

**AUDITORS' REPORT  
AND  
THE FINANCIAL STATEMENTS  
OF**

**The ACME Laboratories Limited**

*For the year ended 30<sup>th</sup> June, 2023*

**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, 2023 and Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements give a true and fair view in all material respects of the Financial Position of the company as at June 30, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), The Companies Act 1994, The Securities and Exchange Rules 2020 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  |
|---|--|
| <b>Our response to the risk</b>   |  |
| We identified revenue recognition as key audit matter and a significant risk of material misstatement because of the risk related to the timing and accuracy of the recognized amounts of revenue. The total net revenue generated for the year ended was Taka 26,947,708,020/- | ➤ 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.   |  |
| 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.  | ➤ Segregation of duties in invoice creation and modification (if any) and timing of revenue recognition.   |

|   |   |
|---|---|
| <p>There is also a risk that revenue may be overstated /understated due to the timing differences.</p>  | <ul style="list-style-type: none"> <li>➤ We physically visited depots and checked procedures to recognize revenue from local customers.</li> <li>➤ Obtaining supporting documents for sale transactions recognized during the year with the sale invoices and other relevant underlying documents.</li> </ul>   |
| <p>We focused on this area as recognition of revenue involves significant judgment and estimates made by management including whether contracts contain multiple performance obligations which should be accounted for separately and the most appropriate method for recognition of revenue for identified performance obligations. This comprises allocation of consideration to the individual performance obligations of multi-element contracts as noted above, assessing whether performance obligations under supply and installation contracts are satisfied at a point in time or over time.</p> | <ul style="list-style-type: none"> <li>➤ We read a sample of contracts to assess whether the method for recognition of revenue was relevant and consistent with IFRS-15 and had been applied consistently. We focused on contract classification, allocation of income and cost to the individual performance obligations and timing of transfer of controls. Where a contract contained multiple elements, we considered Management's judgments as to whether they comprised performance obligations that should be accounted for separately and in such cases, challenged the judgments made in the allocation of the consideration to each performance obligation.</li> <li>➤ We evaluated and challenged the significant judgments and estimates made by management in applying the company's accounting policy to a sample specific contracts and separable performance obligations of contracts and we obtained evidence to support including details of contractual agreements, delivery records, receipts and project plans.</li> </ul> |

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

**Valuation of Inventory**

|   |   |
|---|---|
| <p>As at June 30, 2023 the reported amount of inventory is Taka: 6,894,247,309/-held in plants, Central warehouse and twenty nine depots situated at different locations across the Country.</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"> <li>➤ Evaluating the design and implementation of key inventory controls operating across the factory, warehouse and depots.</li> <li>➤ Attending inventory counts and reconciling the count results to the inventory listing to test the accuracy of data.</li> <li>➤ Along with inventory count we checked whether the inventories were maintained in good condition and maintaining all compliances.</li> <li>➤ We have reconciled the inventory with purchase production and sales to ensure the physically shown stock at the depots as on date were accurate.</li> </ul> |
|---|---|

|   |   |
|---|---|
| <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"> <li>➤ Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year.</li> <li>➤ Obtaining a detailed review with the subsequent sales to compare with the net realizable value.</li> </ul>   |
| <p><b>Please see note no. 10 to the Financial Statements</b></p>  |   |
| <p><b>Valuation of Tangible Fixed Assets</b></p>  |   |
| <p>The carrying value of the tangible fixed assets is Taka 29,143,106,373/- as at June 30, 2023. The valuation of tangible fixed assets was identified as a key audit matter due to significance of this balance to the Financial Statements.</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"> <li>➤ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.</li> <li>➤ 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.</li> <li>➤ 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.</li> <li>➤ 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.</li> </ul> |
| <p><b>Please see note no. 06 to the Financial Statements</b></p>  |   |
| <p><b>Long Term Loan &amp; Short Term Loan &amp; Overdraft</b></p>  |   |
| <p>As at June 30, 2023, the reported amount of total Term loan (Long &amp; Current portion) is Taka 8,221,963,170/- and Short-term Borrowings is Taka 12,523,296,751/- respectively.</p> <p>The company may face difficulties due to unfavorable movement in interest rate &amp; 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"> <li>➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure the proper use of loan.</li> <li>➤ 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.</li> <li>➤ We checked the financial expenses and classification of loan and repayment schedule on a test basis as well.</li> <li>➤ We checked the recording date of transactions and found the recording date is in line with the loan disbursement date.</li> </ul>  |
| <p><b>Please see note no. 21, 24&amp;25 to the Financial Statements</b></p>   |   |
| <p><b>Recoverability Assessment of Trade Receivable</b></p>   |   |
| <p>The total amount of Account Receivable is Taka 2,705,071,780/- at 30 June 2023. 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"> <li>➤ Tested the accuracy of aging of receivables at year end on a sample basis;</li> <li>➤ Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards;</li> <li>➤ Assessing the classification of account receivables in the debtors ageing report by comparison with sales invoice and other underlying documentation on a test basis;</li> <li>➤ 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</li> <li>➤ Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to account receivable balances of June 30, 2023.</li> </ul> |
| <p><b>Please see note no. 11 to the Financial Statements</b></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 no material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 2020 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 events 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.



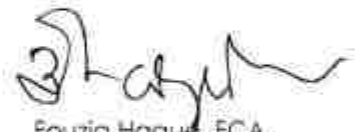
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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 2020 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

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

Date : 26 October, 2023  
Place : Dhaka



Fouzia Haque, FCA  
Partner

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



The ACME Laboratories Limited  
Statement of Financial Position  
As at 30 June 2023

| PARTICULARS                                       | NOTES     | Amount in Taka        |                       |
|---|-----------|-----------------------|-----------------------|
|   |           | 30-06-2023            | 30-06-2022            |
| <b>Non-Current Assets:</b>                        |           | <b>29,274,155,747</b> | <b>25,631,867,153</b> |
| Property, Plant and Equipment                     | 6         | 29,143,106,373        | 25,482,863,887        |
| Right-of-Use Assets                               | 7.A       | 99,533,397            | 116,116,552           |
| Intangible Assets                                 | 8         | -                     | 3,875                 |
| Investment in Securities                          | 9         | 31,515,977            | 32,882,839            |
| <b>Current Assets:</b>                            |           | <b>21,135,865,863</b> | <b>17,343,019,174</b> |
| Inventories                                       | 10        | 6,894,247,309         | 5,813,348,745         |
| Trade Receivable                                  | 11        | 2,705,071,780         | 2,236,356,282         |
| Other Receivable                                  | 12        | 19,887,785            | 19,806,550            |
| Advance, Deposits & Pre-Payments                  | 13        | 2,988,468,855         | 2,801,297,508         |
| Advance Income Tax                                | 14        | 3,682,324,080         | 3,119,571,359         |
| Material in Transit                               | 15        | 3,340,043,272         | 2,065,588,465         |
| Term Deposit                                      | 16        | 50,446,100            | 48,141,777            |
| Cash and Cash Equivalents                         | 17        | 1,455,376,682         | 1,238,908,488         |
| <b>TOTAL ASSETS</b>                               |           | <b>50,410,021,610</b> | <b>42,974,886,327</b> |
| <b>EQUITY AND LIABILITIES</b>                     |           |                       |                       |
| <b>Shareholders' Equity:</b>                      |           | <b>23,295,116,896</b> | <b>21,690,114,535</b> |
| Share Capital                                     | 18        | 2,116,017,000         | 2,116,017,000         |
| Share Premium                                     | 19        | 5,127,599,728         | 5,127,599,728         |
| Revaluation Surplus                               | 6.A       | 5,017,449,088         | 5,136,046,235         |
| Gain/(Loss) on Marketable Securities (Unrealized) | 9.A       | 4,809,707             | 6,039,863             |
| Tax Holiday Reserve                               | Ref- SOCE | 179,464,241           | 179,464,241           |
| Retained Earnings                                 | 20        | 10,849,777,132        | 9,124,947,448         |
| <b>Non Current Liabilities:</b>                   |           | <b>8,161,492,917</b>  | <b>5,847,104,275</b>  |
| Long Term Loan- Net off Current Maturity          | 21        | 6,167,983,247         | 4,174,567,962         |
| Long Term Lease Liability                         | 7.B       | 62,292,535            | 73,197,775            |
| Provision For Gratuity                            | 22        | 1,028,075,307         | 691,751,677           |
| Deferred Tax Liability                            | 23        | 903,141,828           | 907,586,841           |
| <b>Current Liabilities:</b>                       |           | <b>18,953,411,797</b> | <b>15,437,667,517</b> |
| Loans & Overdrafts                                | 24        | 12,523,296,751        | 9,383,189,695         |
| Current Maturity of Long Term Loans               | 25        | 2,053,979,923         | 2,328,221,640         |
| Trade Payable                                     | 26        | 490,891,189           | 448,995,103           |
| Provision for Income Tax                          | 27        | 3,255,425,419         | 2,661,467,504         |
| Current Lease Liability                           | 7.B       | 21,855,169            | 22,332,335            |
| Liability for Expenses and Others                 | 28        | 601,458,127           | 589,083,867           |
| Dividend Payable                                  | 29.A      | 6,505,219             | 4,377,373             |
| Unclaimed Dividend Account                        | 29.B      | -                     | -                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>               |           | <b>50,410,021,610</b> | <b>42,974,886,327</b> |
| <b>Net Asset Value Per Share (NAVPS)</b>          | 18.4      | <b>110.09</b>         | <b>102.50</b>         |

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

Md. Arshadul Kabir FCA  
Company Secretary (Acting)

Mizanur Rahman Sinha  
Managing Director

Kazi Mohammad Badruddin FCMA, FCA  
ED & CFO

Nagina Afzal Sinha  
Chairman

Signed in terms of our report of even date annexed

Date : 26 October, 2023  
Place: Dhaka

FAMES & R  
Chartered Accountants  
DVC # 2310261032A5943997



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

| PARTICULARS  | Notes | Amount in Taka        |                      |
|--|-------|-----------------------|----------------------|
|  |       | 30-06-2023            | 30-06-2022           |
| Revenue  | 30    | 26,947,708,020        | 23,858,412,334       |
| Less: Cost of Goods Sold                                       | 31    | 16,016,001,448        | 14,394,048,720       |
| <b>Gross Profit/(Loss)</b>                                     |       | <b>10,931,706,572</b> | <b>9,464,363,614</b> |
| Add: Other Income/ (Loss)                                      | 32    | (134,938,717)         | (17,581,658)         |
|  |       | <b>10,796,767,855</b> | <b>9,446,781,956</b> |
| Less: Selling, Marketing and Distribution Expenses             | 33    | 5,013,811,680         | 4,179,773,785        |
|  |       | <b>5,782,956,175</b>  | <b>5,267,008,171</b> |
| Less: Administrative Expenses                                  | 34    | 1,285,620,292         | 1,130,039,906        |
|  |       | <b>4,497,335,883</b>  | <b>4,136,968,265</b> |
| Less: Financial Expenses                                       | 35    | 1,459,434,359         | 1,309,174,705        |
| <b>Profit Before Contribution to WPPF and WWF</b>              |       | <b>3,037,901,524</b>  | <b>2,827,793,560</b> |
| Less: Contribution to WPPF and WWF                             | 36    | 144,661,977           | 134,656,836          |
| <b>Net Profit Before Tax</b>                                   |       | <b>2,893,239,547</b>  | <b>2,693,136,724</b> |
| Less: Current Tax Expenses                                     | 37A   | 593,957,915           | 547,940,829          |
| Less: Deferred Tax (Income)/Expenses                           | 37B   | (4,308,327)           | 34,306,412           |
| <b>Net Profit After Tax</b>                                    |       | <b>2,303,589,959</b>  | <b>2,110,889,483</b> |
| <b>Other Comprehensive Income</b>                              |       |                       |                      |
| Gain/(Loss) on Marketable Securities (Unrealized)              |       | (1,366,862)           | (2,628,582)          |
| <b>Total Comprehensive Income for the period</b>               |       | <b>2,302,223,097</b>  | <b>2,108,260,901</b> |
| <b>Earnings Per Share (on the Equity share of Tk. 10 each)</b> | 38    | <b>10.89</b>          | <b>9.98</b>          |

