



ACI Formulations Limited
Annual Report 2014



Contents

Corporate Information	
Board of Directors	2
Notice of the 19th Annual General Meeting	3
Year 2014 - At a Glance	4
Six Years' Comparative Statistics, from 2009-2014	5
Corporate Governance	
Message from the Chairman	6
Audit Committee Report	7
Report of the Directors' to the Shareowners	10
Certificate of due Diligence by CEO & CFO	19
Certificate of Compliance to the Shareholders	20
Bangla Version of Message from the Chairman	27
Bangla Version of Report of the Directors to the Shareowners	28
Financial Statements of ACI Formulations Limited	
Independent Auditors' Report	33
Statement of Financial Position	34
Statement of profit or loss and other comprehensive income	35
Statement of Changes in Equity	36
Statement of Cash Flows	37
Consolidated Statement of Financial Position	38
Consolidated Statement of Profit or Loss and other Comprehensive Income	39
Consolidated statement of changes in equity	40
Consolidated statement of cash flows	41
Notes to the Financial Statements	42
Report of the Directors and Audited Financial Statements of the Subsidiary Companies	
Neem Laboratories (Pvt.) Ltd.	83
Aloe Organics (Pvt.) Ltd.	89
Green Business And Marketing Company (BD) Limited	94
Additional Information	
Corporate Directory	99
Proxy Form	101
Attendance Slip	103





Corporate Information Board of Directors



Mr. M. Anis Ud Dowla
Chairman



Ms. Shusmita Anis
Managing Director



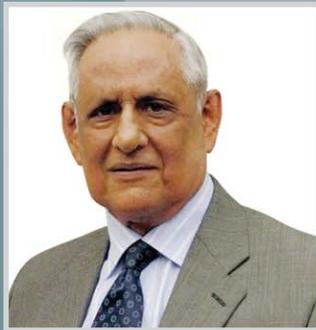
Dr. F H Ansarey
Director



Mrs. Najma Dowla
Director



Dr. Arif Dowla
Director



Mr. Juned Ahmed Choudhury
Independent Director



Mr. Kamran T. Rahman
Independent Director

Company Secretary
Ms. Sheema Abed Rahman

Auditors
Rahman Rahman Huq
Chartered Accountants

Financial Consultant
Mr. M. Sekander Ali

**Head of Risk Management
& Internal Audit**
Mr. Amitava Saha

Legal Advisor
Barrister Rafique-ul Huq
Huq and Company

Principal Bankers
Standard Chartered Bank
The Hongkong and Shanghai
Banking Corporation Limited
Commercial Bank of Ceylon Plc
The City Bank Limited
BRAC Bank Limited

Notice of the 19th Annual General Meeting

Notice is hereby given that the 19th Annual General Meeting of ACI Formulations Limited will be held on Thursday, 11 June 2015 at 9:00 am at Officers Club, 26 Baily Road, Dhaka, to transact the following business:

AGENDA

- 1) To receive, consider and adopt the Audited Accounts of the Company for the year ended 31 December 2014 together with Reports of the Auditors and the Directors.
- 2) To declare dividend for the year ended 31 December 2014.
- 3) To elect/re-elect Directors of the Company.
- 4) To appoint Auditors for the year 2015 and to fix their remuneration.

By Order of the Board



Sheema Abed Rahman
Company Secretary

Dhaka
07 May 2015

Notes

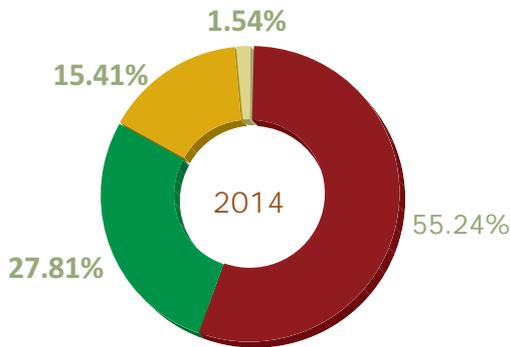
- a. The Record Date shall be on Wednesday, 13 May 2015.
- b. The Shareholders' names appearing in the Register of Members of the Company or in the Depository on the Record Date will be eligible to receive the dividend.
- c. The Directors have recommended dividend as follows:
Cash dividend: @30 % or Taka 3.00 per share of Taka 10 each for the year ended 31 December 2014.
- d. A member entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form, duly completed, must be deposited at the Share Office of the Company at 9 Motijheel Commercial Area, Dhaka-1000 not later than 48 hours before the time fixed for the Meeting.
- e. Members are requested to notify the changes of address, if any, well in time. For BO A/C holders, the same to be notified through their respective Depository Participants.
- f. Admittance to the Meeting venue will be on production of the Attendance Slip that will be sent with the Notice.

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার
উপহার/খাবার/কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।

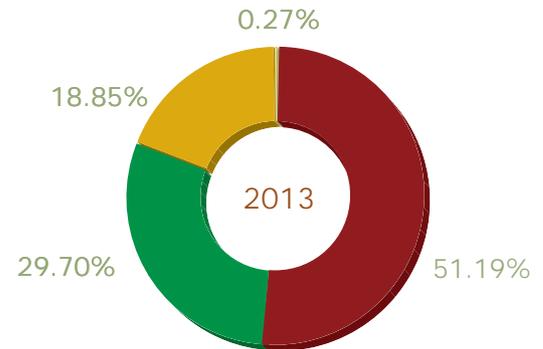


Year 2014 - At a Glance

Sales Contribution by Business Unit 2014-2013

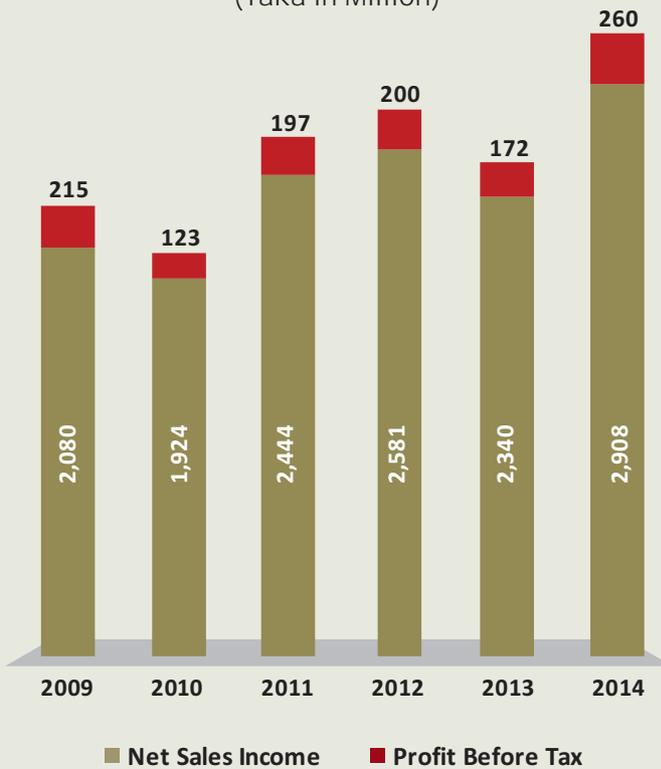


■ Crop Care & Public Health	55.24%
■ Mosquito Coil	27.81%
■ Aerosol & Air Freshener	15.41%
■ Others	1.54%

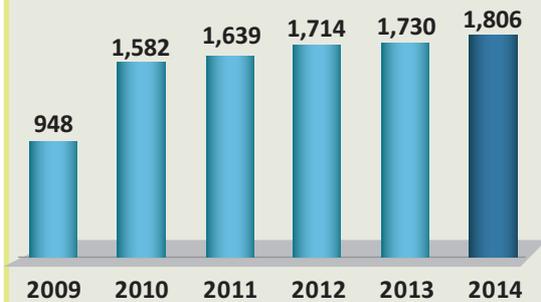


■ Crop Care & Public Health	51.19%
■ Mosquito Coil	29.70%
■ Aerosol & Air Freshener	18.85%
■ Others	0.27%

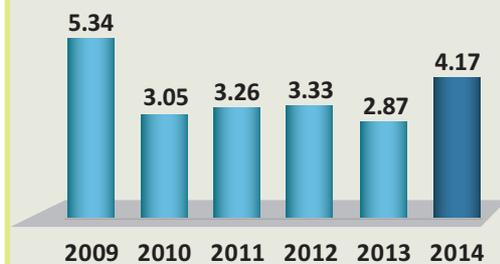
Net Sales Income & Profit Before Tax (Taka in Million)



Shareowners' Equity (Taka in Million)



Earnings Per Share (Taka)

