

**AUDITORS' REPORT
AND
THE FINANCIAL STATEMENTS
OF
The ACME Laboratories Limited**
For the year ended 30th June, 2022

**Independent Auditors' Report
To the Shareholders of
The ACME Laboratories Limited
Report on the Audit of the Financial Statements**

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Risk	Revenue Recognition
Our response to the risk	
We identified revenue recognition as key audit matter and a significant risk of material misstatement because of the risk related to the timing and accuracy of the recognized amounts of revenue. The total net revenue generated for the year ended was Taka 23,858,412.334/-	➤ Our audit procedures comprised the testing of internal controls in connection with the revenue recognition including the application controls in the most important IT applications impacting the financial reporting. We performed analytical procedures that focused on analyzing the development of turnover. In addition, we performed audit procedures such as compared revenue transactions near year end to the supporting documentation, analyzed general ledger journal entries in order to identify abnormal entries as well as compared trade receivables to the payments received.
The timing of the revenue recognition and realization increases the risk of exposure of revenue to foreign exchange fluctuations.	➤ Segregation of duties in invoice creation and modification (if any) and timing of revenue recognition.
There is a risk that invoices may be issued to local customers or Government & Non-Government institutional customers erroneously. There may be duplication of invoice placed to customers as there is huge number of customers.	



<p>There is also a risk that revenue may be overstated /understated due to the timing differences.</p>	<ul style="list-style-type: none"> ➤ We physically visited depots and checked procedures to recognize revenue from local customers. ➤ Obtaining supporting documents for sale transactions recognized during the year with the sale invoices and other relevant underlying documents.
<p>We focused on this area as recognition of revenue involves significant judgment and estimates made by management including whether contracts contain multiple performance obligations which should be accounted for separately and the most appropriate method for recognition of revenue for identified performance obligations. This comprises allocation of consideration to the individual performance obligations of multi-element contracts as noted above, assessing whether performance obligations under supply and installation contracts are satisfied at a point in time or over time.</p>	<ul style="list-style-type: none"> ➤ We read a sample of contracts to assess whether the method for recognition of revenue was relevant and consistent with IFRS-15 and had been applied consistently. We focused on contract classification, allocation of income and cost to the individual performance obligations and timing of transfer of controls. Where a contract contained multiple elements, we considered Management's judgments as to whether they comprised performance obligations that should be accounted for separately and in such cases, challenged the judgments made in the allocation of the consideration to each performance obligation. ➤ We evaluated and challenged the significant judgments and estimates made by management in applying the company's accounting policy to a sample specific contracts and separable performance obligations of contracts and we obtained evidence to support including details of contractual agreements, delivery records, receipts and project plans.
<p>Please see to the Statement of profit or loss & other Comprehensive Income.</p>	
<p>Valuation of Inventory</p>	
<p>As at June 30,2022the reported amount of inventory is Taka 5,813,348,745/- held in plants, Central warehouse and twenty-Seven depots situated at different locations across the Country.</p> <p>Most of the inventories are of specialized in nature and required to be maintained in controlled environment. Regular monitoring is required as the inventories are material by its value, quantity and its nature.</p> <p>On the reporting date, inventories are carried at the lower of cost and net realizable value. As such, the companies apply judgment in determining the appropriate values of inventory in accordance with International Accounting Standards.</p>	<p>We verified the appropriateness of, management's assumptions applied in calculating the value of the inventory as per International Accounting Standards (IASs) by:</p> <ul style="list-style-type: none"> ➤ Evaluating the design and implementation of key inventory controls operating across the factory, warehouse and depots. ➤ Attending inventory counts and reconciling the count results to the inventory listing to test the accuracy of data. ➤ Along with inventory count we checked whether the inventories were maintained in good condition and maintaining all compliances. ➤ We have reconciled the inventory with purchase production and sales to ensure the physically shown stock at the depots as on date were accurate.



<p>Considering the risk as stated above the valuation of inventory is a key audit matter to the Financial Statements.</p>	<ul style="list-style-type: none"> ➤ Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year. ➤ Obtaining a detailed review with the subsequent sales to compare with the net realizable value.
<p>Please see note no. 10 to the Financial Statements</p>	
<p>Valuation of Tangible Fixed Assets</p>	
<p>The carrying value of the tangible fixed assets is Tk. 25,482,863,887/-as at June 30, 2022. The valuation of tangible fixed assets was identified as a key audit matter due to significance of this balance to the Financial Statements.</p> <p>The expenditures are classified as an asset, if it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.</p> <p>The useful lives of tangible fixed assets items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of the useful life of the assets is a matter of judgments based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> ➤ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. ➤ We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured during the year. ➤ We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, the physical condition of the assets and its uses. ➤ We checked whether the depreciation of tangible fixed assets items was commenced from the date of ready to use and found the depreciation had been started accordingly.
<p>Please see note no. 06 to the Financial Statements</p>	
<p>Long Term Loan & Short Term Loan & Overdraft</p>	
<p>As at June 30, 2022, the reported amount of total Term loan (Long & Current portion) is Taka 6,502,789,622/-and Short-term Borrowings is Taka 9,383,189,695/-respectively.</p> <p>The company may face difficulties due to unfavorable movement in interest rate & monetary policy that may result in short-term and cash flow crisis.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> ➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure the proper use of loan ➤ We verified sanction letter, loan schedule bank statements to confirm the loan outstanding and found that the balance had been reported in the Financial Statements accurately. ➤ We checked the financial expenses and classification of loan and repayment schedule on a test basis as well. ➤ We checked the recording date of transactions and found the recording date is in line with the loan disbursement date.
<p>Please see note no. 21, 24 & 25 to the Financial Statements</p>	
<p>Recoverability Assessment of Trade Receivable</p>	
<p>The total amount of Account Receivable is Taka 2,236,356,282/-at 30 June 2022. There are significant large numbers of individual</p>	<p>Our audit procedures of assess the recoverability of trade receivables including the following:</p>



<p>customers. Customers in different business segments and jurisdictions are subject to their independent business risk.</p> <p>The increasing challenges over the economy and operating environment in developing the software and sale of service during the year have increased the risks of default on receivables from the customers. In particular, in the event of insolvency of customers, the company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.</p> <p>Accordingly, we identified the recoverability of receivables as a key audit matter because of the significance of receivables to company's Financial Position and because of the significant degree of management judgment involved in evaluating the adequacy of the allowance for doubtful debts.</p>	<ul style="list-style-type: none"> ➤ Tested the accuracy of aging of receivables at year end on a sample basis; ➤ Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards; ➤ Assessing the classification of account receivables in the debtors ageing report by comparison with sales invoice and other underlying documentation on a taste basis; ➤ Assessed the recoverability of the debtors on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers and ➤ Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to account receivable balances at June 30, 2022.
<p>Please see note no. 11 to the Financial Statements</p>	

Other Information

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

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

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

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

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

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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



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

Report on other Legal and Regulatory Requirements

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

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

Date : 29 October, 2022
Place : Dhaka



Fouzia Haque, FCA
Partner

FAMES & R
Chartered Accountants
DVC # 2210291032AS402152



The ACME Laboratories Limited
Statement of Financial Position
As at 30 June, 2022