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

Md. Arshadul Kabir FCA  
Company Secretary (Acting)

Mizanur Rahman Sinha  
Managing Director

Kazi Mohammed Badruddin FCMA, FCA  
ED & CFO

Nagina Afzal Sinha  
Chairman

Signed in terms of our report of even date annexed

Date : 26 October, 2023  
Place: Dhaka

FAMES & R  
Chartered Accountants  
DVC # 2310261032AS943997



The ACME Laboratories Limited  
Statement of Changes in Equity  
For the year ended 30 June 2023

| (Amount in Taka)   |                      |                      |                      |   |                     |                       |                       |
|--|----------------------|----------------------|----------------------|---|---------------------|-----------------------|-----------------------|
| Particulars  | Share Capital        | Share Premium        | Revaluation Surplus  | Gain/(loss) on Marketable Securities (Unrealized) | Tax Holiday Reserve | Retained Earnings     | Total                 |
| Balance as at July 01, 2022  | 2,116,017,000        | 5,127,599,728        | 5,136,046,235        | 6,039,883   | 179,464,241         | 9,124,947,448         | 21,690,114,535        |
| Net Profit after Tax for the year ended 30 June 2023               | -                    | -                    | -                    | -   | -                   | 2,303,589,959         | 2,303,589,959         |
| Final Dividend for the year 2021-2022                              | -                    | -                    | -                    | -   | -                   | (634,805,100)         | (634,805,100)         |
| Gain/(loss) on Marketable Securities (Unrealized)                  | -                    | -                    | -                    | (1,366,862)                                       | -                   | -                     | (1,366,862)           |
| Adjustment for Depreciation on Revaluation Surplus & Others        | -                    | -                    | (47,719,316)         | -   | -                   | 47,719,316            | -                     |
| Adjustment for disposal/discard of PPE                             | -                    | -                    | (70,877,831)         | -   | -                   | 8,325,509             | (62,552,322)          |
| Deferred Tax on Unrealized Gain/Losses on Investment in Securities | -                    | -                    | -                    | 136,686   | -                   | -                     | 136,686               |
| <b>Balance as at 30 June 2023</b>                                  | <b>2,116,017,000</b> | <b>5,127,599,728</b> | <b>5,017,449,088</b> | <b>4,809,707</b>                                  | <b>179,464,241</b>  | <b>10,849,777,132</b> | <b>23,295,116,896</b> |

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

| (Amount in Taka)   |                      |                      |                      |   |                     |                      |                       |
|--|----------------------|----------------------|----------------------|---|---------------------|----------------------|-----------------------|
| Particulars  | Share Capital        | Share Premium        | Revaluation Surplus  | Gain/(loss) on Marketable Securities (Unrealized) | Tax Holiday Reserve | Retained Earnings    | Total                 |
| Balance as at July 01, 2021  | 2,116,017,000        | 5,127,599,728        | 5,183,844,849        | 8,405,607   | 179,464,241         | 7,495,263,601        | 20,110,595,026        |
| Net Profit after Tax for the year ended 30 June 2022               | -                    | -                    | -                    | -   | -                   | 2,110,889,483        | 2,110,889,483         |
| Final Dividend for the year 2020-2021                              | -                    | -                    | -                    | -   | -                   | (529,004,250)        | (529,004,250)         |
| Gain/(loss) on Marketable Securities (Unrealized)                  | -                    | -                    | -                    | (2,626,582)                                       | -                   | -                    | (2,626,582)           |
| Adjustment for Depreciation on Revaluation Surplus & Others        | -                    | -                    | (47,798,614)         | -   | -                   | 47,798,614           | -                     |
| Deferred Tax on Unrealized Gain/Losses on Investment in Securities | -                    | -                    | -                    | 262,858   | -                   | -                    | 262,858               |
| <b>Balance as at 30 June 2022</b>                                  | <b>2,116,017,000</b> | <b>5,127,599,728</b> | <b>5,136,046,235</b> | <b>6,039,883</b>                                  | <b>179,464,241</b>  | <b>9,124,947,448</b> | <b>21,690,114,535</b> |

Md. Arshad Kabir FCA  
Company Secretary (Acting)

Misam Rahman Sinha  
Managing Director

Kazi Mohammed Badruddin FCMA, FCA  
ED & CFO

Nagima Afzal Sinha  
Chairman

Date: 26 October 2023  
Place: Dhaka



The ACME Laboratories Limited  
Statement of Cash Flows  
For the year ended 30 June 2023

| PARTICULARS  | Notes | Amount in Taka         |                        |
|--|-------|------------------------|------------------------|
|  |       | 30-06-2023             | 30-06-2022             |
| <b>Cash Flows From Operating Activities:</b>               |       |                        |                        |
| Collection from Sales and others                           |       | 26,339,608,729         | 23,817,704,432         |
| Payment to Suppliers & Others                              |       | (22,888,551,088)       | (20,555,932,496)       |
| Payment to WPPF and WWF                                    |       | (171,386,021)          | (113,571,955)          |
| Cash generated from operation                              |       | 3,279,871,620          | 3,148,199,981          |
| Financial Expenses   |       | (1,458,235,729)        | (1,305,031,541)        |
| Income Tax Paid  |       | (562,752,721)          | (707,081,124)          |
| <b>Net Cash Generated From Operating Activities</b>        |       | <b>1,258,883,170</b>   | <b>1,136,087,316</b>   |
| <b>Cash Flows From Investing Activities:</b>               |       |                        |                        |
| Acquisition of Property, Plant & Equipments                |       | (5,259,903,825)        | (1,751,442,024)        |
| Term Deposit   |       | (2,304,323)            | 131,974,540            |
| Sale of Property, Plant and Equipment (Motor Vehicles)     |       | 21,831,120             | 1,415,001              |
| Dividend received from Investment in Marketable Securities |       | 1,673,207              | 1,209,156              |
| <b>Net Cash Used in Investing Activities</b>               |       | <b>(5,238,703,821)</b> | <b>(1,616,843,327)</b> |
| <b>Cash Flows From Financing Activities:</b>               |       |                        |                        |
| Dividend Paid  |       | (632,677,254)          | (531,859,735)          |
| Principal Portion payment of Lease Liability               |       | (30,314,505)           | (43,927,797)           |
| Net Increase / (Decrease) in Loans and Overdrafts          |       | 3,140,107,056          | 2,242,122,240          |
| Net Increase / (Decrease) in Long Term Borrowings          |       | 1,719,173,548          | (1,540,520,643)        |
| <b>Net Cash Generated/(Used) From Financing Activities</b> |       | <b>4,196,288,845</b>   | <b>125,814,065</b>     |
| Increase/(Decrease) in Cash and Cash Equivalents           |       | 216,468,194            | (354,941,946)          |
| Cash and Cash Equivalents at the Opening                   |       | 1,238,908,488          | 1,593,850,434          |
| <b>Cash and Cash Equivalents at the Closing</b>            |       | <b>1,455,376,682</b>   | <b>1,238,908,488</b>   |
| <b>Net Operating Cash Flow Per Equity Share (NOCFPS)</b>   | 39    | <b>5.95</b>            | <b>5.37</b>            |

Md. Arshadul Kabir FCA  
Company Secretary (Acting)

Mizanur Rahman Sinha  
Managing Director

Kazi Mohammed Baquruddin FCMA, FCA  
ED & CFO

Nagina Afzal Sinha  
Chairman

Date : 26 October, 2023  
Place: Dhaka



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

**1.00 Corporate Information**

The ACME Laboratories Limited was founded in the year 1954 as a Proprietorship Firm and it was converted into a Private Limited Company on 17<sup>th</sup> 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 30<sup>th</sup> 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 ACMEI.A8 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, Kaliayanpur, Mirpur Road, Dhaka-1207, Bangladesh, and the Factory is situated at Dhuivita, Dhamrai, Dhaka, Bangladesh.

**2.00 Nature of business of the Company**

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

**3.00 Share Capital**

Details of Authorized, Issued, Subscribed, and Fully Paid-up Capital as at 30 June 2023 and 30 June 2022 are as under:

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

**4.00 Basis of Preparation of Financial Statements**

**4.01 Directors' Responsibility Statement**

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

**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 18<sup>th</sup> August 2013 issued by the Bangladesh Securities and Exchange Commission in this regard, and other applicable laws, rules, regulations, and guidelines. The Financial Statements however, do not take into consideration the effects of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

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

**4.03 Accrual Basis of Accounting:**

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

**4.04 Materiality, Aggregation and Offsetting:**

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

**4.05 Statement of compliance**

These Financial Statements have been prepared in accordance with Framework, applicable International Accounting Standards (IASs), and International Financial Reporting Standards (IFRSs), Companies Act 1994, Bangladesh Securities and Exchange Rules 2020, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant laws and regulations applicable in Bangladesh.

**4.06 Presentation of Financial Statements**

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

The Financial Statements comprises of:

- (i) Statement of Financial Position as at 30 June 2023;
- (ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023;
- (iii) Statement of Changes in Equity for the year ended 30 June 2023;
- (iv) Statement of Cash Flows for the year ended 30 June 2023; and
- (v) Notes, comprising a summary of significant accounting policies and explanatory information.

**4.07 Reporting Period**

The Financial Statements cover the financial year commencing from 01 July 2022 to 30 June 2023.

**4.08 Authorisation for Issue**

The Financial Statements have been authorized for issue by the Board of Directors of the Company in their meeting held on 26 October 2023.

**4.09 Functional and Presentation Currency**

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

#### 4.10 Comparative Information

Comparative information disclosed is of the financial year 2021-2022 for all numerical information in the Financial Statements and also the narrative and descriptive information wherever it is relevant for the understanding of the current year's Financial Statements.

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

#### 4.11 Use of Estimates and 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.

#### 4.12 Capital Management

The primary objective of the capital structure is to maintain an efficient combination of debt and equity ratios to achieve a low cost of capital. The management of the Company regularly reviews the return on equity, capital structure in light of the economic conditions, business strategies and future commitments. For that purpose, capital includes issued Share Capital, Securities Premium and all other Equity Reserves and Debt covering foreign currency term loan, Long-Term & Short-Term Loan from domestic Financial Institutions/Banks and finance lease obligations, etc. During the financial year ended 30 June 2023, debt equity ratios is 53.79:46.21 comparing to the 49.53:50.47 of previous year. This change occurs due to investment in Property, Plant and Equipment of API Project along with acquisition of Non-current assets for other projects and addition of Inventory.

#### 4.13 Going Concern

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

#### 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 part. 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 Taka 23,972,711 as cash incentive which is duly shown under the head of Other income in the financial statement for the year ended 30 June 2023.

**(e) Scrap Sales**

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

**5.02 Property, Plant and Equipment (PPE)**

**i) Recognition and Measurement**

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

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

**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 29 Depot all over the country. According to IFRS 16 Paragraph 47, a company is required to present Right-of-Use Asset and Lease Liability on the face of Statement of Financial Position separately from Other Assets. Interest expenses and Depreciation on Right of Use Asset are also to be shown separately. An incremental borrowing rate that has been used to determine the present value of lease payment and other calculation.

