

**AUDITORS' REPORT
AND
THE FINANCIAL STATEMENTS
OF
THE ACME LABORATORIES
LIMITED**

For the year ended June 30, 2024



PrimeGlobal

*An Association of
Independent Accounting Firms*

**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, 2024 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, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), 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
Our response to the risk	
We identified revenue recognition as key audit matter and a significant risk of material misstatement because of the risk related to the timing and accuracy of the recognized amounts of revenue. The total net revenue generated for the year ended was Taka 31,931,630,396.	<p>➤ 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 to 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.</p> <p>➤ Segregation of duties in invoice creation and modification (if any) and timing of revenue recognition.</p>
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.	

<p>There is also a risk that revenue may be overstated /understated due to the timing differences.</p>	<ul style="list-style-type: none"> ➤ We physically visited depots and checked procedures to recognize revenue from local customers. ➤ Obtaining supporting documents for sale transactions recognized during the year with the sale invoices and other relevant underlying documents.
<p>We focused on this area as recognition of revenue involves significant judgment and estimates made by management including whether contracts contain multiple performance obligations which should be accounted for separately and the most appropriate method for recognition of revenue for identified performance obligations. This comprises allocation of consideration to the individual performance obligations of multi-element contracts as noted above, assessing whether performance obligations under supply and installation contracts are satisfied at a point in time or over time.</p>	<ul style="list-style-type: none"> ➤ We read a sample of contracts to assess whether the method for recognition of revenue was relevant and consistent with IFRS-15 and had been applied consistently. We focused on contract classification, allocation of income and cost to the individual performance obligations and timing of transfer of controls. Where a contract contained multiple elements, we considered Management's judgments as to whether they comprised performance obligations that should be accounted for separately and in such cases, challenged the judgments made in the allocation of the consideration to each performance obligation. ➤ We evaluated and challenged the significant judgments and estimates made by management in applying the company's accounting policy to a sample specific contracts and separable performance obligations of contracts and we obtained evidence to support including details of contractual agreements, delivery records, receipts and project plans.
<p>Please see to the Statement of profit or loss & other Comprehensive Income.</p>	
<p>Valuation of Inventory</p>	
<p>As at June 30, 2024 the reported amount of inventory is Taka 8,549,599,532 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"> ➤ Evaluating the design and implementation of key inventory controls operating across the factory, warehouse and depots. ➤ Attending inventory counts and reconciling the count results to the inventory listing to test the accuracy of data. ➤ Along with inventory count we checked whether the inventories were maintained in good condition and maintaining all compliances. ➤ We have reconciled the inventory with purchase production and sales to ensure the physically shown stock at the depots as on date were accurate.

<p>Considering the risk as stated above the valuation of Inventory is a key audit matter to the Financial Statements.</p>	<ul style="list-style-type: none"> ➤ Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year. ➤ Obtaining a detailed review with the subsequent sales to compare with the net realizable value.
<p>Please see note no. 9 to the Financial Statements</p>	
<p>Valuation of Tangible Fixed Assets</p>	
<p>The carrying value of the tangible fixed assets is Taka 31,658,701,709 as at June 30, 2024. The valuation of tangible fixed assets was identified as a key audit matter due to significance of this balance to the Financial Statements.</p> <p>The expenditures are classified as an asset, if it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.</p> <p>The useful lives of tangible fixed assets items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of the useful life of the assets is a matter of judgments based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> ➤ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. ➤ We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured during the year. ➤ We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, the physical condition of the assets and its uses. ➤ We checked whether the depreciation of tangible fixed assets items was commenced from the date of ready to use and found the depreciation had been started accordingly.
<p>Please see note no. 06 to the Financial Statements</p>	
<p>Long Term Loan & Short Term Loan & Overdraft</p>	
<p>As at June 30, 2024, the reported amount of total Term loan (Long & Current portion) is Taka 8,868,671,025 and Short-term Borrowings is Taka 15,052,662,241 respectively.</p> <p>The company may face difficulties due to unfavorable movement in interest rate & monetary policy that may result in short-term and cash flow crisis.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> ➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure the proper use of loan ➤ We verified sanction letter, loan schedule bank statements to confirm the loan outstanding and found that the balance had been reported in the Financial Statements accurately. ➤ We checked the financial expenses and classification of loan and repayment schedule on a test basis as well. ➤ We checked the recording date of transactions and found the recording date is in line with the loan disbursement date.
<p>Please see note no. 20, 24 & 23 to the Financial Statements</p>	
<p>Recoverability Assessment of Trade Receivable</p>	
<p>The total amount of Account Receivable is Taka 3,259,015,148 at 30 June 2024. There are significant large numbers of individual customers. Customers in different business segments and jurisdictions are subject to</p>	<p>Our audit procedures of assess the recoverability of trade receivables including the following:</p> <ul style="list-style-type: none"> ➤ Tested the accuracy of aging of

<p>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>	<p>receivables at year end on a sample basis;</p> <ul style="list-style-type: none"> ➤ Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards; ➤ Assessing the classification of account receivables in the debtors ageing report by comparison with sales invoice and other underlying documentation on a test basis; ➤ Assessed the recoverability of the debtors on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers and ➤ Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to account receivable balances at June 30, 2024.
<p>Please see note no. 10 to the Financial Statements</p>	

Other Information

Management is responsible for 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 event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the Financial Statements we are responsible for the direction, supervision and performance of the company audit. We are solely responsible for our audit opinion.

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

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

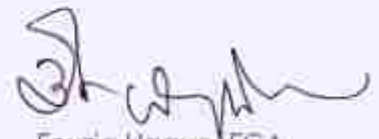
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and The Securities and Exchange Rules 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 : October 27, 2024
Place : Dhaka



Fouzia Haque, FCA
Partner

FAMES & R
Chartered Accountants
DVC # 2410271032AS398071



The ACME Laboratories Limited
Statement of Financial Position
As at 30 June 2024

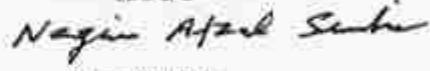
Particulars	Notes	Amount in Taka	
		30-06-2024	30-06-2023
ASSETS			
Non-Current Assets :		31,759,350,787	29,274,155,747
Property, Plant and Equipment	6	31,658,701,709	29,143,106,373
Right-of-Use Assets	7.A	70,446,949	99,533,397
Investment in Securities	8	30,202,129	31,515,977
Current Assets:		23,862,813,599	21,135,865,863
Inventories	9	8,549,599,532	6,894,247,309
Trade Receivable	10	3,259,015,148	2,705,071,780
Other Receivable	11	20,132,305	19,887,785
Advance, Deposits & Pre-Payments	12	3,513,092,438	2,988,468,855
Advance Income Tax	13	3,390,754,893	3,682,324,080
Material in Transit	14	3,321,884,425	3,340,043,272
Term Deposit	15	56,320,480	50,446,100
Cash and Cash Equivalents	16	1,752,014,378	1,455,376,682
TOTAL ASSETS		55,622,164,386	50,410,021,610
EQUITY AND LIABILITIES			
Shareholders' Equity :		25,051,830,131	23,295,116,896
Share Capital	17	2,116,017,000	2,116,017,000
Share Premium	18	5,127,599,728	5,127,599,728
Revaluation Surplus	6.A	4,971,562,521	5,017,449,088
Gain/(Loss) on Marketable Securities (Unrealized)	8.A	3,627,244	4,809,707
Tax Holiday Reserve	Ref- SOCE	179,464,241	179,464,241
Retained Earnings	19	12,653,559,397	10,849,777,132
Non Current Liabilities:		9,039,412,648	8,161,492,917
Long Term Loan- Net off Current Maturity	20	6,753,319,650	6,167,983,247
Long Term Lease Liability	7.B	44,870,025	62,292,535
Provision For Gratuity	21	1,450,653,876	1,028,075,307
Deferred Tax Liability	22	790,569,097	903,141,628
Current Liabilities:		21,530,921,607	18,953,411,797
Loans & Overdrafts	23	15,052,662,241	12,523,296,751
Current Maturity of Long Term Loans	24	2,115,351,375	2,053,979,923
Trade Payable	25	603,668,457	490,891,189
Provision for Income Tax	26	3,022,082,571	3,255,425,419
Current Lease Liability	7.B	21,488,161	21,855,169
Liability for Expenses and Others	27	711,837,103	601,458,127
Dividend Payable	28.A	3,831,699	6,505,219
Unclaimed Dividend Account	28.B	-	-
TOTAL EQUITY AND LIABILITIES		55,622,164,386	50,410,021,610
Net Asset Value Per Share (NAVPS)	17.4	118.39	110.09

The annexed notes 1 to 48 form an integral part of these financial statements.