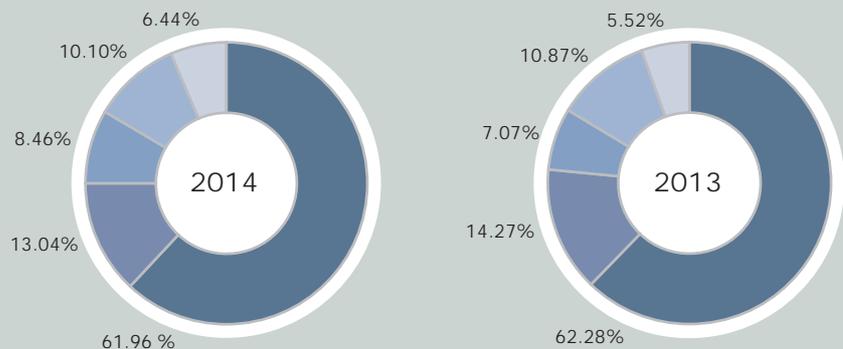


Six Years' Comparative Statistics, from 2009-2014

Particulars	2009	2010	2011	2012	2013	2014
Taka in million						
Authorized Capital	500.00	500.00	500.00	500.00	500.00	500.00
Issued & Paid-up Capital	300.00	300.00	300.00	450.00	450.00	450.00
Current Assets	1,570.93	1,506.60	1,646.05	1,590.00	1,652.00	1,811.38
Tangible Fixed Assets (Gross)	685.91	1,137.70	1,262.89	1,353.74	1,389.43	1,435.68
Shareowners' Equity	948.28	1,581.93	1,638.78	1,713.74	1,730.47	1,805.59
Turnover (Net)	2,079.94	1,924.40	2,443.66	2,581.04	2,340.43	2,908.11
Gross Profit	488.47	458.14	571.86	609.86	584.56	738.58
Profit Before Tax	214.83	122.73	197.49	200.21	172.29	259.66
Profit After Tax	160.33	91.61	146.85	149.96	129.23	187.62
Dividend	75.00	90.00	225.00	112.50	112.50	135.00
Current Ratio (Times)	1.54	1.61	1.46	1.50	1.49	1.50
Quick Ratio (Times)	0.95	0.86	0.84	0.87	0.98	0.94
Return on Equity (%)	17.00	6.00	9.00	9.00	7.00	10.00
Inventory Turnover (Times)	2.41	2.25	2.67	2.95	3.06	3.21
Debtors Turnover (Times)	2.82	2.82	4.23	4.26	4.93	3.37
Fixed Assets Turnover (Times)	4.05	1.70	2.02	2.05	1.88	2.34
Net Asset Per Share (Taka)	31.61	52.73	36.42	38.08	38.45	40.12
Market Price Per Share (Taka)	171.40	139.80	89.00	73.90	78.90	126.70
Earnings Per Share (Taka)	5.34	3.05	3.26	3.33	2.87	4.17
Dividend Per Share (Taka)	2.50	3.00	7.50	2.50	2.50	3.00
Dividend Rate (%)	25.00	30.00	75.00	25.00	25.00	30.00
Dividend Payout Ratio (%)	46.82	98.36	230.06	75.08	87.11	71.94
Price Earnings Ratio (Times)	32.10	45.84	27.30	22.19	27.49	30.38
Dividend Yield (%)	1.46	2.15	8.43	3.38	3.17	2.37
Number of Employees	533	674	798	921	922	1,149

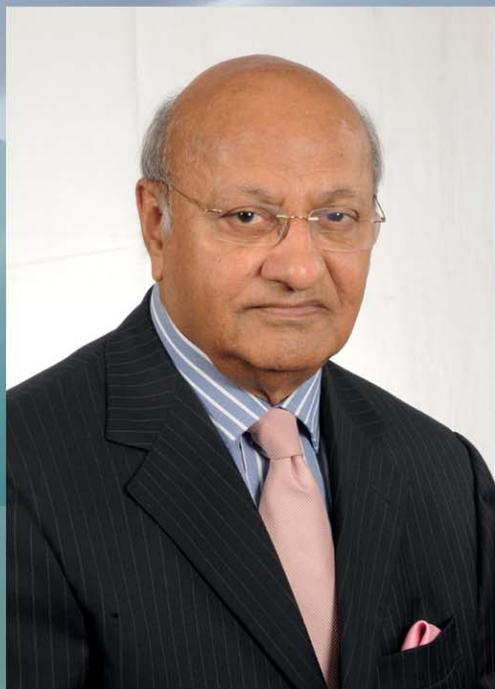
Analysis of Turnover (%)

- Cost of Materials
- Expenses
- Duties & Taxes Paid to Government Exchequer
- Salaries, Wages & Benefits Paid to Employees
- Profit



Comparison of Turnover & Costs over Last Year

	2014	%	2013	%
Turnover (Gross)	<u>2,913.94</u>	<u>100</u>	<u>2,341.38</u>	<u>100</u>
Cost of Materials	1,805.59	61.96	1,458.10	62.28
Salaries, Wages & Benefits paid to employees	294.21	10.10	254.47	10.86
Expenses	380.05	13.04	334.00	14.27
Duties & Taxes paid to Government Exchequer	246.47	8.46	165.58	7.07
Profit	187.62	6.44	129.23	5.52
Total	<u>2,913.94</u>	<u>100.00</u>	<u>2,341.38</u>	<u>100.00</u>



Message from the Chairman

"Paints pilot plant has been installed and is going for commissioning soon. Here also we will have the benefit of getting exposed to the best practices in emulsification and dispersal technology and learn from world-class Company"

M. Anis Ud Dowla
Chairman

*Dear Shareowners
and Friends of AJSFL,*

Assalamu Alaikum,

Our Crop Care and Public Health business had good growth and we gained market share in most of the major categories. Our hard-working field force also did well in promoting a product named 'Flora' which stimulates plant growth and increases plant output. There was no major infestation affecting crops and the market for agro-chemicals remained static.

We are promoting our crop protection products in order to increase output and help the farmers with advice for adoption of good agronomic practices which will be beneficial for them.

We are committed to assist the farmers in improving their economic condition and for the country to achieve food security.

After divestment by ACI Ltd. our manufacturing of Insect Control, Air Care and Toilet Care products will continue with S. C. Johnson & Son, Inc., a US multinational.

Paints pilot plant has been installed and is going for commissioning soon. Here also we will have the benefit of getting exposed to the best practices in

emulsification and dispersal technology and learn from world-class Company.

The Company has acquired over the years the adjacent lands and now possesses a sizeable plot to accommodate expansion and diversification.

I want to assure the stakeholders that we are conscious of our obligation to the society, to the consumers, to the employees and above all to our customers and we will deliver the expected performance with all sincerity and commitment. Your investment is in safe hands and will grow in value steadily.

Allah Hafez.

Sincerely,

M Anis Ud Dowla
Chairman

Audit Committee Report

We are pleased to present the report of the Audit Committee of ACI Formulations Limited pursuant to the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC). This report is a brief on the activities performed by the Audit Committee and is hereby submitted to the shareholders for their perusal.

The Board reconstituted the Committee (as per BSEC's guidelines) as follows:

Mr. Juned Ahmed Choudhury	Independent Director	Chairman
Dr. F H Ansarey	Director	Member
Mrs. Najma Dowla	Director	Member
Ms. Sheema Abed Rahman	Company Secretary	Secretary

In ACI Formulations Ltd assessment and evaluation of the Internal Control Policy were made to ensure that the Company employs a sound system of internal control including financial control. The Committee in its meetings reviewed among others the accounting and financial reporting process of the Company and assisted the Board of Directors in ensuring that the financial statements reflected true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.

The Audit Committee is authorized by the Board of Directors to review any activity within the business as per its Terms of Reference and Corporate Governance Guidelines of BSEC. It is authorized to seek any information it requires from, and require the attendance at any of its meetings of, any Director or member of management, and all employees are expected to co-operate with any request made by the Committee.

The key responsibilities of the Audit Committee includes:

Review:

- Along with the management, the annual financial statements before submission to the board for approval.
- The adequacy of internal audit function.
- Statement of significant related party transactions submitted by the management.
- Management Letters / Letter of Internal Control weakness issued by statutory auditors.
- Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue.

Monitor:

- Choice of accounting policies and principles.
- Internal Control Risk management process.
- Funds utilized for the purposes other than those stated in the offer document/prospectus.

Oversee:

- The financial reporting process.
- Hiring and performance of external auditors

The Audit Committee met four times during the year 2014. The details of attendance of each member at the Audit Committee meetings are given on the next page:

Contd.

		No. of Meeting Attended
Mr. Juned Ahmed Choudhury	Chairman	4
Mrs. Najma Dowla	Member	2
Dr. F H Ansarey	Member	4
Ms. Sheema Abed Rahman	Secretary	3

The Audit Committee Meeting is attended by Chief Financial Officer, Head of Risk Management & Internal Audit as permanent invitees and all the above Members of the Audit Committee are appointed by the Board of Directors. From time to time, the Managing Director also joins the Meeting.

SUMMARY OF ACTIVITIES 2014

In 2014, the Audit Committee reviewed its Terms of Reference in line with the requirements of BSEC notification on Corporate Governance. The Committee carried out its duties in accordance with the Terms of Reference of the Audit Committee.

During the year 2014, the Audit Committee carried out the following activities:

1. Internal Control and Business Risk management

The Board has established a process designed to provide reasonable assurance by the Management regarding the achievement of objectives relating to effectiveness and efficiency of operations, reliability of the information and reporting, compliance with applicable laws, regulation and policy, procedures and safeguarding company assets. The internal control system of the company has been working through five components.

To further strengthen the controls, the company has introduced and consistently comply with the following international standards and guidelines: -

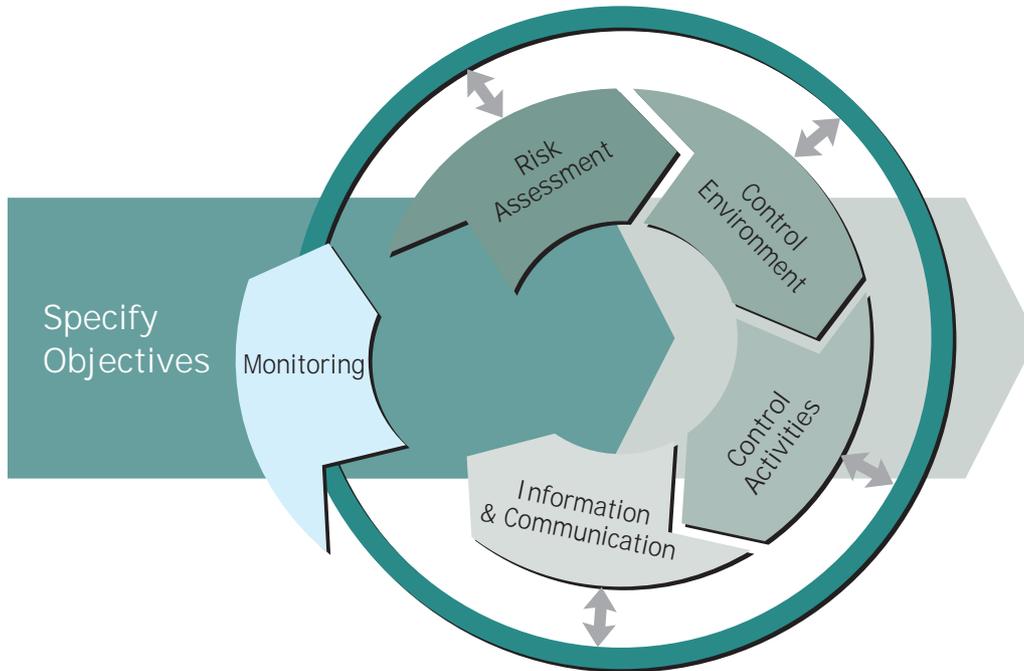
- ISO 9001: 2008 Quality Management System
- ISO 14001: 2004 Environmental Management System

Business Risk Management is an ongoing process in ACI Formulations Ltd where strategic business units identify the risk, recognize risk factors, review and evaluate risks to the achievement of business objectives. The Managing Director has to satisfy the Board adequacy on assigned Business Risk Management and Internal Control Process. Internal Audit is dedicated in a pivotal role into Risk Management Process. As such, Risk Management and Internal Audit department conducts yearly review focusing on to the risk indicators, where a detailed risk map is prepared.

