

Auditors' Report



Name of Client

The ACME Laboratories Ltd.
For the year ended 30 June 2018

পিনাকী এণ্ড কোম্পানী
Pinaki & Company

AHSANDELL, 2/A, Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000, Bangladesh
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**AUDITOR'S REPORT
TO THE SHAREHOLDERS
OF
THE ACME LABORATORIES LTD.**

We have audited the accompanying financial statements of **The ACME Laboratories Ltd.** which comprises the Statement of Financial Position as at 30 June 2018 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA) applicable in Bangladesh ensuring the provisions of the (কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনে ১৮নং আইন) (Companies Act, 1994), the Financial Reporting Act, 2015, Securities laws and other relevant laws. Those standards require that we comply with the provisions or professionalisms or practices or ethical requirements of the International Standards on Auditing (ISA), system of quality control requirement under the International Standard on Quality Control (ISQC), the code of Ethics for Professional Accountants and other relevant standards and pronouncements as applicable in Bangladesh. We also plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

In our opinion, the financial statements prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations give a true and fair view of the state of the company's affairs as at 30 June 2018 and of the results of its operations and its cash flows for the year then ended and comply with the Bangladesh Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations.

We also report that:

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

Dhaka

Dated: 2nd October 2018

Pinaki & Co
Pinaki & Company
Chartered Accountants

The ACME Laboratories Limited

Statement of Financial Position

As at 30 June 2018

ASSETS

	Notes	Amount in Taka	
		As at 30-06-2018	As at 30-06-2017
Non-Current Assets :		21,162,036,812	18,275,901,469
Property, Plant and Equipment	6	21,105,678,957	18,220,229,667
Intangible Assets	7	120,375	162,000
Investment in Shares	8	34,892,667	32,405,390
Investment Property	9	21,344,813	23,104,412
Current Assets:		11,462,209,428	11,671,330,040
Inventories	10	3,143,134,830	2,907,608,895
Trade Receivable	11	1,506,585,427	1,227,081,694
Other Receivable	12	14,003,447	135,275,733
Advance, Deposits & Pre-Payments	13	1,728,861,666	1,434,353,400
Advance Income Tax	14	2,234,845,243	2,037,434,874
Material In Transit	15	595,929,689	492,696,854
Term Deposit	16	1,103,779,169	2,054,000,000
Cash and Cash Equivalents	17	1,135,069,957	1,382,878,590
TOTAL		32,624,246,240	29,947,231,509

EQUITY AND LIABILITIES

Shareholders' Equity :		17,645,034,827	16,956,277,126
Share Capital	18	2,116,017,000	2,116,017,000
Share Premium	19	5,127,599,728	5,127,599,728
Revaluation Surplus	6.a	5,402,713,591	5,487,674,207
Gain/(Loss) on Marketable Securities (Unrealized)	8.1	8,720,809	6,233,532
Tax Holiday Reserve	(Note-SOCE)	179,464,241	179,464,241
Retained Earnings:	20	4,810,519,458	4,039,288,418
Non Current Liabilities:		4,615,514,545	3,675,912,676
Long Term Loan- Net off Current Maturity	21	3,780,826,927	3,025,882,035
Provision For Gratuity	22	330,362,700	268,364,985
Deferred Tax Liability	23	504,324,918	381,665,656
Current Liabilities:		10,363,696,868	9,315,041,707
Loans & Overdrafts	24	5,826,848,423	5,304,039,335
Current Maturity of Long Term Loans	25	2,109,615,101	1,791,905,667
Trade Payable	26	208,815,093	211,268,759
Provision for Income Tax	27	1,992,201,935	1,804,196,185
Liability for Expenses and Others	28	222,407,023	201,024,941
Dividend Payable	29	3,809,293	2,606,820
TOTAL		32,624,246,240	29,947,231,509

The annexed notes 1 to 53 form an integral part of the financial statements.

Net Asset Value Per Share (NAVPS)

18.1

83.39

80.13

Head of Finance & Accounts

Company Secretary

Managing Director

Chairman

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Pinaki & Company
Chartered Accountants

The ACME Laboratories Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

Particulars	Notes	Amount in Taka	
		July'17 to June'18	July'16 to June'17
Revenue	30	14,813,914,266	13,576,322,298
Less: Cost of Goods Sold	31	8,942,398,576	8,039,829,556
Gross Profit/(loss)		5,871,515,690	5,536,492,742
Add: Other Income	32	106,611,149	190,150,441
		5,978,126,839	5,726,643,183
Less: Selling, Marketing and Distribution Expenses	33	2,232,988,549	1,963,666,866
		3,745,138,290	3,762,976,317
Less: Administrative Expenses	34	589,467,718	533,384,270
		3,155,670,572	3,229,592,047
Less: Financial Expenses	35	1,103,084,302	1,015,500,106
		2,052,586,270	2,214,091,941
Less: Loss due to Fire Incident	36	-	76,763,961
Profit before Contribution to WPPF and WWF		2,052,586,270	2,137,327,980
Less: Contribution to WPPF and WWF	37	97,742,203	101,777,523
Net profit before Tax		1,954,844,067	2,035,550,457
Less: Current Tax Expenses	38	405,613,809	370,458,379
Less: Deferred Tax (Income)/Expenses	38	122,659,262	267,242,140
Net Profit after Tax		1,426,570,996	1,397,849,938
Other Comprehensive Income			
Gain/(loss) on Marketable Securities (Unrealized)		2,487,277	3,978,877
Total Comprehensive Income for the Period		1,429,058,273	1,401,828,815
Earnings Per Share (on the Equity share of Tk. 10 each)	39	6.74	6.61

The annexed notes 1 to 53 form an integral part of the financial statements.


Head of Finance & Accounts


Company Secretary


Managing Director


Chairman


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The ACME Laboratories Limited

Statement of Changes in Equity For the year ended 30 June 2018

(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, 2016	2,116,017,000	5,127,599,728	5,642,930,494	2,254,655	172,245,959	3,303,424,145	16,364,471,981
Net Profit after Tax for the year ended June 30, 2017	-	-	-	-	-	1,397,849,938	1,397,849,938
Final Dividend for the year 2015-2016	-	-	-	-	-	(740,605,950)	(740,605,950)
Gain/(loss) on Marketable Securities (Unrealized)	-	-	-	3,978,877	-	-	3,978,877
Tax Holiday Reserve	-	-	-	-	7,218,282	(7,218,282)	-
Adjustment for Depreciation on Revaluation Surplus	-	-	(85,333,938)	-	-	85,333,938	-
Adjustment of Revaluation Surplus for disposal of Motor Vehicles	-	-	(668,573)	-	-	504,629	(163,944)
Adjustment of Revaluation Surplus due to loss on fire	-	-	(69,253,776)	-	-	-	(69,253,776)
Balance as at June 30, 2017	2,116,017,000	5,127,599,728	5,487,674,207	6,233,532	179,464,241	4,039,288,418	16,956,277,126
Balance as at July 01, 2017	2,116,017,000	5,127,599,728	5,487,674,207	6,233,532	179,464,241	4,039,288,418	16,956,277,126
Net Profit after Tax for the year ended June 30, 2018	-	-	-	-	-	1,426,570,996	1,426,570,996
Final Dividend for the year 2016-17	-	-	-	-	-	(740,605,950)	(740,605,950)
Gain/(loss) on Marketable Securities (Unrealized)	-	-	-	2,487,277	-	-	2,487,277
Adjustment for Depreciation on Revaluation Surplus	-	-	(84,740,994)	-	-	84,740,994	-
Adjustment for disposal of Motor Vehicle	-	-	(219,622)	-	-	525,000	305,378
Balance as at June 30, 2018	2,116,017,000	5,127,599,728	5,402,713,591	8,720,809	179,464,241	4,810,519,458	17,645,034,827

The annexed notes 1 to 53 form an integral part of the financial statements.


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The ACME Laboratories Limited

Statement of Cash Flows For the year ended 30 June 2018

Particulars	Amount in Taka	
	July'17 to June'18	July'16 to June'17
Cash Flows From Operating Activities:		
Collection from Sales and others	14,772,685,829	13,450,570,597
Payment to Suppliers & Others	(11,586,461,496)	(10,651,510,255)
Payment to WPPF and WWF	(91,599,771)	(63,094,548)
Cash generated from operation	3,094,624,562	2,735,965,794
Financial Expenses	(1,101,287,317)	(1,014,470,803)
Income Tax Paid	(415,018,428)	(302,904,990)
A. Net cash generated from operating activities	1,578,318,817	1,418,590,001
Cash Flows From Investing Activities:		
Acquisition of Property, Plant & Equipments	(3,622,541,357)	(1,966,429,605)
Term Deposit	950,220,831	1,521,000,000
Sale Proceeds of Property, Plant & Equipments (Motor Vehicle)	1,270,000	5,050,000
Dividend received	498,555	792,301
Investment in share	-	(6,383,251)
Received from ACMUNIO Int. Ltd. against advance	-	5,000,000
B. Net cash used in investing activities	(2,670,551,971)	(440,970,555)
Cash Flows From Financing Activities:		
Dividend Paid	(739,403,477)	(800,191,056)
Net Increase / (Decrease) in Loans and Overdrafts	522,809,088	594,386,381
Net Increase / (Decrease) in Long Term Borrowings	1,061,018,910	(537,046,791)
C. Net cash generated/(used) from financing activities	844,424,521	(742,851,466)
Increase/(Decrease) in Cash and Cash Equivalents	(247,808,633)	234,767,980
Cash and Cash Equivalents at the Opening	1,382,878,590	1,148,110,610
Cash and Cash Equivalents at the Closing	1,135,069,957	1,382,878,590
Net Operating Cash Flow Per Equity Share (NOCFPS)	7.46	6.70
(Net cash generated from operating activities / No. of outstanding Ordinary Shares)		

The annexed notes 1 to 53 form an integral part of the financial statements.