Particulars	Notes	Amount in Taka	
		30-06-2022	30-06-2021
Non-Current Assets		25,631,867,153	25,135,909,392
Property, Plant and Equipment	6.00	25,482,863,887	25,021,302,535
Right-of-Use Assets	7.A	116,116,552	79,079,936
Intangible Assets	8.00	3,875	15,500
Investment in Securities	9.00	32,882,839	35,511,421
Current Assets:		17,343,019,174	15,340,513,013
Inventories	10.00	5,813,348,745	3,872,009,643
Trade Receivable	11.00	2,236,356,282	2,215,620,762
Other Receivable	12.00	19,806,550	19,933,211
Advance, Deposits & Pre-Payments	13.00	2,801,297,508	3,051,719,911
Advance Income Tax	14.00	3,119,571,359	3,154,867,216
Material in Transit	15.00	2,065,588,465	1,252,395,519
Term Deposit	16.00	48,141,777	180,116,317
Cash and Cash Equivalents	17.00	1,238,908,488	1,593,850,434
TOTAL ASSETS		42,974,886,327	40,476,422,405
EQUITY AND LIABILITIES			
Shareholders' Equity :		21,690,114,535	20,110,595,026
Share Capital	18.00	2,116,017,000	2,116,017,000
Share Premium	19.00	5,127,599,728	5,127,599,728
Revaluation Surplus	6.01	5,136,046,235	5,183,844,849
Gain/(Loss) on Marketable Securities (Unrealized)	9.01	6,039,883	8,405,607
Tax Holiday Reserve	Ref- SOCE	179,464,241	179,464,241
Retained Earnings	20.00	9,124,947,448	7,495,263,601
Non Current Liabilities:		5,847,104,275	6,878,700,145
Long Term Loan- Net off Current Maturity	21.00	4,174,567,982	5,441,816,500
Long Term Lease Liability	7.B	73,197,775	62,884,633
Provision For Gratuity	22.00	691,751,677	500,455,725
Deferred Tax Liability	23.00	907,586,841	873,543,287
Current Liabilities:		15,437,667,517	13,487,127,234
Loans & Overdrafts	24.00	9,383,189,695	7,141,067,455
Current Maturity of Long Term Loans	25.00	2,328,221,640	2,601,493,765
Trade Payable	26.00	448,995,103	350,249,816
Provision for Income Tax	27.00	2,661,467,504	2,855,903,656
Current Lease Liability	7.B	22,332,335	14,265,147
Liability for Expenses and Others	28.00	589,083,867	516,914,537
Dividend Payable	29.A	4,377,373	3,577,404
Unclaimed Dividend Account	29.B	-	3,653,454
TOTAL EQUITY AND LIABILITIES		42,974,886,327	40,476,422,405
Net Asset Value Per Share (NAVPS)	18.04	102.50	95.04

The annexed notes 1 to 49 form an integral part of these financial statements.

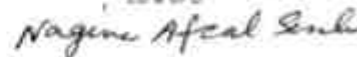
Md. Arshadul Kabir FCA
Company Secretary (Acting)



Mizanur Rahman Sinha
Managing Director

Signed in terms of our report of even date annexed

Kazi Mohammed Badruddin FCMA, FCA
ED & CFO



Nagina Afzal Sinha
Chairman



FAMES & R

Chartered Accountants
DVC # 2210291032AS402152

Date : 29 October, 2022
Place: Dhaka



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

Particulars	Notes	Amount in Taka	
		30-06-2022	30-06-2021
Revenue	30.00	23,858,412,334	20,770,140,096
Less: Cost of Goods Sold	31.00	14,394,048,720	12,719,818,570
Gross Profit		9,464,363,614	8,050,321,526
Add: Other Income	32.00	(17,581,658)	136,981,358
		9,446,781,956	8,187,302,884
Less: Selling, Marketing and Distribution Expenses	33.00	4,179,773,785	3,403,323,211
		5,267,008,171	4,783,979,673
Less: Administrative Expenses	34.00	1,130,039,906	998,435,133
Profit from Operation		4,136,968,265	3,785,544,540
Less: Financial Expenses	35.00	1,309,174,705	1,608,373,867
Profit Before Contribution to WPPF and WWF		2,827,793,560	2,177,170,673
Less: Contribution to WPPF and WWF	36.00	134,656,836	103,674,794
Net Profit Before Tax		2,693,136,724	2,073,495,879
Less: Current Tax Expenses	37A	547,940,829	489,159,082
Less: Deferred Tax Expenses	37B	34,306,412	15,110,070
Net Profit After Tax		2,110,889,483	1,569,226,727
Other Comprehensive Income			
Gain/(Loss) on Marketable Securities (Unrealized)		(2,628,582)	11,742,071
Total Comprehensive Income for the year		2,108,260,901	1,580,968,798
Earnings Per Share (on the Equity share of Tk. 10 each)	38.00	9.98	7.42

The annexed notes 1 to 49 form an integral part of these financial statements.

Md. Arshadul Kabir FCA
Company Secretary (Acting)

Mizanur Rahman Sinha
Managing Director

Kazi Mohammed Badrudin FCMA, FCA
ED & CFO

Nagina Afzal Sinha
Chairman

Signed in terms of our report of even date annexed

Date: 29 October, 2022
Place: Dhaka

FAMES & R
Chartered Accountants
DVC # 2210291032AS402152



The ACME Laboratories Limited
Statement of Changes in Equity
for the year ended 30 June, 2022

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

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

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

Ms. Arshad Khatun FCA
Company Secretary (Acting)

Mizanur Rahman Sinha
Managing Director

Kazi Mohammed Sadruddin FCMA, FCA
ED & CFO

Nagina Afzal Sinha
Chairman

Date: 29 October, 2022
Place: Dhaka



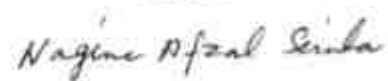
The ACME Laboratories Limited
Statement of Cash Flows
For the year ended 30 June, 2022

Particulars	Notes	Amount in Taka	
		30-06-2022	30-06-2021
Cash Flows From Operating Activities:			
Collection from Sales and others		23,817,704,432	20,600,884,433
Payment to Suppliers & Others		(20,555,932,496)	(15,822,596,936)
Payment to WPPF and WWF		(113,571,955)	(89,074,449)
Cash generated from operation		3,148,199,981	4,689,211,048
Financial Expenses		(1,305,031,541)	(1,604,937,637)
Income Tax Paid		(707,081,124)	(392,303,292)
Net Cash Generated From Operating Activities		1,136,087,316	2,691,970,119
Cash Flows From Investing Activities:			
Acquisition of Property, Plant & Equipments		(1,751,442,024)	(1,776,710,868)
Term Deposit		131,974,540	94,250,995
Sale of Property, Plant and Equipment (Motor Vehicles)		1,415,001	4,220,000
Dividend received from Investment in Marketable Securities		1,209,156	1,062,916
Net Cash Used in Investing Activities		(1,616,843,327)	(1,677,176,957)
Cash Flows From Financing Activities:			
Dividend Paid		(531,859,735)	(528,507,035)
Principal Portion payment of Lease Liability		(43,927,797)	(19,401,537)
Net Increase / (Decrease) in Loans and Overdrafts		2,242,122,240	(1,174,253,184)
Net Increase / (Decrease) in Long Term Borrowings		(1,540,520,643)	477,402,511
Net Cash Generated/(Used) From Financing Activities		125,814,065	(1,244,759,245)
Increase/(Decrease) in Cash and Cash Equivalents		(354,941,946)	(229,966,083)
Cash and Cash Equivalents at the Opening		1,593,850,434	1,823,816,517
Cash and Cash Equivalents at the Closing		1,238,908,488	1,593,850,434
Net Operating Cash Flow Per Equity Share (NOCFPS)	39.00	5.37	12.72

Md. Arshadul Kabir FCA
Company Secretary (Acting)


Mizanur Rahman Sinha
Managing Director


Kazi Mohammed Badruddin FCMA, FCA
ED & CFO


Nagina Afzal Sinha
Chairman

Date : 29 October, 2022
Place: Dhaka



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

1.00 Corporate Information

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

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

1.01 Address of Registered Office and Factory

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

2.00 Nature of business of the Company

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

3.00 Share Capital

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

Particulars	30 June 2022 (Tk.)	30 June 2021 (Tk.)
Authorized Capital:		
500,000,000 Ordinary Shares @ Tk. 10 each	5,000,000,000	5,000,000,000
Total	5,000,000,000	5,000,000,000
Issued, Subscribed and Fully Paid up Capital:		
211,601,700 Ordinary Shares @ Tk.10 each.	2,116,017,000	2,116,017,000
Total	2,116,017,000	2,116,017,000

4.00 Basis of Preparation of Financial Statements

4.01 Directors' Responsibility Statement

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

4.02 Basis of measurement

The Financial Statements have been prepared on the historical cost basis except: "Land and Land Development; Buildings; Machinery & Equipment; Motor Vehicle; Utilities, Electrical Installations & Engineering; Office Equipment," which has been revalued by an independent valuer M/S M M Rahman & Co. Chartered Accountants.