### **5.04 Intangible Assets**

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

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

Intangible Assets has been fully amortized during the reporting year.

#### **5.05 Financial Instruments**

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

##### **i) Financial Assets**

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

##### **Trade Receivable**

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

##### **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 Act 2023 and duly amended by the Finance Act from time to time.

#### **Deferred Tax**

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

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

#### **i) Borrowing Cost**

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

#### **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 (8<sup>th</sup> Supplemental to the lenders' PariPassu Security Sharing Agreement) amongst the banks. As per the agreement under the names of the participating banks in the charges through the PariPassu agreement are stated hereunder:
  - Dutch Bangla Bank Limited,
  - Dhaka Bank Limited,
  - The Hongkong and Shanghai Banking Corporation Limited,
  - Standard Chartered Bank,
  - Trust Bank Limited,
  - Eastern Bank Ltd,
  - Prime Bank Limited
  - Mutual Trust Bank Limited
  - BRAC Bank Limited,
  - Bank Asia
- Registered mortgage of the specified Land of the Company executed in favor of Banks/ Financial Institutions,
- In maximum cases, Personal Guarantee of all shareholders directors submitted in favor of Banks/Financial Institutions,

### **5.12 Employee Benefits**

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

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

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

The Company's employee benefits include the following:

**i) Defined Contribution Plan (Provident Fund)**

The Company got recognition from the Commissioner of Taxes its provident fund scheme (Defined Contribution Plan) vide order no. : নথি নং পি.এফ.অনুমোদন/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.



#### **Employee Position**

During the financial year, there were 8,816 employees employed in the Company with remuneration above Tk. 3,000 per month, among them 7,466 employees has employed for the full year and the remaining 1,350 employees employed less than a full year. During the year tax had been deducted at source from the salary income of 1941 employees as per the provision of section 50 of Income Tax Ordinance 1984 against their payment.

#### **5.13 Share Premium**

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

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

#### **5.14 Research Development and Experimental Cost**

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

#### **5.15 Earnings per Share (EPS)**

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

##### **Basic Earnings per Share (Numerator/Denominator)**

*Earnings (Numerator)*

This represents earnings for the year attributable to Ordinary Shareholders.

*No. of Ordinary shares (Denominator)*

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

##### **Diluted Earnings per Share**

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

#### **5.16 Foreign Currency Transactions**

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date. The monetary assets and liabilities, if any, denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Exchange differences are accounted as revenue expenditure/income in compliance with the provision of IAS 21: "The Effects of Changes in Foreign Exchange Rates". Due to unfavourable fluctuation of Foreign Currency along with the war in between Russia and Ukraine there arisen a significant impact globally on business. During the year the company incurred foreign currency fluctuation losses which has been duly disclosed in the financial statement for the year ended 30 June 2023.



**5.17 Triple Bottom Line Practice in ACME**

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

**5.18 Segmental Reporting**

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

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

**5.19 Contingent Liabilities and Contingent Assets**

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

**5.20 Statement of Cash Flows**

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

**5.21 Events after the Reporting Period**

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

**5.22 Insurance Claim**

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

**5.23 Highest and Lowest Equity Share Price at Stock Exchanges**

The monthly highest and lowest price of each equity shares of Taka 10 each fully paid up of the company listed at Dhaka and Chittagong stock exchange during the financial year 2022-23 is as under:

| Trade Name | Date           | Dhaka Stock Exchange |                     | Chittagong Stock Exchange |                     |
|------------|----------------|----------------------|---------------------|---------------------------|---------------------|
|            |                | Highest Quoted Price | Lowest Quoted Price | Highest Quoted Price      | Lowest Quoted Price |
| ACMELAB    | July 2022      | 88.00                | 84.50               | 88.90                     | 83.50               |
|            | August 2022    | 91.90                | 86.50               | 91.60                     | 86.60               |
|            | September 2022 | 104.00               | 91.70               | 103.40                    | 91.60               |
|            | October 2022   | 93.10                | 85.00               | 96.40                     | 85.00               |
|            | November 2022  | 89.00                | 85.00               | 89.00                     | 84.80               |



|               |       |       |       |       |
|---------------|-------|-------|-------|-------|
| December 2022 | 85.00 | 85.00 | 84.80 | 84.80 |
| January 2023  | 87.40 | 85.00 | 88.00 | 84.80 |
| February 2023 | 85.20 | 85.00 | 85.40 | 84.80 |
| March 2023    | 85.00 | 85.00 | 84.80 | 84.80 |
| April 2023    | 85.00 | 85.00 | 84.80 | 84.80 |
| May 2023      | 91.30 | 85.00 | 91.50 | 84.80 |
| June 2023     | 87.00 | 85.00 | 86.90 | 84.90 |

#### 5.24 Grant Income

According to IAS 20, Grant is recognised only when there is reasonable assurance that the entity will comply with any conditions attached to the grant and the grant will be received. A grant relating to assets may be presented as deferred income, or by deducting the grant from the asset's carrying amount. A grant relating to income may be reported separately as 'other income' or deducted from the related expense. During the period under Audit the ACME Laboratories Limited received a portion of an USAID [ACDI/VOCA Work Order No.: J2052-01] fund for an amount of Taka 9,042,784 for promoting Anti-Microbial Resistance (AMR) Solutions and Embracing One Health Concept to Overcome Animal and Human Health Hazard.

#### 5.25 Risk Management

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

##### Operational Risk

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

##### Management Perception

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

##### Interest Rate Risk

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

##### Management Perception

In order to manage this risk and overcome it, the Company exercises prudence in its cash flow management, supported by continued strength in sales and marketing. ACME is very careful in forecasting the prices of ingredients and manages its costs in an effective manner. To maintain an effective rate of return ACME also follow a knowledge



and information-based products mix, so as to ensure that the debt repayments are met on schedule, even if the interest rates were to rise.

#### **Exchange Rate Risk**

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

#### **Management Perception**

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

#### **Industry Risk**

The pharmaceutical industry has witnessed challenges such as intellectual property rights, a historic fuel price peak, and material cost increase across the globe. It stands as one of the most challenging and dynamic industries to operate as of date. Fortunately, Bangladesh is the only least developed country that demonstrates significant competencies in the pharmaceuticals industry and it requires a huge quantity of medicine for its present 166 million (approx.) population.

#### **Management Perception**

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

#### **Market Risk**

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

#### **Management Perception**

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

#### **Technology Related Risk**

The pharmaceutical industry is dynamic in nature and heavily driven by technology. Hence, the technology always plays a vital role here. Adaptation of better technology may help to gain remarkable core competencies that certainly create competitive advantages like increase productivity, reduce costs, better perception of customers.

Firms are exposed to technology risks when there are better technologies available in the market than one used by the Company which may cause operational inefficiency.

#### **Management Perception**

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

#### **Potential or Existing Government Regulations**

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

#### **Management Perception**

Since the product of pharmaceuticals industry is an essential one for lives and it is an import substitute industry and degree of value addition is remarkable, we see the government regulations are mostly investment-friendly for this sector. As ACME is one of the top-ranking pharmaceutical Companies in the country, it is doing business by following all the rules and regulations of the land. Change in regulations will bring changed strategies for doing the business by the dynamic management of the Company.

#### **Potential Changes in Global and National Policies**

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

#### **Management Perception**

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

#### **History of Non-operation**

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

#### **Credit Risk**

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

**Management Perception**

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

**Liquidity Risk**

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

**Management Perception**

The management of the company is working relentlessly to minimize the cash operating cycle of the company. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 30 June, 2023. Effective liquidity risk management requires both a top-down and a bottom-up approach. Strategy, principles, and objectives are set at Board and Management levels. ACME conducts liquidity management in a manner that maintains stability and flexibility in day-to-day funding activities. Our liquidity risk management starts by managing the daily payment of cheques, daily cash inflow, and outflow, maturity of deposits, and our access to other funding sources as and when required.

**5.26 General Comments & Observations**

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



| Amount in Taka |            |
|----------------|------------|
| 30-06-2023     | 30-06-2022 |

#### 6 Property Plant and Equipment

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

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

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

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

#### 6.A 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. 15,137,594 arrived on dated 30 June 2021. Details of Revaluation Surplus has been given below:

|   |                      |                      |
|---|----------------------|----------------------|
| <b>Revaluation Surplus</b>  | <b>5,805,191,938</b> | <b>6,072,284,456</b> |
| Opening Balance   | 6,072,284,456        | 6,073,047,857        |
| Add: Addition during the year   | -                    | -                    |
| Less: Adjustment due to Loss on Revaluation                                 | -                    | -                    |
| Less: Adjustment due to disposal/Discard                                    | (267,092,518)        | (763,401)            |
| <b>Less: Accumulated depreciation on revaluation &amp; Loss on Disposal</b> | <b>787,742,850</b>   | <b>936,238,221</b>   |
| Opening Balance   | 936,238,221          | 889,203,008          |
| Add: Depreciation charged for the year                                      | 47,719,316           | 47,798,614           |
| Less: Adjustment due to disposal/Discard                                    | (196,214,687)        | (763,401)            |
|   | <b>5,017,449,088</b> | <b>5,136,046,235</b> |

#### 7.A Right-of-Use Assets

|                                    |                   |                    |
|------------------------------------|-------------------|--------------------|
| Openings Carrying Value            | 116,116,552       | 79,079,936         |
| Add: Addition During the year      | 29,828,047        | 72,060,474         |
| Less: Depreciation during the year | 32,819,718        | 23,894,953         |
| Less: Expired/Discontinue of lease | 13,591,484        | 11,128,905         |
|                                    | <b>99,533,397</b> | <b>116,116,552</b> |

Disclosure notes regarding ROU Assets given in note number 5.03



7.8 Lease Liability

Current Lease Liability  
Long term Lease Liability

| Amount in Taka    |                   |
|-------------------|-------------------|
| 30-06-2023        | 30-06-2022        |
| 21,855,169        | 22,332,335        |
| 62,292,535        | 73,197,775        |
| <b>84,147,704</b> | <b>95,530,110</b> |

Disclosure notes regarding ROU Assets given in note number 5.03

8 Intangible Assets

The Details are as under:

Application Software (Note no. 8.A)

Less: Amortization

Accumulated balance till last financial year

Amortized during the year

|                |                |
|----------------|----------------|
| 940,285        | 940,285        |
| 940,285        | 936,410        |
| <b>936,410</b> | <b>924,785</b> |
| <b>3,875</b>   | <b>11,625</b>  |
| <b>-</b>       | <b>3,875</b>   |

8.A 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% | 151,125         | 3,875           | 155,000        | -               |
| <b>Total</b>        | <b>940,285</b> |       | <b>936,410</b>  | <b>3,875</b>    | <b>940,285</b> | <b>-</b>        |