Head of Finance & Accounts


Company Secretary


Managing Director


Chairman


Pinaki & Company
Chartered Accountants

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 a major milestone of public offering of 50,000,000 Ordinary Shares of Tk. 10 each which are listed at Dhaka Stock Exchange Ltd & Chittagong Stock Exchange Ltd with effect from 31 May 2016 and traded with effect from 07 June 2016 at both the stock exchanges under the trade name ACME LAB and trading codes -18491 and 13031 respectively.

1.01 Address of Registered Office and Factories

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

2.00 Nature of business of the Company and Tax Holiday Period

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

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

As a Consequence of the amalgamation, business of the "Solid Dosages Unit" has been transferred as a going concern to The ACME Laboratories Limited, however the said unit of the company had enjoyed tax holiday up to 28 September 2016.



3.00 Share Capital

Details of Authorized, Issued, Subscribed and Fully Paid up Capital as at the balance sheet 30th June, 2018 are as under:

Particulars	30 June 2018 (Tk.)	30 June 2017 (Tk.)
Authorized Capital		
500,000,000 Ordinary Shares @ Tk. 10 each	5,000,000,000	5,000,000,000
Total	5,000,000,000	5,000,000,000
Issued, Subscribed and Fully Paid up Capital:		
211,601,700 Ordinary Shares @ Tk.10 each.	2,116,017,000	2,116,017,000
Total	2,116,017,000	2,116,017,000

4.00 Basis of Preparation of Financial Statements

4.01 Basis of measurement

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

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

4.02 Accrual Basis of Accounting:

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

4.03 Materiality, Aggregation and Offsetting:

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



4.04 Statement of compliance

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

4.05 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) A Statement of Financial Position as at 30 June 2018;
- (ii) A Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018;
- (iii) A Statement of Changes in Equity for the year ended 30 June 2018;
- (iv) A Statement of Cash Flows for the year ended 30 June 2018; and
- (v) Notes, comprising a summary of significant accounting policies and explanatory information.

4.06 Reporting Period

The Financial Statements cover the accounting year commencing from 01 July 2017 to 30 June 2018.

4.07 Authorisation for Issue

The Financial Statements have been authorised for issue by the Board of Directors of the Company in their meeting held on 02 October 2018.

4.08 Functional and Presentation Currency

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

4.09 Comparative information

Comparative information disclosed is of the financial year 2016-2017 for all numerical information in the Financial Statements and also the narrative and descriptive information wherever it is relevant for understanding of the current year's Financial Statements.

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

4.10 Use of Estimates and Judgments

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the reported value of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms



the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates arise because of uncertainties inherent within them but this does not undermine reliability. However, the estimates and underlying assumptions are reviewed as an on-going basis and the revision is recognized in the year in which the estimates are revised. Such revision however were made in the year 2015-2016 for Property, Plant and Equipment as required by the International Accounting Standard 16 "Property, Plant and Equipment" in respect periodicity of revaluation except in the useful life of two classes of non-current assets. There is no material impact of change of estimates on the financial results of the Company for the financial year 2017-2018.

4.11 Capital Management

The primary objective of the capital structure is to maintain an efficient combination of debt and equity ratio to achieve a low cost of capital. The management of the Company regularly reviews the return on equity, capital structure in light of the economic conditions, business strategies and future commitments. For that purpose, capital includes issued share capital, securities premium and all other equity reserves and debt covering foreign currency term loan, Long-term & Short Term Loan from domestic Financial Institutions / Banks and finance lease obligations, etc. During the financial year ended 30 June 2018, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.

4.12 Going Concern

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

4.13 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
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
Leases	IAS-17	Applied
Revenue Recognition	IAS-18	Applied



The ACME Laboratories Ltd.

Notes to the Financial Statements As at and for the year ended 30 June 2018

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
Financial Instruments: Recognition & Measurement	IAS-39	Applied
Investment Property	IAS-40	Applied

5.00 Significant Accounting Policies

Background:

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

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

5.01 Revenue Recognition

- (a) **Sales of Goods:** In compliance with the requirements of IAS-18: "Revenue", revenue is recognized for local sales of Pharmaceuticals Drugs and Medicines at the time of delivery to chemists/institutions and for Export sales of Pharmaceuticals Drugs and Medicines at the time of delivery to Custom Port. i.e. when the significant risk and rewards of ownership is transferred to the buyer, whereby there is no continuing management involvement with the goods and the amount of revenue and cost in respect of the transaction can be measured reliably.
- (b) Rental income is recognized when accrued on a time proportion basis.
- (c) Interest income is recognized when accrued on a time proportion basis.
- (d) Dividend income is recognised when the right to receive payment is established.

5.02 Sales

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

5.03 Property, Plant and Equipment (PPE)

i) Recognition and Measurement

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

PPE have been measured and stated at cost or revalued amount less accumulated depreciation and accumulated impairment loss, if any, in compliance with the requirement of IAS 16: Property Plant and Equipment and IAS 36 Impairment of Assets. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its

The ACME Laboratories Ltd.

Notes to the Financial Statements As at and for the year ended 30 June 2018

present location and working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

ii) Maintenance Costs

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

iii) Depreciation

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

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

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

iv) Impairment of Assets

If the recoverable amount of a PPE (except Investment Property) is less than its carrying amount, the carrying amount of the PPE is reduced to its recoverable amount. This reduction is an impairment loss. An Impairment loss on a non revalued asset is recognised in the Statements of Profit or Loss and Other 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 do impairment testing at the end of each reporting period if 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/demolished/discarded Property, Plant and Equipment is treated as per the principle enunciated in the IAS 16.



5.04 Intangible Assets

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

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

5.05 Leased Assets

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

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

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

5.06 Financial Instruments

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

i) Financial Assets

Financial assets of the company include cash and cash equivalents, trade receivable, other receivables and equity instrument of another entity. The company initially recognized receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provision of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flow from the assets expire or it transfer the right to receive the contractual cash flows on the financial assets in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

Trade Receivable

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



Cash and Cash Equivalents

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

ii) Financial Liability

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

5.07 Impairment

i) Financial Assets

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

ii) Non-Financial Assets

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

5.08 Investment in Shares

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

5.09 Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: 'Inventories'. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Cost of material



consumption is determined on first in first out basis. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sales.

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

5.10 Provisions:

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

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

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

5.11 Income Tax Expense

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

Current Tax

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

Deferred Tax

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

5.12 Loans – Long Term and Short Term from Banks, Financial Institutions and Others.**i) Borrowing Cost**

Interest and other cost incurred by the Company in connection with the borrowings of fund are recognized as expenses in the year in which they are incurred unless such borrowing cost



related to acquisition/construction of assets in progress that are capitalized as per IAS 23: "Borrowing costs".

ii) Charges on the Assets of the Company:

There are Fixed and Floating charges over:

- All the Plant, Machinery and Equipment (both present and future) ;
- Floating assets (both present and future) including but not limited to book debts, bills receivable, goodwill and other floating assets both tangible and intangible and all documents title, undertakings, contracts, engagements securities and other documents whatsoever related to such assets of the Company in favor of various bankers securing the various kinds of loans taken by the company from them through a Pari Passu security sharing agreement dated 18 April 2018 (7th Supplemental to the lenders' Pari Passu Security Sharing Agreement) amongst the banks. As per the agreement under the names of the participating banks in the charges through Pari Passu agreement are stated here under:
 - Dutch Bangla Bank Limited.
 - Dhaka Bank Limited.
 - The Hongkong and Shanghai Banking Corporation Limited.
 - Standard Chartered Bank.
 - Trust Bank Limited.
 - Eastern Bank Ltd.
- Registered mortgage of the specified Land of the Company executed in favor of Concerned Banks/ Financial Institutions.
- Personal Guarantee of some /all sponsored directors in favor of certain Banks/Financial Institutions.

5.13 Employee Benefits

The Company maintains defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective agreements/trust deeds.

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

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

The Company's employee benefits include the following:

i) Defined Contribution Plan (Provident Fund)

The Company got recognition from Commissioner of Taxes its provident fund scheme (Defined Contribution Plan) vide order no.: নবি নং সি.এফ. অনুমোদন/৩২/ক.অ-৩/২০১০-২০১১, তারিখ: ২৩/০৫/২০১১ for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute to the provident fund and the Company also makes equal contribution.

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



ii) Defined Benefit Plan (Gratuity)

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

iii) Short-Term Employee Benefits

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

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

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

v) Insurance Schemes

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

A. Group Hospitalization Insurance Plan:

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

B. Group Term Life Insurance Including Accidental Death Benefit:

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

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



Employee Position:

During the year there were 7,942 employees employed in the Company with remuneration above Tk. 3,000 per month, among them 5,910 employees employed for the full year and remaining 2,032 employees employed less than full year.

During the year tax had been deducted at source from the salary income of 1,270 employees as per the provision of section 50 of Income Tax Ordinance 1984 against their payment.