The Audit Committee and the Managing Director review this risk map periodically.

2. Internal Audit

Audit activities play an essential and useful role in the conduct of sustainable operations. These activities serve to examine and evaluate financial, administrative and operational activities of the company, supplying management personnel at all levels with information to assist in their control of the assets and operations and their attainment of objectives for which they are responsible.



Internal Audit performs ongoing evaluations of internal controls, advises the Audit Committee, management and the statutory auditors of the result of their evaluations and makes recommendation to improve risk management, control and governance process. A comprehensive internal audit plan is prepared on a yearly basis and Internal Audit activity is always conducted with the highest standards of business ethics, integrity, and honest dealings in all areas and functions within the company and with all outside stakeholders. Internal Audit mainly concentrates on risk-based audit approach, and that allows Internal Audit to provide assurance to the Board that risk management processes are managing the risks effectively, in relation to the risk circumstances of the Company.

Sheema Abed Rahman

Sheema Abed Rahman
Secretary, Audit Committee
Company Secretary

Juned Ahmed Choudhury

Juned Ahmed Choudhury
Chairman
(Independent Director)



Report of the Directors to the Shareowners



In 2014 ACI Formulations Ltd. (ACI FL) had an outstanding achievement with commendable growth of 24% over previous year. The weather condition was favourable for crops and there was less infestation. Some of the reasons for good performance were aggressive marketing strategy, tight credit control, fine-tuned inventory management and targeted promotional activities.

In Crop Care business we have achieved 34% growth over last year. Under Herbicide category, we have done well and Fungicide also achieved excellent growth. Insecticide market was stagnant, yet we achieved growth better than the market. We have registered some additional products which will improve our product range and yield results in 2015.

Most remarkable achievement in 2014 was tripling the sales of Flora, a plant growth regulator, which has demonstrated remarkable increase in production of various crops, fruits and vegetables.

Bio-pesticide is gradually getting accepted by the farmers. Organic vegetables are in demand and

fetched a premium price. We have accessed a range of Bio-pesticide developed by a world renowned company based in the UK. We are paying special attention in promoting Bio-pesticides by having a dedicated team of experts and we hope to be the market leader in this category.

We are gradually and systematically modernizing our portfolio of pest control products with more cost effective and eco friendly solutions.

In Public Health sector, our principals have developed products for control of Vector-borne diseases like Kala-Azar, Malaria and Dengue, by different methods and applications, with the support of World Health Organization. We will try to market these products. We are taking the assistance of reputed Universities and Research Organizations in Bangladesh for field trials of these products.

Our factory production units did well. We have paid attention to improvement of yield optimization of energy consumption, reduction of machine breakdown and increased production efficiency.





Materials procurement was on time and there was no shortage of products. We have invested in new machinery and expanded our range of products and varieties to meet market needs. We have acquired controlling shares in a company which has Neem soap as one its products. We are re-launching Neem soap with the ambition to capture a sizable market share. We have joined hands with the world-renowned company AkzoNobel which is the world's number one paints company as a distributor and toll manufacturer.

Our Effluent Treatment Plant (ETP) is fully compliant with the environmental regulations and we process all waste materials, both solid and liquid to remove or breakdown the toxic chemicals and recycle them wherever possible. Our residual disposals meet world class standard.

People are our biggest asset. We help our employees to get the necessary training to maximize their potential. We have a well-resourced training department engaged in assisting employees to reach their professional goals. We empower our employees through delegation

of authority and evaluate them under a scientific system called Balanced Score Card. We acknowledge the contribution of our employees who achieved the commendable results in a field of intense competition, through their hard work and dedication.

ACI FL is focused on creating value for its customers by providing high quality products and by adhering to the concept of sustainable development. We take our social responsibility seriously and therefore occupational health, safety and environmental protection are always on top of our priority list. We aspire to achieve even better results. We are shaping our business strategies accordingly.





Financial Results

In 2014, total revenue of the Company was Taka 2,908 million, an increase of Taka 568 million from 2013, resulting into 24.26% higher revenue over last year. The cost of sales has increased by 23.56% due mainly to higher sales volume over last year. In addition to that changes in product mix (i.e. sale of high margin product compare to 2013) and favorable material price over last year led a positive impact in Gross profit which increased by 26.35% compared to 2013. The operating cost has increased by 20.69% due to normal pay rise, inflationary adjustment and increased sales volume; on the other side financing cost has reduced by 14.79% over last year because of efficient working capital management coupled with enjoying lower borrowing cost during the year under review. In 2014, the profit before tax and profit after tax of the Company were Taka 259.66 million and Taka 187.62 million respectively. The earnings per share was Taka 4.17 in 2014 which is 45.30% higher than last year.

Appropriation of Profit

Considering the financial results of the Company during the year and free reserve carried over, the Directors recommended appropriation of net profit as follows:

	2014 Taka	2013 Taka
Un-appropriated profit from previous year	475,011,664	458,281,132
Add: Net profit after tax for the year	187,615,832	129,230,532
Total available for appropriation	<u>662,627,496</u>	<u>587,511,664</u>
Appropriation proposed:		
Proposed dividend:		
Cash dividend	135,000,000	112,500,000
Balance carried forward	<u>527,627,496</u>	<u>475,011,664</u>

With the balance carried forward in this year and with ploughing back of the profit, Directors are confident that Company will be able to maintain prudent dividend policy in years to come.

Dividend

The Board of Directors is pleased to recommend cash dividend @30% per share of Taka 10 i.e. Taka 3.0 per share for the year 2014 to those shareowners whose names will be appeared in the Share Register of Members of the Company or in the Depository list of CDBL on the Record Date which is Wednesday, 13th May 2015.

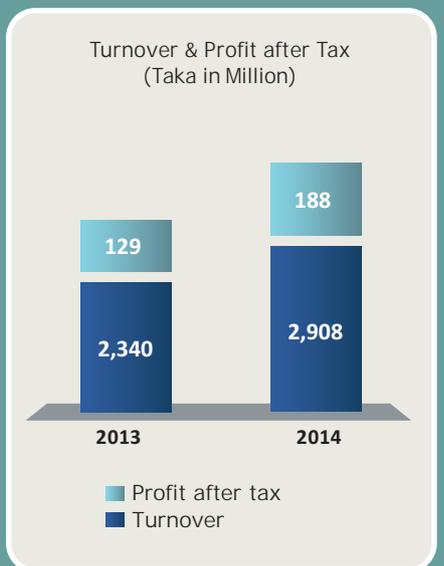
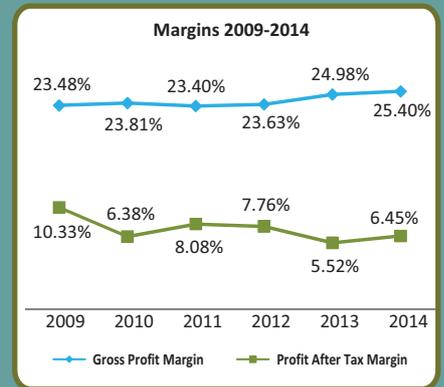
Contribution to the National Exchequer

During 2014, the Company contributed Tk. 246.47 million to the National Exchequer in the form of corporate tax, custom duty, VAT etc. This is equivalent to 8.46% of our gross sales revenue for the year 2014.

Cost of Goods Sold and Profit Margins

In 2014, the key factors in COGS were the stable exchange rate and positive material price variance over last year. This has led to a positive impact on COGS resulting into an increase of overall gross profit margin to 25.40% in 2014 from 24.98% in 2013.

In 2014 and 2013 the operating profit margin were 11.24% and 10.44% respectively. This has increased due mainly to higher revenue and changes in product mix compare to last year. The operating cost has increased by 20.69% due to normal pay rise, inflationary adjustment and increased selling expenses; on the other side financing cost has reduced by 14.79% over last year because of efficient working capital management coupled with enjoying lower borrowing cost during the year under review. In 2014, the profit before tax and profit after tax of the Company were Taka 259.66 million and Taka 187.62 million respectively.



Directors Declaration as to Statutory Information

In connection with preparation and presentation of the financial statements, the Directors also report that:

- Segment-wise performance has been shown in Note- 5 (ii) of the Financial Statements.
- The Company is aware of the different risks associated with doing business and is prepared to counter those risks through systematic approach. Financial risks management has been disclosed in the Note- 26 of the Financial Statements.
- No extra ordinary gain or loss exists during the year as recommended by the BAS.
- All transactions with related parties are made on a commercial basis and the basis was the principle of "Arms Length Transaction". Details of related party transaction are disclosed in the Note- 29 of the Financial Statements.
- There was no IPO or Right issue during the year.
- No significant variance occurs between Quarterly Financial Performance and Annual Financial Statements.
- During the year, Company has paid a total of Taka 8,250 as Board meeting attendance fees. The remuneration of Directors has been mentioned in Note- 22 & Note- 29(b) (ii) of the Financial Statements.
- The Financial Statements prepared by the management of the Company present a true and fair view of Company's state of affairs, result of its operation, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently followed in formulating the Financial Statements and Accounting estimates are reasonable and accurate.
- Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) have been followed in preparation of the Financial Statements.
- All significant variations in operating results from the previous year have been highlighted and reasons thereof have been explained.
- The key financial and operating data for last six years are disclosed.
- The Company has recommended dividend for the year 2014.
- During 2014 a total of 4 Board meetings were held and attendance of each director are shown in Annexure-I, which conform the regulatory requirements.
- Shareholding pattern of the Company as on 31 December 2014 are shown in Annexure-II.
- The profiles of Directors who have sought for appointment/re-appointment are shown in Annexure-V.
- The CEO and CFO has certified to the Board that they have reviewed the Financial Statements and believe that these statements do not contain any material untrue statements or omit any material fact or certain statements that might be misleading.
- The CEO and CFO further confirm that Financial Statements together present a true and fair view of the Company's affairs and are in compliance with applicable laws.
- The CEO and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.