9 Investment in Securities

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

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

9.A Public Limited Co.'s Securities

| Particulars   | No. of Equity Shares held | FV | Average cost per unit | Total cost as at 30.06.2023 | Market Price as at 30.06.2023 | Unrealized gain/(loss) |
|---|---------------------------|----|-----------------------|-----------------------------|-------------------------------|------------------------|
| AB Bank Ltd.  | 32,334                    | 10 | 16,1578               | 522,446                     | 319,913                       | (202,533)              |
| Eastern Bank Ltd.   | 39,503                    | 10 | 14,7705               | 583,480                     | 1,161,396                     | 577,916                |
| Pioneer Insurance Co. Ltd.  | 33,450                    | 10 | 31,3905               | 1,050,013                   | 2,344,845                     | 1,294,832              |
| Southeast Bank Ltd.   | 30,726                    | 10 | 16,4196               | 504,509                     | 425,002                       | (79,507)               |
| EXIM Bank Ltd.  | 28,187                    | 10 | 9,1010                | 256,530                     | 293,145                       | 36,615                 |
| Square Pharma Ltd.  | 108,613                   | 10 | 173,8867              | 18,538,586                  | 22,367,407                    | 3,828,821              |
| Square Textile Ltd.   | 262                       | 10 | -                     | -                           | 17,685                        | 17,685                 |
| Grammeen Phone Ltd.   | 16,000                    | 10 | 294,7140              | 4,715,424                   | 4,585,600                     | (129,824)              |
| C & A Textiles Ltd.   | 92                        | 10 | 9,4565                | 870                         | 984                           | 114                    |
|   |                           |    |                       | <b>26,171,858</b>           | <b>31,515,977</b>             | <b>5,344,119</b>       |
| Less: Deferred Tax Liability @10% on Unrealized Gain Balance as at 30 June 2023 |                           |    |                       |                             |                               | <b>534,412</b>         |
|   |                           |    |                       | <b>26,171,858</b>           | <b>31,515,977</b>             | <b>4,809,707</b>       |
| Comparative year as at 30 June 2022   |                           |    |                       | <b>26,171,858</b>           | <b>32,882,839</b>             | <b>6,039,883</b>       |

10 Inventories

This balance is made up of as follows:

|                             |                      |                      |
|-----------------------------|----------------------|----------------------|
| Raw Materials               | 2,966,921,878        | 2,230,385,076        |
| Packing Materials           | 1,148,007,252        | 1,107,509,865        |
| Work-in-Process             | 863,045,385          | 581,931,525          |
| Finished Goods              | 1,384,387,903        | 1,450,565,230        |
| Printing & Stationery       | 20,523,057           | 16,111,432           |
| Spare, Accessories & Others | 511,361,834          | 426,845,597          |
| <b>Total</b>                | <b>6,894,247,309</b> | <b>5,813,348,745</b> |



| Amount in Taka |            |
|----------------|------------|
| 30-06-2023     | 30-06-2022 |

#### 11. Trade Receivable

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

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

#### 11.A Trade Receivable

Ageing of the above receivables are given below:

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

#### 12. Other Receivable

This consists of as follows:

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

#### 13. Advances, Deposits and Prepayments

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

##### Advances:

|                                 |               |               |
|---------------------------------|---------------|---------------|
| Advance to Employees            | 771,225,842   | 769,380,811   |
| Advance for API Industrial Park | 242,530,528   | 242,530,528   |
| Advance to Suppliers and Others | 1,210,674,268 | 1,067,555,757 |

##### Deposit:

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

##### Prepayments:

|           |                      |                      |
|-----------|----------------------|----------------------|
| Insurance | 15,606,690           | 14,009,585           |
|           | <b>2,988,468,855</b> | <b>2,801,297,508</b> |

#### 14. Advance Income Tax

The breakup of the above amount is as under:

|   |                      |                      |
|---|----------------------|----------------------|
| Opening Balance as per last A/C   | 3,119,571,359        | 3,154,867,216        |
| Adjustment of Current Tax Provision and Advance Income Tax for completed assessment |                      |                      |
| For the assessment year 2018-2019   | -                    | (395,467,733)        |
| For the assessment year 2019-2020   | -                    | (386,533,640)        |
| Advance Income Tax Refundable for the assessment year 2019-2020                     | -                    | 39,624,392           |
| <b>Payment during the year:</b>   |                      |                      |
| AIT collected by Customs and Port Authority   | 271,612,546          | 346,795,158          |
| AIT collected by Bank from Export Bills   | 16,190,994           | 5,834,732            |
| AIT deducted against supply of Medicines  | 56,165,618           | 38,393,171           |
| AIT collected by BRTA Authority   | 11,215,900           | 10,585,500           |
| AIT deducted on Bank Interest on FDRs and STD account                               | 835,774              | 464,522              |
| AIT deducted from Cash Incentive  | 2,397,271            | 5,460,500            |
| AIT deducted from Dividend Received and others                                      | 334,618              | 191,751              |
| <b>Paid by pay order:</b>   |                      |                      |
| For the assessment year 2018-2019   | -                    | 2,500,000.00         |
| For the assessment year 2021-2022   | -                    | 96,855,790.00        |
| For the assessment year 2022-2023   | -                    | 200,000,000.00       |
| For the assessment year 2023-2024   | 204,000,000          | -                    |
|   | <b>3,682,324,080</b> | <b>3,119,571,359</b> |



|   |  | Amount in Taka       |                      |
|---|--|----------------------|----------------------|
|   |  | 30-06-2023           | 30-06-2022           |
| <b>15 Material in Transit</b>   |  |                      |                      |
| Raw Materials   |  | 2,372,999,408        | 1,639,160,538        |
| Packing Materials   |  | 795,195,735          | 322,484,774          |
| Spare Parts, Mechanical and Electrical  |  | 171,848,129          | 103,943,153          |
|   |  | <b>3,340,043,272</b> | <b>2,065,588,465</b> |
| <b>16 Term Deposit</b>  |  |                      |                      |
| As a part of efficient treasury management the company has made some short term investment with various Commercial Banks and Non Banking Financial Institutions which are stated below: |  |                      |                      |
| Agrani Bank Limited   |  | 50,446,100           | 48,141,777           |
|   |  | <b>50,446,100</b>    | <b>48,141,777</b>    |
| <b>17 Cash and Cash Equivalents</b>   |  |                      |                      |
| This is made up as follows:   |  |                      |                      |
| Cash in Hand  |  | 736,393,037          | 689,807,243          |
| Cash at BO Account  |  | 677,612              | 192,376              |
| Cash at Bank  |  | 718,304,033          | 548,908,869          |
|   |  | <b>1,455,376,682</b> | <b>1,238,908,488</b> |
| <b>18 Share Capital</b>   |  |                      |                      |
| This is arrived at as follows:  |  |                      |                      |
| <b>18.1 Authorized Capital</b>  |  |                      |                      |
| 500,000,000 Ordinary share of Tk. 10 each   |  | <b>5,000,000,000</b> | <b>5,000,000,000</b> |
| <b>18.2 Issued, Subscribed and Paid - Up Capital</b>  |  |                      |                      |
| 211,601,700 Ordinary Shares @ Tk. 10 each   |  | 2,116,017,000        | 2,116,017,000        |
|   |  | <b>2,116,017,000</b> | <b>2,116,017,000</b> |
| <b>18.3 The movement in number of Ordinary Shares during the year is as under</b>   |  |                      |                      |
| Opening Balance   |  | 211,601,700          | 211,601,700          |
| Add: Issued during the year   |  | -                    | -                    |
| Closing Balance   |  | <b>211,601,700</b>   | <b>211,601,700</b>   |
| <b>18.4 Calculation of Net Asset Value (NAV) per ordinary share of Tk. 10 each</b>  |  |                      |                      |
| A Total Equity of the Company   |  | 23,295,116,896       | 21,690,114,535       |
| B Total Number of outstanding ordinary share at the end of the year   |  | 211,601,700          | 211,601,700          |
| C Net Asset Value per Ordinary Share (A/B) rounded off upto two decimal places  |  | <b>110.09</b>        | <b>102.50</b>        |

**18.5 History of allotment of Shares by the Company:**

| Date of Allotment | Particulars of allotment  | Number of ordinary shares allotted | Face Value (Tk) | Amount of Share Capital(Tk.) |
|-------------------|---|------------------------------------|-----------------|------------------------------|
| 17.03.1976        | First (Subscription to the Memorandum and Articles of Association at the time of Incorporation) | 600                                | 10              | 6,000                        |
| 16.05.1976        | Second  | 29,500                             | 10              | 295,000                      |
| 10.08.1989        | Third   | 300,000                            | 10              | 3,000,000                    |
| 29.11.2006        | Fourth  | 9,669,900                          | 10              | 96,699,000                   |
| 05.05.2011        | Fifth   | 106,000,000                        | 10              | 1,060,000,000                |
| 20.05.2013        | Sixth   | 39,631,100                         | 10              | 396,311,000                  |
| 28.11.2013        | Seventh   | 5,970,600                          | 10              | 59,706,000                   |
| 15.05.2016        | Eighth  | 50,000,000                         | 10              | 500,000,000                  |
|                   |   | <b>211,601,700</b>                 |                 | <b>2,116,017,000</b>         |

**19 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                      | <b>5,127,599,728</b> | <b>5,127,599,728</b> |



20 Retained Earnings

| Amount in Taka   |                |
|--|----------------|
| 30-06-2023   | 30-06-2022     |
| Opening balance  | 9,124,947,448  |
| Add: Addition during the year  | 2,359,634,784  |
| Net Profit after Tax for the year  | 2,303,589,959  |
| Adjustment for Depreciation on Revaluation Surplus   | 47,719,316     |
| Adjustment for disposal of PPE   | 8,325,509      |
| Less: Adjustment during the year   | 634,805,100    |
| Dividend for the year 2021-2022 (comparative year dividend was for the financial year 2020-2021) | 634,805,100    |
| Closing balance  | 10,849,777,132 |

21 Long Term Loans - Net off Current Maturity

This represents long term borrowings from financial institutions which are as follows:

| Name of Financial Institution |                      |                      |
|-------------------------------|----------------------|----------------------|
| Trust Bank Ltd.               | 32,785,347           | 162,636,955          |
| Dutch-Bangla Bank Ltd.        | 430,572,423          | 484,725,854          |
| Eastern Bank Ltd.             | 763,977,861          | 218,750,000          |
| IDLC Finance Ltd.             | 302,325,910          | 168,424,219          |
| Dhaka Bank Limited            | 617,544,901          | 66,717,984           |
| Standard Chartered Bank       | 385,894,702          | 392,235,872          |
| IPDC                          | 235,000,000          | 399,000,000          |
| HIFC Term Loan                | 169,273,605          | 267,339,732          |
| Lanka Bangla Finance Ltd.     | 320,000,000          | 440,000,000          |
| Prime Bank Limited            | 271,606,500          | 481,996,652          |
| Mutual Trust Bank Limited     | 775,683,239          | 87,528,286           |
| Bank Asia Limited             | 1,385,612,552        | 887,422,984          |
| United Commercial Bank Ltd.   | 81,911,460           | 117,589,444          |
| Brac Bank Ltd.                | 395,794,747          | -                    |
|                               | <b>6,167,983,247</b> | <b>4,174,567,982</b> |

22 Provision for Gratuity

|                             |                      |                    |
|-----------------------------|----------------------|--------------------|
| Opening Balance             | 691,751,677          | 500,455,725        |
| Add: Provision for the year | 354,581,760          | 251,715,996        |
| Less: Paid during the year  | 48,258,130           | 60,420,044         |
| Closing Balance             | <b>1,028,075,307</b> | <b>691,751,677</b> |

23 Deferred Tax Liability

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

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



## 24 Loans & Overdrafts

This represents the amount are as follows :