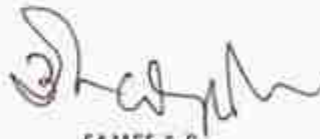

Masudur Rahman Bhuiyan FCS
Company Secretary


Masudur 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 : 27 October, 2024
Place: Dhaka


FAMES & R
Chartered Accountants
DVC # 2410271032A5398071


The ACME Laboratories Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2024

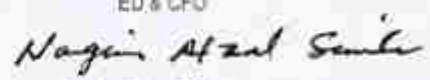
Particulars	Notes	Amount in Taka	
		30-06-2024	30-06-2023
Revenue	29	31,931,630,396	26,947,708,020
Less: Cost of Goods Sold	30	18,676,834,458	16,016,001,448
Gross Profit/(Loss)		13,254,795,938	10,931,706,572
Add: Other Income/ (Loss)	31	(163,246,244)	(134,938,717)
		13,091,549,694	10,796,767,855
Less: Selling, Marketing and Distribution Expenses	32	5,936,860,421	5,013,811,680
		7,154,689,273	5,782,956,175
Less: Administrative Expenses	33	1,470,442,336	1,285,620,292
		5,684,246,937	4,497,335,883
Less: Financial Expenses	34	2,320,343,351	1,459,434,359
Profit Before Contribution to WPPF and WWF		3,363,903,586	3,037,901,524
Less: Contribution to WPPF and WWF	35	160,185,885	144,661,977
Net Profit Before Tax		3,203,717,701	2,893,239,547
Less: Current Tax Expenses	36A	859,977,739	593,957,915
Less: Deferred Tax (Income)/Expenses	36B	(112,441,346)	(4,308,327)
Net Profit After Tax		2,456,181,308	2,303,589,959
Other Comprehensive Income			
Gain/(Loss) on Marketable Securities (Unrealized)		(1,313,848)	(1,366,862)
Total Comprehensive Income for the year		2,454,867,460	2,302,223,097
Earnings Per Share (on the Equity share of Tk. 10 each)	37	11.61	10.89

The annexed notes 1 to 48 form an integral part of these financial statements.


Masudur Rahman Bhuiyan FCS
Company Secretary

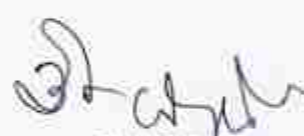

Mizanur Rahman Sinha
Managing Director


Kazi Mohammed Badruddin FCMA, FCA
ED & CFO


Nagina Afzal Sinha
Chairman

Signed in terms of our report of even date annexed

Date : 27 October, 2024
Place: Dhaka


FAMES & R
Chartered Accountants
DVC # 2410271032AS398071



The ACME Laboratories Limited
Statement of Changes in Equity
For the year ended 30 June 2024

(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, 2023	2,116,017,000	5,127,599,728	5,017,449,088	4,809,707	179,464,241	10,849,777,132	23,295,116,896
Net Profit after Tax for the year ended 30 June 2024	-	-	-	-	-	2,456,181,308	2,456,181,308
Final Dividend for the year 2023-2024	-	-	-	-	-	(698,285,610)	(698,285,610)
Gain/(loss) on Marketable Securities (Unrealized)	-	-	-	(1,313,848)	-	-	(1,313,848)
Adjustment for Depreciation on Revaluation Surplus & Others	-	-	(45,886,567)	-	-	45,886,567	-
Deferred Tax on Unrealized Gain/Losses on Investment in Securities	-	-	-	131,385	-	-	131,385
Balance as at 30 June 2024	2,116,017,000	5,127,599,728	4,971,562,521	3,627,244	179,464,241	12,653,559,397	25,051,830,131

Statement of Changes in Equity
For the year ended 30 June 2023

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	6,009,883	179,464,241	9,126,947,448	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
Balance as at 30 June 2023	2,116,017,000	5,127,599,728	5,017,449,088	4,809,707	179,464,241	10,849,777,132	23,295,116,896

Masudur Rahman Bhuiyan FCS
Company Secretary

Masudur Rahman Sinha
Managing Director

Razi Mohammed Ruzrudin FCMA, FCA
ED & CFO

Nagina Afzal Sinha
Chairman

Signed in terms of our report of even date annexed

Date: 27 October, 2024
Place: Dhaka




The ACME Laboratories Limited
Statement of Cash Flows
For the year ended 30 June 2024

Particulars	Notes	Amount in Taka	
		30-06-2024	30-06-2023
Cash Flows From Operating Activities:			
Collection from Sales and others		31,216,070,954	26,339,808,729
Payment to Suppliers & Others		(25,987,797,808)	(22,888,551,088)
Payment to WPPF and WWF		(151,409,128)	(171,386,021)
Cash generated from operation		5,076,864,018	3,279,871,620
Financial Expenses		(2,320,124,380)	(1,458,235,729)
Income Tax Paid		(801,751,400)	(562,752,721)
Net Cash Generated From Operating Activities		1,954,988,238	1,258,883,170
Cash Flows From Investing Activities:			
Acquisition of Property, Plant & Equipments		(4,117,419,726)	(5,259,903,825)
Term Deposit		(5,874,380)	(2,304,323)
Sale of Property, Plant and Equipment (Motor Vehicles)		8,867,232	21,831,120
Dividend received from Investment in Marketable Securities		1,416,256	1,673,207
Net Cash Used in Investing Activities		(4,113,010,618)	(5,238,703,821)
Cash Flows From Financing Activities:			
Dividend Paid		(700,959,130)	(632,677,254)
Principal Portion payment of Lease Liability		(20,454,139)	(30,314,505)
Net Increase / (Decrease) in Loans and Overdrafts		2,529,365,490	3,140,107,056
Net Increase / (Decrease) in Long Term Borrowings		646,707,855	1,719,173,548
Net Cash Generated/(Used) From Financing Activities		2,454,660,076	4,196,288,845
Increase/(Decrease) in Cash and Cash Equivalents		296,637,696	216,468,194
Cash and Cash Equivalents at the Opening		1,455,376,682	1,238,908,488
Cash and Cash Equivalents at the Closing		1,752,014,378	1,455,376,682
Net Operating Cash Flow Per Equity Share (NOCFPS)	39	9.24	5.95


Masudur Rahman Bhuiyan FCS
Company Secretary


Kazi Mohammed Badruddin FCMA, FCA
ED & CFO


Mizanur Rahman Sinha
Managing Director


Nagina Afzal Sinha
Chairman

Signed in terms of our report of even date annexed

Date : 27 October, 2024
Place: Dhaka



The ACME Laboratories Limited
Notes to the Financial Statements
As at and for the year ended 30 June, 2024

1.00 Corporate Information

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

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

1.01 Address of Registered Office and Factory

The Registered Office of the Company is situated at 1/4, Kallayanpur, Mirpur Road, Dhaka-1207, Bangladesh, and the Factory is situated at Dhulivita, Dhamrai, Dhaka, Bangladesh and Gazaria, Munshigonj, 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 2024 and 30 June 2023 are as under:

Particulars	30 June 2024 (Tk.)	30 June 2023 (Tk.)
Authorized Capital:		
500,000,000 Ordinary Shares @ Tk. 10 each	5,000,000,000	5,000,000,000
Total	5,000,000,000	5,000,000,000
Issued, Subscribed and Fully Paid up Capital:		
211,601,700 Ordinary Shares @ Tk.10 each,	2,116,017,000	2,116,017,000
Total	2,116,017,000	2,116,017,000

4.00 Basis of Preparation of Financial Statements:

4.01 Directors' Responsibility Statement

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

4.02 Basis of measurement

The Financial Statements have been prepared on the historical cost basis except:
"Land and Land Development; Buildings; Machinery & Equipment; Motor Vehicle; Utilities; Electrical Installations & Engineering; Office Equipment," which has been revalued by an independent valuer M/S M M Rahman & Co. Chartered Accountants, Dhaka, Bangladesh in the financial year 2020-2021. The entire class of above-mentioned Property, Plant, and Equipment has been revalued on the basis of the Current Cost Accounting (CCA) Method, as applicable. The valuation report of the valuer has been prepared in accordance with

International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), notification dated 18th August 2013 issued by the Bangladesh Securities and Exchange Commission in this regard, and other applicable laws, rules, regulations, and guidelines. The Financial Statements however, do not take into consideration the effects of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

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

4.03 Accrual Basis of Accounting

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

4.04 Materiality, Aggregation and Offsetting

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

4.05 Statement of compliance

These Financial Statements have been prepared in accordance with Framework, applicable International Accounting Standards (IASs), and International Financial Reporting Standards (IFRSs), Companies Act 1994, Bangladesh Securities and Exchange Rules 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 2024;
- (ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024;
- (iii) Statement of Changes in Equity for the year ended 30 June 2024;
- (iv) Statement of Cash Flows for the year ended 30 June 2024; 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 2023 to 30 June 2024.