Composition of the Board

The Board consists of 7 members drawn from amongst the major shareowners and business professionals. Mr. M Anis Ud Dowla is the Chairman of the Board, Ms. Shusmita Anis is the Managing Director. Mr. Juned Ahmed Choudhury and Mr. Kamran T. Rahman are the Independent Directors.

Role of the Board

The Board is the highest level of authority of the Company to oversee its operation through appropriate delegation, reporting and control.

Responsibility of the Board

The Directors hold the ultimate responsibility of conducting the activities of the Company in accordance with the law and in the interest of its shareowners and other stakeholders, keeping in view the long-term interest of the Company.

Functioning of the Board

The Board is required under the law to meet at least once in three months. The number of Board Meetings held in 2014 was Four. The Directors are kept informed of the results and the major activities through distribution of monthly statements and quarterly reporting by the Managing Director. The Board agenda includes financial results, consideration of major investments, new business initiatives, borrowings, liquidity etc. in addition to statutory approvals.

Management through People

The Board has approved the organogram of the Company. The Board is kept informed of the goals and targets of the Company and takes account of the financial performance on a quarterly basis.



Empowerment of People

The Board has given clear guidelines to the Managing Director to ensure that there is clear statement of accountability and appropriate delegation of authority of the management staff all the way down to the Supervisory level and that performance of the individual is judged on the basis of clearly set measurable goals and through objective assessment of their achievement.

Reporting and Communication

The Managing Director keeps herself informed of the performance of various units through the reports, returns and statements she receives every month. At the end of every quarter the entire sales, marketing and factory operations are analyzed and new action plans are prepared to achieve the targets and fulfill the objectives. Annually the performance of each individual is reviewed on the basis of their achievement of Key Performance Indicators (KPI).

Communication with Shareowners

The company holds the Annual General Meeting (AGM) regularly in time. The Directors attending the AGM note the views and suggestions of the shareowners and institutional stakeholders offered at the AGM and consider them with utmost seriousness. The Managing Director is to bring to the notice of the Board any written communication received by her from the shareowners.

Election of Director

By operation of Article 47 of the Company's Articles of Association Mr. M. Anis Ud Dowla and Dr. F H Ansarey retire by rotation and being eligible, offer themselves for re-election.



Audit Committee

Following the BSEC Guidelines, the Board has constituted an Audit Committee for the Company which is mentioned at the Compliance Report enclosed herewith. The Committee comprises of Mr. Juned Ahmed Choudhury, Mrs Najma Dowla, Dr. F H Ansarey. Mr. Juned Ahmed Choudhury is an Independent Director and also the Chairman of the Committee.

The Audit Committee met four times during the year 2014. The Company Secretary functioned as Secretary of the Committee. The main performances of the Audit Committee during the year were as follows:

1. Review and appraisal of the performance of internal control system.
2. Review of the risks associated with the Company's operation including mitigation and awareness plan.
3. Overseeing hiring and performance of external auditors.
4. Ensuring Company's financial reporting process.
5. Review of the operation as required under the BSEC Guidelines

Going Concern

The Board, through appropriate enquiries and analyses, ensures that the resources are adequate to support the operation and that sufficient business opportunities exist to qualify the organization as a going concern and the Directors analyze the financial statements to ensure that. Accordingly, Financial Statements have been prepared on a going concern basis.

The System of Internal Control

The Board of Directors assures that Company has an effective risk management process to confirm that system of internal control is working and all known and impending risks are identified and appropriate process and policies are in place to counter those risks. The internal control system assures in achieving business objectives, provide independent consulting service by instituting a systematic and disciplined approach to risk management.





Corporate Social Responsibility (CSR)

CSR is a central function of ACI Group and the projects and programs under CSR are selected on basis of their relevance to the business of the Group. A separate brochure on all the projects under CSR of the ACI Group will be published and our shareowners will receive a copy accordingly. We are conscious of our responsibility to manage a sustainable business organization which require a strong team to manage CSR.

Corporate Governance Compliance Statement

ACI Formulations' Board of Directors is committed to meeting the highest standard of corporate governance and disclosure. The Directors are conscious of their responsibilities in supervision and direction of the affairs of the Company in conformity with the practices of sound corporate governance. In fulfillment of those responsibilities the directors have set for themselves the principles that will be followed in their own involvement in the oversight function and in setting up clear guidelines for the executive management.

We have the pleasure to confirm herewith that the Company has meanwhile complied with all the necessary guidelines under BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012. The compliance report along with the necessary remarks/disclosure is appended in Annexure - IV of the Directors' Report for the year 2014 in continuation pages of the compliance certificate given by AI-Muqtadir Associates, Chartered Secretaries.

Auditors

Our Auditor Messrs Rahman Rahman Huq, Chartered Accountants has sought re-appointment for the year 2015 and the Directors recommend their re-appointment.

On behalf of the Board

Shusmita Anis
Managing Director

Juned Ahmed Choudhury
Independent Director



Annexure-I

Number of Board Meetings held and Attendance by the Directors

During the year four Board Meetings were held and the attendance by each Director was as follows:

<u>Name</u>	<u>No. of Meeting Attended</u>	<u>Remarks</u>
Mr. M. Anis Ud Dowla	4	
Ms. Shusmita Anis	4	
Dr. Arif Dowla	4	
Mr. Kamran T. Rahman	3	Appointed on 29 April 2014
Mr. Juned Ahmed Choudhury	4	
Dr. F H Ansarey	3	
Mrs. Najma Dowla	4	

Annexure-II

Pattern of Shareholding

As per SEC guideline condition no-1.5 (xxi), the pattern of share holding status as on 31 December 2014 is given below:

1.5 (xxi) (a) Held by Parent / Subsidiary / Associates and other related parties:

<u>Name</u>	<u>Position</u>	<u>No. of shares</u>
ACI Limited	Parent	24,066,105

1.5 (xxi) (b) Held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children etc.:

<u>Name</u>	<u>Position</u>	<u>No. of shares</u>
Mr. M. Anis Ud Dowla	Chairman	4,504,500
Ms. Shusmita Anis	Managing Director	1,800
Mrs. Najma Dowla	Director	4,500
Dr. Arif Dowla	Director	1,800
Dr. F H Ansarey	Director	1,129,500
Mr. Juned Ahmed Choudhury	Independent Director	Nil
Mr. Kamran T. Rahman	Independent Director	Nil
Mr. Pradip Kar Chowdhury	Chief Financial Officer	Nil
Mr. Amitava Saha	Head of Risk Management and Internal Audit	Nil
Ms. Sheema Abed Rahman	Company Secretary	1,800

1.5 (xxi) (c) Held by Executives:

<u>Name</u>	<u>Position</u>	<u>No. of shares</u>
Ms. Sheema Abed Rahman	Company Secretary	1,800

1.5 (xxi) (d) Held by Shareholders holding ten percent or more voting interest:

<u>Name</u>	<u>Position</u>	<u>% of shares</u>
Mr. M Anis Ud Dowla	Chairman	10.01



ACI Formulations Limited

এ সি আই ফরমুলেশন্স লিমিটেড
এসিআই সেন্টার
পি ও বক্স ৭২১৮
২৪৫, তেজগাঁও ইন্ডাস্ট্রিয়াল এরিয়া
ঢাকা ১২০৮, বাংলাদেশ
টেলিফোন ৮৮৭৮৬০৩

ACI Formulations Limited
ACI Centre
PO Box 7218
245, Tejgaon Industrial Area
Dhaka 1208, Bangladesh
Telephone 887 8603
Fax (8802) 887 8626
Email : aci2@citechco.net

Your ref

Our ref

Date

CERTIFICATE OF DUE DILIGENCE BY CEO & CFO (Under Clause-6 of BSEC Corporate Governance Guidelines)

To the Board of Directors of
ACI Formulations Limited

In compliance with condition no. 6 of the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, we the undersigned, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) respectively of ACI Formulations Limited, do hereby certify before the Board that we have thoroughly reviewed the Financial Statements of the Company for the year ended 31st December 2014, and state that:

- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
- these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws, and
- to the best of our knowledge and belief, the Company has not entered into any transaction during the year which are fraudulent, illegal or in violation of the Company's codes of conduct.



Chief Executive Officer



Chief Financial Officer

Dhaka,
April 27, 2015



Business Office :
Block : F, Rania Avenue
Apurba Gardenia
House # 530, (5th floor)
Bashundhara R/A, Dhaka - 1229
Bangladesh

Phones : 01730 340 340
01552 108 522
e-mails : akamuqtadir@gmail.com
muqtadir@muqtadirbd.com
URL : www.muqtadirbd.com
VAT Reg : 19041063900

Certificate of Compliance to the Shareholders of ACI Formulations Limited
(As required under the BSEC Corporate Governance Guidelines)

We have examined compliance to the BSEC guidelines on Corporate Governance by ACI Formulations Limited for the year ended 31st December 2014. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance. This is a scrutiny and verification only and not an expression of opinion or audit on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that, subject to the remarks and observations as reported in the attached Compliance Statement, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by BSEC.