Dhaka, Bangladesh in the financial year 2020-2021. The entire class of above-mentioned Property, Plant, and Equipment has been revalued on the basis of the Current Cost Accounting (CCA) Method, as applicable. The valuation report of the valuer has been prepared in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), notification dated 18th August 2013 issued by the Bangladesh Securities and Exchange Commission in this regard, and other applicable laws, rules, regulations, and guidelines. The Financial Statements however, do not take into consideration the effects of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

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

4.03 Accrual Basis of Accounting:

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

4.04 Materiality, Aggregation and Offsetting:

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

4.05 Statement of compliance

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

4.06 Presentation of Financial Statements

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

The Financial Statements comprises of:

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

4.07 Reporting Period

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

4.08 Authorisation for Issue

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

4.09 Functional and Presentation Currency

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



4.10 Comparative Information

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

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

4.11 Use of Estimates and 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 on an ongoing basis and the revision is recognized in the year in which the estimates are revised. Such revision however has been made in the year 2020-2021 for Property, Plant, and Equipment as required by the International Accounting Standard 16 "Property, Plant and Equipment" in respect to the periodicity of revaluation except in the useful life of two classes of non-current assets. There is no material impact of change of estimates on the financial results of the Company for the financial year 2021-2022.

4.12 Capital Management

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

4.13 Going Concern

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



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

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

5.00 Significant Accounting Policies

Background

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

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

5.01 Revenue Recognition

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

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



(a) Sales of Products

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

(b) Interest Income

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

(c) Dividend Income

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

(d) Cash Incentive

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

(e) Scrap Sales

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

5.02 Property, Plant and Equipment (PPE)

I) Recognition and Measurement

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

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

II) Maintenance Costs

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

iii) Depreciation

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

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

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

iv) Impairment of Assets

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

V) Retirement and Disposal

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

5.03 Leases

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

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

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



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

5.04 Intangible Assets

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

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

5.05 Financial Instruments

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

i) Financial Assets

Financial assets of the company include Cash and Cash Equivalents, Trade Receivable, Other Receivables and Equity instrument of another entity. The Company initially recognized receivables on the date they are originated. All other Financial Assets are recognized initially on the date at which the Company becomes a party to the contractual provision of the transaction. The company derecognizes a Financial Asset when, and only when the contractual rights or probabilities of receiving the cash flow from the assets expire or it transfers the right to receive the contractual cash flows on the Financial Assets in a transaction in which substantially all the risks and rewards of ownership of the Financial Assets are transferred.

Trade Receivable

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

Cash and Cash Equivalents

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

ii) Financial Liability

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



5.06 Impairment

i) Financial Assets

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

ii) Non-Financial Assets

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

5.07 Investment in Securities

According to the relevant laws applicable, the company had invested in shares of listed companies through the stock exchange, by using the income generated in Tax Holiday Unit. The investments in shares are recognized at cost including transaction cost. Further, the entity recognizes subsequent changes in Other Comprehensive Income. During the year the company has created a deferred tax on unrealized gain/(loss) on Investment in Securities at the rate of 10%.

5.08 Inventories

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

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

5.09 Provisions

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

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



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

5.10 Income Tax Expense

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

Current Tax

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

Deferred Tax

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

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

i) Borrowing Cost

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

ii) Charges on the Assets of the Company

There are Fixed and Floating charges over:

- All the Plant, Machinery and Equipment (both present and future) ;
- Floating assets (both present and future) including but not limited to book debts, bills receivable, goodwill, and other floating assets both tangible and intangible and all documents title, undertakings, contracts, engagements, securities, and other documents whatsoever related to such assets of the Company in favor of various bankers securing the various kinds of loans taken by the company from them through a PariPassu security sharing agreement dated 16 January 2020 (8th Supplemental to the lenders' PariPassu Security Sharing Agreement) amongst the banks. As per the agreement under the names of the participating banks in the charges through the PariPassu agreement are stated hereunder:
 - Dutch Bangla Bank Limited.
 - Dhaka Bank Limited.
 - The Hongkong and Shanghai Banking Corporation Limited.
 - Standard Chartered Bank.
 - Trust Bank Limited.
 - Eastern Bank Ltd.
 - Prime Bank Limited
 - Mutual Trust Bank Limited
- Registered mortgage of the specified Land of the Company executed in favor of Concerned Banks/ Financial Institutions.
- Personal Guarantee of some /all sponsored directors submitted in favor of certain Banks/Financial Institutions.



5.12 Employee Benefits

The Company maintains a Defined Contribution Plan and Defined Benefit Plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective agreements/trust deeds.

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

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

The Company's employee benefits include the following:

i) Defined Contribution Plan (Provident Fund)

The Company got recognition from the Commissioner of Taxes it's provident fund scheme (Defined Contribution Plan) vide order no. নথি নংপি.এফঅনুমোদন/৩২/ক.অ-৩/২০১০-২০১১, তারিখ: ২৩/০৩/২০১১ employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute to the provident fund and the Company also makes an equal contribution.

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

ii) Defined Benefit Plan (Gratuity)

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

iii) Short-Term Employee Benefits

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

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

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

v) Insurance Schemes

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

A. Group Hospitalization Insurance Plan

In this scheme, the Company covers its employees under hospitalization and other medical expenses related to the hospitalization of the employees from salary Grade M 16 and above. Moreover, employees who belongs to salary grade M 12 and above their spouse is also eligible for the group hospitalization in insurance benefits. The hospitalization benefits are provided to employees as per a three-tier system and each tier of benefits covering from a different group of employees based on salary grade in



the Company. The Company pays an annual premium to the insurance Company for this cover of their employees.

B. Group Term Life Insurance Including Accidental Death Benefit

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

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

Employee Position

During the financial year, there were 8,407 employees employed in the Company with remuneration above Tk. 3,000 per month, among them 6,853 employees has employed for the full year and the remaining 1,554 employees employed less than a full year. During the year tax had been deducted at source from the salary income of 1,803 employees as per the provision of section 50 of Income Tax Ordinance 1984 against their payment.

5.13 Share Premium

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

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

5.14 Research Development and Experimental Cost

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

5.15 Earnings per Share (EPS)

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

Basic Earnings per Share (Numerator/Denominator)

Earnings (Numerator)

This represents earnings for the year attributable to Ordinary Shareholders.

No. of Ordinary shares (Denominator)

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



Diluted Earnings per Share

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

5.16 Foreign Currency Transactions

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

5.17 Triple Bottom Line Practice in ACME

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

5.18 Segmental Reporting

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

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

5.19 Contingent Liabilities and Contingent 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.

5.20 Statement of Cash Flows

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

5.21 Events after the Reporting Period

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

5.22 Insurance Claim

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



5.23 Highest and Lowest Equity Share Price at Stock Exchanges

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

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

5.24 Grant Income

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

5.25 Risk Management

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

Operational Risk

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

Management Perception

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

Interest Rate Risk

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

Management Perception

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

Exchange Rate Risk

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

Management Perception

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

Industry Risk

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

Management Perception

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



Impact of Covid-19

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

Management Perception

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

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

Market Risk

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

Management Perception

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

Technology Related Risk

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

Management Perception

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

Potential or Existing Government Regulations

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



Management Perception

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

Potential Changes in Global and National Policies

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

Management Perception

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

History of Non-operation

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

Credit Risk

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

Management Perception

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

Liquidity Risk

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



Management Perception

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

5.26 General Comments & Observations

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



Amount in Taka	
30.06.2022	30.06.2021

6.00 Property, Plant and Equipments

Details of Property, Plant and Equipment and Depreciation As at 30 June 2022, are shown in the annexed Schedule - A. This is arrived at as follows:

Cost	28,557,275,477	26,751,069,734
Opening Balance (Cost)	26,751,069,734	25,027,620,492
Add: Addition during the year (Cost)	4,857,712,045	2,379,180,518
Less: Disposal (Cost)	(7,910,142)	(15,695,957)
Less: Adjustment for CWP/MIT	(3,043,596,160)	(640,235,319)
Revaluation (Note-6.01)	6,072,284,456	6,073,047,857
Opening Balance (Revaluation)	6,073,047,857	6,058,570,263
Add: Addition during the year (Revaluation Surplus)	-	15,137,594
Less: Disposal (Revaluation Surplus)	(763,401)	(660,000)
Accumulated Depreciation on Cost	8,210,457,825	6,913,612,048
Opening Balance	6,913,612,048	5,664,008,431
Add: Addition during the year	1,304,649,147	1,261,319,743
Less: Disposal	(7,803,370)	(11,716,126)
Accumulated Depreciation on Revaluation Surplus	936,238,221	889,203,008
Opening Balance	889,203,008	819,817,951
Add: Addition during the year	47,798,614	70,471,047
Less: Disposal	(763,401)	(1,085,990)
Carrying Value		
Cost	20,346,817,652	19,637,457,686
Revaluation Surplus	5,136,046,235	5,183,844,849
Closing balance	25,482,863,887	25,021,302,535