5.14 Investment Property

For Investment Property, the Company follows fair value model as subsequent measurement. The Investment Property has been revalued based on cost approach and cost has been ascertained considering various factors including quality of maintenance, the accumulated depreciation of the expired portion of their effective lives and the present condition of the assets in question as well as other relevant factors.

A gain or loss arising from a change in the fair value of Investment Property is recognized in Statement of Profit or Loss and Other Comprehensive Income for the year in which it arises.

5.15 Share Premium

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

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

5.16 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.

5.17 Earnings Per Share (EPS)

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



Basic Earnings Per Share (Numerator/Denominator)

Earnings (Numerator)

This represents earning for the year attributable to Ordinary Shareholders.

No. of Ordinary shares (Denominator)

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

Diluted Earnings per Share

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

5.18 Foreign Currency Transactions

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

5.19 Directors' Responsibility Statement

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

5.20 Triple Bottom Line Practice in ACME

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

5.21 Segmental Reporting

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

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



5.22 Contingent Liabilities and Contingents Assets

Contingent liabilities and Contingent assets are present or possible obligations or on liabilities or assets, arising from past events and existence of which depends upon the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the Company or which amount of the obligations cannot be measured with sufficient reliability. In accordance with IAS-37 "Provisions, Contingent Liabilities and Contingent Assets", they are disclosed in the Note # 47 hereunder.

5.23 Statement of Cash Flows

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

5.24 Events after the Reporting Period

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

5.25 Insurance Claim

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

5.26 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 2017-18 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 2017	120.00	115.30	120.10	115.40
	August 2017	120.80	117.20	120.70	116.70
	September 2017	119.20	113.20	119.30	112.90
	October 2017	117.00	112.20	116.50	112.10
	November 2017	115.10	109.40	115.10	108.80
	December 2017	116.30	113.20	115.50	112.90
	January 2018	116.60	113.10	116.50	112.60
	February 2018	114.80	110.20	113.80	109.20
	March 2018	111.00	101.50	110.50	101.30
	April 2018	105.80	103.10	106.70	102.90
	May 2018	104.00	96.00	103.30	96.90
	June 2018	100.00	92.80	100.00	91.80

5.27 Risk Management

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

Operational Risk

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

Management Perception

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

Interest Rate Risk

Interest rate risk is the risk that Company faces due to unfavourable movement in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect Companies having floating rate loans or Companies investing in debt securities.

Management Perception

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

Exchange Rate Risk

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



Management Perception

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

Industry Risk

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

Management Perception

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

Market Risk

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the Company. Mostly, the risk arises from falling demand for the pharmaceutical products which would adversely affect the performance of the Company. On the other hand, strong marketing and brand management system would help the Company to increase its customer and market base.

Management Perception

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

Technology Related Risk

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



Management Perception

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

Potential or Existing Government Regulations

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

Management Perception

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

Potential Changes in Global and National Policies

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

Management Perception

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



History of Non-operation

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

Credit Risk

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

Management Perception

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

Liquidity Risk

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

Management Perception

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



5.28 General Comments & Observations:

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



The ACME Laboratories Limited

Notes to the Financial Statements
As at 30 June 2018

Property, Plant and Equipment - Schedule - A

(Amount in Taka)													
Particulars of Assets	C O S T / R E V A L U A T I O N				D E P R E C I A T I O N						Written Down Value as at 30.06.18		
	Historical Cost as at 01.07.17	Revaluation Surplus as at 01.07.17	Additions during the year (Cost)	Disposal		Adjustment of Machinery in transit/CWIP	Total as at 30.06.18	Accumulated Dep. As at 01.07.17 on Historical Cost	Accumulated Dep. As at 01.07.17 on Revaluation Surplus	Depreciation on Historical Cost during the year		Disposal	
				Cost	Revaluation Surplus							Cost	Revaluation Surplus
Land and land development	852,889,924	4,582,235,680	21,610,123	-	-	-	4,738,115,183	-	-	-	-	-	4,738,115,183
Building	3,692,225,764	1,871,772,126	71,163,363	-	-	-	4,855,161,442	698,888,131	694,377,242	141,140,716	87,212,298	-	4,422,312,277
Machinery & Equipment	4,176,173,212	56,624,641	980,641,630	-	-	-	5,147,441,112	1,200,917,043	17,847,611	322,787,631	3,370,377	-	3,977,401,873
Furniture & Fixtures	316,176,023	-	34,267,188	-	-	-	346,443,222	172,774,209	-	11,173,719	-	-	131,485,300
Motor Vehicle	354,147,447	26,875,348	180,911,455	(3,192,064)	(459,872)	-	682,284,419	296,583,772	31,490,648	24,662,284	6,070,700	(228,811)	332,726,824
Utilities, Electrical Installation & Eng	1,341,920,000	53,205,328	148,827,107	-	-	-	1,494,952,435	790,512,992	20,333,387	133,035,437	9,533,471	-	1,174,311,061
Office Equipment	132,331,342	1,403,819	56,432,622	-	-	-	182,277,823	76,387,152	1,271,207	5,887,519	33,612	-	101,972,278
Bank and Periodicals	6,343,045	-	-	-	-	-	6,343,045	4,648,171	-	140,752	-	-	1,534,122
Sub Total	11,598,496,837	4,862,212,442	1,361,797,889	(3,192,064)	(459,872)	-	18,999,808,661	3,141,683,688	975,641,225	847,404,429	34,740,894	(339,833)	14,574,918,329
Machinery in Transit	873,451,374	-	2,596,361,229	-	-	(1,010,276,683)	3,421,210,640	-	-	-	-	-	2,411,230,000
Construction Work in progress	3,448,287,918	-	387,014,685	-	-	(77,711,896)	4,198,538,487	-	-	-	-	-	4,119,336,687
Sub Total	4,224,739,292	-	3,983,375,914	-	-	(1,087,988,579)	6,980,126,627	-	-	-	-	-	6,980,126,627
Total Total (As at 30.06.2018)	15,823,236,149	6,962,212,442	4,746,054,893	(3,192,064)	(1,087,988,579)	-	25,577,217,888	3,141,683,688	975,641,225	847,404,429	34,740,894	(339,833)	21,105,478,997
Total Total (As at 30.06.2017)	14,271,808,597	6,155,716,867	3,200,449,119	(158,446,088)	(911,870,431)	-	21,967,564,581	2,673,435,396	912,103,574	816,438,177	80,333,338	(1,163,716,540)	18,238,229,687

ALLOCATION OF DEPRECIATION:

	On Cost	On Revaluation	Total
Factory Overhead	543,819,720	71,182,437	615,002,155
Selling & Distribution Expenses	53,410,385	6,991,132	60,401,517
Administrative Expenses	10,173,845	6,387,427	16,561,272
	607,403,950	84,560,996	691,964,946



The ACME Laboratories Ltd.

Notes to the Financial Statements

As at 30 June 2018

Note
No. Particulars

Amount in Taka

As at 30-06-2018 As at 30-06-2017

6 Property Plant and Equipment: Tk. 21,105,678,957

Details of Property, Plant and Equipment and Depreciation as at 30 June 2018 are shown in the annexed Schedule - A. This is arrived at as follows:

Cost	19,508,871,419	15,894,249,149
Opening Balance (Cost)	15,894,249,149	14,271,010,597
Addition during the year (Cost)	4,746,054,093	3,200,445,219
Disposal (Cost)	(3,192,064)	(258,446,088)
Adjustment for CWIP/MIT	(1,128,239,759)	(1,318,760,579)
Revaluation	6,062,855,969	6,063,315,442
Opening Balance (Revaluation)	6,063,315,442	6,155,194,067
Addition during the year (Revaluation Surplus)	-	-
Disposal (Revaluation Surplus)	(459,473)	(91,878,625)
Accumulated Depreciation on Cost	3,805,906,053	3,161,693,688
Opening Balance	3,161,693,688	2,673,835,956
Addition during the year	647,404,429	616,428,277
Disposal	(3,192,064)	(128,570,545)
Accumulated Depreciation on Revaluation Surplus	660,142,378	575,641,236
Opening Balance	575,641,235	512,263,574
Addition during the year	84,740,994	85,333,938
Disposal	(239,851)	(21,956,276)
Carrying Value	21,105,678,957	18,220,229,667
Cost	15,702,965,366	12,732,555,461
Revaluation Surplus	5,402,713,591	5,487,674,206

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

Factory Overhead	615,002,155	589,480,261
Selling, Marketing and Distribution Expenses	60,401,997	57,895,384
Administrative Expenses	56,741,270	54,386,570
Total	732,145,422	701,762,215



The ACME Laboratories Ltd.

Notes to the Financial Statements

As at 30 June 2018

Note
No. Particulars

Amount in Taka

As at 30-06-2018 As at 30-06-2017

6.a Revaluation Surplus: Tk. 5,402,713,591

Current balance has been arrived as below:

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

Revaluation Surplus

Opening Balance

Less: Adjustment due to Loss on Revaluation

Add: Adjustment due to disposal/Discard

6,063,095,820

6,063,315,442

6,063,315,442

6,155,194,067

-

1,384,500

(219,622)

(90,494,125)

Less: Accumulated depreciation on revaluation & Loss on Disposal

Opening Balance

Add: Depreciation charged for the year

Add: Adjustment due to disposal/Discard

660,382,229

575,641,235

575,641,235

512,263,573

84,740,994

85,333,938

-

21,956,276

5,402,713,591

5,487,674,207

7 Intangible Assets :Tk. 120,375

The Details are as under:

Application Software (Note no. 7.1)

Less: Amortization

Accumulated balance till last financial year

For the Year

940,285

940,285

819,910

778,285

778,285

736,660

41,625

41,625

120,375

162,000

7.1 Application Software: Tk. 120,375

Details have been given below :

Year of acquisition	Amount (Tk.)	Rate	Amortization			
			Opening balance	for the year	Total	Closing Balance
2000-01	385,285	7.50%	385,285	-	385,285	-
2007-08	400,000	7.50%	300,000	30,000	330,000	70,000
2009-10	155,000	7.50%	93,000	11,625	104,625	50,375
Total	940,285		778,285	41,625	819,910	120,375



The ACME Laboratories Ltd.

