-	325,000	325,000	325,000
2	DHAKA METRO GA-34-6478	2,057,859	-	896,758	-	1,161,101	-	445,870	(715,231)	(715,231)
3	DHAKA METRO-MA-05-0087	484,003	484,003	484,003	484,003	-	-	155,000	155,000	155,000
4	DHAKA METRO MA-51-1773	365,000	365,000	365,000	365,000	-	-	146,250	146,250	146,250
5	DHAKA METRO-THA-11-0790	248,125	248,125	248,125	248,125	-	-	146,250	146,250	146,250
6	DHAKA METRO-AU-11-2620	1,239,820	120,000	1,239,820	120,000	-	-	146,250	146,250	146,250
7	DHAKA METRO-MA-51-5252	1,663,605	135,000	1,663,605	135,000	-	-	515,000	515,000	515,000
8	DHAKA METRO CHA-53-3099	1,197,857	120,000	1,197,857	120,000	-	-	225,000	225,000	225,000
9	DHAKA METRO-CHA-53-7892	2,775,615	-	2,775,615	-	-	-	375,000	375,000	375,000
	<b>Total</b>	<b>13,772,719</b>	<b>1,472,128</b>	<b>12,611,618</b>	<b>1,472,128</b>	<b>1,161,101</b>	<b>-</b>	<b>2,479,620</b>	<b>1,318,519</b>	<b>1,318,519</b>

### 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. 345,000/PY Tk. 172,500)

4,583,333      2,530,000

**50,183,333      48,130,000**

### 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 2023

**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
<b>Total</b>		<b>269,512,567</b>		

**46.00 Un Expired Bank Guarantees**

Details of Unexpired Bank Guarantees of Tk. 121,736,182 (as at 30 June 2022 the amount was Tk. 101,473,252) given in the normal course of business on behalf of the company to various parties as at 30 June 2023 are as follows -

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
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SL No.	Name of Bank	Date of Expiry	Amount in BDT
01	Trust Bank Ltd.	15.05.2026	12,401,250
02	Trust Bank Ltd.	15.05.2026	316,050
03	Trust Bank Ltd.	15.05.2026	2,320,400
04	Trust Bank Ltd.	15.05.2026	252,700
05	Trust Bank Ltd.	22.10.2026	1,093,820
06	Trust Bank Ltd.	30.10.2027	292,800
07	Trust Bank Ltd.	30.10.2027	699,400
08	Trust Bank Ltd.	30.10.2027	2,492,100
09	Trust Bank Ltd.	30.10.2027	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.	31.01.2024	16,189,710
22	Trust Bank Ltd.	03.09.2023	4,077,075
23	Trust Bank Ltd.	21.09.2023	4,089,813
24	Trust Bank Ltd.	23.10.2023	2,192,520
25	Trust Bank Ltd.	25.08.2023	4,234,169
26	Trust Bank Ltd.	28.09.2023	8,111,167
27	Trust Bank Ltd.	29.09.2023	189,786
28	Trust Bank Ltd.	31.01.2024	2,060,381
29	Trust Bank Ltd.	31.01.2024	610,623
30	Trust Bank Ltd.	01.03.2025	5,000,000
31	Trust Bank Ltd.	06.06.2025	5,785,400
32	Trust Bank Ltd.	05.09.2027	428,600
33	Trust Bank Ltd.	05.09.2027	4,252,500
34	Trust Bank Ltd.	06.04.2025	510,008
35	Trust Bank Ltd.	30.09.2023	5,000,000
36	Trust Bank Ltd.	17.05.2024	163,050
37	Trust Bank Ltd.	31.12.2024	18,247,680
<b>Total</b>			<b>121,736,182</b>

**The ACME Laboratories Ltd.**  
**Notes to the Financial Statements**  
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**FAMES & R**  
Chartered Accountants

**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 2023.

**48.00 Production Capacity and Utilization**

(Quantity in Thousand)