Details have been shown in **Annexure-A**

6.01 Revaluation Surplus

Current balance has been arrived as below:

M. M. Rahman & Co. Chartered Accountants, Dhaka, Bangladesh the valuer revalued the Land and Land Development, Building, Machinery & Equipment, Motor Vehicle, Utilities, Electrical Installation & Engineering and Office Equipment as at 30 June 2021 at "Current Cost Accounting Method (CCA)". Due to these revaluation, a net revaluation surplus amounting to Tk. 5,183,844,849 arisen on dated 30 June 2021. Details of Revaluation Surplus has been given below:

Revaluation Surplus	6,072,284,456	6,073,047,857
Opening Balance	6,073,047,857	6,058,570,263
Add: Addition during the year	-	15,137,594
Less: Adjustment due to Loss on Revaluation	-	-
Less: Adjustment due to disposal/Discard	(763,401)	(660,000)
Less: Accumulated depreciation on revaluation & Loss on Disposal	936,238,221	889,203,008
Opening Balance	889,203,008	819,817,951
Add: Depreciation charged for the year	47,798,614	70,471,047
Less: Adjustment due to disposal/Discard	(763,401)	(1,085,990)
Closing balance	5,136,046,235	5,183,844,849

7.A Right-of-Use Assets

Openings Carrying Value	79,079,936	86,369,645
Add: Addition during the year	72,060,474	17,578,606
Less: Depreciation during the year	23,894,953	21,894,320
Less: Expired/Discontinue of lease	11,128,905	2,973,995
Closing balance	116,116,552	79,079,936

7.B Lease Liability

Current Lease Liability	22,332,335	14,265,147
Long term Lease Liability	73,197,775	62,884,633
Closing balance	95,530,110	77,149,780



8.00 Intangible Assets

The Details are as under:

Application Software (Note no. 8.01)

Less: Amortization

Accumulated balance till last financial year

Amortized during the year

Closing balance

Amount in Taka	
30.06.2022	30.06.2021
940,285	940,285
936,410	924,785
924,785	903,160
11,625	21,625
3,875	15,500

8.01 Application Software

Details have been given below:

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

9.00 Investment in Securities

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

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

9.01 Public Limited Co.'s Securities

Particulars	No. of Equity Shares held	FV	Average cost per unit	Total cost as at 30.06.2022	Market Price as at 30.06.2022	Unrealized gain/(loss)
AB Bank Ltd.	31,393	10	16,6421	522,446	336,282	(186,164)
Eastern Bank Ltd.	31,213	10	18,6935	583,480	1,151,760	568,280
Pioneer Insurance Co. Ltd.	28,962	10	36,2549	1,050,013	2,590,072	1,540,059
Southeast Bank Ltd.	29,545	10	17,0760	504,509	433,248	(71,261)
EXIM Bank Ltd.	28,187	10	9,1010	256,530	310,057	53,527
Square Pharma Ltd.	106,613	10	173,8867	18,538,586	23,241,634	4,703,048
Square Textile Ltd.	262	10	-	-	17,266	17,266
Grammeen Phone Ltd.	16,000	10	294,7140	4,715,424	4,801,600	86,176
C & A Textiles Ltd.	92	10	9,4365	870	920	50
				26,171,858	32,882,839	6,710,981
Less: Deferred Tax Liability @10% on Un-realized Gain						671,098
Balance as at 30 June 2022				26,171,858	32,882,839	6,039,883
Comparative year as at 30 June 2021				26,171,858	35,511,421	8,405,607

10.00 Inventories

This balance is made up of as follows:

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

11.00 Trade Receivable

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

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



Amount in Taka	
30.06.2022	30.06.2021

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

Ageing of the above receivables are given below:

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

12.00 Other Receivable

This consists of as follows:

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

13.00 Advances, Deposits and Prepayments

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

Advances:

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

Deposit:

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

Prepayments:

Insurance	14,009,585	13,087,527
Closing balance	2,801,297,508	3,051,719,911

14.00 Advance Income Tax

The breakup of the above amount is as under:

Opening Balance as per last A/C	3,154,867,216	2,762,563,924
Adjustment of Current Tax Provision and Advance Income Tax for completed assessment		
For the assessment year 2018-2019	(395,467,733)	-
For the assessment year 2019-2020	(386,533,640)	-
Advance Income Tax Refundable for the assessment year 2019-2020	39,624,392	-
Payment during the year:		
AIT collected by Customs and Port Authority	346,795,158	214,461,186
AIT collected by Bank from Export Bills	5,834,732	3,613,979
AIT deducted against supply of Medicines	38,393,171	40,746,326
AIT collected by BRTA Authority	10,585,500	6,218,500
AIT deducted on Bank interest on FDRs and STD account	464,522	1,674,401
AIT deducted from Cash Incentive	5,460,500	5,438,900
AIT deducted from Dividend Received and others	191,751	150,000
Paid by pay order:		
For the assessment year 2018-2019	2,500,000	-
For the assessment year 2021-2022	96,855,790	120,000,000.00
For the assessment year 2022-2023	200,000,000	-
Closing balance	3,119,571,359	3,154,867,216

15.00 Material in Transit

Raw Materials	1,639,160,538	872,400,910
Packing Materials	322,484,774	290,187,609
Spare Parts	103,943,153	89,807,000
Closing balance	2,065,588,465	1,252,395,519



Amount in Taka	
30.06.2022	30.06.2021

16.00 Term Deposit

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:

Investment Corporation of Bangladesh (ICB)	-	134,012,364
Agrani Bank Limited	48,141,777	46,103,953
Closing balance	48,141,777	180,116,317

17.00 Cash and Cash Equivalents

This is made up as follows :

Cash in Hand	889,807,243	768,812,510
Cash at BO Account	192,376	2,277,017
Cash at Bank	548,908,869	822,760,907
	1,238,908,488	1,593,850,434

18.00 Share Capital

This is arrived at as follows :

18.01 Authorized Capital

500,000,000 Ordinary share of Tk. 10 each	5,000,000,000	5,000,000,000
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18.02 Issued, Subscribed and Paid - Up Capital:

211,601,700 Ordinary Shares @ Tk. 10 each	2,116,017,000	2,116,017,000
	2,116,017,000	2,116,017,000

18.03 The movement in number of Ordinary Shares during the year is as under

Opening Balance	211,601,700	211,601,700
Add: Issued during the year	-	-
Closing Balance	211,601,700	211,601,700

18.04 Calculation of Net Asset Value (NAV) per ordinary share of Tk. 10 each:

A Total Equity of the Company	21,490,114,535	20,110,595,026
B Total Number of outstanding ordinary share at the end of the year	211,601,700	211,601,700
C Net Asset Value per Ordinary Share (A/B) rounded of upto two decimal places	102.50	95.04

18.05 History of allotment of Shares by the Company:

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

19.00 Share Premium

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

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



20.00 Retained Earnings

Opening balance
Add: Addition during the year
Net Profit after Tax for the year
Adjustment for Depreciation on Revaluation Surplus
Adjustment for disposal of Motor Vehicle
Less: Adjustment during the year
Dividend for the year 2010-2021
Closing balance

Amount in Taka	
30.06.2022	30.06.2021
7,495,263,601	6,384,509,141
2,158,688,097	1,639,758,710
2,110,889,483	1,569,226,727
47,798,614	70,957,973
-	(425,990)
529,004,250	529,004,250
529,004,250	529,004,250
9,124,947,448	7,495,263,601

21.00 Long Term Loans - Net off Current Maturity

Name of Financial Institution

Trust Bank Ltd.
Dutch Bangla Bank Ltd.
Eastern Bank Ltd.
IDLC Finance Ltd.
Dhaka Bank Limited
Standard Chartered Bank
IPDC
HSBC Term Loan
Lanka Bangla Finance Ltd.
Prime Bank Limited
Mutual Trust Bank Limited
Bank Asia Limited
United Commercial Bank Ltd.