Notes to the Financial Statements

As at 30 June 2018

Note No.	Particulars	Amount in Taka	
		As at 30-06-2018	As at 30-06-2017
8	Investment in Shares : Tk. 34,892,667		
	Public Limited Co.'s Securities (Details are given in Note no. 8.1 below)	34,892,667	32,405,390
		34,892,667	32,405,390

8.1 Public Limited Co.'s Securities

Particulars	No. of Equity Shares held	FV	Total cost	Market Price as at 30.06.2018	Unrealize gain/(loss)
AB Bank Ltd.	28,476	10	522,446	353,102	(169,344)
Eastern Bank Ltd.	24,150	10	583,480	816,270	232,790
Pioneer Insurance Co. Ltd.	28,875	10	1,050,013	773,850	(276,163)
Southeast Bank Ltd.	25,000	10	504,509	392,500	(112,009)
EXIM Bank Ltd.	27,500	10	256,530	327,250	70,720
Square Pharma Ltd.	88,687	10	18,538,586	25,994,160	7,455,574
Square Textile Ltd.	250	10	-	12,675	12,675
Grammeen Phone Ltd.	16,000	10	4,715,424	6,222,400	1,506,976
C & A Textiles Ltd.	92	10	870	460	(410)
			26,171,858	34,892,667	8,720,809
Comparative year as at 30.06.2017			26,171,858	32,405,390	6,233,532

8 Investment Property: Tk. 21,344,813

The company has an Investment Property (Building) which has been rented to ACM/UNIO International Ltd. As per BAS-40: Investment Property, the company is following fair value model as subsequent measurement and any gain or loss arising from a change in fair value of Investment Property is recognized in Statement of Profit or Loss and Other Comprehensive Income for the year in which it arises. In the year ended 30 June 2018 the company has revalued its Investment Property by an independent valuer M/S MM Rahman & Co., Chartered Accountants, Dhaka, Bangladesh. The valuer revalued the property by using current replacement cost method as mentioned in Paragraph B8 of BFRS 13: "Fair Value Measurement".

The details are hereunder :

Opening balance	23,104,412	26,185,000
Add/(Less): Changes in fair value	(1,759,599)	(3,080,588)
Closing Balance	21,344,813	23,104,412



The ACME Laboratories Ltd.

Notes to the Financial Statements

As at 30 June 2018

Note No.	Particulars	Amount in Taka	
		As at 30-06-2018	As at 30-06-2017
10	Inventories: Tk. 3,143,134,830		
	This consists of as follows:		
	Raw Materials	877,645,698	817,689,878
	Packing Materials	578,765,497	538,976,580
	Work-in-Process	537,645,987	497,654,654
	Finished Goods	849,934,278	806,736,527
	Printing & Stationery	106,891,025	87,647,739
	Spare & Accessories	192,252,345	158,903,517
	Total	3,143,134,830	2,907,608,895

11 Trade Receivable : Tk. 1,506,585,427

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

Domestic	1,383,709,037	1,154,566,982
Exports	120,141,776	69,640,036
	1,503,850,813	1,224,207,018
Add: Foreign exchange Unrealized Gain	2,734,614	2,874,676
	1,506,585,427	1,227,081,694

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

11.a Trade Receivable: Tk. 1,506,585,427

Ageing of the above receivables are given below:

Particulars	Up to 6 Months		Above 6 Months		Total	
	2017-2018	2016-2017	2017-2018	2016-17	2017-2018	2016-2017
Domestic	1,383,709,037	1,154,566,982	-	-	1,383,709,037	1,154,566,982
Export	120,141,776	69,640,036	-	-	120,141,776	69,640,036
					1,503,850,813	1,224,207,018
Add: Foreign exchange Gain/(Loss)					2,734,614	2,874,676
					1,506,585,427	1,227,081,694



The ACME Laboratories Ltd.

Notes to the Financial Statements As at 30 June 2018

Note
No. Particulars

Amount in Taka

As at 30-06-2018 As at 30-06-2017

12 Other Receivable: Tk. 14,003,447

This consists of as follows:

Rent on Investment Property	12,924,000	6,462,000
Interest Receivable	827,834	1,166,495
Claim receivable from Insurance Company due to fire (Inventory)	-	52,171,000
Claim receivable from Insurance Company due to fire (Machinery)	-	75,476,238
Dividend Receivable on Marketable Securities	251,613	-
	14,003,447	135,275,733

13 Advances, Deposits and Prepayments : Tk 1,728,861,666

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

Advances:

Advances against Salary	129,431,007	109,631,013
Motor Cycle Advance to Employees	317,145,175	327,388,519
Employee Advances (Others)	241,945,326	187,429,096
Advance for API Industrial Park	109,148,652	66,330,000
Advance to ACMUNIO International Ltd.	96,479,473	96,479,473
Advance to Suppliers	242,522,687	207,140,525
Advance to Suppliers for Construction	240,293,380	224,866,357
Advance against Land	24,450,000	35,150,000
Others	21,369,984	8,512,500

Deposit :

Security Deposit and Earnest Money	34,278,038	27,130,418
Security Deposit to Dhaka Polli Biddut Samity-3	15,140,000	15,140,000
Lease Deposit	186,000	2,186,000
Presumptive Tax on Share Premium	13,064,814	13,064,814
Deposit for Gas	13,346,750	11,604,600
VAT Deposit	208,126,436	86,287,647
Security Deposit to CDBL	500,000	500,000
Others	5,442,900	3,700,750

Prepayments :

Office Rent	2,519,125	2,915,750
Insurance	13,471,919	8,895,938
	1,728,861,666	1,434,353,400



The ACME Laboratories Ltd.

Notes to the Financial Statements

As at 30 June 2018

Note No.	Particulars	Amount in Taka	
		As at 30-06-2018	As at 30-06-2017
14	Advance Income Tax: Tk. 2,234,845,243		
	The breakup of the above amount is as under:		
	Opening Balance as per last A/C	2,037,434,874	1,843,423,421
	Adjustment of Current Tax Provision and Advance Income Tax for completed assessment		
	- For the assessment year 2008-2009	-	(108,893,537)
	- For the assessment year 2007-2008	(92,762,703)	-
	- For the assessment year 2009-2010	(124,845,356)	-
	Payment during the year:		
	AIT collected by Customs Authority	158,615,765	113,645,388
	AIT collected by Bank from Export Bills	3,252,789	3,093,176
	AIT deducted against supply of Medicines	17,716,146	9,813,848
	AIT collected by BRTA Authority	4,026,000	3,891,000
	AIT deducted on Bank Interest on FDRs and STD account	11,431,296	19,863,441
	AIT deducted from Dividend Received	99,711	158,460
	Paid by pay order/Cheque:		
	for the assessment year 2008-09	-	2,439,677
	for the assessment year 2010-11	3,600,000	-
	for the assessment year 2017-18	49,993,066	150,000,000
	for the assessment year 2018-19	145,000,000	-
	for the assessment year 2005-06	1,985,445	-
	for the assessment year 2009-10	19,298,210	-
		2,234,845,243	2,037,434,874
15	Material in Transit: Tk. 595,929,689		
	Raw Materials	354,851,528	295,427,053
	Packing Materials	136,789,870	109,490,475
	Spare Parts	104,288,291	87,779,326
		595,929,689	492,696,854



The ACME Laboratories Ltd.

Notes to the Financial Statements

As at 30 June 2018

Note No.	Particulars	Amount in Taka	
		As at 30-06-2018	As at 30-06-2017
16	Term Deposit: Tk. 1,103,779,169		
	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:		
	Dhaka Bank Limited	-	506,750,000
	Investment Corporation of Bangladesh (ICB)	1,103,779,169	1,547,250,000
		<u>1,103,779,169</u>	<u>2,054,000,000</u>
17	Cash and Cash Equivalents: Tk. 1,135,069,957		
	This is made up as follows :		
	Cash in Hand	563,638,102	439,947,387
	Cash at Bank :		
	Agrani Bank Ltd.	15,280,963	8,456,107
	Dhaka Bank Ltd.	675,375	767,876
	National Bank Ltd.	50,757,067	25,030,599
	Uttara Bank Ltd.	69,842,839	124,032,389
	Marcantile Bank Ltd.	20,023,732	39,255,107
	Standard Chartered Bank	138,616,879	320,391,380
	Sonali Bank Ltd.	959,191	144,756
	Islami Bank Ltd.	44,093,281	229,544
	NCC Bank Ltd.	18,638,902	29,571,850
	Eastern Bank Ltd.	6,686,866	15,932,828
	Dutch Bangla Bank Ltd.	124,603,712	123,250,276
	HSBC	7,896,847	7,721,453
	United Commercial Bank Ltd.	494,821	495,546
	The City Bank Ltd.	4,671,214	2,907,964
	Trust Bank Ltd.	26,945,677	192,899,779
	Exim Bank Ltd.	233,719	235,939
	Bank Asia Ltd.	19,476,325	38,179,368
	Southeast Bank Ltd.	9,993,651	11,707,742
	Prime Bank Ltd.	9,820,544	-
	Cash at BO Account	1,720,250	1,720,700
		<u>1,135,069,957</u>	<u>1,382,878,590</u>



The ACME Laboratories Ltd.