Name of Category	Unit	Production Capacity		Actual Production			
		2022-2023	2021-2022	2022-2023	%	2021-2022	%
Human							
Tablet	Pcs	8,508,470	8,476,895	4,775,754	56.13	4,672,311	55.12
Capsule	Pcs	887,663	764,893	720,148	81.13	622,466	81.38
Liquid	Bottle	90,180	90,180	75,361	83.57	74,970	83.13
Dry Syrup	Bottle	20,578	20,005	14,538	70.65	13,994	69.95
Ointment	Tube	7,013	7,013	4,097	58.42	3,276	46.71
Cream	Tube	19,000	19,000	8,759	46.10	8,440	44.42
Suppository	Pcs	51,866	51,866	43,250	83.39	43,010	82.92
Inhaler (DPI)	Cans	118,306	118,306	62,661	52.97	59,371	50.18
Inhaler (MDI)	Canist.	5,999	3,095	1,950	32.51	1,940	62.68
Eye/Ear/Nasal Drop	Phials	39,347	23,031	22,569	57.36	13,856	60.16
Injection (Vial & Amps)	Pcs	90,488	90,488	45,378	50.15	46,068	50.91
Infusion	Pcs	6,408	6,408	4,785	74.67	4,798	74.87
Sachet	Pcs	94,305	51,062	52,266	55.42	33,523	65.65
Veterinary							
Bolus	Pcs	955,482	685,496	502,291	52.57	348,960	50.91
Liquid	Pcs	25,995	25,995	11,227	43.19	11,684	44.95
Premix	Pcs	93,166	93,166	46,807	50.24	40,178	43.12
WSP	Pcs	75,955	46,635	25,236	33.23	15,148	32.48
Injection	Vial	31,810	15,741	14,017	44.07	13,859	88.04
Herbal & Ayurvedic							
Capsule	Pcs	45,357	32,260	19,252	42.45	11,233	34.82
Liquid	Pcs	23,214	15,846	17,338	74.69	13,064	82.44
Tablet	Pcs	85,032	74,135	30,191	35.51	23,069	31.12

**49.00 VAT Return and Auditing status as at 30.06.2023**

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 2019-2020. Due to change of commissioner, new commissioner has issued a letter to the company in respect of conducting re-audit for the financial year 2014-2015. However, the company has filed a Writ petition with High Court Division of the Honorable Supreme Court of Bangladesh. But decision is yet to come in this regard. Further, the audit for the financial year 2020-2021 and 2021-2022 are under process and documents/information have been submitted by the company as and when required.

# CHECKLIST FOR ANNUAL REPORT REVIEW

Sl.	Particulars	Page No.
	<b>BOARD OF DIRECTORS, CHAIRMAN AND CEO</b>	
1	Size of the Board of Directors [shall not be less than 5 and more than 20]	40, 41, 58, 98,130
2	Profile of the Directors	42-49
3	Company's policy on appointment of directors disclosed.	140,141
4	Adequate representation of non-executive directors i.e. one third of the board, subject to a minimum of two	54, 98
5	At least one independent director on the board and disclosure / affirmation of the board on such director's independence.	56, 59, 98, 102
6	Chairman to be independent of CEO	99
7	Responsibilities of the Chairman of the Board appropriately defined and disclosed. Disclosure of independence of Non-Executive Directors	99
8	Existence of a scheme for annual appraisal of the board's performance and disclosure of the same.	106
9	Disclosure of policy on annual evaluation of the CEO by the Board.	106-107
10	Disclosure of policy on training (including details of the continuing training program) of directors and type and nature of training courses organized for directors during the year Existence of a scheme for annual appraisal of the boards performance	106-107
11	At least one director having thorough knowledge and expertise in finance and accounting to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting.	42, 48-49, 100
12	Disclosure of number of meetings of the board and participation of each director (at least 4 meetings are required to be held)	54
13	Directors issue a report on compliance with best practices on Corporate Governance that is reviewed by the external auditors	98-103, 129-147
	<b>Board Independence &amp; Governance</b>	
14	Transparent Board nomination and election process	98, 102
15	Concentration of shareholding among the Board members	56
16	Board Members suitably qualified and experienced	42-49
	<b>Board Systems and Procedures</b>	
17	MD or CEO of the company does not hold the same position in another listed company	42, 99
18	Written code of conduct for Directors and Senior Management	99
19	The board contains a member with expert knowledge and responsibility for informing board of corporate regulatory rules, responsibilities and implications.	48-49
20	Nomination and Remuneration Committee reports are published in the Annual Report	106-108
21	Board Meetings are conducted, Minutes kept and books and records are maintained in compliance with Bangladesh Secretarial Standards (BSS), as adopted by ICSB	103,144-147
22	Role of Company Secretary with background	57
	<b>Transparency &amp; Disclosure of Compliances</b>	
23	Related Party Transactions disclosed in the Annual Report	51
24	Statement of compliance with IFRS/ BFRS	164
25	Statement of compliance with ICSB Secretarial Standards	144-147
26	No adverse remarks in the Auditors' Report	150-155
27	Adequate information relating to Financial Transparency and Disclosures	161-202
	<b>Financial Statements (Including Formats)</b>	
28	Statement of Financial Position / Balance Sheet and relevant schedules	90-91, 178-202