Closing balance

162,636,955	266,336,878
484,725,854	151,026,372
218,750,000	343,750,000
168,624,219	246,152,050
66,717,984	128,558,759
392,235,872	532,259,639
399,000,000	462,500,000
267,339,732	508,469,749
440,000,000	600,000,000
481,996,652	612,722,289
87,528,286	136,326,495
887,422,984	1,303,525,056
117,589,444	150,189,213
4,174,567,982	5,441,814,500

22.00 Provision for Gratuity

Opening Balance
Add: Provision for the year
Less: Paid during the year
Closing Balance

500,455,725	361,679,351
251,715,996	205,134,632
60,420,044	66,358,258
691,751,677	500,455,725

23.00 Deferred Tax Liability

Opening Balance
Add : Deferred Tax Liability/(Assets) created during the year
Increase in Deferred tax liability
On account of (deductible) /taxable temporary difference for PPE
On account of (deductible) /taxable temporary difference for unrealized gain on Marketable Securities
Deferred Tax of Temporary difference on Lease
Creation of Deferred Tax Assets
on account of Provision for Gratuity

Closing Balance

873,543,287	857,259,010
72,302,744	50,978,371
68,448,314	49,321,625
(262,858)	1,174,207
4,117,288	482,539
(38,259,190)	(34,694,094)
(38,259,190)	(34,694,094)
907,586,841	873,543,287

24.00 Loans & Overdrafts

Name of the Bank

Dutch Bangla Bank Ltd.
Standard Chartered Bank
Dhaka Bank Ltd.
HSBC
Eastern Bank Ltd.
Trust Bank Ltd.
The City Bank Ltd.
Prime Bank Limited
Mutual Trust Bank Ltd.
Agrani Bank Ltd.
IDLC Finance Ltd.
Meghna Bank Ltd.
United Commercial Bank Ltd.
Lanka Bangla Finance Ltd.
Bank Asia Ltd.
Bank Alfalah
BRAC Bank Ltd.

Closing balance

1,351,165,876	864,972,066
1,166,809,001	660,901,998
652,021,239	300,981,065
1,597,153,658	1,589,049,131
915,251,008	944,524,427
678,514,286	323,008,109
826,214,615	18,123,413
509,499,567	492,497,098
122,335,072	228,908,785
170,476,147	720,554,487
-	125,000,000
27,465,267	342,713,268
8,367,815	469,833,608
-	60,000,000
510,122,225	-
448,402,126	-
199,191,793	-
9,383,189,695	7,141,067,455



		Amount in Taka	
		30.06.2022	30.06.2021
25.00	Current Maturity of Long Term Loans		
This amount represents current portion of long term loans from Bank & Non-Banking Financial Institutions which are repayable within next 12 months from the balance Sheet date:			
Name of Financial Institutions:			
	Trust Bank Ltd.	125,950,675	352,993,508
	IDLC Finance Ltd.	123,740,925	135,282,861
	IFDC	183,500,000	218,000,000
	Eastern Bank Ltd.	125,000,000	175,000,000
	HSBC Term Loan	256,244,038	280,618,129
	Standard Chartered Bank	152,285,761	152,285,761
	Dhaka Bank Ltd.	39,622,762	56,551,233
	Dutch Bangla Bank Ltd.	160,786,842	69,185,772
	Lanka Bangla Finance Ltd.	160,000,000	160,000,000
	Prime Bank Limited	525,163,616	534,921,270
	Mutual Trust Bank Limited	45,912,683	39,229,875
	Bank Asia Limited	397,414,569	397,414,569
	United Commercial Bank Ltd.	32,599,769	29,810,787
	Closing balance	2,328,221,640	2,601,493,765
26.00	Trade Payables		
	Trade Creditors	448,995,103	350,249,816
	Closing balance	448,995,103	350,249,816
27.00	Provision for Income Tax		
	Opening Balance	2,855,903,656	2,366,744,574
	Add: Provision during the year	547,940,829	489,159,082
	Less: Adjustment of current Tax Provision and Advance Income Tax for completed assessment		
	For the assessment year 2018-2019	395,467,733	-
	For the assessment year 2019-2020	346,909,248	-
	Closing balance	2,461,467,504	2,855,903,656
27.A	Income Tax Provision during the year		
	Provision made during the year	547,940,829	489,159,082
	Closing balance	547,940,829	489,159,082
28.00	Liability for Expenses and Others		
	Salary & Allowances	21,134,727	10,018,199
	Power & Electricity	2,308,671	2,706,486
	Postage & Telephone	612,581	493,566
	Gas Bill	28,138,124	16,185,121
	Audit Fee	550,000	550,000
	WASA Bill	133,022	106,898
	Workers Profit Participation Fund (WPPF) and Workers Welfare Fund (WWF) 28.A	188,780,053	167,695,172
	Non Current Assets Valuation fee	-	747,500
	Advance against Export Sales	14,458,227	8,328,584
	Interest on WPPF and WWF	16,480,465	12,337,301
	VAT Payable	245,192,710	231,231,612
	Other Expenses and TDS & VDS	71,295,287	66,514,098
	Closing balance	589,083,867	516,914,537
28.A	Workers Profit Participation Fund (WPPF) and Workers Welfare Fund (WWF)		
The company makes a regular allocation of 5% on net profit before tax to this funds and payment is made to the workers as per provisions of Labor Law 2006 as amended in 2013.			
	Opening Balance	167,695,172	153,094,827
	Add: Addition for the year	134,656,836	103,674,794
	Less: Payment during the year	113,571,955	89,074,449
	Closing Balance	188,780,053	167,695,172



Amount in Taka	
30.06.2022	30.06.2021

29.00 Dividend Payable

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

Opening Balance	7,232,858	6,735,643
Add: Final dividend declared for the year 2020-2021 (Gross)	529,004,250	529,004,250
Less: Dividend paid to Shareholders	527,464,310	528,507,035
Less: Unclaimed Dividend Transferred to Capital Market Stabilization Fund (Note-29.8)	4,395,425	-
Dividend Payable	4,377,373	7,232,858

29.A Dividend Payable

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

S.L	Financial Year	Dividend	% of Dividend	No. of SO	Date of AGM	Dividend Payable (Tk.)
1	2018-2019	Cash	35%	1,580	12.12.2019	1,436,906
2	2019-2020	Cash	25%	1,527	10.12.2020	1,052,343
3	2020-2021	Cash	25%	1,286	26.12.2021	1,888,124
						4,377,373

Less: Unclaimed Dividend during the year

Dividend payable as at 30 June 2022 **4,377,373**

Dividend payable as at 30 June 2021 **3,577,404**

29.B Unclaimed Dividend Account

Referring to the BSEC Directive no.BSEC/CMRRCD/2021-386/03 dated 14th January, 2021 Unclaimed dividend of more than 03 years as at 30 June 2022 is as under:

S.L	Financial Year	Dividend	% of Dividend	No. of SO	Date of AGM	Unclaimed Dividend (Tk.)
1	2015-2016	Cash	35%	4,557	07.11.2016	2,416,940
2	2016-2017	Cash	35%	1,688	04.12.2017	1,238,515
3	2017-2018	Cash	35%	1,116	06.12.2018	739,970

4,395,425

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

Unclaimed Dividend as at 30 June 2022 **4,395,425**

Unclaimed Dividend as at 30 June 2021 **3,655,454**



30.00 Revenue

(This is made up as follows):

Gross Turnover

Domestic

Own Products
Manufactured by Others

Export

Own Products

Others

For Manufacturing Charge

Total Gross Turnover

Less: VAT

Net Turnover

Amount in Taka	
30-06-2022	30-06-2021
26,200,924,344	23,005,701,449
65,015,400	48,704,288
26,265,939,744	23,054,405,737
1,285,419,993	772,534,570
1,285,419,993	772,534,570
726,262	294,888
726,262	294,888
27,552,066,199	23,827,235,195
3,693,473,863	3,057,095,099
23,858,412,334	20,770,140,096

The Summarized Sales and Production Quantities are as follows:

				Quantity in Thousand	
Name of Category	Unit	Opening Balance	Production/Purchase	Sales/Consumption	Closing Balance
Human					
Tablet	Pcs	222,538	4,672,311	4,587,961	304,868.61
Capsule	Tube	27,543	622,464	618,070	35,239.54
Liquid/Handrub/Solution	Bottles	6,380	74,970	73,126	8,227.86
Dry Syrup/Powder	Phols	1,346	13,994	14,158	1,381.77
Oralment/Gel	Pcs	400	3,275	3,275	400.50
Cream	Bottles	1,454	8,440	8,885	1,009.10
Suppository	Tube	2,740	43,010	42,328	2,911.27
Inhaler (GPs)	Pcs	4,912	59,371	57,397	4,885.99
Inhaler (MDI)	Pcs	230	1,940	1,938	192.40
Eye/Drop/Nasal Drop	Cans	2,013	13,854	14,290	1,518.49
Injection (Vial & Ampol)	Pcs	2,450	48,098	48,059	2,878.99
Infusion	Pcs	1,549	4,798	5,172	1,174.72
Sachet/Mixtur	Bottles	1,094	33,523	34,009	609.82
Veterinary					
Bolin	Pcs	19,112	348,940	342,911	25,140.82
Liquid	Kg	1,479	11,684	11,230	1,913.15
Premix	Pcs	7,385	40,178	41,448	5,917.31
WSP	Pcs	1,013	13,148	14,831	1,309.88
Injection	Vial	2,234	13,839	14,197	1,897.18
Herbal & Ayurvedic					
Capsule	Pcs	443	11,233	11,231	445.59
Liquid	Pcs	1,065	13,064	13,052	1,096.08
Tablet	Pcs	1,219	23,069	23,063	1,224.84
Others					
Syringe	Pcs	35	-	35	-
Fish Feed	Kg	3	-	3	-
Vaporiser	Pcs	13	-	13	-

31.00 Cost of Goods Sold

(This is arrived at as follows):

Raw Materials Consumed

(Refer Note 31. a)

7,482,231,198

Packing Materials Consumed

(Refer Note 31. b)

3,581,560,234

Work in Process (Opening)

542,785,368

Work in Process (Closing)

(581,931,525)

Material Consumption during the period

11,024,625,275

Factory Overhead

(Refer Note 31. c)

3,529,535,421

Cost of Production

14,554,140,694

Purchase of Finished Goods

65,015,400

Opening Stock of Finished Goods

1,225,437,654

Finished Goods Available

15,844,613,950

Closing Stock of Finished Goods

(1,450,563,200)

Cost of Goods Sold

14,394,048,720

31. A Raw Materials Consumed

(This is arrived at as follows):

Opening Stock of Raw Materials

1,157,656,749

Purchase during the year

8,554,959,525

Closing Stock of Raw Materials

(2,230,385,054)

Raw Material Consumed

7,482,231,198

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	Excipients
Opening Balance	230,125,407	2,481,734	1,218,126	912	18,542	7,000	893,218
Purchase	630,125,069	7,349,612	7,921,474	5,436	85,308	9,103,499	392,365
Available for use	868,250,554	9,831,346	9,139,599	6,348	103,848	9,110,499	1,285,583
Closing Balance	233,106,431	2,617,834	1,387,123	2,312	24,413	1,254,430	945,128
Consumption	635,144,125	7,213,512	7,892,476	4,036	79,435	7,856,069	338,455



Amount in Taka	
30-04-2022	30-04-2021

31.B Packing Materials Consumed

This is arrived at as follows:

Opening Stock of Packing Materials
Purchase during the year
Closing Stock of Packing Materials

568,945,127	550,467,658
4,120,104,992	3,125,749,523
11,107,509,665	1568,945,127
3,581,640,234	3,107,272,054

The Total Quantity of Packing Materials are as under:

		Qty in Thousand			
Name of Category	Unit	Opening Balance	Purchase	Consumption	Closing Balance
Bottle	Pcs	17,311	101,873	101,378	17,910
Carton	Pcs	39,562	183,846	182,654	40,753
Plastic Item	Pcs	22,756	212,943	206,452	29,245
Cap	Pcs	17,762	130,739	128,849	19,653
Cotton Cover	Pcs	15,967	43,590	40,813	17,744
Inner Leaflet	Pcs	29,597	173,248	160,535	42,310
Label	Pcs	5,440	81,171	80,540	6,070
Shipping Box Label	Pcs	5,462	12,265	10,721	7,006
PVC/RVDC	kg	238	1,656	1,563	782
Shipping Box	Pcs	921	12,689	12,564	1,243
Tube	Pcs	2,903	12,521	12,277	3,146
Al. Foil Blister	Egs	97	263	227	132
Al. Foil Strip	Egs	336	600	787	371
Inner Board	Pcs	627	1,655	1,631	651
Vial and Ampoule	Pcs	21,437	66,145	62,551	25,031
Wicker Label	Pcs	30,223	112,393	108,564	34,052

31.C Factory Overhead

This is made up as follows:

Salary & Daily Wage
Gratuity
Group Insurance Premium
Postage & Telephone
Fuel & Electricity
Conveyance
Company's Contribution to EPF
Gas Bill
Factory Staff Uniform
Cartage Inward
Repairs & Maintenance
Medical Expenses
Insurance
Fees, Renewal and Taxes
Printing, Stationery & Others
Research, Analysis & Product Development
Welfare & Recreation
Entertainment
Canteen Expenses
Spare Parts
Traveling
Depreciation
Total

1,312,819,605	1,085,564,349
56,288,663	57,137,163
2,704,275	2,091,506
5,245,725	4,055,207
332,185,036	424,392,291
1,554,975	5,991,291
30,457,868	25,918,707
221,376,749	176,006,591
7,055,891	4,958,092
9,458,178	6,394,195
113,277,230	87,335,649
44,709	663,063
21,858,736	19,090,830
2,000,000	2,000,000
50,226,217	42,242,418
13,930,186	9,303,783
9,005,585	6,780,007
28,582,061	21,509,731
37,123,144	30,459,586
115,780,092	96,830,554
1,622,755	3,702,088
1,136,056,119	1,118,704,263
3,529,535,421	3,231,261,410

32.00 Other Income

This is made up as follows:

Income/(Loss) from sale of Motor Vehicle
Interest on STD and SHD Account
Transaction Gain/(loss) for foreign currency fluctuation
Settlement Gain/(loss) for foreign currency fluctuation
Interest on Term Deposit
Dividend Income on marketable securities
Cash Incentive received against export sales
Grant Received
Sale of Scrap
Total

1,308,229	1,79,234
197,034	1,206,428
(9,144,445)	2,841,453
(82,788,127)	15,983,004
4,336,659	13,741,322
1,194,030	1,062,914
54,605,000	100,167,000
475,936	-
12,234,006	-
(17,581,658)	134,981,358



33.00 Selling, Marketing and Distribution Expenses

This is made up as follows:

Salary, Daily Wages, TA/DA, Traveling XIs & Others
Gratuity
Company's Contribution to EPF
Electricity & WASA, Gas
Postage & Telephone
Fuel for Generator
Vehicle Expenses
Printing, Stationery & Others
Cartage Outward
Seminar & Conference
Medical Expenses
Sales Promotion Expenses
New Products Induction Expenses
Group & Health Insurance Premium
Export Expenses
Welfare & Recreation
Free Sample
Insurance
Fees & Renewals
Repair & Maintenance
Entertainment
Advertisement
Depreciation of Right-of-use Assets (As per IFRS 16-Ref Note 7.A)
Adjustment due to discontinuation of Leasement
Depreciation

Total

34.00 Administrative Expenses

This is made up as follows:

Director's Remuneration
Salary & Daily Wages
Director's Sitting Fees
Group & Health Insurance Premium
Postage & Telephone
Electricity, Gas & WASA
Fuel for Generator & Vehicle
Conveyance
Retirement Expenses
Office General Expenses
Vehicle Expenses
Advertisement for Recruitment & Others
Printing, Stationery & Others
Intangible Assets Amortization
Newspaper & Periodicals
AGM Expenses
Expenses for Legal Procedure
Gratuity
Company's Contribution to EPF
Professional Fee
Audit Fees
Medical Expenses
Uniform and Utilities
Traveling Expenses
Repair and Maintenance
Insurance
Municipal Tax
Fees and Renewals
Welfare and Recreation
Contribution to CSR Activities
Product Registration (USFDA) & Others
Depreciation