We also state that such compliance is neither an assurance as to the future viability of the Company nor a certification on the efficiency or effectiveness with which the Management has conducted the affairs of the Company. This is also no endorsement about quality of contents in the Annual Report of the Company.

Dhaka, April 27, 2015

Al-Muqtadir Associates
Chartered Secretaries & Consultants

Status of Compliance with the Corporate Governance Guidelines (CGG)

Status of the compliance with the conditions imposed by the Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 of the Bangladesh Securities and Exchange Commission (BSEC) issued under section 2CC of the Securities and Exchange Ordinance 1969:

(Report under Condition No. 7.00)

Condition No	Title	Compliance Status as on 31 December 2014	Remarks
1.0	BOARD OF DIRECTORS':		
1.1	Board's Size The number of the Board members of the Company shall not be less than 5 (five) and more than 20 (twenty).	Complied	
1.2	Independent Directors		
1.2(i)	At least one fifth (1/5) of the total number of directors in the Company's Board shall be Independent Directors.	Complied	
1.2(ii)(a)	Who either does not hold share in the company or holds less than one (1%) shares of the total paid up shares of the company;	Complied	
1.2(ii)(b)	Who is not sponsor of the Company and is not connected with any sponsor or director or shareholder who holds one percent or more shares of the Company;	Complied	
1.2(ii)(c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	Complied	
1.2(ii)(d)	Who is not a member, director or officer of any stock exchange;	Complied	
1.2(ii)(e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	Complied	
1.2(ii)(f)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	Complied	
1.2(ii)(g)	Who shall not be an independent director in more than 3 (three) listed companies;	Complied	
1.2(ii)(h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	Complied	
1.2(ii)(i)	Who has not been convicted for a criminal offence involving moral turpitude.	Complied	
1.2(iii)	Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting (AGM).	Complied	
1.2(iv)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	Complied	
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	Complied	
1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	Complied	
1.3	Qualification of Independent Director (ID)		
1.3(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	Complied	
1.3(ii)	The person should be a Business Leader / Corporate Leader / Bureaucrat / University Teacher with Economics or Business Studies or Law background / Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management / professional experiences.	Complied	
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	Not applicable	

Contd.



Condition No	Title	Compliance Status as on 31 December 2014	Remarks
1.4	Chairman of the Board and Chief Executive Officer The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the Company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	Complied	
1.5	Directors Report to Shareholders shall include following additional statements on		
1.5(i)	Industry outlook and possible future developments in the industry.	Complied	The Directors' report complies with the guideline.
1.5(ii)	Segment-wise or product-wise performance.	Complied	Do
1.5(iii)	Risks and concerns.	Complied	Do
1.5(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	Complied	Do
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	Not Applicable	No extraordinary gain or loss experienced during the period.
1.5(vi)	Statement of all related party transactions.	Complied	The Directors' report complies with the guideline.
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	Not Applicable	
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	Not Applicable	There was no IPO/RPO/Right Issue in 2014.
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	Complied	The Directors' report complies with the guideline.
1.5(x)	Remuneration to directors including independent directors.	Complied	Do
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	Complied	Discussed in "Directors' declaration as to Statutory Information"
1.5(xii)	Proper books of account of the issuer Company have been maintained.	Complied	Do
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	Complied	Do
1.5(xiv)	International Accounting Standards (IAS) / Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS) / Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed.	Complied	Do
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	Complied	Stated under section "The System of Internal Control" in the Directors' Report.
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	Complied	Stated under section "Going Concern" in the Directors' Report.
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	Complied	The Directors' report complies with the guideline.
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	Complied	Six years' key operating and financial data has been disclosed at the "Year-2014 at a Glance" of Annual Report.

Condition No	Title	Compliance Status as on 31 December 2014	Remarks
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	Not Applicable	Divedend declared
1.5(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	Complied	Stated in Annexure-I of the Directors' report which comply with the guideline.
1.5(xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by: -		
1.5(xxi)(a)	Parent / Subsidiary / Associated Companies and other related parties (name wise details);	Complied	Stated in Annexure-II of the Directors' report which comply with the guideline.
1.5(xxi)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	Complied	Do
1.5(xxi)(c)	Executives;	Complied	Do
1.5(xxi)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	Complied	Do
1.5(xxii)	In case of the appointment / reappointment of a director the company shall disclose the following information to the shareholders: -		
1.5(xxii)(a)	A brief resume of the director;	Complied	The Directors' report complies with the guidelines (Annexure-V)
1.5(xxii)(b)	Nature of his / her expertise in specific functional areas;	Complied	Do
1.5(xxii)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	Complied	Do
2.0	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)		
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	Complied	The CFO, HIA and CS are different individuals and their roles & responsibilities are separately defined.
2.2	Requirement to attend the Board Meetings The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	Complied	The CFO and CS have participated in every Board Meeting.
3.0	AUDIT COMMITTEE		
3.0 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	Complied	Detailed in the Audit Committee Report
3.0(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	Complied	The Committee discharges as per BSEC guidelines
3.0(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	Complied	The ToR as approved by the Board is available
3.1	<i>Constitution of the Audit Committee:</i>		
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	Complied	Detailed in the Audit Committee Report
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the Company and shall include at least 1 (one) Independent Director.	Complied	The members of the Audit Committee have been appointed by the Board of Directors who are Directors and which includes one Independent Director.
3.1(iii)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	Complied	The ToR as approved by the Board is available.

Contd.



Condition No	Title	Compliance Status as on 31 December 2014	Remarks
3.1(iv)	Filling of casual vacancy in the Audit Committee.	Complied	No vacancy occurred
3.1(v)	The company secretary shall act as the secretary of the Committee.	Complied	In practice
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without Independent Director.	Complied	In practice
3.2	Chairman of the Audit Committee		
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	Complied	The Chairman of the Audit Committee is an Independent Director.
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	Complied	In practice
3.3	<i>Role of Audit Committee:</i>		
3.3(i)	Oversee the financial reporting process.	Complied	The ToR of the AC clearly defines the roles of the Committee.
3.3(ii)	Monitor choice of accounting policies and principles.	Complied	Do
3.3(iii)	Monitor Internal Control Risk management process.	Complied	Do
3.3(iv)	Oversee hiring and performance of external auditors.	Complied	Do
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval.	Complied	Do
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.	Complied	Do
3.3(vii)	Review the adequacy of internal audit function.	Complied	Do
3.3(viii)	Review statement of significant related party transactions submitted by the management.	Complied	Do
3.3(ix)	Review Management Letters / Letter of Internal Control weakness issued by statutory auditors.	Complied	Do
3.3(x)	Declaration to Audit Committee by the Company regarding utilization of IPO / RPO, Right issue money.	Not Applicable	There was no IPO/RPO/Right Issue in 2014.
3.4	<i>Reporting of the Audit Committee:</i>		
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	Complied	Audit committee informs Board Periodically through its minutes.
3.4.1(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-		
3.4.1(ii)(a)	Report on conflicts of interests;	None	There was no reportable case of conflict of interest in 2014.
3.4.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	None	There was no such case in the year.
3.4.1(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations;	None	Do
3.4.1(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately.	None	Do
3.4.2	Reporting to the Authorities Reported to the Board of Directors about anything which has material impact on the financial condition and results of operation.	None	Do
3.5	Reporting to the Shareholders and General Investors Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii).	Complied	The AC report is disclosed in the Annual Report and signed by the Chairman of the AC.
4.0	EXTERNAL / STATUTORY AUDITORS The issuer company should not engage its external / statutory auditors to perform the following services of the company; namely:-		
4.0(i)	Appraisal or valuation services or fairness opinions.	Complied	As declared by Auditors
4.0(ii)	Financial information systems design and implementation.	Complied	Do

Condition No	Title	Compliance Status as on 31 December 2014	Remarks
4.0(iii)	Book-keeping or other services related to the accounting records or financial statements.	Complied	Do
4.0(iv)	Broker-dealer services.	Complied	Do
4.0(v)	Actuarial services.	Complied	Do
4.0(vi)	Internal Audit service.	Complied	Do
4.0(vii)	Any other services that the Audit Committee determines.	Complied	Do
4.0(viii)	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company.	Complied	Do
4.0(ix)	Non-engagement audit/certification services on compliance of corporate governance as required under Clause (i) of condition No. 7.	Complied	Do
5.0	SUBSIDIARY COMPANY		
5.0(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	Complied	
5.0(ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	Complied	
5.0(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	Complied	
5.0(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	Complied	
5.0(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Complied	
6.0	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)" The CEO and CFO shall certify to the Board that :-		
6.0(i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:		
6.0(i)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	Complied	Certificate enclosed in Annexure-III of the Annual Report and stated in the Directors' declaration as well.
6.0(i)(b)	These statements together present a true and fair view of the Company's affairs and are in compliance with affairs and are in compliance with applicable laws.	Complied	Do
6.0(ii)	There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.	Complied	Do
7.0	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE		
7.0(i)	The Company shall obtain a certificate from a practicing Professional Accountant / Secretary (Chartered Accountant / Cost and Management Accountant / Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	Complied	Required certificate obtained from Al-Muqtadir Associates, Chartered Secretaries and published in this report in Annexure-IV.
7.0(ii)	The directors of the Company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	Complied	Status of Compliance is published with the Directors' Report as required.



ACI Formulations Ltd.