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 27 October, 2024.

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 2022-2023 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 2024, debt equity ratios is 54.96:45.04 comparing to the 53.79:46.21 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 port. The company records sales net of estimated incentives/discounts, Returns, and other related charges. These are generally accounted for as variable consideration in the same periods the related sales occur. The Methodology and Assumption used to estimate rebate 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 195,568,500 as cash incentive which is duly shown under the head of Other income in the financial statement for the year ended 30 June 2024.

(e) Scrap Sales

Scrap Sales is recognized when the items of Scrap is delivered to the customer. During the year the company received Taka 27,358,116 as scrap sales which is duly

under the head of Other income in the financial statement for the year ended 30 June 2024.

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 revalue 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 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.

5.05 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.

5.06 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%.

5.07 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

5.08 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.

5.09 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).

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

i) Borrowing Cost

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

ii) Charges on the Assets of the Company

There are Fixed and Floating charges over:

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

- Dutch Bangla Bank Limited
- Dhaka Bank Limited
- The Hong Kong 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.

5.11 Employee Benefits

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

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

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

The Company's employee benefits include the following:

i) Defined Contribution Plan (Provident Fund)

The Company got recognition from the Commissioner of Taxes it's provident fund scheme (Defined Contribution Plan) vide order no.:নথি নংপি.এফআনুমোদন/৩২/কবি-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 9,301 employees employed in the Company, among them 8,062 employees has employed for the full year and the remaining 1,239 employees employed less than a full year.

During the year tax had been deducted at source from the salary income of 2,330 employees as per the provision of section 86 of Income Tax Act 2023 against their payment.

5.12 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.

5.13 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.

5.14 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.

5.15 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 2024.

5.16 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

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.

5.17 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.

5.18 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.

5.19 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.

5.20 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.

5.21 Insurance Claim

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

5.22 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 2023-2024 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 2023	86.00	85.00	88.90	84.80
	August 2023	85.20	85.00	85.10	84.80
	September 2023	85.30	85.00	85.20	84.80
	October 2023	85.00	85.00	84.80	84.80
	November 2023	85.00	85.00	84.80	84.80
	December 2023	85.00	85.00	84.80	84.80
	January 2024	85.00	76.90	84.80	76.90
	February 2024	83.90	78.90	84.00	78.50
	March 2024	79.70	71.60	80.60	72.30
	April 2024	72.30	67.50	72.90	66.90
	May 2024	73.70	66.00	73.60	65.30
	June 2024	69.00	63.20	68.70	63.00

5.23 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 previous 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.

5.24 Production of Validation Batch of API project

The company commenced its production of validation batch of the API (Active Pharmaceutical Ingredient) Project on 22nd May 2024. In line with the requirements of the International Financial Reporting Standards (IFRSs), certain capital assets associated with the production process, including buildings and plant & machinery, have been capitalized within the financial year.

According to IFRS, assets should be capitalized when they are ready for their intended use, which includes conditions of being capable of operating in the manner for which they were intended. As the API Project entered its trial production phase, the related capital assets met these criteria, justifying their capitalization.

Upon capitalization, these assets have also begun to be depreciated as per the company's policy and applicable accounting standards. Depreciation on the building, plant, and machinery commenced from the date they were considered available for use, i.e., the beginning of Validation batch of production on 22nd May 2024. This depreciation expense has been recorded in the financial statements accordingly, impacting the company's financial performance for the period by reflecting the gradual allocation of these capitalized costs over their useful life.

This approach ensures that the financial records accurately represent the company's investment in the API Project and comply with IFRS requirements, providing a true and fair view of the financial position and performance.

5.25 Risk Management

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

Operational Risk

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

Management Perception

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

Interest Rate Risk

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

Management Perception

In order to manage this risk and overcome it, the Company exercises prudence in its cash flow management, supported by continued strength in sales and marketing. ACME is very

careful in forecasting the prices of ingredients and manages its costs in an effective manner. To maintain an effective rate of return ACME also follow a knowledge and information-based products mix, so as to ensure that the debt repayments are met on schedule, even if the interest rates were to rise.

Exchange Rate Risk

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

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.) populations.

Management Perception

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

Market Risk

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

Management Perception

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

Technology Related Risk

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

Management Perception

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

the existing equipment and facilities. Finally, ACME is committed to holding its leading edge and maintaining quality and brand image.

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 Act 2023, 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, 2024. 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	
30-06-2024	30-06-2023

6 Property Plant and Equipment

Details of Property, Plant and Equipment and Depreciation As at 30 June 2024 are shown in the annexed Schedule - A. This is arrived at as follows:

Cost

Opening Balance (Cost)	33,644,996,964	28,557,275,477
Addition during the year (Cost)	8,402,015,909	7,405,472,980
Disposal (Cost)	(33,349,985)	(61,910,298)
Adjustment for C/WIP/MT	(4,319,300,986)	(2,255,841,195)

Revaluation (Note-6.A)

Opening Balance (Revaluation)	5,805,191,938	6,072,284,456
Disposal (Revaluation Surplus)	(566,250)	(267,092,518)

Accumulated Depreciation on Cost

Opening Balance	9,519,339,679	8,210,457,825
Addition during the year	1,508,428,530	1,359,777,175
Disposal	(20,545,495)	(50,895,321)

Accumulated Depreciation on Revaluation Surplus

Opening Balance	787,742,850	936,238,221
Addition during the year	45,886,567	47,719,316
Disposal	(566,250)	(196,214,687)

Carrying Value

Cost	26,687,139,188	24,125,657,285
Revaluation Surplus	4,971,562,521	5,017,449,088
Closing Balance	31,658,701,709	29,143,106,373

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

Factory Overhead	1,305,624,681	1,182,297,052
Selling, Marketing and Distribution Expenses	128,030,996	116,118,461
Administrative Expenses	120,459,420	109,080,978
Total	1,554,315,097	1,407,496,491

1.A Revaluation Surplus

Current balance has been arrived at 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 arose on dated 30 June 2021. Details of Revaluation Surplus has been given below:

Revaluation Surplus	5,804,625,688	5,805,191,938
Opening Balance	5,805,191,938	6,072,284,456
Add: Addition during the year	-	-
Less: Adjustment due to Loss on Revaluation	-	-
Less: Adjustment due to disposal/Discard	(566,250)	(267,092,518)

Less: Accumulated depreciation on revaluation & Loss on Disposal

Opening Balance	787,742,850	936,238,221
Add: Depreciation charged for the year	45,886,567	47,719,316
Less: Adjustment due to disposal/Discard	(566,250)	(196,214,687)
Closing Balance	4,971,562,521	5,017,449,088

7.A Right-of-Use Assets

Openings Carrying Value	99,533,397	116,116,552
Add: Addition During the year	3,310,933	29,828,047
Less: Depreciation during the year	32,397,361	32,819,718
Less: Expired/Discontinue of lease	-	13,591,484
Closing Balance	70,446,949	99,533,397

Disclosure notes regarding ROU Assets given in note number 5.03

7.B Lease Liability

Current Lease Liability	21,488,161	21,855,169
Long term Lease Liability	44,870,025	62,292,535
Closing Balance	66,358,186	84,147,704

Disclosure notes regarding ROU Assets given in note number 5.03



Amount in Taka	
30-06-2024	30-06-2023

8 Investment in Securities

Public Limited Co.'s Securities (Details are given in Note no. 8.A below)

30,202,129	31,515,977
30,202,129	31,515,977

8.A Public Limited Co.'s Securities

Particulars	No. of Equity Shares held	FV	Average cost per unit	Total cost as at 30.06.2024	Market Price as at 30.06.2024	Unrealized gain/(loss)
AB Bank Ltd.	33,639	10	15.5310	522,446	228,745	(293,701)
Eastern Bank Ltd.	44,440	10	13.1296	583,480	1,155,440	571,960
Pioneer Insurance Co. Ltd.	36,795	10	28.5368	1,050,013	1,736,724	686,711
Southeast Bank Ltd.	33,233	10	15.1810	504,509	309,067	(195,442)
EXIM Bank Ltd.	28,187	10	9.1010	256,530	231,133	(25,397)
Square Pharma Ltd.	106,613	10	173.8867	18,538,586	22,665,924	4,127,338
Square Textile Ltd.	262	10	-	-	12,052	12,052
Grammeen Phone Ltd.	16,000	10	294.7140	4,715,424	3,862,400	(853,024)
C & A Textiles Ltd.	92	10	9.4565	870	644	(226)
				26,171,858	30,202,129	4,030,271
Less: Deferred Tax Liability @ 10% on Un-realized Gain						403,027
Balance as at 30 June 2024				26,171,858	30,202,129	3,627,244
Comparative year as at 30 June 2023				26,171,858	31,515,977	4,809,707