Total

Amount in Taka	
30-04-2022	30-04-2021
2,912,149,954	2,311,792,411
143,705,566	122,438,744
83,804,985	77,379,283
17,483,646	12,883,324
45,317,713	43,470,243
1,732,123	1,177,765
113,654,551	86,263,733
53,495,284	44,477,422
181,540,731	94,842,000
24,899,991	15,216,441
1,002,875	494,251
132,796,032	179,703,169
494,856	3,829,508
6,054,633	4,945,298
43,005,210	37,170,912
2,672,142	2,782,976
122,331,004	104,751,172
11,219,637	8,327,610
18,401,173	23,738,671
39,903,867	32,925,956
34,803,264	53,291,808
6,194,006	3,073,507
23,894,953	21,894,300
1,374,558	3,322,851
111,576,941	109,872,740
4,179,773,785	3,403,323,211

45,600,000	45,600,000
673,663,203	558,322,113
2,530,000	2,933,333
2,210,043	1,089,456
5,936,690	5,382,232
21,223,683	19,480,638
9,877,618	9,540,145
2,183,174	2,112,458
14,027,430	6,801,718
9,186,137	6,945,274
13,278,644	14,783,631
4,268,901	3,214,309
7,947,348	8,570,458
11,625	21,625
15,177	641,036
1,264,492	1,029,195
2,073,514	2,996,730
31,741,567	25,558,725
11,892,227	10,452,310
14,537,551	14,764,000
550,000	550,000
5,961,198	1,729,737
899,289	1,074,822
6,873,867	6,729,408
23,629,324	18,979,505
857,304	855,346
3,726,142	3,726,142
13,601,440	12,171,519
15,210,094	6,713,746
321,659	1,237,190
83,101,826	98,302,346
104,814,701	103,213,787
1,130,029,904	998,425,133



		Amount in Taka	
		30-04-2022	30-04-2021
35.00 Financial Expenses			
This is made up as follows:			
Interest on Cash Credit		88,019,175	191,352,658
Interest on Overdraft		70,302,327	164,256,815
Interest on MTI & STI		69,830,567	43,133,423
Interest on Revolving & STI		424,495,861	392,203,191
Interest on Lease Finance		151,412,557	196,552,320
Interest on Term Loan		400,669,713	494,477,426
Interest on Accepted Import Loan		51,370,092	94,186,933
Interest on WPPY & WWF		4,143,344	6,846,683
Interest on Lease Liability (For right-of-use assets as per IFRS 16)		6,764,563	6,976,999
Bank Charge		11,977,706	16,377,412
Total		1,309,174,706	1,408,373,847
36.00 Contribution to Workers Profit Participation Fund and Welfare Fund			
This represent 5% of net profit before tax after charging contribution as per provision of section 15 of Bangladesh Labor Law 2006		134,656,836	103,674,794
Contribution to WPPF and Welfare Fund		134,656,836	103,674,794
Total		134,656,836	103,674,794
37.00 Income Tax Expenses			
This is arrived at as follows:			
A Current Tax Expenses			
Current Tax for the year under review		547,940,829	489,159,082
Total		547,940,829	489,159,082
B Deferred Tax Expenses/(Income)			
Deferred Tax Expenses/(Income)		34,306,412	15,110,070
Total		34,306,412	15,110,070
Total		582,247,241	504,269,152
38.00 Basic/Diluted Earning Per Share (EPS): Tk 9.98			
The computation is given below:			
Net Profit After Tax for the year		2,110,889,483	1,569,226,727
Weighted average number of shares outstanding during the year (36.02)		211,601,700	211,601,700
Basic Earnings Per Share		9.98	7.42
Diluted Earnings Per Share		9.98	7.42
Refer Policy notes 5.2.5			
38.01 Number of Ordinary Shares Outstanding			
211,601,700 Ordinary Shares @ Tk.10/- each		211,601,700	211,601,700
38.02 Weighted Average Number of Ordinary Shares			
211,601,700 Ordinary Shares @ Tk.10/- each		211,601,700	211,601,700
39.00 Net Operating Cash Flows Per Share			
Net cash generated from operating activities		1,136,087,314	2,691,970,119
Weighted average number of shares outstanding during the year		211,601,700	211,601,700
Net Operating Cash Flows Per Share		5.37	12.72
Due to increase of inventory and Material in transit along with the increase of income Tax Payment, the resultant Net Operating Cash Flows per Share during the year has been decreased comparing to the previous year.			
40.00 Reconciliation of Net Income or Net Profit with Cash Flows from Operating Activities-Indirect Method			
Net Profit after Tax		2,110,889,483	1,569,226,727
Add: Non Cash Items		1,383,476,370	1,354,813,229
Less: Net increase/Decrease in Current Asset		2,562,096,508	921,441,733
Add: Net increase/Decrease in Current liabilities		167,774,417	673,087,619
Add: Deferred Tax Liability (Created during the year)		34,043,554	16,384,277
Net cash generated from operating activities-Indirect Method		1,136,087,314	2,691,970,119
Net cash generated from operating activities-Direct Method		1,136,087,314	2,691,970,119



Amount in Taka	
30-06-2022	30-06-2021

41.00 Related Party Disclosures

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

Name of the company	Relationship	Nature of transaction	2021-2022		2020-2021	
			Value of transaction during the year	Balance as at 30 June 2022	Value of transaction during the year	Balance as at 30 June 2021
Sinha Printers Ltd.	Common Director	Local Supply Received	1,345,800,144	(409,899,362)	794,955,397	(334,360,298)
		Provide Services & Others	-	-	-	-
ACMUNION Ltd.	Common Director	Advance	10,000,000	86,479,473	-	96,479,473
		Rent on investment property	-	19,386,000	-	19,386,000
The ACME Agrovet & Beverages Ltd.	Common Director	Local Supply Received	366,410,023	91,501,834	225,585,545	-
Kalyan Packaging Ltd.	Common Director	Local Supply Received	234,342,801	78,149,938	-	35,705,370
Kalyan Repco Ltd.	Common Director	Local Supply Received	84,125,976	6,976,513	-	1,281,954
ACME Consumer Ltd.	Common Director	Local Supply Received	12,203,340	(2,921,397)	-	-

42.00 Details regarding disposal of Motor Vehicle:

Particulars	Cost/Revaluation (Tk.)		Acc. Depreciation		Carrying Value (Tk.)		Sales Price (Tk.)	Disposition of total Gain/(Loss)		
	Cost	Revaluation Surplus	Cost	Revaluation Surplus	Cost	Revaluation Surplus		Charged to P/L (Tk.)	Charged to Equity (Tk.)	Total (Tk.) for the year 2021-2022
DAKSA METRO GA-05-4593	1,704,338	-	1,403,348	-	300,990	-	300,990	93,238	-	93,238
DAKSA METRO GA-01-1107	1,294,545	143,651	1,294,545	143,651	-	-	300,990	290,580	-	300,000
DAKSA METRO HA-13-0125	479,750	479,750	479,750	479,750	-	-	210,000	210,000	-	210,000
DAKSA METRO CHA-01-4849	1,380,000	-	1,380,000	-	-	-	380,000	380,000	-	380,000
DAKSA METRO GA-03-4448	1,371,000	140,000	1,371,000	140,000	-	-	300,000	300,000	-	300,000
DAKSA METRO CHA-03-5790	1,804,907	-	1,804,907	-	-	-	225,000	225,000	-	225,000
Total	7,910,142	743,401	7,803,370	743,401	106,772	-	1,415,000	1,308,229	-	1,308,229

43.00 Directors Remuneration and Sitting Allowance

Director remuneration (including MD's Remuneration for CY/PY amounting to Tk. 12,000,000):

45,600,000

45,600,000

Director Sitting fees (including MD's Sitting Allowance for CY Tk. 1,72,000/PY Tk. 287,500):