Brief resumé of the Directors who seek appointment/re-appointment

Annexure-V

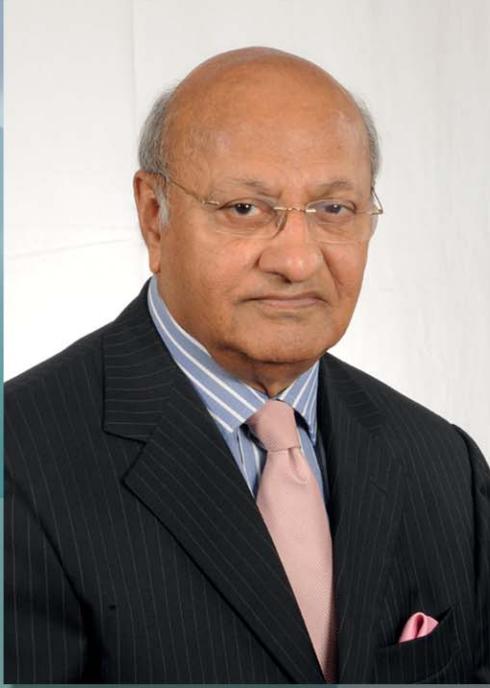
Directors re-election

Mr. M. Anis Ud Dowla, Chairman

Mr. M. Anis Ud Dowla has been the Chairman of ACI Formulations Limited since 30 November 1995. Mr. Dowla obtained his Masters in Public Administration from University of Karachi in 1959. Mr. M. Anis Ud Dowla has worked with the British Oxygen Group of U.K. in Pakistan, Bangladesh and Kenya for 27 years including 12 years as Managing Director of Bangladesh Oxygen Limited. He joined as Group Managing Director of three ICI companies in Bangladesh in 1987 one of which has been divested and re-named as ACI Limited of which he is the Chairman. He occupies Directorship position in all subsidiary and associate companies of ACI Limited. He is also the Director of Credit Rating Agency of Bangladesh and Pioneer Insurance Company Limited.

Dr. F H Ansarey

Dr. F H Ansarey a Ph.D holder in Ecology brings with him high profile management strength for a highly techno-dependent company. His wide experience working in MNCs like Ciba-Geigy and local corporate like Shetu Corporation Ltd in the field of chemical world gives confidence in realizing the business potential of the Company. Prior to joining he worked as General Manager and Head of Business Operation. He is Director of ACI Agrolink Limited (Changed from ACI Agrochemicals Ltd), ACI Salt Ltd, ACI Motors Ltd, PremiaFlex Plastics Ltd, ACI Godrej Agrovet Pvt. Ltd and Flyban Insecticides Ltd.



চেয়ারম্যানের বাণী

"রঙের পাইলট প্লান্ট স্থাপন করা হয়েছে যা শীঘ্রই চালু হতে যাচ্ছে। এর মধ্য দিয়ে আমরা বিশ্ব মানের কোম্পানীর সংগে কাজ করার সুযোগ পাব এবং রঙের Emulsification এবং Dispersal প্রযুক্তির উন্নত প্রক্রিয়া শিখতে পারব।"

এম আনিস উদ্ দৌলা
চেয়ারম্যান

প্রিয় শেয়ারমালিক ও এসিআই এফএল এর শুভাকাজক্ষীবন্দ,

আসসালামু-আলাইকুম,

২০১৪ সালে ক্রপ কেয়ার এন্ড পাবলিক হেলথ ব্যবসা উল্লেখযোগ্য প্রবৃদ্ধি অর্জন করে এবং আমাদের বেশিরভাগ ক্যাটাগরীতেই মার্কেট শেয়ার বৃদ্ধি পেয়েছে। আমাদের পরিশ্রমী মাঠকর্মীরা 'Flora' নামের একটি ক্রপ-কেয়ার পণ্যের প্রসার ও বাজারজাতকরণে বিশেষভাবে সফল হয়েছে, যা চারাগাছের প্রবৃদ্ধির পাশাপাশি এর উৎপাদন বৃদ্ধির সহায়ক হিসেবে ইতিমধ্যে সমাদৃত হয়েছে। ফসলকে প্রভাবিত করতে পারে এমন কোন বড় ধরনের উপদ্রব বা সংক্রমন না থাকায় উল্লেখিত বছরে কৃষি-রাসায়নিক পণ্যের বাজার অনেকটা স্থিতিশীল ছিল।

আমরা ফসল রক্ষাকারী এবং উৎপাদন বর্ধক রাসায়নিক পণ্যের আবিষ্কার ও সরবরাহের মাধ্যমে সুষ্ঠু কৃষি ব্যবস্থা প্রবর্তনে কৃষকদের সহায়তা প্রদানে বদ্ধপরিকর।

কৃষকের অর্থনৈতিক অবস্থার উন্নয়নের পাশাপাশি দেশের খাদ্যের নিরাপত্তা বিধানে ভূমিকা রাখতে আমরা অঙ্গীকারাবদ্ধ।

যুক্তরাষ্ট্রের বহুজাতিক কোম্পানী এস. সি. জনসন এন্ড সন (ইনক্) এর সাথে এসিআই লিমিটেড এর ইনসেস্ট কন্ট্রোল, এয়ার কেয়ার এবং টয়লেট কেয়ার ক্যাটাগরী পণ্যের ডাইভেস্টমেন্ট চুক্তি হওয়া সত্ত্বেও এসিআই ফর্মুলেশনস্ ফ্যাক্টরীতেই এ সকল পণ্যের উৎপাদন অব্যাহত থাকবে।

রঙের পাইলট প্লান্ট স্থাপন করা হয়েছে যা শীঘ্রই চালু হতে যাচ্ছে। এর মধ্য দিয়ে আমরা বিশ্ব মানের কোম্পানীর সংগে কাজ করার

সুযোগ পাব এবং রঙের Emulsification এবং Dispersal প্রযুক্তির উন্নত প্রক্রিয়া শিখতে পারব।

কোম্পানী পর্যায়ক্রমিকভাবে উহার ফ্যাক্টরী সংলগ্ন পর্যাপ্ত জমির মালিকানা অর্জন করেছে যা কোম্পানীর বহুমুখী ব্যবসা সম্প্রসারণে সহায়ক ভূমিকা রাখবে।

আমি শেয়ারমালিকদের এই মর্মে আশ্বস্ত করতে চাই যে, আমরা সমাজ, ভোক্তাসাধারণ, কর্মীবাহিনী এবং সর্বোপরি আমাদের ক্রেতাসাধারণের প্রতি আমাদের দায়-দায়িত্ব সম্পর্কে সচেতন। সর্বোচ্চ কর্মক্ষমতা প্রয়োগের মাধ্যমে প্রত্যাশিত ফলাফল অর্জনে আমরা আন্তরিক ও প্রতিশ্রুতিবদ্ধ। এই কোম্পানীতে আপনাদের বিনিয়োগ সম্পূর্ণভাবে নিরাপদ এবং বিনিয়োগের উত্তরোত্তর মূল্য বৃদ্ধির জন্য আমরা বদ্ধপরিকর।

আল্লাহ্ হাফেজ।

আপনাদের বিশ্বস্ত,



এম আনিস উদ্ দৌলা
চেয়ারম্যান

শেয়ার মালিকদের প্রতি পরিচালকমন্ডলীর প্রতিবেদন

২০১৪ সালে এসিআই ফরমুলেশনস লিমিটেড অত্যন্ত সাফল্যের সাথে ব্যবসায় প্রবৃদ্ধি অর্জন করেছে যা গত বছরের তুলনায় ২৪% বেশী। আবহাওয়া যেমন কৃষকদের অনুকূলে ছিল তেমনি সংক্রমনও ছিল কম। অদম্য বিপন্ন কৌশল, সুস্পষ্ট ক্রেডিট নীতি এবং যুগোপযোগী ইনভেন্টরী কন্ট্রোল এবং প্রচারমূলক কার্যক্রম এই ভাল ফলাফল অর্জনে চালিকা শক্তি হিসাবে কাজ করেছে।

ক্রপ কেয়ার ব্যবসাতে আমরা গত বছরের তুলনায় ৩৪% প্রবৃদ্ধি অর্জন করতে সক্ষম হয়েছি। ক্রপ-কেয়ারের উদ্ভিদনাশক খাতে আমরা ভালো করেছি, সেই সাথে ছত্রাকনাশকেও ভালো প্রবৃদ্ধি অর্জিত হয়েছে। কীটনাশকের বাজার স্থবির থাকা সত্ত্বেও আমরা প্রবৃদ্ধি অর্জনে সক্ষম হয়েছি। আমরা পন্যসম্ভারে আরও কিছু নতুন পন্য সংযোজন করেছি যার সুফল ২০১৫ সালে পাওয়া যাবে।

২০১৪ সালের সবচেয়ে অসাধারণ সাফল্য ছিল 'ফ্লোরা' বিক্রয়ে তিনগুন প্রবৃদ্ধি অর্জন। এটি একটি উদ্ভিদবৃদ্ধি নিয়ন্ত্রক যা বীজ, ফল ও সবজির উৎপাদন বৃদ্ধিতে কার্যকরী সহায়ক হিসাবে ইতোমধ্যে গ্রহণযোগ্য হয়েছে।

জৈব-কীটনাশক ধীরে ধীরে কৃষকদের কাছে সমাদৃত হচ্ছে এবং জৈব সবজিতে পর্যাপ্ত চাহিদা থাকায় প্রিমিয়াম মূল্য পাওয়া যাচ্ছে। আমরা ইউ কে ভিত্তিক একটি বিশ্বখ্যাত কোম্পানীর সাথে জড়িত থেকে জৈব-কীটনাশক উন্নয়নে কাজ করছি। তদপুরি, আমরা একদল উদ্ভিদ এবং বিশেষজ্ঞ সমন্বয়ে জৈব-কীটনাশক প্রসারে বিশেষ মনোযোগ দিচ্ছি। আশা করি এই ক্যাটাগরীতে আমরা বাজার নিয়ন্ত্রনে সক্ষম হব।

আমরা ধীরে ধীরে এবং নিয়মতান্ত্রিকভাবে আমাদের পোর্টফোলিওকে আরো সাশ্রয়ী ও পরিবেশ বান্ধব পন্যের মাধ্যমে আধুনিকিকরণ করছি।

জন স্বাস্থ্য খাতে আমাদের প্রিন্সিপালরা জীবানু বাহিতরোগ যেমন কালাজ্বর, ম্যালেরিয়া এবং ডেংগু ইত্যাদির কার্যকর নিয়ন্ত্রনে ওয়ার্ল্ড হেলথ ওর্গানাইজেশনের সহায়তায় বিভিন্ন পদ্ধতি ও এর প্রয়োগের মাধ্যমে পন্যের সফল উদ্ভাবন করেছে। আমরা নাম করা বিশ্ববিদ্যালয় ও গবেষণা প্রতিষ্ঠানের সহায়তায় এই পন্যের মাঠ পর্যায়ে পরীক্ষামূলক প্রয়োগের পাশাপাশি এর বিপন্ন ও বাজারজাত করণের প্রয়োজনীয় পদক্ষেপ নিয়েছি।