9 Inventories

This balance is made up of as follows:

Raw Materials	3,844,388,375	2,966,921,878
Packing Materials	1,344,622,839	1,148,007,252
Work-In-Process	1,067,010,827	863,045,385
Finished Goods	1,663,995,746	1,384,387,903
Printing & Stationery	15,076,532	20,523,057
Spare, Accessories & Others	614,505,163	511,361,834
Closing Balance	8,549,599,532	6,894,247,309

10 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	2,838,098,179	2,372,163,928
Exports	390,649,227	322,039,413
	3,228,747,406	2,694,203,341
Add: Foreign exchange Unrealized Gain	30,267,742	10,868,439
Closing Balance	3,259,015,148	2,705,071,780

10.A Trade Receivable

Ageing of the above receivables are given below:

Particulars	Up to 6 Months		Above 6 Months		Total	
	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
Domestic	2,837,204,661	2,371,262,643	893,518	901,285	2,838,098,179	2,372,163,928
Export	214,636,452	266,392,129	176,012,775	55,647,284	390,649,227	322,039,413
					3,228,747,406	2,694,203,341
Add: Foreign exchange Gain/(Loss)					30,267,742	10,868,439
Closing Balance					3,259,015,148	2,705,071,780

11 Other Receivable

Rent on Investment Property	19,384,000	19,384,000
Interest Receivable (Term Deposit)	718,118	473,598
Dividend Receivable on Marketable Securities	28,187	28,187
Closing Balance	20,132,305	19,887,785



12 Advances, Deposits and Prepayments

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

Advances:

Advance to Employees	792,550,709	771,225,842
Advance for API Industrial Park	270,659,528	242,530,528
Advance to Suppliers and Others	1,272,949,492	1,710,674,268

Deposit :

Security Deposit and Earnest Money	468,151,294	134,127,361
Presumptive Tax on Share Premium	13,064,814	13,064,814
VAT Deposit on Stock	678,354,509	601,239,352

Prepayments :

Insurance	17,362,092	15,606,690
-----------	------------	------------

Closing Balance

3,513,092,438	2,988,468,855
----------------------	----------------------

13 Advance Income Tax

The breakup of the above amount is as under:

Opening Balance as per last A/C	3,682,324,080	3,119,571,359
Adjustment of Current Tax Provision and Advance Income Tax for completed assessment		

For the assessment year 2021-2022

(489,159,082)	-
---------------	---

For the assessment year 2022-2023

(607,725,334)	-
---------------	---

Advance Income Tax Refundable for the assessment year 2022-2023

3,563,829	-
-----------	---

Payment during the year:

AIT collected by Customs and Port Authority	453,241,212	271,612,546
AIT collected by Bank from Export Bills	17,533,211	16,190,994
AIT deducted against supply of Medicines	72,044,530	56,165,618
AIT collected by BRTA Authority	12,141,000	11,215,900
AIT deducted on Bank interest on FDRs and STD account	776,824	835,774
AIT deducted from Cash Incentive	19,526,183	2,397,271
AIT deducted from Dividend Received and others	283,246	334,618

Paid by pay order:

For the assessment year 2023-2024	31,205,124	204,000,000
For the assessment year 2024-2025	195,000,000	-

Closing Balance

3,390,754,893	3,682,324,080
----------------------	----------------------

14 Material in Transit

Raw Materials	2,284,229,804	2,372,999,408
Packing Materials	833,556,035	795,195,735
Spare Parts and others	204,098,586	171,848,129
Closing Balance	3,321,884,425	3,340,043,272

15 Term Deposit

As a part of efficient treasury management the company has made some short term investment with various Commercial Banks and Non Banking Financial Institutions which are stated below:

Agriani Bank Limited	56,320,480	50,446,100
Closing Balance	56,320,480	50,446,100

16 Cash and Cash Equivalents

Cash in Hand	887,761,342	736,393,037
Cash at BO Account	1,810,180	677,612
Cash at Bank	862,442,856	718,306,033
Closing Balance	1,752,014,378	1,455,376,682

17 Share Capital

This is arrived at as follows :

17.1 Authorized Capital

500,000,000 Ordinary share of Tk. 10 each	5,000,000,000	5,000,000,000
---	----------------------	----------------------

17.2 Issued, Subscribed and Paid - Up Capital:

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

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

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



Amount in Taka	
30-06-2024	30-06-2023

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

A Total Equity of the Company	25,051,830,131	23,295,116,896
B Total Number of outstanding ordinary share at the end of the year	211,601,700	211,601,700
C Net Asset Value per Ordinary Share (A/B) rounded of upto two decimal places	118.39	110.09

17.5 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
26.11.2013	Seventh	5,970,600	10	59,706,000
15.05.2016	Eighth	50,000,000	10	500,000,000
		211,601,700		2,116,017,000

18 Share Premium

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

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

19 Retained Earnings

Opening balance	10,849,777,132	9,124,947,448
Add: Addition during the year	2,502,067,875	2,359,634,784
Net Profit after Tax for the year	2,456,181,308	2,303,589,959
Adjustment for Depreciation on Revaluation Surplus	45,886,567	47,719,316
Adjustment for disposal of PPE		8,325,509
Less: Adjustment during the year	698,285,610	634,805,100
Dividend for the year 2022-2023 (comparative year dividend was for the financial year 2021-2022)	698,285,610	634,805,100
Closing balance	12,653,559,397	10,849,777,132

20 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.	151,796,393	32,785,347
Dutch Bangla Bank Ltd.	698,496,865	430,572,423
Eastern Bank Ltd.	289,291,700	763,977,861
IDIC Finance Ltd.	993,632,394	302,323,910
Dhaka Bank Limited	322,886,161	617,544,901
Standard Chartered Bank	359,315,705	385,894,702
IPDC	122,000,000	235,000,000
HSBC Term Loan	295,560,905	169,273,605
Lanka Bangla Finance Ltd.	470,000,000	320,000,000
Prime Bank Limited	161,226,320	271,606,500
Mutual Trust Bank Limited	306,238,037	775,683,239
Bank Asia Limited	637,940,102	1,385,612,552
United Commercial Bank Ltd.	43,695,566	81,971,460
Brac Bank Ltd.	11,239,500	395,794,747
IDCOL	1,500,000,000	-
United Finance Ltd.	390,000,000	-
Closing balance	6,753,319,650	6,167,983,247



		Amount in Taka	
		30-06-2024	30-06-2023
21 Provision for Gratuity			
Opening Balance		1,028,075,307	691,751,677
Add: Provision for the year		485,215,571	384,581,760
Less: Paid during the year		62,637,002	48,258,130
Closing Balance		1,450,653,876	1,028,075,307
22 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		903,141,828	907,586,841
Add: Deferred Tax Liability/(Assets) created during the year			
Increase in Deferred tax liability		(28,057,017)	62,819,713
On account of (deductible) /taxable temporary difference for PPE		(28,743,385)	59,879,260
On account of (deductible) /taxable temporary difference for unrealized gain on Marketable Securities,		(131,385)	(136,686)
Deferred Tax of Temporary difference on Lease		817,753	3,077,139
Creation of Deferred Tax Assets		(84,515,714)	(67,264,726)
on account of Provision for Gratuity		(84,515,714)	(67,264,726)
Closing Balance		790,569,097	903,141,828
23 Loans & Overdrafts			
Name of the Bank			
Dutch Bangla Bank Ltd.		903,064,182	1,283,838,946
Standard Chartered Bank		1,609,979,141	1,384,197,398
Dhaka Bank Ltd.		1,031,006,826	927,123,797
HSBC		901,816,426	1,768,620,073
Eastern Bank Ltd.		2,083,624,840	1,210,748,132
Trust Bank Ltd.		783,799,451	650,713,124
The City Bank Ltd.		902,296,845	942,350,964
Prime Bank Limited		1,019,846,852	780,525,153
Mutual Trust Bank Ltd.		633,874,452	310,313,268
Agrani Bank Ltd.		212,917,241	631,716,095
Meghna Bank Ltd.		713,066,721	-
United Commercial Bank Ltd.		368,398,605	451,988,573
Bank Asia Ltd.		1,778,914,400	1,049,315,406
Bank AlFalah		442,226,844	449,656,247
BRAC Bank Ltd.		1,156,187,359	196,760,932
Pubali Bank Ltd.		511,442,056	484,877,443
Closing Balance		15,052,662,241	12,523,296,751
24 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.		35,312,427	117,752,568
IDLC Finance Ltd.		118,559,194	151,298,293
IPDC		113,000,000	164,000,000
Eastern Bank Ltd.		218,750,000	125,000,000
HSBC Term Loan		48,264,300	214,671,742
Standard Chartered Bank		152,285,764	152,285,764
Dhaka Bank Ltd.		64,397,087	44,299,843
Dutch Bangla Bank Ltd.		316,747,374	192,762,096
Lanka Bangla Finance Ltd.		260,000,000	160,000,000
Prime Bank Limited		112,369,724	243,293,335
Mutual Trust Bank Limited		69,637,575	49,523,726
Bank Asia Limited		454,943,098	403,414,572
United Commercial Bank Ltd.		39,084,832	35,677,984
United Finance Ltd.		112,000,000	-
Closing Balance		2,115,351,375	2,053,979,923
25 Trade Payables			
Trade Creditors		603,668,457	490,891,189
Closing Balance		603,668,457	490,891,189