2,530,000

2,875,000

48,130,000

48,533,333

44.00 Audit Fees

550,000

550,000

550,000

550,000

For

Amount in Taka	
30-06-2022	30-06-2021

43.00 Contingent Liability

Large Tax payer unit (LTPU) North Commissionerate and Directorate Inspection, Intelligence & Investigation under National Board of Revenue (NBR) against 3(three) claims of VAT, another 1(one) regarding VAT on VAT exempted medicine and remaining one for reopening of audit proceeding, another 1(one) arising out of review by custom officials, another 1 (one) arising out of review of VAT return by VAT officials and last 1 (one) arising out of VAT officials. The ACME Laboratories Ltd. has filed 7(seven) writ petitions in the Honorable High Court Division of the Supreme Court of Bangladesh separately vide no. 8650/2008, 755/2009, 3948/2004, 14250/2018, 4478/2002, 5196/2013 and 2477/2015 respectively against the said claims. The company reviews status of the same on every reporting date. Details of current status are given below:

Sl. No.	Writ No.	Value in Taka	Reason	Expiry Date/Result
1	8650/2008	Non-monetary	Medicine supply to ICDDR,B or Exempted	Valid up to disposal of hearing
2	755/2009	13,097,829	Rebate for exempted medicine	Valid up to disposal of hearing
3	3948/2004	2,730,765	Rebate cancel	Defavor of our company and further leave to appeal no. 1549
4	14250/2018	Non-monetary	Re-institution and reopening of audit proceedings	Valid up to disposal of hearing
5	4478/2002	665,525	Difference in rate of custom duty with the department.	Verdict has already been given by the Honorable High Court Division but formal demand yet to receive from concern authority.
6	5196/2013	249,518,448	Pharm supply as VAT exempted but VAT authority claim to impose VAT of mtg. 51g.	Valid up to disposal of hearing
7	2477/2015	4,000,000	The Writ against penalty in connection with Audit claim after adjustment Tk.7,711,245.36	Valid up to disposal of hearing
Total		249,512,567		

44.00 Un Expired Bank Guarantees

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

Sl.	Name of Bank	Date of Expiry	Amount in BDT
01	Trust Bank Ltd.	15.05.2026	12,401,250
02	Trust Bank Ltd.	15.05.2026	316,050
03	Trust Bank Ltd.	15.05.2026	2,320,400
04	Trust Bank Ltd.	15.05.2026	252,700
05	Trust Bank Ltd.	22.10.2026	1,593,820
06	Trust Bank Ltd.	30.10.2022	292,800
07	Trust Bank Ltd.	30.10.2022	899,400
08	Trust Bank Ltd.	30.10.2022	2,492,700
09	Trust Bank Ltd.	30.10.2022	564,900
10	Dutch Bangla Bank Ltd.	17.10.2026	249,800
11	Dutch Bangla Bank Ltd.	17.10.2026	180,900
12	Dutch Bangla Bank Ltd.	25.05.2027	766,550
13	Dutch Bangla Bank Ltd.	25.05.2027	144,680
14	Agrani Bank Ltd.	11.09.2023	1,547,350
15	Trust Bank Ltd.	31.08.2024	1,251,880
16	Trust Bank Ltd.	31.08.2024	1,940,420
17	Trust Bank Ltd.	31.08.2024	1,055,700
18	Trust Bank Ltd.	31.08.2024	8,566,400
19	Trust Bank Ltd.	29.04.2024	4,133,600
20	Trust Bank Ltd.	29.04.2024	701,550
21	Trust Bank Ltd.	31.07.2022	16,296,718
22	Trust Bank Ltd.	29.06.2023	4,888,380
23	Trust Bank Ltd.	31.01.2024	16,189,710
24	Trust Bank Ltd.	31.07.2022	800,000
25	Trust Bank Ltd.	10.03.2023	4,077,075
26	Trust Bank Ltd.	24.03.2023	4,089,813
27	Trust Bank Ltd.	23.10.2022	2,192,520
28	Trust Bank Ltd.	26.05.2023	4,234,169
29	Trust Bank Ltd.	29.04.2023	8,111,147
Total			101,473,252

47.00 Claim not acknowledge as debts

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



Amount in Taka	
30-06-2022	30-06-2021

48.00 Production Capacity and Utilization

Name of Category		Production Capacity		Actual Production			
		2021-2022		2020-2021		2021-2022	

The ACME Laboratories Limited
Notes to the Financial Statements
As of 30 June 2022

Annexure A

Particulars of Assets	COST/ REVALUATION								DEPRECIATION							
	Historical Cost as at 01.07.21	Revaluation Surplus as at 01.07.21	Additions during the year (Cost)	Additions during the year Revaluation Surplus	Disposal		Adjustment of Machinery in transit/CWIP	Total as at 30.06.22	Accumulated Dep. As at 01.07.21 on Cost	Accumulated Dep. As at 01.07.21 on Revaluation Surplus	Depreciation on Historical Cost during the year	Depreciation on Revaluation Surplus during the year	Disposal		Total as at 30.06.22	Written Down Value as at 30.06.22
					Cost	Revaluation Surplus							Cost	Revaluation Surplus		
Land and land development	888,987,171	4,078,318,429	280,334,500	-	-	-	-	5,227,640,100	-	-	-	-	-	-	-	5,227,640,100
Building	4,896,021,629	1,873,925,371	1,341,757,680	-	-	-	-	8,111,705,680	1,394,355,440	773,408,200	190,955,378	46,112,449	-	-	2,405,031,468	5,706,674,221
Machinery & Equipment	9,651,582,263	36,824,041	645,732,507	-	-	-	-	10,333,938,811	3,170,527,609	31,495,084	747,630,269	1,406,869	-	-	3,951,259,831	6,382,678,980
Furniture & Fixture	525,472,143	-	126,533,414	-	-	-	-	654,005,557	265,708,819	-	25,473,734	-	-	-	291,182,573	362,822,984
Motor Vehicle	1,093,870,049	25,468,869	124,826,930	-	(7,910,142)	(763,401)	-	1,235,493,305	496,188,009	25,468,869	76,379,048	-	(7,803,370)	(763,401)	589,433,155	646,022,130
Utilities, Electrical Installation & Eng.	2,647,374,922	57,205,308	741,842,254	-	-	-	-	3,446,442,504	1,418,553,808	57,205,308	200,654,378	-	-	-	1,704,413,314	1,740,029,190
Office Equipment	283,935,447	1,503,819	53,647,787	-	-	-	-	317,657,053	164,993,297	1,424,525	33,473,195	79,296	-	-	199,972,313	117,684,740
Books and Periodicals	6,343,045	-	-	-	-	-	-	6,343,045	5,385,286	-	81,125	-	-	-	5,364,161	978,884
Sub Total	19,991,556,679	6,073,047,857	3,276,895,872	-	(7,910,142)	(763,401)	-	29,352,628,045	6,913,612,048	889,203,008	1,304,649,147	47,798,614	(7,803,370)	(763,401)	9,146,896,046	20,185,930,019
Machinery in Transit	1,317,179,127	-	504,905,491	-	-	-	(1,344,911,000)	477,173,538	-	-	-	-	-	-	-	477,173,538
Construction Work in progress	5,442,333,928	-	1,076,111,482	-	-	-	(1,698,680,000)	4,819,765,330	-	-	-	-	-	-	-	4,819,765,330
Sub Total	6,759,513,055	-	1,581,016,973	-	-	-	(3,043,596,140)	5,296,933,868	-	-	-	-	-	-	-	5,296,933,868
Total Totals (As at 30.06.2022)	26,751,069,734	6,073,047,857	4,857,912,845	-	(7,910,142)	(763,401)	(3,043,596,140)	34,629,559,933	6,913,612,048	889,203,008	1,304,649,147	47,798,614	(7,803,370)	(763,401)	9,146,896,046	25,482,862,887
Total Totals (As at 30.06.2021)	23,027,820,492	4,058,570,263	2,379,180,518	15,137,894	(18,495,957)	(640,000)	(640,235,319)	22,834,117,891	5,664,006,431	819,817,951	1,241,379,743	70,471,047	(11,716,124)	(1,086,990)	7,802,815,056	25,021,302,835

ALLOCATION OF DEPRECIATION

	On Cost	On Revaluation	Total
Factory Overhead	1,093,905,280	40,150,836	1,136,056,116
Selling & Distribution Expenses	107,633,558	3,943,366	111,576,924
Administrative Expenses	101,110,309	3,704,392	104,814,701
	1,304,649,147	47,798,614	1,352,447,761