29	Income Statement / Profit and Loss Account and relevant schedules	156-157
30	Statement of Changes in Equity / Reserves & Surplus Schedule	158
31	Disclosure of Types of Share Capital	161
32	Statement of Cash Flow	159
33	Consolidated Financial Statement (CFS)- if applicable	N/A
34	Disclosures / Contents of Notes to Accounts	161-202
	<b>VISION / MISSION AND STRATEGY</b>	
35	Company's vision / mission statements are approved by the board and disclosed in the annual report.	14
36	Identification of business objectives and areas of business focus disclosed	15-16
37	General description of strategies to achieve the company's business objectives	96-97
	<b>AUDIT COMMITTEES</b>	
	<b>Appointment and Composition</b>	
38	Whether the Audit Committee Chairman is an independent Non-Executive Director and Professionally Qualified	100, 48
39	Whether it has specific terms of reference and whether it is empowered to investigate / question employees and retain external counsel	100
40	More than two thirds of the members are to be Non-Executive Directors	100
41	All members of the audit committee to be suitably qualified and at least one member to have expert knowledge of finance and accounting.	48, 100
42	Head of internal audit to have direct access to audit committee	101
43	The committee to meet at least four times a year and the number of meetings and attendance by individual members disclosed in the annual report.	101
44	The Chairman of the Audit Committee is present at the AGM	111
	<b>Objectives &amp; Activities</b>	
45	The Audit Committee reports conflicts of interest to the Board	100
46	Statement on Audit Committee's review to ensure that internal controls are well conceived properly administered and satisfactorily monitored	105
47	Statement to indicate audit committees role in ensuring compliance with Laws, Regulations and timely settlements of Statutory dues	100, 105
48	"Statement of Audit committee involvement in the review of the external audit function Ensure effective coordination of external audit function Ensure independence of external auditors To review the external auditors findings in order to be satisfied that appropriate action is being taken Review and approve any non-audit work assigned to the external auditor and ensure that such work does not compromise the independence of the external auditors. Recommend external auditor for appointment/ reappointment"	100, 105
49	Statement on Audit committee involvement in selection of appropriate accounting policies that are in line will applicable accounting standards and annual review.	100, 105
50	Statement of Audit Committee involvement in the review and recommend to the board of directors, annual and interim financial releases	100, 105
51	Reliability of the management information used for such computation	101
	<b>"Corporate Objectives, Values &amp; Structure Clarity and presentation:"</b>	
52	Profile of the Company	50-51
	<b>Transparency and Internal Audit Functions</b>	
53	Internal audit department established in the Company	100
54	Role and responsibility of the head of internal audit provided in writing	102
55	Statement of Directors' responsibility to establish appropriate system of internal controls	52