### Name of the Bank

|                             | Amount in Taka        |                      |
|-----------------------------|-----------------------|----------------------|
|                             | 30-06-2023            | 30-06-2022           |
| Dutch-Bangla Bank Ltd.      | 1,283,838,946         | 1,351,165,876        |
| Standard Chartered Bank     | 1,384,197,596         | 1,166,809,001        |
| Dhaka Bank Ltd.             | 927,123,797           | 852,021,239          |
| HSBC                        | 1,768,620,079         | 1,597,153,658        |
| Eastern Bank Ltd.           | 1,210,748,132         | 915,251,008          |
| Trust Bank Ltd.             | 650,713,124           | 678,514,286          |
| The City Bank Ltd.          | 942,350,964           | 826,214,615          |
| Prime Bank Limited          | 780,525,153           | 509,499,567          |
| Mutual Trust Bank Ltd.      | 310,313,268           | 122,335,072          |
| Agrani Bank Ltd.            | 631,716,095           | 170,476,147          |
| Meghna Bank Ltd.            | -                     | 27,465,267           |
| United Commercial Bank Ltd. | 451,989,573           | 8,567,815            |
| Bank Asia Ltd.              | 1,049,915,406         | 510,122,225          |
| Bank Alfalah                | 449,656,247           | 448,402,126          |
| BRAC Bank Ltd.              | 196,760,932           | 199,191,793          |
| Pubali Bank Ltd.            | 484,827,443           | -                    |
|                             | <b>12,523,296,751</b> | <b>9,383,189,695</b> |

## 25 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.             | 117,752,568          | 125,950,675          |
| IDUC Finance Ltd.           | 151,298,293          | 123,740,925          |
| IPDC                        | 164,000,000          | 183,500,000          |
| Eastern Bank Ltd.           | 125,000,000          | 125,000,000          |
| HSBC Term Loan              | 214,671,742          | 256,244,038          |
| Standard Chartered Bank     | 152,285,764          | 152,285,761          |
| Dhaka Bank Ltd.             | 44,299,843           | 39,622,762           |
| Dutch-Bangla Bank Ltd.      | 192,762,096          | 160,786,842          |
| Lanka Bangla Finance Ltd.   | 160,000,000          | 160,000,000          |
| Prime Bank Limited          | 243,293,335          | 525,163,616          |
| Mutual Trust Bank Limited   | 49,523,726           | 45,912,683           |
| Bank Asia Limited           | 403,414,572          | 397,414,569          |
| United Commercial Bank Ltd. | 35,677,984           | 32,599,769           |
|                             | <b>2,053,979,923</b> | <b>2,328,221,640</b> |

## 26 Trade Payables

|                 |                    |                    |
|-----------------|--------------------|--------------------|
| Trade Creditors | 490,891,189        | 448,995,103        |
|                 | <b>490,891,189</b> | <b>448,995,103</b> |

## 27 Provision for Income Tax

|   |                      |                      |
|---|----------------------|----------------------|
| Opening Balance   | 2,661,467,504        | 2,855,903,656        |
| Add: Provision during the year  | 593,957,915          | 547,940,829          |
| Less: Adjustment of Current Tax Provision and Advance Income Tax for completed assessment | -                    | -                    |
| For the assessment year 2018-2019   | -                    | 395,467,733          |
| For the assessment year 2019-2020   | -                    | 346,909,248          |
|   | <b>3,255,425,419</b> | <b>2,661,467,504</b> |

## 27.A Income Tax Provision during the year

|                                |                    |                    |
|--------------------------------|--------------------|--------------------|
| Provision made during the year | 593,957,915        | 547,940,829        |
|                                | <b>593,957,915</b> | <b>547,940,829</b> |



**28 Liability for Expenses and Others**

This is arrived at as follows:

| Amount in Taka  |                    |                    |
|---|--------------------|--------------------|
|   | 30-06-2023         | 30-06-2022         |
| Salary & Allowances   | 27,732,201         | 21,134,727         |
| Power & Electricity   | 14,139,735         | 2,308,671          |
| Postage & Telephone   | 624,682            | 612,581            |
| Gas Bill  | 40,150,073         | 28,138,124         |
| Audit Fee   | 550,000            | 550,000            |
| WASA Bill   | 256,380            | 133,022            |
| Workers Profit Participation Fund (WPPF) and Workers Welfare Fund (WWF) | 162,056,009        | 188,780,053        |
| Advance against Export Sales  | 48,199,215         | 14,458,227         |
| Interest on WPPF and WWF  | 17,679,095         | 14,480,465         |
| VAT Payable   | 226,247,636        | 245,192,710        |
| Other Expenses and TDS & VDS  | 63,823,121         | 71,295,287         |
|   | <b>601,458,127</b> | <b>589,083,867</b> |

**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               | 188,780,053        | 167,495,172        |
| Add: Addition for the year    | 144,661,977        | 134,656,836        |
| Less: Payment during the year | 171,386,021        | 113,571,955        |
| Closing Balance               | <b>162,056,009</b> | <b>188,780,053</b> |

**29 Dividend Payable**

The Board of Directors proposed 30% cash dividend of Tk. 634,805,100 for the year 2021-2022 which was duly approved in the 46th AGM by the shareholders. The details are stated below:

|   |                  |                  |
|---|------------------|------------------|
| Opening Balance   | 4,377,373        | 7,232,858        |
| Add: Final dividend declared for the year 2021-2022 (Gross)                           | 634,805,100      | 529,004,250      |
| Less: Dividend paid to Shareholders   | 631,309,823      | 527,464,310      |
| Less: Unclaimed Dividend Transferred to Capital Market Stabilization Fund (Note-29.B) | 1,367,431        | 4,395,405        |
| Dividend Payable  | <b>6,505,219</b> | <b>4,377,373</b> |

**29.A Dividend Payable**

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

| S.L | Financial Year | Dividend | % of Dividend | No. of BO | Date of AGM | Dividend Payable (Tk.)                     |
|-----|----------------|----------|---------------|-----------|-------------|--|
| 1   | 2019-2020      | Cash     | 25%           | 1,524     | 10.12.2020  | 1,041,718                                  |
| 2   | 2020-2021      | Cash     | 25%           | 1,283     | 26.12.2021  | 1,613,165                                  |
| 3   | 2021-2022      | Cash     | 30%           | 1,236     | 20.12.2022  | 3,850,336                                  |
|     |                |          |               |           |             | <b>6,505,219</b>                           |
|     |                |          |               |           |             | Less: Unclaimed Dividend during the year   |
|     |                |          |               |           |             | <b>Dividend payable as at 30 June 2023</b> |
|     |                |          |               |           |             | <b>6,505,219</b>                           |
|     |                |          |               |           |             | <b>Dividend payable as at 30 June 2022</b> |
|     |                |          |               |           |             | <b>4,377,373</b>                           |

**29.B Unclaimed Dividend Account**

Referring to the BSEC Directive no.BSEC/CMRRCD/2021-386/03 dated 14th January, 2021 Unclaimed dividend of more than 03 years as at 30 June 2023 is as under:

| S.L | Financial Year | Dividend | % of Dividend | No. of BO | Date of AGM | Unclaimed Dividend (Tk.)   |
|-----|----------------|----------|---------------|-----------|-------------|--|
|     | 2018-2019      | Cash     | 35%           | 1,578     | 12.12.2019  | 1,367,431  |
|     |                |          |               |           |             | 1,367,431  |
|     |                |          |               |           |             | Less: Unclaimed Dividend Transferred to Capital Market Stabilization Fund (CMSF) during the year |
|     |                |          |               |           |             | <b>Unclaimed Dividend as at 30 June 2023</b>   |
|     |                |          |               |           |             | <b>Unclaimed Dividend as at 30 June 2022</b>   |



30. Revenue

This is made up as follows:

Gross Turnover

Domestic

Export

Own Products

Others

Toll Manufacturing Charge

Total Gross Turnover

Less: VAT

Net Turnover

| Amount in Taka |                |
|----------------|----------------|
| 30-06-2023     | 30-06-2022     |
| 29,467,078,592 | 26,265,939,944 |
| 29,467,078,592 | 26,265,939,944 |
| 1,598,964,358  | 1,285,419,993  |
| 1,598,964,358  | 1,285,419,993  |
| 471,130        | 726,262        |
| 471,130        | 726,262        |
| 31,066,514,080 | 27,552,086,199 |
| 4,118,006,069  | 3,693,673,865  |
| 26,947,708,020 | 23,858,412,334 |

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     | 306,889         | 4,775,734           | 4,642,430         | 440,212         |
| Capsule                  | Tube    | 32,239          | 730,148             | 712,362           | 40,125          |
| Liquid/Handrub/Sanitizer | Bottles | 8,228           | 75,361              | 77,133            | 6,455           |
| Dry Syrup/Powder         | Phial   | 1,382           | 14,538              | 14,956            | 964             |
| Ointment/Gel             | Pcs     | 405             | 4,097               | 4,068             | 434             |
| Cream                    | Bottles | 1,009           | 8,759               | 8,693             | 1,075           |
| Suppository              | Tube    | 2,911           | 43,250              | 43,061            | 3,101           |
| Inhaler (DPI)            | Pcs     | 6,986           | 62,641              | 62,945            | 6,692           |
| Inhaler (MDI)            | Pcs     | 192             | 1,930               | 2,041             | 102             |
| Injection/Nasal Drop     | Cans    | 1,819           | 22,569              | 22,567            | 1,821           |
| Injection (Vial & Amps)  | Pcs     | 2,679           | 45,378              | 45,935            | 2,122           |
| Infusion                 | Pcs     | 1,175           | 4,785               | 5,235             | 724             |
| Sachet/Premix            | Bottles | 610             | 52,266              | 52,029            | 847             |
| Veterinary               |         |                 |                     |                   |                 |
| Solus                    | Pcs     | 25,161          | 502,291             | 494,105           | 33,346          |
| Liquid                   | Lg      | 1,913           | 11,227              | 11,457            | 1,683           |
| Premix                   | Pcs     | 5,918           | 46,807              | 47,816            | 4,909           |
| WSP                      | Pcs     | 1,310           | 25,236              | 24,540            | 2,006           |
| Injection                | Vial    | 1,897           | 14,017              | 14,199            | 1,715           |
| Herbal & Ayurvedic       |         |                 |                     |                   |                 |
| Capsule                  | Pcs     | 446             | 13,252              | 13,249            | 449             |
| Liquid                   | Pcs     | 1,096           | 13,338              | 13,335            | 1,099           |
| Tablet                   | Pcs     | 1,225           | 30,191              | 30,205            | 1,211           |

31. Cost of Goods Sold

This is arrived at as follows:

Raw Materials Consumed

Packing Materials Consumed

Work in Process (Opening)

Work in Process (Closing)

Material Consumption during the year

Factory Overhead

Cost of Production

Purchase of Finished Goods

Opening Stock of Finished Goods

Finished Goods Available

Closing Stock of Finished Goods

Cost of Goods Sold

|                 |                 |
|-----------------|-----------------|
| 8,170,998,267   | 7,482,231,198   |
| 3,999,516,417   | 3,581,560,234   |
| 581,931,525     | 542,765,368     |
| (863,045,365)   | (581,931,525)   |
| 11,889,400,824  | 11,024,625,275  |
| 4,060,423,297   | 3,529,535,421   |
| 15,949,824,121  | 14,554,160,696  |
|                 | 65,015,600      |
| 1,450,565,290   | 1,225,437,654   |
| 17,400,389,351  | 15,844,613,950  |
| (1,304,307,903) | (1,450,565,290) |
| 16,016,001,448  | 14,394,048,720  |

31.A Raw Materials Consumed

This is arrived at as follows:

Opening Stock of Raw Materials

Purchase during the year

Closing Stock of Raw Materials

Raw Material Consumed

|                 |                 |
|-----------------|-----------------|
| 2,220,385,076   | 1,157,656,749   |
| 8,907,535,069   | 8,554,959,525   |
| (2,965,921,678) | (2,230,385,076) |
| 8,170,998,267   | 7,482,231,198   |



| Amount in Taka |            |
|----------------|------------|
| 30-06-2023     | 30-06-2022 |