আমাদের কারখানার উৎপাদন ইউনিট ভালো করেছে। আমরা উৎপাদন খরচ, জ্বালানী খরচ, মেশিন ব্রেক-ডাউন হ্রাস করতে সক্ষম হয়েছি যা উৎপাদন ক্ষেত্রে দক্ষতা বৃদ্ধিতে সহায়ক হয়েছে।

আমাদের উপকরণ ব্যবস্থাপনা প্রশংসাযোগ্য ছিল এবং কোন পন্য ঘাটতি ছিল না। আমরা নতুন যন্ত্রপাতিতে বিনিয়োগ করেছি এবং বাজারের প্রয়োজন মিটানোর জন্য বিভিন্ন ধরনের পন্য সম্প্রসারণ ঘটিয়েছি। আমরা একটি নতুন কোম্পানীর উল্লেখযোগ্য সংখ্যক শেয়ার অর্জন করেছি, যার নিম সাবান নামে একটি পন্য আছে। আমরা বৃহদাকার মার্কেট শেয়ার অর্জনের লক্ষ্যে এই নিম সাবান পুনরায় নতুন আঙ্গিকে বাজারে ছাড়ার উদ্যোগ নিয়েছি। আমরা পেইন্ট ব্যবসায় বিশ্বের এক নম্বর পেইন্ট ও কোটিং কোম্পানী AkzoNobel এর সাথে অংশীদারিত্বের ভিত্তিতে পরীক্ষামূলকভাবে ব্যবসা শুরু করেছি।

আমাদের Effluent Treatment Plant সম্পূর্ণরূপে পরিবেশ বান্ধব এবং বিধি-বিধান সম্মত, যে ব্যবস্থায় কারখানার সকল প্রকার কঠিন ও তরল বর্জ্য প্রক্রিয়াকরণের মাধ্যমে পুনর্ব্যবহারের জন্য উপযোগী করা হয় যা বিশ্বমানসম্পন্ন।

মানব সম্পদ আমাদের সবচেয়ে বড় সম্পদ। প্রশিক্ষণের মাধ্যমে তাদের প্রতিভার পূর্ণাঙ্গ বিকাশ করাই আমাদের অন্যতম লক্ষ্য। আমাদের রয়েছে একটি সুসজ্জিত প্রশিক্ষণ বিভাগ যা আমাদের কর্মীদেরকে পেশাদারিত্ব অর্জনের পাশাপাশি লক্ষ্য অর্জনে প্রশিক্ষণের ব্যবস্থা করে। আমরা আমাদের কর্মীদের মধ্যে যথাযথভাবে কর্তৃত্ব বঠন ও জবাবদিহিতা নিশ্চিত করণের ভিত্তিতে ক্ষমতায়ন করি এবং পাশাপাশি ব্যালেন্সড স্কোর কার্ড পদ্ধতি অনুসরণের মাধ্যমে মূল্যায়ন করি। আমরা মূল্যায়ণ করি সেই সকল কর্মীদের যারা তাদের নিঃসরল প্রচেষ্টার মাধ্যমে তীব্র প্রতিযোগিতা মোকাবেলা করে কোম্পানীর জন্য প্রশংসনীয় ফলাফল বয়ে আনে।

এ সি আই ফরমুলেশনস উচ্চ মানসম্পন্ন পন্যসামগ্রী সরবরাহের মাধ্যমে গ্রাহক সন্তুষ্টি অর্জনের পাশাপাশি টেকসই উন্নয়নের ধারায় সর্বদা নিয়োজিত। আমরা অত্যন্ত গুরুত্বের সাথে আমাদের সামাজিক দায়দায়িত্ব পালন করি। পেশাগত স্বাস্থ্য, নিরাপত্তা এবং পরিবেশ সুরক্ষায় আমরা সবসময় প্রাধান্য দিয়ে থাকি। নতুন নতুন ব্যবসায়িক কৌশল অবলম্বনের মাধ্যমে আমরা আমাদের প্রত্যাশিত ফলাফল অর্জনে সক্ষম হই।

আর্থিক ফলাফল

২০১৪ সালে কোম্পানীর মোট বিক্রয়লব্ধ অর্থ দাঁড়িয়েছে ২,৯০৮ মিলিয়ন টাকা যা ২০১৩ সালের তুলনায় ৫৬৮ মিলিয়ন টাকা বেশী, ফলশ্রুতিতে বিক্রয়লব্ধ অর্থ বৃদ্ধি পেয়েছে ২৪.২৬%। বিক্রয় বৃদ্ধির কারণে বিক্রয়জনিত ব্যয় ২৩.৫৬% বৃদ্ধি পেয়েছে। তদুপরি পন্য মিশ্রনে পরিবর্তন অর্থাৎ গত বছরের তুলনায় অধিক মুনাফা সম্বলিত পন্য সংযোজন এবং কাঁচামালের মূল্য অনুকূলে থাকায় মোট মুনাফা ২০১৩ সালের তুলনায় ২৬.৩৫% বৃদ্ধি পেয়েছে। আলোচ্য বছরে বেতন বৃদ্ধি, মুদ্রাস্ফীতি সমন্বয় এবং বিক্রয় বৃদ্ধির কারণে পরিচালন ব্যয় বৃদ্ধি পেয়েছে ২০.৬৯%। অপরপক্ষে, কার্যকরী মূলধনের দক্ষ ব্যবস্থাপনা, সেই সাথে হ্রাসকৃত সুদহারে অর্থ সংগ্রহের কারণে আর্থিক ব্যয় হ্রাস পেয়েছে ১৪.৭৯%। ২০১৪ সালে কর-পূর্ব এবং কর-পরবর্তী মুনাফা ছিল যথাক্রমে ২৫৯.৬৬ মিলিয়ন টাকা এবং ১৮৭.৬২ মিলিয়ন টাকা। ২০১৪ সালে শেয়ার প্রতি আয় হয়েছে ৪.১৭ টাকা যা গত বছরের তুলনায় ৪৫.৩০% বেশী।

মুনাফা বন্টন

বিগত বছরের আর্থিক ফলাফল এবং ফ্রি রিজার্ভের আলোকে পরিচালকমন্ডলী নীট মুনাফার বন্টনে নিম্নলিখিত সুপারিশ করেছেন:

	২০১৪ টাকা	২০১৩ টাকা
বিগত বছরের অবন্টিত মুনাফা	৪৭৫,০১১,৬৬৪	৪৫৮,২৮১,১৩২
যোগ: কর-পরবর্তী মুনাফা	১৮৭,৬১৫,৮৩২	১২৯,২৩০,৫৩২
সর্বমোট বন্টনযোগ্য তহবিল	৬৬২,৬২৭,৪৯৬	৫৮৭,৫১১,৬৬৪
প্রস্তাবিত লভ্যাংশঃ		
নগদ লভ্যাংশ	১৩৫,০০০,০০০	১১২,৫০০,০০০
অবন্টিত স্থিতি	৫২৭,৬২৭,৪৯৬	৪৭৫,০১১,৬৬৪

এ বছরের স্থিতি এবং আগামীতে মুনাফার অংশবিশেষ বিনিয়োগের মাধ্যমে কোম্পানী তার ধারাবাহিক লভ্যাংশ নীতি বজায় রাখতে পারবে বলে পরিচালকমন্ডলী আস্থাশীল।

লভ্যাংশ

পরিচালকমন্ডলী আনন্দের সাথে ২০১৪ সালের জন্য ৩০% লভ্যাংশ প্রদানের সুপারিশ করেছেন অর্থাৎ প্রতি ১০ টাকার শেয়ারে ৩.০০ টাকা। ২০১৫ সালের (১৩ই মে বুধবার) বুক ক্লোজারের সময় যে সকল শেয়ার মালিকগণের নাম কোম্পানীর সদস্যদের শেয়ার রেজিস্ট্রারে বা সিডিবিএল এর ডিপোজিটরিতে অন্তর্ভুক্ত থাকবে, তারা এই লভ্যাংশ পাবেন।

জাতীয় রাজস্ব আয়ে অবদান

কোম্পানী ২০১৪ সালে কর্পোরেট কর, কাস্টমস্ শুল্ক ও মূল্য সংযোজন কর বাবদ ২৪৬.৪৭ মিলিয়ন টাকা জাতীয় রাজস্ব খাতে প্রদান করেছে যা মোট বিক্রয়লব্ধ আয়ের ৮.৪৬%।

বিক্রিত পণ্যের খরচ এবং মুনাফার হার

২০১৪ সালে, বিক্রিত পণ্যের ব্যয় নিয়ন্ত্রণের অন্যতম অনুকূলে উপকরণ ছিল বিনিময় হার এবং কাঁচামালের মূল্য হ্রাস, যা গত বছরের তুলনায় বিক্রিত পণ্যের ব্যয়ের উপর ইতিবাচক প্রভাব ফেলে। ফলশ্রুতিতে, মোট মুনাফার হার ২০১৩ সালের ২৪.৯৮% থেকে বৃদ্ধি পেয়ে ২০১৪ সালে ২৫.৪০% হয়।

২০১৪ এবং ২০১৩ সালে পরিচালন মুনাফার হার ছিল যথাক্রমে ১১.২৪% এবং ১০.৪৪%। এই অর্জনের অন্যতম কারণ ছিল বিক্রয় বৃদ্ধি এবং সহায়ক পন্য মিশ্রন। আলোচ্য বছরে বেতন বৃদ্ধি, মুদ্রাস্ফীতি সমন্বয় এবং বিক্রয়জনিত খরচ বৃদ্ধির কারণে পরিচালন ব্যয় বৃদ্ধি পেয়েছে ২০.৬৯%। অপরপক্ষে, কার্যকরী মূলধনের দক্ষ ব্যবস্থাপনা, সেই সাথে হ্রাসকৃত সুদে অর্থ সংগ্রহের কারণে আর্থিক ব্যয় হ্রাস পেয়েছে ১৪.৭৯%। ২০১৪ সালে কর-পূর্ব মুনাফা এবং কর-পরবর্তী মুনাফা ছিল যথাক্রমে ২৫৯.৬৬ মিলিয়ন টাকা এবং ১৮৭.৬২ মিলিয়ন টাকা।