Notes to the Financial Statements

As at 30 June 2018

Note No.	Particulars	Amount in Taka	
		As at 30-06-2018	As at 30-06-2017
18	Share Capital : Tk. 2,116,017,000 This is arrived at as follows :		
a)	Authorized Capital : Tk 5,000,000,000 500,000,000 Ordinary share of Tk. 10 each	5,000,000,000	5,000,000,000
b)	Issued, Subscribed and Paid - up Capital: 211,601,700 Ordinary Shares @ Tk. 10 each. Previous year 211,601,700 Ordinary Shares @ Tk. 10 each)	2,116,017,000	2,116,017,000
		2,116,017,000	2,116,017,000
c)	Movement in Number of Ordinary Shares is as under:		
	Opening Balance	211,601,700	211,601,700
	Add: Issued during the year	-	-
	Closing Balance	211,601,700	211,601,700
18.1	Calculation of Net Asset Value (NAV) per ordinary share of Tk. 10 each:		
A	Total Equity of the Company	17,645,034,827	16,956,277,126
B	Total Number of outstanding ordinary share at the end of the year	211,601,700	211,601,700
C	Net Asset Value per Ordinary Share (A/B) rounded of upto two decimal places	83.39	80.13

18.2 History of allotment of Shares by the Company:

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

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

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

Opening balance	5,127,599,728	5,127,599,728
Closing balance	5,127,599,728	5,127,599,728



The ACME Laboratories Ltd.

Notes to the Financial Statements As at 30 June 2018

Note No.	Particulars	Amount in Taka	
		As at 30-06-2018	As at 30-06-2017
20	Retained Earnings: Tk. 4,810,519,458		
	Opening balance	4,039,288,418	3,303,424,145
		<u>1,511,836,990</u>	<u>1,483,688,505</u>
	Add: Net profit after tax for the year	1,426,570,996	1,397,849,938
	Adjustment for Depreciation on Revaluation Surplus	84,740,994	85,333,938
	Adjustment for disposal of Motor Vehicle	525,000	-
	Revaluation surplus transferred to Retained earnings due to disposal of Motor Vehicles	-	504,629
		<u>740,605,950</u>	<u>747,824,232</u>
	Less: Tax Holiday Reserve	-	7,218,282
	Dividend for the year 2016-2017 (comparative year dividend was for the year 2015-2016)	740,605,950	740,605,950
	Closing balance	<u>4,810,519,458</u>	<u>4,839,288,418</u>

21 Long Term Loans - Net off Current Maturity: Tk. 3,780,826,927

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

Name of Financial Institutions			
Trust Bank Ltd.		575,745,173	330,306,597
Dutch Bangla Bank Ltd.		628,103,596	451,659,092
Eastern Bank Ltd.		450,000,000	650,000,000
IDLC Finance Ltd.		206,857,217	62,078,015
Dhaka Bank Ltd		42,152,158	-
Standard Chartered Bank-Foreign Loan (Net of foreign currency gain/loss)		-	128,952,000
IIDFC		257,500,000	245,000,000
IPDC		467,500,000	437,250,000
HSBC-Foreign Loan (Net of foreign currency gain/loss)		1,339,964	170,191,403
HSBC Term Loan		34,655,291	20,444,928
United Finance Ltd. (UFL)		250,000,000	180,000,000
Lanka Bangla Finance Ltd.		150,000,000	350,000,000
Lankan Alliance Finance Ltd.		212,453,528	-
Bay Leasing & Investment Limited		140,000,000	-
Prime Bank Limited		364,520,000	-
		<u>3,780,826,927</u>	<u>3,025,882,035</u>



The ACME Laboratories Ltd.

Notes to the Financial Statements As at 30 June 2018

Note No.	Particulars	Amount in Taka	
		As at 30-06-2018	As at 30-06-2017
22	Provision for Gratuity: Tk. 330,362,700		
	Opening Balance	268,364,985	206,370,155
	Add: Provision for the year	107,238,040	103,311,473
	Less: Paid during the year	45,240,325	41,316,643
	Closing Balance	330,362,700	268,364,985

23 Deferred Tax Liability: Tk. 504,324,918

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

Opening Balance	381,665,656	114,423,516
Add : Deferred Tax Liability/(Assets) created during the year		
Increase in Deferred tax liability	138,158,691	297,184,972
On account of (deductible) /taxable temporary difference of taxable unit	138,158,691	293,457,536
On account of (deductible)/taxable temporary difference of Tax holiday unit	-	3,727,436
Creation of Deferred Tax Assets	(15,499,429)	(29,942,832)
On account of Provision for Gratuity	(15,499,429)	(29,942,832)
Closing Balance	504,324,918	381,665,656

24 Loans & Overdrafts: Tk. 5,826,848,423

This represents the amount are as follows :

Name of the Bank		
Dutch Bangla Bank Ltd.	484,133,632	648,457,651
Standard Chartered Bank	705,757,816	602,225,086
Dhaka Bank Ltd.	681,022,137	427,010,443
HSBC	1,135,327,825	1,122,527,704
Eastern Bank Ltd.	1,168,193,825	1,215,859,615
Trust Bank Ltd.	447,329,833	149,517,113
The City Bank Ltd.	1,109,144,510	1,138,441,723
Prime Bank Limited	95,938,845	-
	5,826,848,423	5,304,039,335



The ACME Laboratories Ltd.

Notes to the Financial Statements

As at 30 June 2018

Note No.	Particulars	Amount in Taka	
		As at 30-06-2018	As at 30-06-2017
25	Current Maturity of Long Term Loans: Tk. 2,109,615,101		
	This amount represents current portion of long term loans from Bank & Non-Banking Financial Institutions which are repayable within next 12 months from the balance Sheet date :		
	Name of Financial Institutions:		
	Trust Bank Ltd.	269,660,040	198,928,757
	IDLC Finance Ltd.	95,220,806	46,077,072
	IIDFC	130,000,000	107,500,000
	IPDC	207,250,000	157,250,000
	Eastern Bank Ltd.	200,000,000	200,000,000
	Standard Chartered Bank - Foreign Loan (Net of foreign currency gain/loss)	133,960,000	257,904,000
	HSBC - Foreign Loan (Net of foreign currency gain/loss)	175,938,093	257,199,665
	HSBC Term Loan	77,690,965	22,303,558
	Dhaka Bank Ltd.	29,275,172	27,198,644
	Dutch Bangla Bank Ltd.	291,409,553	237,543,971
	United Finance Ltd. (UFL)	120,000,000	80,000,000
	Lanka Bangla Finance Ltd.	200,000,000	200,000,000
	Lankan Alliance Finance Ltd.	37,546,472	-
	Prime Bank Limited	101,664,000	-
	Bay Leasing	40,000,000	-
		2,109,615,101	1,791,905,667
26	Trade Payables: Tk. 208,815,093		
	This consists of :		
	Trade Creditors	208,815,093	211,268,759
		208,815,093	211,268,759
27	Provision for Income Tax: Tk. 1,992,201,935		
	Opening Balance	1,804,196,185	1,542,631,343
	Add: Provision during the year	405,613,809	370,458,379
	Less: Adjustment of Current Tax Provision and Advance Income Tax for completed assessment		
	- For the assessment year 2008-2009	-	108,893,537
	- For the assessment year 2007-2008	92,762,703	-
	- For the assessment year 2009-2010	124,845,356	-
		1,992,201,935	1,804,196,185



The ACME Laboratories Ltd.

Notes to the Financial Statements

As at 30 June 2018

Note No.	Particulars	Amount in Taka	
		As at 30-06-2018	As at 30-06-2017
28	Liability for Expenses and Others: Tk. 222,407,023		
	This is arrived at as follows:		
	Salary & Allowances	19,197,722	18,519,772
	Power & Electricity	20,588,307	9,925,123
	Postage & Telephone	377,650	1,376,156
	Gas Bill	13,638,742	13,787,084
	Office Rent	645,875	479,250
	Audit Fee	500,000	500,000
	Valuation & Certification fee	184,500	55,000
	WASA Bill	49,893	86,613
	Workers Profit Participation Fund (WPPF) and Workers Welfare Fund (WWF) 28.a	132,324,493	126,182,061
	Advance against Export Sales	2,465,213	7,163,193
	Interest on WPPF and WWF	3,109,114	1,312,129
	Other Expenses and TDS & VDS	29,325,514	21,638,560
		222,407,023	201,024,941

28.a Workers Profit Participation Fund (WPPF) and Workers Welfare Fund (WWF): Tk. 132,324,493

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	126,182,061	87,499,086
Add: Addition for the year	97,742,203	101,777,523
Less: Payment during the year	91,599,771	63,094,548
Closing Balance	132,324,493	126,182,061

29 Dividend Payable: Tk. 3,809,293

The Board of Directors proposed 35% cash dividend of Tk. 740,605,950 for the year 2016-2017 which was duly approved in the 41st AGM by the shareholders. The details are stated below:

Opening Balance	2,606,820	62,191,926
Add: Final dividend declared for the year 2016-2017 (Gross)	740,605,950	740,605,950
Less: Dividend paid to Shareholders	739,403,477	800,191,056
Net Dividend Payable	3,809,293	2,606,820



The ACME Laboratories Limited

Notes to the Financial Statements

For the year ended 30 June 2018

Note
No. Particulars

Amount in Taka	
July'17 to June'18	July'16 to June'17

30 Revenue : Tk. 14,813,914,266

This is made up as follows:

Gross Turnover

Domestic

Own Products

16,539,845,362

15,206,613,807

Manufactured by Others :

Syringes

2,733

68,379

Imported Item

873,500

8,723,250

16,540,721,595

15,215,405,436

Export

Own Products

514,043,252

450,417,659

514,043,252

450,417,659

Total Gross Turnover

17,054,764,847

15,665,823,095

Less: VAT

2,240,850,581

2,089,500,797

Net Turnover

14,813,914,266

13,576,322,298

The summarized sales and production quantities are as follows:

Name of Category	Unit	Opening balance	Production/ Purchase	Sales	Closing balance
Capsule	Pcs	17,333,054	396,332,367	396,088,996	17,366,325
Cream	Tube	727,127	5,765,094	5,735,892	756,329
Dry Syrup	Bottles	1,167,473	9,764,293	9,742,842	1,188,924
Eye/Ear/Nasal Drop	Bottle	1,542,701	10,155,679	10,140,501	1,555,879
Injection	Pcs	1,810,914	39,063,239	39,838,032	1,966,221
Liquid	Bottles	5,448,197	73,453,632	73,579,242	5,322,587
Ointment	Tube	230,717	2,245,479	2,284,731	211,465
Tablet	Pcs	132,191,723	2,492,583,691	2,493,086,669	132,688,745
Powder	Pcs	79,314	388,381	388,349	81,346
Inhaler (DPI)	Can	4,393,016	37,807,231	37,835,023	4,566,328
Suppository	Pcs	1,868,103	32,465,918	32,543,568	1,790,658
Inhaler (MDI)	Can	99,749	1,400,166	1,397,404	102,511
Injection (vet)	Pcs	1,792,321	12,491,251	12,517,648	1,765,824
Liquid (Vet.)	Bottles	680,118	6,645,257	6,603,186	722,189
Bulb	Pcs	11,674,709	183,297,248	183,116,594	11,855,423
Primix	Pcs	5,442,024	21,170,170	21,103,722	5,512,478
Water Soluble Powder	Pcs	610,038	7,432,517	7,377,917	664,618
Syringe	Pcs	38,905	-	455	38,540
Fish Feed	Kg	2,986	-	-	2,986
Inflator	Pcs	961,088	3,834,943	3,693,106	1,122,845
Sachet	Pcs	543,664	9,757,392	9,698,144	602,112
Vaporizer	Pcs	17,097	-	3,493	13,604



The ACME Laboratories Limited

Notes to the Financial Statements

For the year ended 30 June 2018

Note
No. Particulars

Amount in Taka	
July'17 to June'18	July'16 to June'17

31 Cost of Goods Sold : Tk. 8,942,398,576

This is arrived at as follows :

Raw Materials Consumed	31.a	4,531,832,107	4,186,075,384
Packing Materials Consumed	31.b	2,520,485,132	2,140,317,179
Work in Process (Opening)		497,654,654	583,838,595
Work in Process (Closing)		(537,645,987)	(497,654,654)
Material Consumption during the period		7,012,325,906	6,412,576,504
Factory Overhead	31.c	1,973,270,421	1,709,499,203
Cost of Production		8,985,596,327	8,122,075,707
Purchase of Finished Goods		-	6,761,300
Opening Stock of Finished Goods		806,736,527	717,729,076
Finished Goods Available		9,792,332,854	8,846,566,083
Closing Stock of Finished Goods		(849,934,278)	(806,736,527)
Cost of Goods Sold		8,942,398,576	8,039,829,556

31.a Raw Materials Consumed : Tk. 4,531,832,107

This is arrived at as follows :

Opening Stock of Raw Materials	817,689,878	848,133,333
Purchase during the year	4,591,787,927	4,155,631,929
Closing Stock of Raw Materials	(877,645,698)	(817,689,878)
Raw Material Consumed	4,531,832,107	4,186,075,384

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

Particulars	Pcs	Quantity (kg)		Quantity (Liter)		Quantity (Pcs)	
	Cap Shell	Active	Excipients	Active	Excipients	Active	Excipients
Opening Balance	352,245,897	2,593,654	816,504	305	12,146	-	-
Purchase	358,948,395	4,673,391	5,649,099	308	50,484	28,300	2,859,200
Available for use	711,192,292	7,267,045	6,465,603	613	62,630	28,300	2,859,200
Closing Balance	292,841,885	2,256,997	957,427	330	13,890	-	685,200
Consumption	418,348,407	5,010,048	5,508,176	283	48,740	28,300	2,174,000

31.b Packing Materials Consumed : Tk. 2,520,485,132

This is arrived at as follows :

Opening Stock of Packing Materials	538,976,580	451,563,377
Purchase during the period	2,560,274,049	2,227,730,382
Closing Stock of Packing Materials	(578,765,497)	(538,976,580)
	2,520,485,132	2,140,317,179



Note
No. Particulars

Amount in Taka	
July'17 to June'18	July'16 to June'17

The total quantity of Packing Materials are as under:

Name of Category	Unit	Opening	Purchase	Consumption	Closing
Amppole	Pcs	16,215,489	21,673,715	27,337,753	10,551,451
Bottle	Pcs	21,215,462	71,429,033	77,381,921	15,262,574
Carton	Pcs	27,283,553	128,562,971	151,747,720	24,098,804
Plastic Item	Pcs	23,567,975	107,996,064	111,017,360	20,546,679
Cap	Pcs	16,536,688	94,144,755	94,356,408	16,325,047
Cash Cover	Pcs	15,145,896	22,334,997	23,440,719	14,040,174
Inner Leaflet	Pcs	19,614,726	114,886,333	114,367,912	19,933,147
Label	Pcs	5,202,577	72,711,615	73,030,359	4,883,833
Shipping Box	Pcs	3,484,917	9,405,103	8,942,809	3,947,211
PVC/PVDC	Pcs	165,274	823,148	767,654	221,368
Shipping Box	Pcs	789,335	10,739,910	10,766,629	782,656
Tube	Pcs	1,718,447	8,421,604	8,242,526	1,897,525
Al. Foil- Blister	Kgs	31,337	166,368	160,646	37,019
Al. Foil- Strip	Kgs	390,123	631,241	670,393	350,775
Inner Board	Pcs	584,474	997,730	872,955	619,209
Vial	Pcs	2,458,104	28,465,582	25,701,538	5,222,138
Sticker Label	Pcs	17,619,381	80,487,822	80,416,993	17,690,210

31.c. Factory Overhead : Tk. 1,973,270,421

This is made up as follows :

Salary & Allowances	464,637,662	393,149,863
Daily Wages	123,028,392	92,717,083
Gratuity	19,331,917	22,357,672
Group Insurance Premium	1,296,437	858,700
Postage & Telephone	3,193,922	3,275,875
Fuel, Power & Electricity	299,946,282	197,825,145
Conveyance	2,483,499	2,998,660
Company's Contribution to RPF	19,623,629	17,471,983
Gas Bill	147,881,624	134,633,860
Factory Staff Uniform	6,504,830	5,213,204
Carriage Inward	11,748,388	8,453,900
Repairs & Maintenance	71,245,351	67,566,073
Medical Expenses	529,565	544,170
Insurance	18,156,588	17,480,732
Local Tax	2,000,000	2,165,000
Printing & Stationery	24,670,823	21,491,039
Research, Analysis & Product Development	11,114,480	5,554,049
Welfare & Recreation	9,593,108	12,093,503
Entertainment	6,231,912	4,824,493
Canteen Expenses	17,731,445	14,153,333
Spare Parts	92,780,725	92,411,639
Loss on fire	-	-
Service charge	-	-
Travelling	4,537,687	2,778,976
Depreciation	615,002,155	589,480,261
	1,973,270,421	1,709,499,203



The ACME Laboratories Limited

Notes to the Financial Statements

For the year ended 30 June 2018

Note
No. Particulars

Amount in Taka	
July'17 to June'18	July'16 to June'17

32 Other Income : Tk. 106,611,149

This is made up as follows :

Rent on Investment Property	6,462,000	6,462,000
Other Lease Rent	228,000	228,000
Income/(Loss) from Sale of Motor Vehicle	745,000	(443,645)
Interest Bank's STD and SND A/C	7,950,217	7,634,418
Translation Gain/(loss) for foreign currency fluctuation	(8,900,802)	(19,301,295)
Settlement Gain/(loss) for foreign currency fluctuation	(6,647,513)	(2,286,791)
Gain due to settlement of insurance claim for Inventory lost in transit	-	151,859
Realized gain on Marketable Securities	-	2,185,448
Interest on Term Deposit	106,024,079	189,798,344
No Claim Bonus - Group Health Insurer	-	4,969,177
Dividend Income on marketable securities	750,168	752,926
	106,611,149	190,150,441

33 Selling, Marketing and Distribution Expenses : Tk. 2,232,988,549

This is made up as follows :