		Amount in Taka	
		30-06-2024	30-06-2023
26 Provision for Income Tax			
Opening Balance		3,255,425,419	2,661,467,504
Add: Provision during the year		859,977,739	593,957,915
Less: Adjustment of current Tax Provision and Advance Income Tax for completed assessment			
For the assessment year 2021-2022		(489,159,082)	-
For the assessment year 2022-2023		(604,161,505)	-
Closing Balance		3,022,082,571	3,255,425,419

26.A Income Tax Provision during the year			
Provision made during the year		859,977,739	593,957,915
Closing Balance		859,977,739	593,957,915

27 Liability for Expenses and Others			
Salary & Allowances		29,276,353	27,732,201
Power & Electricity		27,202,548	14,139,735
Postage & Telephone		617,621	624,682
Gas Bill		13,645,728	40,150,073
Audit Fee		600,000	550,000
WASA Bill		155,479	256,360
Workers Profit Participation Fund (WPPF) and Workers Welfare Fund (WWF) - 27.A		170,832,766	162,056,009
Advance against Export Sales		111,825,962	48,199,215
Interest on WPPF and WWF		17,898,066	17,679,095
VAT Payable		297,740,190	226,247,636
Other Expenses and IDS & VDS		42,042,390	63,823,121
Closing Balance		711,837,103	601,458,127

27.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		162,056,009	188,780,053
Add: Addition for the year		160,185,885	144,861,977
Less: Payment during the year		(151,409,128)	(171,386,021)
Closing Balance		170,832,766	162,056,009

28 Dividend Payable			
The Board of Directors proposed 33% cash dividend of Tk. 698,285,610 for the year 2022-2023 which was duly approved in the 47th AGM by the shareholders. The details are stated below:			
Opening Balance		6,505,219	4,377,373
Add: Final dividend declared for the year 2022-2023 (Gross)		698,285,610	634,805,100
Less: Dividend paid to Shareholders		(699,917,730)	(631,309,823)
Less: Unclaimed Dividend transferred to Capital Market Stabilization Fund (Note-28.B)		(1,041,400)	(1,367,431)
Dividend Payable		3,831,699	6,505,219

28.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.)
i	2020-2021	Cash	25%	1,281	26.12.2021	1,601,596
ii	2021-2022	Cash	30%	1,197	20.12.2022	1,338,067
iii	2022-2023	Cash	33%	913	18.12.2023	892,036
						3,831,699

Less: Unclaimed Dividend during the year			
Dividend payable as at 30 June 2024			3,831,699
Dividend payable as at 30 June 2023			6,505,219

28.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 2024 is as under:			

S.L	Financial Year	Dividend	% of Dividend	No. of BO	Date of AGM	Unclaimed Dividend (Tk.)
i	2019-2020	Cash	0.25	1526	10.12.2020	1,041,400
Total						1,041,400

Less: Unclaimed Dividend transferred to Capital Market Stabilization Fund (CMSF) during the year			
Unclaimed Dividend as at 30 June 2024			-
Unclaimed Dividend as at 30 June 2023			-



Amount in Taka	
30-06-2024	30-06-2023

29 Revenue

Gross Turnover

Domestic

Own Products

35,055,671.071	29,467,078.592
35,055,671.071	29,467,078.592

Export

Own Products

1,774,843.230	1,598,964.358
1,774,843.230	1,598,964.358

Others

Toll Manufacturing Charge

906.626	471.130
906.626	471.130

Total Gross Turnover

Less: VAT

Net Turnover

36,831,420.927	31,066,514.080
4,899,790.531	4,118,306.060
31,931,630.396	26,947,708.020

The Summarized Sales and Production Quantities are as follows:

The Stylized Sales and Production Summary for FY2024				Quantity in Thousand	
Name of Category	Unit	Opening Balance	Production/Purchase	Sales/Consumption	Closing Balance
Human					
Tablet	Pcs	440,212	6,330,245	6,329,628	440,849
Capsule	Tube	40,125	886,228	836,122	90,230
Liquid/Handrub/Sanitizer	Bottles	6,455	75,477	75,040	6,692
Dry Syrup/Powder	Phials	964	16,399	15,925	1,437
Ointment/Gel	Pcs	434	4,144	4,170	408
Cream	Bottles	1,075	13,716	14,137	654
Suppository	Tube	3,101	43,589	44,656	2,033
Inhaler (DPS)	Pcs	6,602	98,380	98,256	6,739
Inhaler (MDI)	Pcs	102	1,986	1,975	113
Eye/Ear/Nasal Disp	Cans	1,621	23,940	23,949	1,611
Injection (Vial & Amps)	Pcs	2,122	45,671	45,635	2,158
Inusion	Pcs	724	4,353	4,970	107
Sochet/Premix	Bottles	847	55,067	54,642	1,271
Veterinary					
Bolus	Pcs	33,346	619,620	606,192	46,974
Liquid	Kg	1,483	10,961	11,215	1,429
Premix	Pcs	4,909	71,692	71,632	4,970
WSP	Pcs	2,006	29,782	30,370	1,418
Injection	Vial	1,715	14,343	12,753	3,305
Herbal & Ayurvedic					
Capsule	Pcs	449	25,993	25,297	1,145
Liquid	Pcs	1,099	18,536	18,340	1,295
Tablet	Pcs	1,211	39,245	39,042	1,414

30 Cost of Goods Sold

Raw Materials Consumed

30.A

9,590,223.625	8,170,998.267
---------------	---------------

Packing Materials Consumed

30.B

4,552,408.638	3,999,516.417
---------------	---------------

Work in Process (Opening)

863,045.385	581,931.325
-------------	-------------

Work in Process (Closing)

(1,067,010.877)	(863,045.385)
-----------------	---------------

Material Consumption during the year

13,938,667.771	11,889,400.824
----------------	----------------

Factory Overhead

30.C

5,017,774.530	4,060,423.297
---------------	---------------

Cost of Production

18,956,442.301	15,949,824.121
----------------	----------------

Purchase of Finished Goods

Opening Stock of Finished Goods

1,384,387.903	1,450,565.230
---------------	---------------

Finished Goods Available

20,340,830.204	17,400,389.351
----------------	----------------

Closing Stock of Finished Goods

(1,663,995.746)	(1,384,387.903)
-----------------	-----------------

Cost of Goods Sold

18,676,834.458	16,016,001.448
----------------	----------------

30A Raw Materials Consumed

Opening Stock of Raw Materials

2,966,921.878	2,230,385.076
---------------	---------------

Purchase during the year

10,467,690.122	8,902,535.069
----------------	---------------

Closing Stock of Raw Materials

(3,844,368.375)	(2,966,921.878)
-----------------	-----------------

Raw Material Consumed

9,590,223.625	8,170,998.267
---------------	---------------

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

Particulars	Pcs	Quantity (kg)		Quantity (liter)		Quantity (Pcs)	
	Cop Shell	Active	Excipients	Active	Excipients	Active	Excipients
Opening Balance	293,492,449	2,970,291	1,718,038	2,997	28,112	8,622	448,115
Purchase	1,018,801,022	8,415,467	9,419,635	11,479	100,537	80,996	1,121,582
Available for use	1,312,293,471	11,385,758	11,137,673	14,476	128,649	89,618	1,569,697
Closing Balance	400,045,971	3,142,415	1,739,964	6,122	30,237	14,516	457,239
Consumption	912,247,500	8,243,343	9,397,709	8,354	98,402	75,102	1,112,458