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

| Particulars       | Pcs         | Quantity (kg) |            | Quantity (liter) |            | Quantity (Pcs) |            |
|-------------------|-------------|---------------|------------|------------------|------------|----------------|------------|
|                   | Cap Shell   | Active        | Excipients | Active           | Excipients | Active         | Excipients |
| Opening Balance   | 232,166,431 | 2,617,636     | 1,287,123  | 2,212            | 24,413     | 5,121          | 845,125    |
| Purchase          | 727,289,199 | 8,063,720     | 9,043,185  | 6,663            | 92,111     | 73,396         | 715,448    |
| Available for use | 960,394,830 | 10,681,556    | 10,330,308 | 8,875            | 116,524    | 78,517         | 1,560,573  |
| Closing Balance   | 293,492,449 | 2,970,291     | 1,718,038  | 9,997            | 28,112     | 6,622          | 448,115    |
| Consumption       | 666,902,381 | 7,711,266     | 8,612,270  | 6,878            | 88,412     | 69,895         | 1,112,458  |

### 31.B Packing Materials Consumed

This is arrived at as follows:

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

The total Quantity of Packing Materials are as under:

| Name of Category   | Unit | Opening Balance | Purchase | Consumption | Qty In Thousand |
|--------------------|------|-----------------|----------|-------------|-----------------|
|                    |      |                 |          |             | Closing Balance |
| Bottle             | Pcs  | 12,910          | 112,547  | 112,454     | 18,003          |
| Carton             | Pcs  | 42,755          | 201,120  | 195,730     | 48,144          |
| Plastic Item       | Pcs  | 27,265          | 215,201  | 217,531     | 24,935          |
| Cap                | Pcs  | 19,633          | 135,553  | 135,634     | 19,552          |
| Catch Cover        | Pcs  | 17,744          | 45,142   | 44,910      | 18,001          |
| Inner Leaflet      | Pcs  | 42,110          | 165,874  | 165,081     | 42,100          |
| Label              | Pcs  | 6,270           | 80,719   | 80,596      | 6,393           |
| Shipping Box Label | Pcs  | 7,006           | 12,418   | 12,398      | 7,126           |
| PVC/PVDC           | Kgs  | 782             | 1,600    | 1,593       | 788             |
| Shipping Box       | Pcs  | 1,343           | 12,706   | 12,704      | 1,245           |
| Tube               | Pcs  | 3,146           | 12,341   | 12,732      | 2,756           |
| Al. Foil- Blister  | Kgs  | 132             | 290      | 289         | 133             |
| Al. Foil- Strip    | Kgs  | 371             | 900      | 890         | 382             |
| Inner Board        | Pcs  | 651             | 1,638    | 1,654       | 655             |
| Vial and Ampoule   | Pcs  | 25,231          | 60,057   | 59,589      | 25,699          |
| Sticker Label      | Pcs  | 34,352          | 132,204  | 133,990     | 32,566          |

### 31.C Factory Overhead

This is made up as follows:

|   |                      |                      |
|---|----------------------|----------------------|
| Salary & Daily Wages                    | 1,592,297,892        | 1,312,819,605        |
| Gratuity                                | 80,015,960           | 54,268,863           |
| Group Insurance Premium                 | 3,400,197            | 2,704,275            |
| Company's Contribution to RPF           | 36,422,360           | 30,457,888           |
| Postage & Telephone                     | 7,342,636            | 5,245,725            |
| Fuel & Electricity                      | 346,295,470          | 352,185,036          |
| Gas Bill                                | 332,447,698          | 221,876,749          |
| Factory Staff Uniform                   | 7,660,116            | 7,035,891            |
| Cartage Inward                          | 4,047,677            | 9,458,178            |
| Repair & Maintenance                    | 100,271,916          | 113,277,232          |
| Insurance                               | 25,678,534           | 21,858,136           |
| Fees, Renewal and Taxes                 | 2,444,472            | 2,000,000            |
| Printing, Stationery & Others           | 49,640,985           | 50,226,217           |
| Research/Analysis & Product Development | 25,748,650           | 13,930,186           |
| Medical Welfare & Recreation            | 9,505,183            | 9,050,294            |
| Entertainment                           | 31,671,060           | 28,582,061           |
| Canteen Expenses                        | 54,608,719           | 37,123,164           |
| Spare Part                              | 165,171,085          | 115,780,992          |
| Travelling & Conveyance                 | 3,155,663            | 3,577,730            |
| Depreciation                            | 1,182,297,052        | 1,136,056,119        |
|   | <b>4,040,423,297</b> | <b>3,529,635,421</b> |



### 32 Other Income

This is made up as follows:

|  |                      |                     |
|--|----------------------|---------------------|
| Income/(Loss) from sale of Motor Vehicle                 | 1,318,519            | 1,308,229           |
| Gain on sale of Land                                     | 2,539,800            | -                   |
| Loss on Discard of Building                              | (1,367,385)          | -                   |
| Interest on STD and STD Account                          | 2,017,590            | 197,034             |
| Translation Gain/(loss) for foreign currency fluctuation | (94,558,711)         | (9,144,445)         |
| Settlement Gain/(loss) for foreign currency fluctuation  | (102,925,186)        | (82,788,127)        |
| Interest on Term Deposit                                 | 3,001,147            | 4,336,699           |
| Dividend income on marketable securities                 | 1,673,207            | 1,194,030           |
| Cash incentive received against export sales             | 23,972,711           | 54,605,000          |
| Grant Received   | 9,040,784            | 475,936             |
| Sale of Scrap  | 20,047,099           | 12,234,026          |
|  | <b>(134,938,717)</b> | <b>(17,581,658)</b> |

### 33 Selling, Marketing and Distribution Expenses

This is made up as follows:

|   |                      |                      |
|---|----------------------|----------------------|
| Salary, Daily Wages, TA/DA, Travelling Kits & Others              | 3,542,097,772        | 2,912,149,904        |
| Gratuity  | 247,631,049          | 163,705,566          |
| Group & Health Insurance Premium                                  | 6,950,960            | 6,084,633            |
| Company's Contribution to RPF                                     | 93,354,091           | 83,804,965           |
| Electricity & WASA, Gas   | 19,307,792           | 17,483,646           |
| Fuel for Generator  | 4,668,160            | 1,732,123            |
| Postage & Telephone   | 49,160,060           | 45,317,713           |
| Printing, Stationery & Others                                     | 48,162,423           | 53,495,284           |
| Vehicle Expenses  | 169,568,128          | 115,656,551          |
| Carriage Outward  | 176,613,548          | 161,540,731          |
| Seminar & Conference  | 28,290,348           | 24,899,991           |
| Medical Expenses  | 525,937              | 1,032,675            |
| Sales Promotion Expenses  | 140,471,204          | 132,796,032          |
| New Product Introduction Expenses                                 | 717,720              | 494,856              |
| Export Expenses   | 67,386,155           | 65,005,210           |
| Welfare & Recreation  | 3,689,666            | 2,872,142            |
| Free Sample   | 135,863,171          | 122,331,004          |
| Insurance   | 14,574,569           | 11,219,837           |
| Fees & Renewals   | 28,669,456           | 18,401,173           |
| Repair & Maintenance  | 18,110,385           | 39,903,862           |
| Entertainment   | 60,053,634           | 56,803,204           |
| Advertisement   | 4,121,535            | 6,198,006            |
| Depreciation of Right-of-Use Assets (As per IFRS 16-Ref Note 7.A) | 32,819,718           | 23,894,953           |
| Adjustment due to discontinuation of Lease rental                 | 2,695,536            | 1,376,558            |
| Depreciation  | 116,178,461          | 111,576,941          |
|   | <b>5,013,811,680</b> | <b>4,179,773,785</b> |

### 34 Administrative Expenses

This is made up as follows:

|  |                      |                      |
|--|----------------------|----------------------|
| Salary & Daily Wages                   | 804,431,121          | 673,683,203          |
| Group & Health Insurance Premium       | 2,865,100            | 2,210,043            |
| Gratuity                               | 56,934,751           | 31,741,367           |
| Company's Contribution to RPF          | 13,490,926           | 11,892,227           |
| Director's Remuneration                | 45,600,000           | 45,600,000           |
| Director's Sitting Fees                | 4,583,333            | 2,530,000            |
| Postage & Telephone                    | 7,198,223            | 5,936,690            |
| Electricity, Gas & WASA                | 15,378,947           | 21,225,683           |
| Fuel for Generator & Vehicle           | 14,603,541           | 9,677,614            |
| Conveyance                             | 2,360,473            | 2,183,174            |
| Refreshment Expenses                   | 15,202,910           | 14,027,430           |
| Office General Expenses                | 8,716,293            | 9,188,137            |
| Vehicle Expenses                       | 14,802,238           | 15,278,644           |
| Advertisement for Recruitment & Others | 7,176,597            | 4,268,901            |
| Printing, Stationery & Others          | 10,623,401           | 7,962,368            |
| Intangible Assets Amortization         | 3,875                | 11,625               |
| Newspaper & Periodicals                | 42,931               | 15,177               |
| ACMA Expenses                          | 1,131,696            | 1,284,492            |
| Expenses for Legal Procedure           | 1,901,990            | 2,075,516            |
| Professional Fee                       | 13,773,939           | 14,537,551           |
| Audit Fees                             | 550,000              | 550,000              |
| Medicine Expenses                      | 7,596,640            | 5,961,198            |
| Uniform and Linen                      | 1,130,578            | 899,289              |
| Travelling Expenses                    | 12,149,767           | 6,673,867            |
| Repair and Maintenance                 | 11,256,330           | 23,629,324           |
| Insurance                              | 863,159              | 857,304              |
| Municipal Tax                          | 3,866,823            | 3,726,162            |
| Fees and Renewals                      | 14,992,615           | 13,601,440           |
| Welfare and Recreation                 | 15,976,461           | 10,210,094           |
| Contribution to CSR Activities         | 1,000,000            | 321,659              |
| Product Registration (USFDA) & Others  | 66,223,846           | 83,101,826           |
| Depreciation                           | 109,080,978          | 104,814,701          |
|  | <b>1,285,620,292</b> | <b>1,130,039,906</b> |



| Amount in Taka |            |
|----------------|------------|
| 30-06-2023     | 30-06-2022 |

### 35. Financial Expenses

This is made up as follows:

|  |                      |                      |
|--|----------------------|----------------------|
| Interest on Cash Credit  | 140,388,897          | 98,018,175           |
| Interest on Overdraft  | 114,972,444          | 70,302,327           |
| Interest on MTL & LTR  | 70,593,206           | 69,820,367           |
| Interest on Revolving & STL  | 598,528,272          | 434,895,861          |
| Interest on Lease Finance  | 117,770,740          | 151,412,557          |
| Interest on Term Loan  | 224,655,642          | 400,669,713          |
| Interest on Accepted Import Loan                                     | 150,453,505          | 81,370,092           |
| Interest on WPPF & WWF   | 13,465,684           | 4,143,344            |
| Interest on Lease Liability (For right-of-use assets as per IFRS 16) | 8,251,799            | 6,754,563            |
| Bank Charge  | 20,354,170           | 11,977,706           |
|  | <b>1,459,434,359</b> | <b>1,309,174,705</b> |

### 36. Contribution to Workers Profit Participation Fund and Welfare Fund

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

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| Contribution to WPPF and Welfare Fund | 144,661,977        | 134,656,836        |
|                                       | <b>144,661,977</b> | <b>134,656,836</b> |

### 37. Income Tax Expenses

This is arrived at as follows:

#### A. Current Tax Expenses

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

#### B. Deferred Tax Expenses/(Income)

|                                |                    |                    |
|--------------------------------|--------------------|--------------------|
| Deferred Tax Expenses/(Income) | (4,306,327)        | 34,306,412         |
|                                | <b>(4,306,327)</b> | <b>34,306,412</b>  |
|                                | <b>589,649,588</b> | <b>582,247,241</b> |