Salary & Allowances	1,298,434,193	1,161,519,575
Daily Basis Salary	11,923,761	9,307,129
Gratuity	67,223,714	65,131,667
Company's Contribution to RPF	60,655,837	54,794,945
Office Rent	9,922,250	8,273,500
Electricity & WASA, Gas	9,450,259	8,739,528
Postage & Telephone	41,384,794	31,543,374
Fuel for Generator	1,955,780	1,692,437
Vehicle Expenses	40,110,484	38,462,064
Printing & Stationery	45,824,972	39,760,359
TA/DA	111,953,188	82,888,409
Travelling Kits	6,551,219	5,371,000
Carriage Outward	53,365,238	47,521,215
Seminar & Conference	16,527,153	12,062,053
Medical Expenses	819,222	1,230,988
Sales Promotion Expenses	163,913,880	129,162,085
New Products induction expenses	616,153	1,171,661
Group & Health Insurance Premium	4,807,201	3,955,383
Export Expenses	19,381,031	15,587,633
Welfare & Recreation	2,736,869	2,109,207
Free Sample	77,355,052	76,142,049
Insurance	8,240,188	9,366,151
Fees & Renewals	29,741,255	17,207,498
Repair & Maintenance	57,313,418	55,856,154
Entertainment	30,333,359	25,540,358
Advertisement	1,809,187	874,506
Repacking Materials	236,875	500,534
Depreciation	60,401,997	57,895,384
	2,232,988,549	1,963,666,866



The ACME Laboratories Limited

Notes to the Financial Statements

For the year ended 30 June 2018

Note
No. Particulars

Amount in Taka	
July'17 to June'18	July'16 to June'17

34 Administrative Expenses : Tk. 589,467,718

This is made up as follows :

Directors Remuneration	28,800,000	28,800,000
Salary & Allowances	272,091,738	233,227,185
Directors Sitting Fees	2,070,000	2,319,167
Group Health including other Insurance Premium	2,517,081	1,732,284
Postage & Telephone	6,375,391	5,292,484
Electricity ,Gas & WASA	16,536,253	14,604,020
Fuel for Generator & Vehicle	6,310,919	6,060,266
Conveyance	4,310,383	2,884,450
Refreshment Expenses	3,921,457	4,319,889
Office General Expenses	9,892,891	9,655,209
Vehicle Expenses	17,799,917	16,745,418
Advertisement for Recruitment & Others	4,453,308	4,241,240
Printing & Stationery	2,168,738	6,337,328
Intangible Assets Amortization	41,625	41,625
Newspaper & Periodicals	212,501	251,325
AGM Expenses	2,462,205	5,360,423
Expenses for Legal Procedure	2,244,752	4,129,010
Gratuity	20,682,409	15,822,134
Company's Contribution to KPFF	8,744,845	8,211,229
Professional Fee	11,317,245	10,905,534
Audit Fees	500,000	500,000
Medicine Expenses	831,331	377,544
Uniform and liveries	1,919,308	1,058,909
Travelling Expenses	9,897,135	8,319,057
Repair and maintenance	20,036,826	18,671,543
Municipal Tax	3,726,162	3,907,295
Fees and Renewals	7,054,212	6,673,513
Welfare and recreation	2,200,493	2,336,854
Daily basis salary	10,685,801	6,600,369
Contribution to CSR Activities	1,170,923	1,519,808
Product Registration fees (US FDA)	44,990,000	45,012,000
Loss due to revaluation of Investment Property	1,759,599	3,080,588
Depreciation	56,741,270	54,386,370
	589,467,718	533,384,270

35 Financial Expenses Tk. 1,103,084,302

This is made up as follows :

Interest on Cash Credit	68,814,322	51,826,209
Interest on Overdraft	57,376,301	36,123,001
Interest on MTL & LTR	44,238,176	35,460,261
Interest on Revolving & STL	347,059,018	322,741,413
Interest on Lease Finance	214,564,076	236,826,986
Interest on Term Loan	292,972,351	273,935,135
Interest on Accepted Import Loan	62,026,692	43,297,202
Interest on WPPF	6,107,193	4,555,683
Bank Charge	9,932,173	10,734,210
	1,103,084,302	1,015,500,106



The ACME Laboratories Limited

Notes to the Financial Statements

For the year ended 30 June 2018

Note
No. Particulars

Amount in Taka	
July'17 to June'18	July'16 to June'17

36 Loss due to Fire Incident - At Factory : Tk. 76,763,961

Loss of Machinery due to Fire (A)

Machinery at cost/valuation
Less: Accumulated Depreciation till date of incident
Carrying amount
Less: Recoverable Amount
Loss due to fire incident
Add: Startup cost after fire incident
Total loss before adjusting revaluation surplus and insurance claim
Less: Loss adjusted through revaluation surplus
Total loss before adjusting insurance claim
Less: Insurance claim received
Net loss after adjusting insurance claim (A)

Cost	Revaluation	Total	Total
443,370,705	20,667,764	-	464,038,469
161,048,467	8,429,391	-	169,477,858
304,322,238	12,238,373	-	316,560,611
225,938,120	7,500,691	-	233,438,811
78,384,118	4,677,682	-	83,061,800
		-	11,283,433
		-	94,345,233
		-	4,677,682
		-	89,667,551
		-	75,476,238
		-	14,191,313

Loss of Inventory due to Fire (B)

Inventory damaged due to fire
Less: Value of inventory covered by insurance
Net loss after adjusting amount of insurance coverage (B)

-	68,241,240
-	52,171,000
-	16,070,240

Loss of Factory Building due to Fire (C)

Machinery at cost/valuation
Less: Accumulated Depreciation till date of incident
Carrying amount
Less: Recoverable Amount
Total loss before adjusting insurance claim and revaluation surplus
Less: Loss adjusted through revaluation surplus
Total loss before adjusting insurance claim
Less: Insurance claim received
Net loss after adjusting insurance claim (C)

Cost	Revaluation	Total	Total
83,826,307	81,976,524	-	165,782,831
77,333,899	17,340,430	-	94,674,329
46,502,408	64,576,094	-	111,078,502
-	-	-	-
46,502,408	64,576,094	-	111,078,502
		-	64,576,094
		-	46,502,408
		-	-
		-	46,502,408

Total Loss due to fire incident (D = A + B + C)

-	76,763,961
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The ACME Laboratories Limited

Notes to the Financial Statements For the year ended 30 June 2018

Note
No. Particulars

Amount in Taka	
July'17 to June'18	July'16 to June'17

37 Contribution to Workers Profit Participation Fund and Welfare Fund: Tk. 97,742,203

This represent 5% of net profit before tax after charging contribution as per provision of section 15 of Bangladesh Labor Law 2006 as amended in 2013.

Contribution to WPPF and Welfare Fund	97,742,203	101,777,523
	<u>97,742,203</u>	<u>101,777,523</u>

38 Income Tax Expenses : Tk. 528,273,071

This is arrived at as follows :

Current Tax Expenses

Current Tax for the year under review
Current tax provision for previous years

405,613,809	350,458,379
-	20,000,000
<u>405,613,809</u>	<u>370,458,379</u>

Deferred Tax Expenses/(Income)
Deferred Tax Expenses/(Income)

122,659,262	267,242,140
<u>122,659,262</u>	<u>267,242,140</u>
<u>528,273,071</u>	<u>637,700,519</u>

39 Basic/Diluted Earning Per Share (EPS) Tk 6.74

The computation is given below :

Net Profit After Tax
Weighted average number of shares outstanding during the period (39.2)
Basic Earnings Per Share

1,426,570,996	1,397,849,938
<u>211,601,700</u>	<u>211,601,700</u>
<u>6.74</u>	<u>6.61</u>
<u>6.74</u>	<u>6.61</u>

Diluted Earnings Per Share
Refer Policy notes 3.17

39.1 Number of Ordinary Shares Outstanding 211,601,700 Ordinary Shares @ Tk.10/- each

<u>211,601,700</u>	<u>211,601,700</u>
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39.2 Weighted Average Number of Ordinary Shares 211,601,700 Ordinary Shares @ Tk.10/- each

<u>211,601,700</u>	<u>211,601,700</u>
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40 Reconciliation of Net Income or Net Profit with Cash Flows from Operating Activities-Indirect Method

Net Profit after Tax
Add: Non Cash Items
Less: Net Increase/Decrease in Current Asset
Add: Net Increase/Decrease in Current Liabilities
Add: Deferred Tax Liability (Created during the year)
Net cash generated from operating activities-Direct Method

July'17 to June'18	
1,426,570,996	
744,338,507	
984,181,829	
268,931,881	
<u>122,659,262</u>	
<u>1,678,318,817</u>	



The ACME Laboratories Limited

Notes to the Financial Statements For the year ended 30 June 2018

Note
No. Particulars

Amount in Taka	
July'17 to June'18	July'16 to June'17

41 Related Party Disclosures

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

Name of the company	Nature of Transaction	2017-2018		2016-2017	
		Value of transaction during the year	Balance as at 30 June 2018	Value of transaction during the year	Balance as at 30 June 2017
Saha Printers Ltd.	Local Supply Received	550,481,283	(190,619,988)	445,603,332	(129,196,108)
	Provide Services & Others	294,550	-	299,133	-
ACMUNGO Int. Ltd.	Advance	-	96,479,473	(5,000,000)	96,479,473
	Finished Goods Purchased	-	-	68,379	-
	Rent on Investment Property	6,462,000	12,924,000	6,462,000	6,462,000
The ACME Agrovet & Beverages Ltd.	Local Supply	34,308,800	-	1,259,220	(1,219,220)
Kalya Packaging Ltd.	Local Supply	85,955,564	(4,300,597)	4,712,450	(3,606,808)
Kalya Replica Ltd.	Local Supply	10,237,302	(1,640,525)	236,908	(674,158)