30.8 Packing Materials Consumed

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

Amount in Taka	
30-06-2024	30-06-2023
1,148,007.252	1,107,509.665
4,749,025.225	4,040,013.784
(1,344,822.859)	(1,146,007.542)
4,552,409.618	3,999,516.417

The Total Quantity of Packing Materials are as under:

Name of Category	Unit	Opening Balance	Purchase	Sales/Consumption	Qty. in thousand Closing Balance
Bottle	Pcs	18,003	113,053	115,193	15,863
Carton	Pcs	48,144	203,012	203,801	47,355
Plastic Item	Pcs	24,935	216,102	215,059	25,978
Cap	Pcs	19,552	135,678	130,974	24,255
Catch Cover	Pcs	18,001	46,177	49,616	14,562
Inner Leaflet	Pcs	42,103	173,932	172,887	43,147
Label	Pcs	6,393	81,642	81,572	6,463
Shipping Box Label	Pcs	7,126	12,675	12,374	7,427
PVC/PVDC	Kgs	788	1,629	1,639	778
Shipping Box	Pcs	1,245	12,829	12,806	1,269
Tube	Pcs	2,756	15,102	14,359	3,499
Al foil Blister	Kgs	133	299	341	91
Al Foil Strip	Kgs	382	1,426	993	814
Inner Board	Pcs	655	1,658	1,653	660
Vial and Ampoule	Pcs	25,699	47,729	46,669	26,759
Sticker Label	Pcs	32,566	190,022	148,925	33,673

30.C Factory Overhead

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

1,664,708.722	1,592,297.892
113,516.803	80,015.960
4,435.061	3,400.197
40,464.693	36,422.360
7,673.692	7,342.636
661,382.325	346,295.470
374,929.103	332,447.698
11,246.599	7,660.116
6,883.807	4,047.677
140,712.926	100,721.918
36,191.306	25,676.534
2,926.273	2,444.472
47,422.704	49,640.965
32,993.841	25,748.650
10,036.002	9,505.153
32,552.977	31,671.060
83,369.471	54,408.719
226,921.977	165,171.006
3,781.565	3,155.665
1,305,624.661	1,182,297.052
5,017,774.530	4,040,423.297

31 Other Income

Income/(Loss) from sale of Motor Vehicle
Gain on sale of Land
Loss on Discard of Building
Interest on STD and STD Account
Translation Gain/(loss) for foreign currency fluctuation
Settlement Gain/(loss) for foreign currency fluctuation
Interest on Term Deposit
Dividend Income on marketable securities
Cash incentive received against export sales
Grant Received
Gain on Discontinuation of Lease (As per IFRS-16 lease)
Sale of Scrap
Closing Balance

(3,937.256)	1,318.519
-	2,539.500
-	(1,367.380)
293.205	2,317.596
(180,999.649)	(94,558.711)
(207,429.221)	(102,925.186)
3,837.495	3,001.147
1,416.256	1,673.207
195,568.500	23,972.711
-	9,042.784
648.312	-
27,358.116	20,047.099
(163,246.244)	(134,938.717)



Amount in Taka	
30-06-2024	30-06-2023

32 Selling, Marketing and Distribution Expenses

This is made up as follows:

Salary, Daily Wages, TA/DA, Travelling Kts & Others	4,274,791,157	3,542,097,772
Gratuity	298,587,302	247,631,049
Group & Health Insurance Premium	8,048,512	6,950,960
Company's Contribution to RPF	101,221,773	93,354,091
Electricity & WASA, Gas	23,601,540	19,307,792
Fuel for Generator	3,575,344	4,668,160
Postage & Telephone	49,654,183	49,160,082
Printing, Stationery & Others	52,210,939	46,167,423
Vehicle Expenses	179,746,154	169,556,126
Carriage Outward	199,762,302	176,613,548
Seminar & Conference	32,586,380	28,290,346
Medical Expenses	366,844	525,937
Sales Promotion Expenses	173,926,296	140,471,204
New Products Induction Expenses	326,164	717,720
Export Expenses	75,561,939	67,586,153
Welfare & Recreation	3,220,131	3,689,656
Free Sample	161,606,477	135,663,171
Insurance	13,747,322	14,574,569
Fees & Renewals	34,042,625	28,669,456
Repair & Maintenance	23,262,276	18,110,585
Entertainment	61,467,357	60,053,634
Advertisement	4,639,027	6,121,535
Depreciation of Right-of-Use Assets (As per IFRS 16-Ref Note 7.A)	32,397,361	32,819,718
Adjustment due to discontinuation of Lease rental	-	2,695,536
Depreciation	728,230,996	716,118,461
Closing Balance	5,936,860,421	5,013,811,680

33 Administrative Expenses

Salary & Daily Wages	943,977,020	804,431,121
Group & Health Insurance Premium	1,656,772	2,845,100
Gratuity	73,111,467	56,934,751
Company's Contribution to RPF	14,272,898	13,490,926
Directors Remuneration	46,600,000	45,600,000
Directors Sitting Fees	3,776,667	4,583,333
Postage & Telephone	8,266,323	7,198,233
Electricity, Gas & WASA	16,738,502	15,378,947
Fuel for Generator & Vehicle	13,934,307	14,603,541
Conveyance	3,108,123	2,350,473
Refreshment Expenses	15,776,700	15,202,910
Office General Expenses	10,057,334	8,716,893
Vehicle Expenses	15,690,668	14,802,238
Advertisement for Recruitment & Others	4,022,726	7,176,397
Printing, Stationery & Others	11,331,862	10,623,401
Intangible Assets Amortization	-	3,875
Newspaper & Periodicals	97,023	42,931
AGM Expenses	1,313,547	1,131,696
Expenses for Legal Procedure	2,195,385	1,901,990
Professional Fee	15,157,315	13,773,939
Audit fees	600,000	550,000
Medicine Expenses	8,532,183	7,596,640
Uniform and Linen	945,595	1,130,578
Travelling Expenses	14,324,715	12,149,767
Repair and Maintenance	15,299,674	11,356,530
Insurance	923,930	863,169
Municipal Tax	3,895,432	3,886,823
Fees and Renewals	17,150,358	14,992,615
Welfare and Recreation	18,735,742	15,976,461
Contribution to CSR Activities	2,309,737	1,000,000
Product Registration (USFDA) & Others	67,241,914	66,223,846
Depreciation	120,459,430	109,080,978
Closing Balance	1,470,442,336	1,285,620,292



		Amount in Taka	
		30-06-2024	30-06-2023
34 Financial Expenses			
Interest on Cash Credit		187,005,791	140,388,897
Interest on Overdraft		185,274,823	114,972,444
Interest on MTL & CLR		110,289,297	70,592,206
Interest on Revolving & STL		920,531,870	598,328,272
Interest on Lease Finance		209,959,808	117,770,740
Interest on Term Loan		368,191,526	224,655,642
Interest on Accepted Import Loan		294,030,120	150,453,505
Interest on WPPF & WWF		14,466,198	13,465,684
Interest on Lease Liability (For right-of-use assets as per IFRS 16)		7,573,290	6,251,799
Bank Charge		23,020,608	20,354,170
Closing Balance		2,320,343,351	1,489,434,359
35 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		160,185,885	144,661,977
Closing Balance		160,185,885	144,661,977
36 Income Tax Expenses			
A Current Tax Expenses			
Current Tax for the year under review		859,977,739	593,957,915
		859,977,739	593,957,915
B Deferred Tax Expenses/(Income)			
Deferred Tax Expenses/(Income)		(112,441,346)	(4,308,327)
		(112,441,346)	(4,308,327)
		747,536,393	589,649,588
36.1 Reconciliation of Effective Tax Rate			
Net Profit Before Tax		3,203,717,701	2,893,239,547
Current Tax Expenses		559,977,739	593,957,915
Deferred Tax Expenses/(Income)		(112,441,346)	(4,308,327)
		747,536,393	589,649,588
Effective Tax Rate		23.33%	20.38%
37 Basic/Diluted Earning Per Share (EPS)			
Net Profit After Tax for the year		2,456,181,308	2,303,589,959
Weighted average number of shares outstanding during the year (37.1)		211,601,700	211,601,700
Basic Earnings Per Share		11.61	10.89
Diluted Earnings Per Share		11.61	10.89
Refer Policy notes 5.15			
37.1 Number of Ordinary Shares Outstanding			
211,601,700 Ordinary Shares @ Tk.10/- each.		211,601,700	211,601,700
		211,601,700	211,601,700
37.2 Weighted Average Number of Ordinary Shares			
211,601,700 Ordinary Shares @ Tk.10/- each.		211,601,700	211,601,700
		211,601,700	211,601,700
38 Net Operating Cash Flows Per Share: Tk 9.24			
Net cash generated from operating activities		1,954,988,238	1,258,883,170
Weighted average number of shares outstanding during the year		211,601,700	211,601,700
Net Operating Cash Flows Per Share		9.24	5.95
39 Reconciliation of Net Income or Net Profit with Cash Flows from Operating Activities-Indirect Method			
Net Profit after Tax		2,456,181,308	2,303,589,959
Add: Non Cash Items		1,588,718,553	1,438,988,465
Less: Net Increase/Decrease in Current Asset		2,389,730,857	3,463,802,132
Add: Net Increase/Decrease in Current Liabilities		412,391,965	984,551,891
Add: Deferred Tax Liability/(Asset) Created during the year		(112,572,731)	(4,445,013)
Net cash generated from operating activities-Indirect Method		1,954,988,238	1,258,883,170
Net cash generated from operating activities-Direct Method		1,954,988,238	1,258,883,170