56	Adequacy of Internal Control system is reviewed	105
	<b>INTERNAL CONTROL &amp; RISK MANAGEMENT</b>	
57	Narrative description of key features of the internal control system and the manner in which the system is monitored by the Board, Audit Committee or Senior Management.	52, 100, 105
58	Disclosure of the identification of risks the company is exposed to both internally & externally	60
59	Disclosure of the strategies adopted to manage and mitigate the risks	60
	<b>Risk Management &amp; Control Environment</b>	
60	Description of the Risk Management Framework	60
	<b>Ethics and Compliance</b>	
61	Disclosure of statement of ethics and values, covering basic principles such as integrity, conflict of interest, compliance with laws and regulations etc.	98-99
62	Dissemination / communication of the statement of ethics & business practices to all directors and employees and their acknowledgement of the same	98-99
63	Board's statement on its commitment to establishing high level of ethics and compliance within the organization	98-99
64	Establishing effective anti-fraud programs and controls, including effective protection of whistle blowers, establishing a hot line reporting of irregularities etc.	103
	<b>REMUNERATION COMMITTEE</b>	
65	Disclosure of the charter (role and responsibilities) of the committee	106-107
66	Disclosure of the composition of the committee (majority of the committee should be non-executive directors, but should also include some executive directors)	107
67	Disclosure of key policies with regard to remuneration of directors, senior management and employees	106-107
68	Disclosure of number of meetings and work performed	107
69	Disclosure of Remuneration of directors, chairman, chief executive and senior executives.	52
	<b>Communication to Shareholders &amp; Stakeholders</b>	
70	Disclosure of the Company's policy / strategy to facilitate effective communication with shareholders and other stake holders	103
71	Disclosure of company's policy on ensuring participation of shareholders in the Annual General Meeting and providing reasonable opportunity for the shareholder participation in the AGM.	103
72	Redressal of investors complaints	103
	<b>Stakeholders Value Enhancement</b>	
73	Policy to encourage employee's participation in management	88-89
74	Payment to vendors on time	177
75	Payment of Taxes on time	57
76	No dispute or default in payment of taxes	169
	<b>Shareholders Information &amp; Value Enhancement</b>	
77	Pattern of shareholdings (Parent/ Subsidiary/ associated Companies and Other Related Parties, Directors/Executives and relatives of Directors/Executives etc.)	55
78	Existence of well operated "Investors Relation Desk/Department"	103
79	Disclosure of shares held by 10% or more voting interests in the Company (Name-wise details)	55
80	Process for redressing investor complaints.	103
81	Positive growth in net worth of the company over the last 5 years	53
82	Cash or Stock dividends paid in previous 5 financial years.	50,53
83	Satisfactory EPS growth of the company over the last 5 years	53
84	Effective investor communication on value-related information.	126

85	Detailed disclosures, as per listing rules, available on the Company's web site	103
	<b>Environmental and Social Obligations</b>	
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	<b>Sustainability Reporting</b>	
92	Environment related Initiatives	88-89
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93	Any award won by the company for Corporate Governance	119
	<b>Timeliness in publishing Financial Statements and holding AGM</b>	
94	3 months to produce the Annual Report and hold the AGM	N/A
95	More than 3 months but less than 6 months	10
96	If more than 6 months	N/A
	<b>Management Report / Commentary and analysis including Director's Report / Chairman's Review/ CEO's Review etc.</b>	
97	A general review of the performance of the company	59-61
98	Description of the performance of the various activities / products / segments of the company and its group companies during the period under review. (Weightage to be given for pictorial / graphical / tabular presentations used for this purpose)	59-61, 90-91
99	A brief summary of the Business and other Risks facing the organization and steps taken to effectively manage such risks	174-177
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103	Impairment of Assets	166
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	<b>Segment Information</b>	
106	Comprehensive segment related information bifurcating Segment revenue, segment results and segment capital employed	172
107	Availability of information regarding different segments and units of the entity as well as non-segmental entities/ units	172
108	"Segment analysis of § Segment Revenue § Segment Results § Turnover § Operating profit § Carrying amount of Net Segment assets"	N/A
	<b>Graphical/ Pictorial Data:</b>	
109	Earnings per Share	20-21

110	Net Assets	20-21
111	Stock Performance	20-21
112	Shareholders' Funds	20-21
113	Return on Shareholders Fund	20-21
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115	Operating profit	90-91
116	Profit Before Tax	90-91
117	Profit after Tax	90-91
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121	Net Current Assets	156
122	Long Term Liabilities/Current Liabilities	156
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123	Gross Profit Ratio	20-21
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125	Price earning ratio	20-21
126	Current Ratios	N/A
127	Return on Capital Employed	20-21
128	Debt Equity Ratio	N/A
	<b>Statement of Value Added and Its Distribution</b>	
129	Government as Taxes	126
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131	Employees as bonus/remuneration	126
132	Retained by the entity	126
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134	Economic value added	126




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

Affix  
 Revenue Stamp  
 Tk.100.00

## 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 **47<sup>th</sup> Annual General Meeting** of the Company to be held on Monday, 18<sup>th</sup> day of  
 December, 2023 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 18, 2023

-----  
Signature of Member

-----  
Signature of Proxy

BO ID of Member

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## PHYTOBIOTIC FEED ADDITIVES

### For Safe Livestock Farming & Aquaculture



**The ACME Laboratories Ltd.**

For Health, Vigour and Happiness

ISO 9001-2015 CERTIFIED COMPANY

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