42 Details regarding disposal of Motor Vehicle:

Particulars	Cost/Revaluation (Tk.)	Acc. Dep. on Cost/ revaluation (Tk.)	Net Book value (Tk.)	Sales Price (Tk.)	Disposition of total Gain/(Loss)		
					Credited in P/L (Tk.)	Credited in Equity (Tk.)	Total (Tk.)
Vehicle THA-11-6458	2,152,537	2,137,553	14,984	300,000	-	285,016	285,016
Vehicle MA-31-1662	819,800	614,362	204,638	225,800	-	20,362	20,362
Vehicle MA-31-4717	680,000	680,000	-	745,000	745,000	-	745,000
Total	3,651,537	3,431,915	219,622	1,270,800	745,000	305,378	1,050,378

43 Payments/Receipts in Foreign Currency

Payment

Import of Machinery, Spare Parts and Equipment	468,095,593	785,625,494
Import of Raw Material and Packing Material	3,180,895,289	2,020,578,025
Foreign Currency Loan	548,585,581	543,797,624
	4,198,176,265	3,350,001,143

Receipts

Exports	464,684,143	441,882,286
	464,684,143	441,882,286

44 Directors Remuneration and Sitting Allowance

Directors remuneration (Including MD's Remuneration for C.Y. 17/18 amounting to Tk. 12,000,000)	28,800,000	28,800,000
Directors Sitting fees (Including MD's Sitting Allowance for C.Y. Tk. 268,333 and previous year Tk. 287,500)	2,670,000	2,319,167
	30,870,000	31,119,167

45 Audit Fees

	500,000	500,000
	500,000	500,000



The ACME Laboratories Limited

Notes to the Financial Statements For the year ended 30 June 2018

Note
No. Particulars

Amount in Taka	
July'17 to June'18	July'16 to June'17

46 Events after the Reporting Period

A fire incident had occurred in the factory premises of the Company (for detail referred note no. 36) as on 15 November 2016 and claim were lodged with respective Insurance Companies with whom assets were insured. A claim in respect of damage of building amounting to Tk. 99,82,744 has been received by the company after the reporting date. Though, the claim had been admitted by the insurance company prior to the reporting date. However, following the principles of conservatism the company has accounted for the loss compensation during the financial year 2018-19 after receipt and encashment of the cheque.

47 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 retaining our for stopping 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, 783/2009,3948/2004, 14250/2016, 4478/2002, 5196/2015 and 2477/2015 respectively against the said claims. The company reviews status of the same in 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 in ICDDR,B as Exempted	Valid up to disposal of hearing
2	783/2009	13,097,829	Rebate for exempted of 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.1509
4	14250/2016	Non-monitory	Re-iteration and resuming of audit proceedings	Extended for a period of six months from the of 14 May 2018.
5	4478/2002	665,523	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 exempted has VAT authority claim to impose VAT at reg. 5(g)	Valid up to disposal of hearing
7	2477/2015	4,000,000	The Writ against penalty in connection with Audit claim after adjustment Tk 7,711,245.56	Valid up to disposal of hearing
Total		269,522,547		



The ACME Laboratories Limited

Notes to the Financial Statements For the year ended 30 June 2018

Note
No. Particulars

Amount in Taka	
July'17 to June'18	July'16 to June'17

48 Un Expired Bank Guarantees

Details of Unexpired Bank Guarantees of Tk. 43,460,395 (as at 30 June 2017 the amount was Tk. 47,984,290) given in the normal course of business on behalf of the company to various parties as at 30 June 2018 are as follows:-

SL No.	Name of Bank	Date of Expiry	Amount in Taka
1	Trust Bank Ltd.	15.05.2021	12,401,250
2	Trust Bank Ltd.	15.05.2021	316,510
3	Trust Bank Ltd.	15.05.2021	2,320,400
4	Trust Bank Ltd.	15.05.2021	252,700
5	Trust Bank Ltd.	18.04.2019	229,000
6	Trust Bank Ltd.	18.04.2019	4,507,700
7	Trust Bank Ltd.	30.07.2019	848,800
8	Trust Bank Ltd.	22.10.2021	1,093,820
9	Trust Bank Ltd.	30.11.2018	470,600
10	Trust Bank Ltd.	30.10.2022	292,800
11	Trust Bank Ltd.	30.10.2022	695,600
12	Trust Bank Ltd.	30.10.2022	2,492,100
13	Trust Bank Ltd.	30.10.2022	366,300
14	Trust Bank Ltd.	Until Clearance	189,786
15	Trust Bank Ltd.	30.06.2019	4,028,000
16	Trust Bank Ltd.	30.06.2019	1,491,600
17	Trust Bank Ltd.	13.02.2019	942,188
18	Trust Bank Ltd.	20.06.2018	686,300
19	Trust Bank Ltd.	20.06.2018	1,618,600
20	Trust Bank Ltd.	20.06.2018	383,300
21	Trust Bank Ltd.	21.06.2018	4,232,310
22	Trust Bank Ltd.	23.06.2018	488,312
23	Dutch Bangla Bank Ltd.	17.10.2021	248,800
24	Dutch Bangla Bank Ltd.	17.10.2021	180,900
25	Dutch Bangla Bank Ltd.	24.05.2022	766,350
26	Dutch Bangla Bank Ltd.	24.05.2022	164,680
27	Agrani Bank Ltd.	11.09.2018	1,517,350
	Total		43,460,395

49 Claim not acknowledged as debts

There is no claim against the company which have not been acknowledged as debt as at 30 June 2018.

50 Capital Expenditure Commitment

The estimated amount of capital expenditure commitment of the company are mainly in the form of letter of credit opened in favor of suppliers as at 30 June 2018 Tk. 1,067,922,941. (as at 30 June 2017 the amount was Tk. 30,621,322)



The ACME Laboratories Limited

Notes to the Financial Statements

For the year ended 30 June 2018

Note
No. Particulars

Amount in Taka	
July'17 to June'18	July'16 to June'17

51 Production Capacity & Utilization

(Quantity in thousand)

Name of Category	Unit	Production Capacity		Actual Production		Actual Production	
		2017-18	2016-17	2017-18	%	2016-17	%
Human							
Tablet	Pcs	3,987,303	3,501,894	2,493,244	62.28	2,430,343	69.42
Capsule	Pcs	670,863	633,733	387,674	57.34	381,970	60.08
Liquid	Bottle	30,180	84,761	55,014	61.00	34,123	63.86
Dry Syrup	Bottle	30,805	19,907	9,764	48.81	9,474	47.59
Ointment	Tube	6,752	6,752	2,245	33.26	2,220	33.03
Cream	Tube	19,880	18,776	5,785	30.34	5,419	28.86
Suppository	Pcs	37,713	37,713	32,406	86.09	29,217	66.87
Inhaler (DPI)	Can	66,854	65,871	37,807	56.04	26,319	37.96
Inhaler (MDI)	Canister	3,095	3,095	1,480	45.23	615	19.87
Eye/Ear/Nasal Drop	Phials	23,831	21,758	10,154	44.09	11,212	51.53
Injection (Ampou)	Pcs	62,113	60,467	29,046	46.76	28,456	47.06
Injection (Vial)	Pcs	23,854	23,808	10,917	45.86	10,059	42.26
Infusion	Pcs	6,408	6,347	3,855	60.16	3,309	53.08
Sachet	Pcs	29,774	29,774	9,738	32.77	8,912	29.93
Veterinary							
Tablet	Pcs	272,172	270,365	183,297	67.33	180,897	66.91
Liquid	Pcs	8,022	8,284	6,645	78.48	6,169	74.47
Proctas	Pcs	29,380	28,233	21,176	72.08	19,514	72.61
WSP	Pcs	9,773	9,773	7,416	75.88	6,315	64.62
Injection	Vial	13,378	13,378	12,491	93.37	11,561	86.42
Herbal & Ayurvedic							
Capsule	Pcs	32,574	32,574	8,658	26.58	8,644	26.54
Liquid	Pcs	13,628	13,081	11,794	88.55	7,889	60.31
Tablet	Pcs	41,902	41,902	10,340	24.68	12,284	29.13

Note: Capacity is calculated considering 240 days per year, 3 shifts per day and 8 hours per shift.

52 Income Tax Assessment:

Among the several disputed assessments, the final assessment for the assessment year 2007-2008 & 2009-2010 have been completed and the company has adjusted the tax liability amounting to Tk. 217,608,099 out of which amounting to Tk. 207,461,983 was kept as provision for those assessment years and shortfall in provision amounting to Tk. 10,146,076 has been made during the financial year 2017-2018.

53 VAT Return and Auditing status as at 30.06.2018

The Company is depositing VAT & filing VAT returns on monthly basis with the concern authority. The authority has conducted and completed their audit up to the financial year 2014-15 and there was a demand of Tk. 3,202,628. Due to change of commissioner, new commissioner has issued a letter to the company in respect of conducting re-audit for the financial year 2014-15. However, the company has filed a Writ petition with High Court Division of the Honorable Supreme Court of Bangladesh. But decision is yet to come in this regard. Further, the audit for the financial year 2015-16 and 2016-17 has been completed by the authority and the observation made out of audit, if any, are yet to be receive by the company.