### 38. Basic/Diluted Earning Per Share (EPS)

The computation is given below:

|  |               |               |
|--|---------------|---------------|
| Net Profit After Tax for the year                                    | 2,303,589,959 | 2,110,889,483 |
| Weighted average number of shares outstanding during the year (38.2) | 211,601,700   | 211,601,700   |
| <b>Basic Earnings Per Share</b>                                      | <b>10.89</b>  | <b>9.98</b>   |
| <b>Diluted Earnings Per Share</b>                                    | <b>10.89</b>  | <b>9.98</b>   |

Refer Policy notes 5.15

#### 38.1 Number of Ordinary Shares Outstanding

|  |                    |                    |
|--|--------------------|--------------------|
| 211,601,700 Ordinary Shares @ Tk.10/- each | 211,601,700        | 211,601,700        |
|  | <b>211,601,700</b> | <b>211,601,700</b> |

#### 38.2 Weighted Average Number of Ordinary Shares

|  |                    |                    |
|--|--------------------|--------------------|
| 211,601,700 Ordinary Shares @ Tk.10/- each | 211,601,700        | 211,601,700        |
|  | <b>211,601,700</b> | <b>211,601,700</b> |

### 39. Net Operating Cash Flows Per Share

|   |               |               |
|---|---------------|---------------|
| Net cash generated from operating activities                  | 1,258,883,170 | 1,136,087,314 |
| Weighted average number of shares outstanding during the year | 211,601,700   | 211,601,700   |
| <b>Net Operating Cash Flows Per Share</b>                     | <b>5.95</b>   | <b>5.37</b>   |

### 40. Reconciliation of Net Income or Net Profit with Cash flows from Operating Activities-Indirect Method

|  |                      |                      |
|--|----------------------|----------------------|
| Net Profit after Tax   | 2,303,589,959        | 2,110,889,483        |
| Add: Non-Cash Items  | 1,438,968,465        | 1,385,476,370        |
| Less: Net Increase/Decrease in Current Asset                 | 3,463,802,132        | 2,562,096,508        |
| Add: Net Increase/Decrease in Current Liabilities            | 984,551,891          | 167,774,417          |
| Add: Deferred Tax liability/(Asset) Created during the year  | (4,445,013)          | 34,043,554           |
| Net cash generated from operating activities-Indirect Method | <b>1,258,883,170</b> | <b>1,136,087,314</b> |
| Net cash generated from operating activities-Direct Method   | <b>1,258,883,170</b> | <b>1,136,087,314</b> |



| Amount in Taka |            |
|----------------|------------|
| 30-06-2023     | 30-06-2022 |

41. Related Party Disclosures

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

| Name of the company              | Relationship    | Nature of transaction                  | 30-06-2023                           |                            | 30-06-2022                           |                            |
|----------------------------------|-----------------|--|--------------------------------------|----------------------------|--------------------------------------|----------------------------|
|                                  |                 |  | Value of transaction during the year | Balance as at 30 June 2023 | Value of transaction during the year | Balance as at 30 June 2022 |
| Sinha Pensions Ltd.              | Common Director | Local Supply Received                  | 1,103,033.461                        | (448,050.049)              | 1,345,800.144                        | (409,899.362)              |
| ACMUNIO Int. Ltd.                | Common Director | Advance<br>Rent on Investment Property | -<br>-                               | 86,479.473<br>19,386.000   | 10,000.000<br>-                      | 86,479.473<br>19,386.000   |
| The ACME Agrovet & Services Ltd. | Common Director | Local Supply Received                  | 368,708.913                          | 53,447.784                 | 366,410.023                          | 91,501.956                 |
| Kalwar Packaging Ltd.            | Common Director | Local Supply Received                  | 267,782.258                          | (14,154.420)               | 236,342.801                          | 78,149.958                 |
| Kalyan Kephala Ltd.              | Common Director | Local Supply Received                  | 308,461.267                          | 45,079.763                 | 84,125.974                           | 6,976.513                  |
| ACME Consumer Ltd.               | Common Director | Local Supply Received                  | 23,343.662                           | (6,033.191)                | 12,203.340                           | (2,921.597)                |
| Sinha Logistics & Transport Ltd. | Common Director | Carrying Contractor                    | 120,693.270                          | (2,181.741)                | -                                    | -                          |

42. Details regarding disposal of Motor Vehicle:

| Sl. | Particulars                 | Cost/Revaluation (Tk.) |                     | Acc. Depreciation |                     | Carrying Value (Tk.) |                     | Sales Price (Tk.) | Disposition of total Gain/(Loss) |                                    |
|-----|-----------------------------|------------------------|---------------------|-------------------|---------------------|----------------------|---------------------|-------------------|----------------------------------|------------------------------------|
|     |                             | Cost                   | Revaluation Surplus | Cost              | Revaluation Surplus | Cost                 | Revaluation Surplus |                   | Charged to P/L (Tk.)             | Total (Tk.) for the year 2022-2023 |
| 1   | DHAKA METRO-CHA-03-0225     | 3,743,633              | -                   | 3,740,633         | -                   | -                    | -                   | 325,000           | 325,000                          | 325,000                            |
| 2   | 171-DHAKA METRO-CA-34-0406  | 7,057,859              | -                   | 876,758           | -                   | 1,141,101            | -                   | 445,870           | (715,231)                        | (715,231)                          |
| 3   | DHAKA METRO-AA-05-0087      | 484,000                | 484,000             | 484,000           | 484,000             | -                    | -                   | 155,000           | 155,000                          | 155,000                            |
| 4   | DHAKA METRO-AA-51-1772      | 365,000                | 365,000             | 365,000           | 365,000             | -                    | -                   | 146,250           | 146,250                          | 146,250                            |
| 5   | DHAKA METRO-THA-11-0790     | 248,125                | 248,125             | 248,125           | 248,125             | -                    | -                   | 146,250           | 146,250                          | 146,250                            |
| 6   | DHAKA METRO-AU-11-2620      | 1,259,820              | 120,000             | 1,259,820         | 120,000             | -                    | -                   | 146,250           | 146,250                          | 146,250                            |
| 7   | DHAKA METRO-AU-51-0252      | 1,663,635              | 135,000             | 1,663,635         | 135,000             | -                    | -                   | 515,000           | 515,000                          | 515,000                            |
| 8   | DHAKA METRO-CHA-03-3019     | 1,197,857              | 120,000             | 1,197,857         | 120,000             | -                    | -                   | 225,000           | 225,000                          | 225,000                            |
| 9   | 256 DHAKA METRO-CHA-33-7672 | 2,775,615              | -                   | 2,775,615         | -                   | -                    | -                   | 375,000           | 375,000                          | 375,000                            |
|     | Total                       | 13,772,719             | 1,472,128           | 12,311,618        | 1,472,128           | 1,141,101            | -                   | 2,479,620         | 1,318,519                        | 1,318,519                          |

43. Directors Remuneration and Sitting Allowance

Directors remuneration (including MD's Remuneration for CY/PY amounting to Tk. 12,000,000)  
Directors Sitting fees (including MD's Sitting Allowance for CY Tk. 345,000/PY Tk. 172,500)

|                   |                   |
|-------------------|-------------------|
| 45,600,000        | 45,600,000        |
| 4,583,333         | 2,530,000         |
| <u>50,183,333</u> | <u>48,130,000</u> |

44. Audit fees

|                |                |
|----------------|----------------|
| 550,000        | 550,000        |
| <u>550,000</u> | <u>550,000</u> |



| Amount in Taka |            |
|----------------|------------|
| 30-06-2023     | 30-06-2022 |

#### 45. Contingent Liability

Large tax payer unit (TU) North Commissionerate and Directorate, Inspection, Intelligence & Investigation under National Board of Revenue (NBR) against 3 (three) claims of VAT, another 1 (one) regarding VAT on VAT exempted medicine and remaining one for reopening of audit proceeding, another 1 (one) arising out of review by custom officials, another 1 (one) arising out of review of VAT return by VAT officials and last 1 (one) arising out of VAT officials. The ACME Laboratories Ltd. has filed 7 (seven) writ petitions in the Honorable High Court Division of the Supreme Court of Bangladesh separately vide no: 8650/2008, 785/2009, 3946/2004, 14250/2016, 4476/2002, 5196/2015 and 2477/2015 respectively against the said claims. The company reviews status at the same on every reporting date. Details of current status are given/result are as below:

| Sl.   | Writ No.   | Value in Taka | Reason   | Expiry Date/Result   |
|-------|------------|---------------|--|--|
| 1     | 8650/2008  | Non-monitory  | Medicine supply to ICDDR,B is Exempted   | Valid up to disposal of hearing  |
| 2     | 785/2009   | 13,097,829    | Rebate for exempted medicine   | Valid up to disposal of hearing  |
| 3     | 3946/2004  | 2,730,745     | Rebate cancel  | Defavor of our company and further leave to appeal no. 1569  |
| 4     | 14250/2016 | Non-monitory  | Re-initiation and reopening of audit proceedings   | Valid up to disposal of hearing  |
| 5     | 4476/2002  | 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     | 5196/2015  | 249,018,445   | Premix supply at VAT exempted but VAT authority claim to impose VAT at mtg. 5%.          | Valid up to disposal of hearing  |
| 7     | 2477/2015  | 4,000,000     | The Writ against penalty in connection with Audit claim after adjustment Tk 7,211,245.38 | Valid up to disposal of hearing  |
| Total |            | 249,512,567   |  |  |

#### 46. Un Expired Bank Guarantees

Details of Unexpired Bank Guarantees of Tk. 249,512,567 (as at 30 June 2022 the amount was Tk. 101,473,252) given in the normal course of business on behalf of the company to various parties as at 30 June 2023 are as follows:-

| Sl.   | Name of Bank           | Date of Expiry | Amount in BDT |
|-------|------------------------|----------------|---------------|
| 01    | Trust Bank Ltd.        | 15.05.2026     | 12,401,350    |
| 02    | Trust Bank Ltd.        | 15.05.2026     | 316,050       |
| 03    | Trust Bank Ltd.        | 15.05.2026     | 2,320,400     |
| 04    | Trust Bank Ltd.        | 15.05.2026     | 252,700       |
| 05    | Trust Bank Ltd.        | 22.10.2026     | 1,093,820     |
| 06    | Trust Bank Ltd.        | 30.10.2027     | 292,800       |
| 07    | Trust Bank Ltd.        | 30.10.2027     | 699,400       |
| 08    | Trust Bank Ltd.        | 30.10.2027     | 3,492,100     |
| 09    | Trust Bank Ltd.        | 30.10.2027     | 366,200       |
| 10    | Dutch Bangla Bank Ltd. | 17.10.2026     | 249,800       |
| 11    | Dutch Bangla Bank Ltd. | 17.10.2026     | 180,900       |
| 12    | Dutch Bangla Bank Ltd. | 25.05.2027     | 766,350       |
| 13    | Dutch Bangla Bank Ltd. | 25.05.2027     | 164,680       |
| 14    | Agrani Bank Ltd.       | 11.09.2023     | 1,547,350     |
| 15    | Trust Bank Ltd.        | 31.08.2024     | 1,251,880     |
| 16    | Trust Bank Ltd.        | 31.08.2024     | 1,940,420     |
| 17    | Trust Bank Ltd.        | 31.08.2024     | 1,035,700     |
| 18    | Trust Bank Ltd.        | 31.08.2024     | 8,366,400     |
| 19    | Trust Bank Ltd.        | 29.04.2024     | 4,133,880     |
| 20    | Trust Bank Ltd.        | 29.04.2024     | 701,550       |
| 21    | Trust Bank Ltd.        | 31.01.2024     | 16,169,710    |
| 22    | Trust Bank Ltd.        | 03.09.2023     | 4,097,075     |
| 23    | Trust Bank Ltd.        | 21.09.2023     | 4,089,813     |
| 24    | Trust Bank Ltd.        | 23.10.2023     | 2,192,520     |
| 25    | Trust Bank Ltd.        | 25.08.2023     | 4,234,169     |
| 26    | Trust Bank Ltd.        | 28.09.2023     | 8,111,167     |
| 27    | Trust Bank Ltd.        | 29.09.2023     | 189,786       |
| 28    | Trust Bank Ltd.        | 31.01.2024     | 2,060,381     |
| 29    | Trust Bank Ltd.        | 31.01.2024     | 610,623       |
| 30    | Trust Bank Ltd.        | 01.03.2025     | 5,000,000     |
| 31    | Trust Bank Ltd.        | 06.06.2025     | 5,785,400     |
| 32    | Trust Bank Ltd.        | 05.09.2027     | 428,600       |
| 33    | Trust Bank Ltd.        | 05.09.2027     | 4,252,500     |
| 34    | Trust Bank Ltd.        | 06.04.2025     | 510,008       |
| 35    | Trust Bank Ltd.        | 30.09.2023     | 3,000,000     |
| 36    | Trust Bank Ltd.        | 17.08.2024     | 163,050       |
| 37    | Trust Bank Ltd.        | 31.12.2024     | 18,247,680    |
| Total |                        |                | 121,736,182   |