Amount in Taka	
30-06-2024	30-06-2023

40 Related Party Disclosures

The Company carried out a number of transactions with related parties in the normal course of business and on arms lengths 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	2023-2024		2022-2023	
			Value of transaction during the year	Balance as at 30 June 2024	Value of transaction during the year	Balance as at 30 June 2023
Sinjo Printers Ltd.	Common Director	Local Supply Received	1,353,740,262	(552,532,742)	1,103,233,461	(448,050,049)
ACMUNIO Int. Ltd.	Common Director	Advance	-	86,477,473	-	86,477,473
		Rent on Investment Property	-	19,386,000	-	19,386,000
The ACME Agrovet & Beverages Ltd.	Common Director	Local Supply/Received	650,939,927	105,295,465	366,708,913	53,447,784
Kalyar Packaging Ltd.	Common Director	Local Supply Received	284,846,147	(25,441,729)	267,782,258	(14,154,420)
Kalyar Replica Ltd.	Common Director	Local Supply Received	583,498,770	91,813,546	308,461,267	45,079,763
ACME Consumer Ltd.	Common Director	Local Supply Received	26,890,607	(5,403,251)	23,343,662	(6,033,191)
Sinjo Logistics & Transport Ltd.	Common Director	Carrying Contractor	143,351,694	(5,772,155)	120,693,270	(2,161,741)

41 Details regarding disposal of Motor Vehicle:

Sl.	Particulars	Cost/Revaluation		Acc. Depreciation		Carrying Value		Sales Price	Disposition of total Gain/(Loss)	
		Cost	Revaluation Surplus	Cost	Revaluation Surplus	Cost	Revaluation Surplus		Charged to P/L	Total for the year 2023-2024
1	DHAKA METRO GA-35-3388	3,213,950	-	3,213,950	-	-	-	500,000	500,000	500,000
2	DHAKA METRO-CHA-56-0419	2,695,750	-	2,695,750	-	-	-	450,000	450,000	450,000
3	DHAKA METRO CHA-56-1113	2,669,089	-	1,508,122	-	1,160,967	-	531,252	(629,715)	(629,715)
4	DHAKA METRO CHA-56-0997	2,700,025	-	2,325,538	-	374,487	-	325,000	150,513	150,513
5	DHAKA METRO GA-42-4955	3,146,096	-	1,454,195	-	1,691,901	-	576,784	(1,115,117)	(1,115,117)
6	DHAKA METRO GA-34-8156	2,066,276	-	1,031,385	-	1,034,891	-	516,570	(518,321)	(518,321)
7	DHAKA METRO GA-32-9784	3,011,307	-	1,589,451	-	1,421,856	-	2,260,000	836,144	836,144
8	DHAKA METRO GA-34-8147	3,017,270	-	1,506,075	-	1,511,195	-	754,321	(756,874)	(756,874)
9	DHAKA METRO GA-42-7996	2,241,839	-	1,044,135	-	1,297,704	-	585,460	(712,244)	(712,244)
10	DHAKA METRO GA-42-3576	2,649,149	-	1,055,717	-	1,593,432	-	838,897	(754,535)	(754,535)
11	DHAKA METRO GA-43-8839	1,915,793	-	658,006	-	1,257,787	-	478,948	(778,839)	(778,839)
12	DHAKA METRO GA-26-1368	3,357,190	-	1,896,922	-	1,460,268	-	625,000	(835,268)	(835,268)
13	DHAKA METRO-MA-51-0712	288,125	288,125	288,125	288,125	-	-	75,000	75,000	75,000
14	DHAKA METRO MA-51-0711	278,125	278,125	278,125	278,125	-	-	75,000	75,000	75,000
15	DHAKA METRO MA-51-1450	1	-	1	-	-	-	75,000	75,000	75,000
	Total	33,349,985	566,250	20,545,495	566,250	12,804,490	-	8,867,232	(3,937,258)	(3,937,258)



Amount in Taka	
30-06-2024	30-06-2023
45,600,000	45,600,000
3,776,667	4,563,333
49,376,667	50,163,333
600,000	550,000
600,000	550,000

42 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. 256,667/PY Tk. 345,000)

43 Audit fees

44 Contingent Liability

Large Tax payer unit (LTU), North Commissionerate and Directorate, Inspection, Intelligence & Investigation under National Board of Revenue (NBR) against 3(three) claims of VAT, another 1(one) regarding VAT on VAT exempted medicine and remaining one for reopening of audit proceeding, another 1(one) arising out of review by custom officials, another 1 (one) arising out of review of VAT return by VAT officials and last 1 (one) arising out of VAT officials. The ACME Laboratories Ltd. has filed 7(Seven) writ petitions in The Honorable High Court Division of the Supreme Court of Bangladesh separately vide no. 8650/2008, 785/2009, 3948/2004, 14250/2016, 4476/2002, 3196/2015 and 2477/2015 respectively against the said claims. The company reviews status of the same on every reporting date. Details of current status are given/result are as below:-

Sl. No.	Writ No.	Value in Taka	Reason	Expiry Date/Result
i	8650/2008	Non-monitory	Medicine supply to ICDDR,B as Exempted	Valid up to disposal of hearing
ii	785/2009	13,097,829	Rebate for exempted medicine	Valid up to disposal of hearing
iii	3948/2004	2,730,765	Rebate cancel	Disfavor of our company and further leave to appeal no. 1569
iv	14250/2016	Non-monitory	Re-initiation and reopening of audit	Valid up to disposal of hearing
v	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.
vi	3196/2015	249,016,448	Premix supply as VAT exempted but VAT authority claim to impose VAT at mfg. 11g.	Valid up to disposal of hearing
vii	2477/2015	4,000,000	The Writ against penalty in connection with Audit claim after adjustment Tk. 7,731,245.36	Valid up to disposal of hearing
Total		269,512,567		

45 Un Expired Bank Guarantees

Details of Unexpired Bank Guarantees of Tk. 1,680,263,794 (as at 30 June 2023 the amount was Tk. 269,512,567) given in the normal course of business on behalf of the company to various parties as at 30 June 2024 are as follows:-

Sl	Name of Bank	Date of Expiry	Amount in BDT
01	Trust Bank PLC	15.05.2026	12,401,750
02	Trust Bank PLC	15.05.2026	316,050
03	Trust Bank PLC	15.05.2026	2,320,400
04	Trust Bank PLC	15.05.2026	252,700
05	Trust Bank PLC	22.10.2026	1,093,800
06	Trust Bank PLC	30.10.2027	292,800
07	Trust Bank PLC	30.10.2027	699,400
08	Trust Bank PLC	30.10.2027	2,492,100
09	Trust Bank PLC	30.10.2027	366,200
10	Trust Bank PLC	31.08.2024	1,251,880
11	Trust Bank PLC	31.08.2024	1,940,400
12	Trust Bank PLC	31.08.2024	1,555,700
13	Trust Bank PLC	31.08.2024	8,366,400
14	Trust Bank PLC	01.03.2025	5,000,000
15	Trust Bank PLC	06.06.2025	3,785,400
16	Trust Bank PLC	05.09.2027	428,600
17	Trust Bank PLC	05.09.2027	4,352,500
18	Trust Bank PLC	06.04.2025	510,008
19	Trust Bank PLC	31.12.2024	18,247,650
20	Trust Bank PLC	31.08.2024	590,000
21	Trust Bank PLC	15.08.2024	900,000
22	Trust Bank PLC	30.10.2024	901,400
23	Trust Bank PLC	31.07.2024	2,600,000
24	Trust Bank PLC	15.07.2024	1,450,000
25	Trust Bank PLC	07.01.2029	4,742,700
26	Trust Bank PLC	22.01.2026	1,412,462
27	Trust Bank PLC	05.08.2025	1,413,365
28	Trust Bank PLC	05.05.2026	3,350,664
29	Trust Bank PLC	31.12.2025	7,498,639
30	Trust Bank PLC	31.12.2025	2,969,570
31	Trust Bank PLC	11.06.2025	2,147,168