#### 47. Claim not acknowledge as debts

There is no claim against the company which have not been acknowledged as debt as at 30 June 2023.



| Amount in Taka |            |
|----------------|------------|
| 30-06-2023     | 30-06-2022 |

48. Production Capacity and Utilization

(Quantity in Thousand)

| Name of Category         | Unit   | Production Capacity |           | Actual Production |       |           |       |
|--------------------------|--------|---------------------|-----------|-------------------|-------|-----------|-------|
|                          |        | 2022-2023           | 2021-2022 | 2022-2023         | %     | 2021-2022 | %     |
| Human                    |        |                     |           |                   |       |           |       |
| Tablet                   | Pcs    | 8,508,470           | 8,476,895 | 4,775,754         | 56.13 | 4,672,311 | 55.12 |
| Capsule                  | Pcs    | 887,663             | 764,893   | 720,148           | 81.13 | 622,466   | 81.38 |
| Liquid                   | Bottle | 90,180              | 90,180    | 75,351            | 83.57 | 74,970    | 83.13 |
| Dry Syrup                | Bottle | 20,578              | 20,005    | 14,538            | 70.65 | 13,994    | 69.95 |
| Ointment                 | Tube   | 7,013               | 7,013     | 4,097             | 58.42 | 3,275     | 46.71 |
| Cream                    | Tube   | 19,000              | 19,000    | 8,259             | 43.46 | 8,440     | 44.42 |
| Suppository              | Pcs    | 51,866              | 51,866    | 43,250            | 83.29 | 43,010    | 82.92 |
| Inhaler (DPI)            | Canst  | 118,306             | 118,306   | 62,661            | 52.97 | 59,371    | 50.18 |
| Inhaler (MDI)            | Canist | 5,999               | 3,095     | 1,950             | 32.51 | 1,940     | 62.68 |
| Eye/Ear/Nasal Drop       | Phials | 29,347              | 23,001    | 22,569            | 57.36 | 13,856    | 60.16 |
| Injection (Vial & Ampul) | Pcs    | 90,488              | 90,488    | 45,378            | 50.15 | 46,068    | 50.91 |
| Infusion                 | Pcs    | 6,408               | 6,408     | 4,785             | 74.67 | 4,798     | 74.87 |
| Sachet                   | Pcs    | 94,385              | 51,062    | 52,266            | 55.42 | 33,523    | 65.65 |
| Veterinary               |        |                     |           |                   |       |           |       |
| Bolus                    | Pcs    | 955,482             | 685,496   | 502,291           | 52.57 | 548,960   | 50.91 |
| Liquid                   | Pcs    | 25,995              | 25,995    | 11,227            | 43.19 | 11,684    | 44.95 |
| Premix                   | Pcs    | 93,166              | 93,166    | 44,807            | 50.24 | 40,176    | 43.12 |
| VSP                      | Pcs    | 75,955              | 46,635    | 25,336            | 33.23 | 15,140    | 32.48 |
| Injection                | Vial   | 31,810              | 15,741    | 14,017            | 44.07 | 13,659    | 86.84 |
| Herbal & Ayurvedic       |        |                     |           |                   |       |           |       |
| Capsule                  | Pcs    | 45,357              | 32,260    | 19,252            | 42.45 | 11,233    | 34.82 |
| Liquid                   | Pcs    | 23,214              | 15,646    | 17,338            | 74.69 | 13,064    | 83.44 |
| Tablet                   | Pcs    | 85,002              | 74,135    | 30,191            | 35.51 | 23,069    | 31.12 |

49. VAT Return and Auditing status as at 30.06.2023

The Company deposits VAT & files VAT returns on monthly basis with the concern authority. The authority has conducted and completed their audit up to the financial year 2019-2020. Due to change of commissioner, new commissioner has issued a letter to the company in respect of conducting re-audit for the financial year 2014-2015. However, the company has filed a Writ petition with High Court Division of the Honorable Supreme Court of Bangladesh, but decision is yet to come in this regard. Further, the audit for the financial year 2020-2021 and 2021-2022 are under process and documents/information have been submitted by the company as and when required.



The ACME Laboratories Limited  
Schedule of Property, Plant and Equipment  
As at 31 June 2022

Amount in Rupee

| COST REVALUATIONS                           |                                      |  |   |              |                        |   |                         |  |  | DEPRECIATION   |  |               |                        | Written Down<br>Value as at<br>30.06.23 |
|---|--------------------------------------|--|---|--------------|------------------------|---|-------------------------|--|--|--|--|---------------|------------------------|---|
| Particulars of Assets                       | Historical Cost<br>as at<br>01.07.22 | Revaluation<br>Surplus as at<br>01.07.22 | Additions<br>during<br>the year<br>(Cost) | Disposal     |                        | Adjustment of<br>Difference in<br>Historical Cost | Total as at<br>30.06.23 | Accumulated<br>Dep. As at<br>01.07.22 on<br>Cost | Accumulated<br>Dep. As at<br>01.07.22 on<br>Revaluation<br>Surplus | Depreciation<br>on Historical<br>Cost during the<br>year | Depreciation<br>on Revaluation<br>Surplus during<br>the year | Deprecial     |                        |   |
|   |                                      |  |   | Cost         | Revaluation<br>Surplus |   |                         |  |  |  |  | Cost          | Revaluation<br>Surplus |   |
| Land and land Development                   | 1,48,321.871                         | 4,076,318.429                            | 21,885,000                                | (6,406,493)  | (8,324,509)            | -   | 3,233,523.101           | -  | -  | -  | -  | -             | -                      | 3,232,523.101                           |
| Building                                    | 4,287,778.319                        | 1,873,974.371                            | 1,874,065,679                             | (38,611,887) | (242,394,881)          | -   | 8,448,823.529           | 1,585,310.318                                    | 819,729.651  | 193,276.125  | 45,119,449   | (194,142,559) | 2,611,394.125          | 7,237,429.923                           |
| Machinery & Equipment                       | 10,297,314.770                       | 76,034,041                               | 1,89,445,240                              | -            | -                      | -   | 10,303,880.071          | 3,816,117,178                                    | 32,101,953   | 771,480,379  | 1,464,887  | -             | 4,724,947,619          | 3,779,943,142                           |
| Furniture & Fixtures                        | 4,04,005.557                         | -  | 1,84,077.453                              | -            | -                      | -   | 600,083.210             | 291,182,573                                      | -  | 35,411,507.2   | -  | -             | 327,165,285            | 472,817,623                             |
| Motor Vehicle                               | 1,210,786,857                        | 24,704,468                               | 1,49,294,201                              | (13,772,119) | (1,472,128)            | -   | 1,228,542,763           | 544,553,637                                      | 34,718,400   | 90,093,549   | -  | (1,472,128)   | 965,479,778            | 704,562,965                             |
| Utilities, Electrical Installation & Equip. | 3,589,237.174                        | 37,305,728                               | 210,452,773                               | -            | -                      | -   | 3,451,195,531           | 1,447,287,866                                    | 55,205,328   | 237,892,519  | -  | -             | 1,942,305,933          | 1,214,888,298                           |
| Office Equipment                            | 315,553,234                          | 1,201,819                                | 44,815,343                                | -            | -                      | -   | 341,847,399             | 198,448,472                                      | 1,503,821  | 30,719,667   | -  | -             | 200,746,977            | 131,125,424                             |
| Books and Periodicals                       | 8,242,043                            | -  | -   | -            | -                      | -   | 8,242,043               | 3,344,391  | -  | 81,125   | -  | -             | 3,447,316              | 895,529                                 |
| Sub Total                                   | 22,260,341,109                       | 6,072,284,456                            | 2,576,342,877                             | (61,910,290) | (247,092,618)          | -   | 31,379,644,146          | 8,210,457,825                                    | 938,238,221  | 1,358,777,175  | 47,719,216   | (194,142,559) | 10,307,082,429         | 81,272,883,817                          |
| Machinery in Transit                        | 477,173,038                          | -  | 3,405,081,903                             | -            | -                      | (600,082,064)                                     | 3,303,172,405           | -  | -  | -  | -  | -             | -                      | 3,500,175,405                           |
| Construction Work in Progress               | 4,819,792,330                        | -  | 1,483,041,430                             | -            | -                      | (1,263,706,489)                                   | 4,347,083,311           | -  | -  | -  | -  | -             | -                      | 4,347,083,311                           |
| Sub Total                                   | 5,296,965,368                        | -  | 4,888,123,333                             | -            | -                      | (2,255,341,115)                                   | 7,870,222,756           | -  | -  | -  | -  | -             | -                      | 7,870,222,756                           |
| Total (As at 30.06.2022)                    | 28,557,276,477                       | 6,072,284,456                            | 7,463,472,180                             | (61,910,290) | (247,092,618)          | (2,255,341,115)                                   | 39,400,168,902          | 8,210,457,825                                    | 938,238,221  | 1,358,777,175  | 47,719,216   | (194,142,559) | 10,307,082,429         | 99,148,106,373                          |
| Total (As at 30.06.2022)                    | 28,751,045,734                       | 6,072,284,456                            | 4,887,712,048                             | (7,910,142)  | (743,461)              | (3,043,334,140)                                   | 34,439,539,933          | 8,913,612,648                                    | 889,205,805  | 1,304,649,147  | 47,719,216   | (194,142,559) | 9,148,893,984          | 95,482,853,887                          |

On Cost On Revaluation

|                      |                   |                      |
|----------------------|-------------------|----------------------|
| 1,342,212,037        | 40,084,325        | 1,622,297,552        |
| (12,101,817)         | 3,956,844         | 16,118,441           |
| 100,552,331          | 3,498,347         | 104,050,678          |
| <b>1,389,777,175</b> | <b>47,719,316</b> | <b>1,407,496,491</b> |

ALLOCATION OF DEPRECIATION

|                                 |               |
|---------------------------------|---------------|
| Leasehold Overhead              | 1,622,297,552 |
| Selling & Distribution Expenses | 16,118,441    |
| Administrative Expenses         | 104,050,678   |