Amount in Taka	
30-06-2024	30-06-2023

Sl	Name of Bank	Date of Expiry	Amount in BDT
32	Trust Bank PLC	16.08.2025	1,105,901
33	Trust Bank PLC	16.08.2025	1,660,030
34	Trust Bank PLC	16.08.2025	1,792,772
35	Trust Bank PLC	16.08.2025	1,070,725
36	Trust Bank PLC	20.12.2025	4,924,392
37	Trust Bank PLC	07.01.2029	31,942,700
38	Trust Bank PLC	16.08.2024	163,050
39	Trust Bank PLC	11.05.2025	480,674
40	Trust Bank PLC	05.09.2024	4,077,075
41	Trust Bank PLC	17.09.2024	4,089,813
42	Trust Bank PLC	21.08.2024	4,334,169
43	Trust Bank PLC	25.09.2024	8,111,167
44	Dutch Bangla Bank PLC	17.10.2026	249,800
45	Dutch Bangla Bank PLC	17.10.2026	180,900
46	Dutch Bangla Bank PLC	25.05.2027	766,350
47	Dutch Bangla Bank PLC	25.05.2027	164,680
48	Dhaka Bank PLC	26.09.2024	350,000,000
49	Bank Asia PLC	08.10.2024	200,000,000
50	Eastern Bank PLC	18.06.2025	334,000,000
51	Mutual Trust Bank PLC	20.06.2025	300,000,000
52	BRAC Bank PLC	25.06.2025	334,000,000
Total			1,680,263,794

46. Claim not acknowledge as debts

There is no claim against the company which have not been acknowledged as debt as of 30 June 2024.

47. Production Capacity and Utilization

(Quantity in Thousand)

Name of Category		Unit	Production Capacity		Actual Production		
			2023-2024	2022-2023	2023-2024	%	2022-2023
Human							
Tablet	Pcs	10,787,021	8,508,470	6,330,265	58.68	4,775,754	56.13
Capsule	Pcs	1,087,635	887,643	886,228	81.48	720,148	81.13
Liquid	Bottle	90,180	90,180	75,477	83.70	75,361	83.57
Dry Syrup	Bottle	23,135	20,578	16,399	70.86	14,538	70.65
Orniment	Tube	7,013	7,013	4,144	59.08	4,097	58.42
Cream	Tube	19,000	19,000	13,716	72.19	8,759	46.10
Suppository	Pcs	51,866	51,866	43,587	84.04	43,250	83.39
Inhaler (DPI)	Cons	166,560	118,304	98,393	59.07	62,461	52.97
Inhaler (MDI)	Cons	5,999	5,999	1,986	33.10	1,950	32.51
Eye/Ear/Nasal Drop	Phial	43,640	39,347	23,940	54.85	22,569	57.36
Injection (Vial & Amps)	Pcs	93,037	90,488	45,671	49.09	45,378	50.15
Inhalation	Pcs	6,408	6,408	4,353	67.92	4,785	74.67
Sachet	Pcs	127,933	94,305	55,067	43.04	52,266	55.42
Veterinary							
Bolus	Pcs	955,482	955,482	619,830	64.87	552,291	57.57
Liquid	Pcs	27,621	25,993	10,961	39.68	11,227	43.19
Premix	Pcs	93,166	93,166	71,692	76.95	46,807	50.24
WSP	Pcs	75,955	75,955	29,783	39.21	25,236	33.23
Injection	Vial	31,810	31,810	14,343	45.09	14,017	44.07
Herbal & Ayurvedic							
Capsule	Pcs	60,357	45,357	25,993	43.07	19,252	42.45
Liquid	Pcs	27,093	23,214	18,536	68.41	17,338	74.69
Tablet	Pcs	105,032	85,032	39,245	37.37	30,191	35.51

48. VAT Return and Auditing status as of 30.06.2024

The Company deposits VAT & filing VAT returns on monthly basis with the concern authority. The authority has conducted and completed their audit up to the financial year 2019-20. Due to change of commissioner, new commissioner has issued a letter to the company in respect of conducting re-audit for the financial year 2014-15. However, the company has filed a Writ petition with High Court Division of the Honorable Supreme Court of Bangladesh. But decision is yet to come in this regard. Further, at reporting date the audit for the financial year 2020-2021, 2021-2022 & 2022-2023 are under process and documents/information have been submitted by the company as and when required. Subsequently, the audit has been completed.



The ACME Laboratories Limited
Schedule of Property Plant and Equipment
As at 30 June 2024

Particulars of Assets	COST/ REVALUATIONS					DEPRECIATION					Written Down Value as of 30.06.24		
	Historical Cost as at 01.07.23	Revaluation Surplus as at 01.07.23	Additions during the year (Cost)	Disposal		Total as at 30.06.24	Accumulated Dep. As at 01.07.23 on Revaluation Surplus	Accumulated Dep. As at 01.07.23 on Cost	Depreciation on Revaluation Surplus during the year	Depreciation on Cost during the year		Disposal	
				Cost	Revaluation Surplus							Cost	Revaluation Surplus
100% owned wholly owned subsidiary													
Building	1,142,500.181	4,099,992.920	(86,192.779)	-	-	5,416,300.321	-	-	-	-	-	-	
Building	8,092,191.839	1,616,631.490	2,587,393.290	-	-	12,296,216.619	671,090.541	740,303.565	289,919.516	44,802.349	-	2,746,333.981	
Machinery & Equipment	10,416,944.070	36,624.041	379,184.107	-	-	(0,890,773.178)	34,708.822	4,699,638.797	709,474.341	1,044.218	-	5,515,666.158	
Furniture & Fixtures	820,063.210	-	(53,825.708)	-	-	900,288.518	-	332,145.933	32,116.651	-	-	379,284.326	
Motor Vehicle	1,348,328.423	23,214.340	84,227.987	(166,258)	-	1,495,354.515	23,214.340	642,245.438	94,896.790	-	(566,290)	740,399.623	
Utilities, Electrical Installation & Eng	3,999,694.903	57,205.328	1,077,679.433	-	-	4,735,149.664	37,263.328	1,886,100.620	243,702.743	-	-	2,186,208.696	
Office Equipment	360,363.577	1,572.639	31,544.649	-	-	392,432.265	1,503.819	279,258.153	32,503.234	-	-	267,795.206	
Books and Periodicals	8,343,045	-	-	-	-	6,343,045	5,447,516	-	81,253	-	-	5,538,737	
Total	25,774,774.200	9,808,191.938	4,497,831.944	(344,350)	(32,349,983)	34,041,001.875	787,742.860	9,519,339.679	1,506,428.536	45,866.567	(20,543.495)	11,840,283.881	
Machinery in Transit	3,500,172.403	-	1,741,324.033	-	-	(1,543,724.926)	-	-	-	-	-	-	
Construction Work in Progress	4,387,050.331	-	2,122,659.172	-	-	(2,773,576.000)	-	-	-	-	-	-	
Total	7,887,222.734	-	3,864,183.205	(4,319,300.986)	(4,319,300.986)	7,455,105.715	-	-	-	-	-	7,455,105.715	
Total (As of 30.06.2024)	33,661,996.934	9,808,191.938	8,402,015.109	(564,240)	(32,349,983)	43,498,107.690	787,742.860	9,519,339.679	1,506,428.536	45,866.567	(20,543.495)	11,840,283.881	
Total (As of 30.06.2023)	28,537,275.427	6,072,264.654	7,405,472.980	(267,092.618)	(61,810,388)	39,450,106.962	954,238.221	8,210,457.823	1,359,777.175	47,719.316	(50,865.321)	10,307,082.529	

Annexure-A
(Amount in Rs.)

24,203,545.994

8,698,773.817

3,756,933.902

7,455,165.715

31,458,701.209

10,307,082.529

27,142,166.375

On Cost	On Revaluation	Total
1,267,019.965	38,544,718	1,305,524,483
124,245,354	3,783,642	128,028,996
116,903,211	3,554,229	120,457,440
1,508,428,530	45,866,567	1,554,315,097

ALLOCATION OF DEPRECIATION
Factory Overhead
Selling & Distribution Expenses
Administrative Expenses