বিধিবদ্ধ তথ্য সম্বন্ধে পরিচালকমন্ডলীর ঘোষণা

আর্থিক বিবরণী প্রস্তুত ও উপস্থাপন সম্বন্ধে পরিচালকমন্ডলী আরো জানাচ্ছে যে:

- আর্থিক বিবরণীর নোট-৫(ii) এ সেগমেন্ট অনুযায়ী রিপোর্টিং ফলাফল পর্যালোচনা করা হয়েছে।
- কোম্পানী ব্যবসার সাথে যুক্ত বিভিন্ন ঝুঁকি সম্বন্ধে সচেতন এবং সেগুলোকে নিয়মানুগ পদ্ধতির মাধ্যমে মোকাবেলায় প্রস্তুত। আর্থিক বিবরণীর নোট-২৬ এ আর্থিক ঝুঁকি ব্যবস্থাপনা বর্ণিত হয়েছে।
- Bangladesh Accounting Standards (BASs) অনুসারে কোন অস্বাভাবিক লাভ বা ক্ষতি এ বছরে বিদ্যমান নেই।
- সংশ্লিষ্ট পক্ষগুলোর সকল লেনদেন বানিজ্যিক ভিত্তিতে করা হয়েছে যার মূলনীতি “Arms Length Transaction” সংশ্লিষ্ট পক্ষের লেনদেনের বিবরণ আর্থিক বিবরণীর নোট-২৯ তে প্রকাশিত হয়েছে।
- কোন IPO বা রাইট শেয়ার ইস্যু এ বছরে নেই।
- ত্রৈমাসিক আর্থিক ফলাফল এবং বার্ষিক আর্থিক বিবরণীর মধ্যে উল্লেখযোগ্য পার্থক্য নেই।
- এ বছরে কোম্পানীর বোর্ড মিটিং এ উপস্থিতি ফি হিসাবে মোট ৮,২৫০ টাকা প্রদান করা হয়েছে। পরিচালক মন্ডলীর সম্মানীভাষা আর্থিক বিবরণীর নোট-২২ এবং নোট-২৯(b) (ii) তে উল্লেখ করা হয়েছে।
- কোম্পানীর ব্যবস্থাপনা পর্ষদ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে কোম্পানীর স্থিতি, পরিচালন ফলাফল, অর্থ প্রবাহ এবং ইকুইটি পরিবর্তনের একটি বাস্তব ও পরিষ্কার চিত্র তুলে ধরা হয়েছে।
- কোম্পানীর হিসাবের বই সঠিকভাবে রক্ষণাবেক্ষণ করা হয়েছে।
- আর্থিক বিবরণী প্রণয়নে যথাযথ হিসাব নীতি ধারাবাহিকভাবে অনুসরণ করা হয়েছে এবং হিসাবের ভিত্তি যুক্তিসঙ্গত ও সঠিক।
- আর্থিক বিবরণী প্রস্তুত করণের ক্ষেত্রে Bangladesh Accounting Standards (BASs) & Bangladesh Financial Reporting Standards (BFRSs) অনুসরণ করা হয়েছে।
- বিগত বছরের তুলনায় পরিচালন ফলাফলে সকল উল্লেখযোগ্য পার্থক্য দৃষ্টিগোচর করা হয়েছে এবং তার ব্যাখ্যা প্রদান করা হয়েছে।
- বিগত পাঁচ বছরের গুরুত্বপূর্ণ আর্থিক ও পরিচালনাগত তথ্য ২০১৪ সালে বার্ষিক প্রতিবেদনে প্রকাশ করা হয়েছে।
- কোম্পানী ২০১৪ সালে লভ্যাংশ সুপারিশ করেছে।
- ২০১৪ সালে বিধিবদ্ধ নিয়মনুযায়ী ৪টি বোর্ড মিটিং অনুষ্ঠিত হয়েছে যা Annexure-I এ দেখানো হয়েছে।
- ৩১ শে ডিসেম্বর ২০১৪ সালে কোম্পানীর শেয়ার হোল্ডিং প্যাটার্ন Annexure-II এ দেখানো হয়েছে।
- ২০১৪ সালে আর্থিক প্রতিবেদনের Annexure-V এ যে সমস্ত পরিচালকগণ নির্বাচিত বা পুনর্নিয়োগপ্রাপ্ত হয়েছেন তাদের সংক্ষিপ্ত জীবন বৃত্তান্ত অন্তর্ভুক্ত করা হয়েছে।

- CEO এবং CFO বোর্ডকে এই মর্মে প্রত্যাশন করেছে যে তারা আর্থিক বিবরণী মূল্যায়ন করেছে এবং তারা বিশ্বাস করে যে, এই প্রতিবেদনে অসত্য কিছু নেই অথবা কোন উপাদান বাদ দেওয়া হয়নি অথবা এমন কিছু নেই যা ভুল ব্যাখ্যা দিতে পারে।
- CEO এবং CFO আরো নিশ্চয়তা প্রদান করেছে যে, স্বচ্ছ এবং সঠিক উপস্থাপনা এবং প্রযোজ্য আইন মেনে আর্থিক বিবরণী প্রস্তুত করা হয়েছে।
- CEO এবং CFO বোর্ডকে এ ব্যাপারে আরো প্রত্যাশন করেছে যে, তাদের জ্ঞান ও বিশ্বাস মতে এমন কোন লেনদেন হয়নি যা প্রতারণামূলক, অনৈতিক অথবা কোম্পানীর স্বীকৃত অভ্যন্তরীণ আচরণ বিধি লঙ্ঘন করে।

পরিচালনা পর্ষদের গঠন

বর্তমানে কোম্পানীর একটি সাত সদস্য বিশিষ্ট পরিচালনা পর্ষদ রয়েছে যা প্রধান শেয়ার মালিকগণ ও স্বনামধন্য ব্যবসায়িক ব্যক্তিবর্গ সমন্বয়ে গঠিত। জনাব আনিস উদ্ দৌলা বোর্ডের চেয়ারম্যান পদে এবং মিজ সুস্মিতা আনিস ব্যবস্থাপনা পরিচালক পদে অধিষ্ঠিত আছেন। জনাব জুনেদ আহমদ চৌধুরী এবং জনাব কামরান টি, রহমান স্বতন্ত্র পরিচালক হিসাবে নিয়োজিত আছেন।

পরিচালনা পর্ষদের ভূমিকা

যথাযথ প্রতিনিধি নিয়োগ ও কর্তৃত্ব বন্টন, প্রতিবেদন প্রণয়ন ও নিয়ন্ত্রণের মাধ্যমে কোম্পানির কার্যপদ্ধতি তত্ত্বাবধান করার জন্য বোর্ড সর্বোচ্চ ক্ষমতার অধিকারী।

পরিচালনা পর্ষদের দায়িত্ব

কোম্পানির দীর্ঘমেয়াদী স্বার্থের কথা বিবেচনা করে শেয়ার মালিক ও অন্যান্য ষ্টেকহোল্ডারদের স্বার্থে ও কোম্পানির আইন অনুসারে পরিচালকমন্ডলী কোম্পানির কার্যক্রম পরিচালনা করার চূড়ান্ত ক্ষমতা রাখে।

পরিচালনা পর্ষদের কার্যক্রম

আইন অনুযায়ী পরিচালনা পর্ষদ প্রতি তিন মাসে অন্তত একবার মিলিত হয়। ২০১৪ সালে পরিচালনা পর্ষদের চারটি সভা অনুষ্ঠিত হয়। ব্যবস্থাপনা পরিচালক মাসিক ও ত্রৈমাসিক প্রতিবেদনের মাধ্যমে সকল পরিচালককে কোম্পানির গুরুত্বপূর্ণ কার্যক্রম ও ফলাফল সম্পর্কে অবহিত করেন। পরিচালনা পর্ষদের আলোচ্যসূচীতে সংবিধিবদ্ধ অনুমোদন ছাড়াও আর্থিক ফলাফল, প্রধান বিনিয়োগের বিবেচনা, নতুন ব্যবসার পদক্ষেপ, ঋণ গ্রহণ, অর্থের তারল্য ইত্যাদি অন্তর্ভুক্ত থাকে।

ব্যবস্থাপনা পদ্ধতি

পরিচালনা পর্ষদ কোম্পানির একটি অর্গানোগ্রাম প্রণয়ন করেছে যা প্রত্যেক স্ট্র্যাটেজিক বিজনেস ইউনিটের পদের ক্রমধারার স্বচ্ছতা নিশ্চিত করে। পর্ষদকে ত্রৈমাসিক ভিত্তিতে বিজনেস ইউনিট সমূহের লক্ষ্য ও উদ্দেশ্য সম্পর্কে অবহিত করা হয় এবং আর্থিক ফলাফল বিবেচনা করা হয়।

ক্ষমতায়ন

পরিচালনা পর্ষদ কর্তৃক ব্যবস্থাপনা পরিচালককে কোম্পানিতে যথাযথভাবে কর্তৃত্ব বন্টন, সুপারভাইজার পর্যন্ত কর্মীদের সকল স্তরে জবাবদিহিতা নিশ্চিতকরণ এবং সুনির্দিষ্ট পরিমাপযোগ্য লক্ষ্য নির্ধারণ, অর্জন এবং সেই মোতাবেক মূল্যায়নের জন্য পর্যাপ্ত নির্দেশনা দেয়া আছে।

প্রতিবেদন ও তথ্য বিনিময়

ব্যবস্থাপনা পরিচালক প্রতি তিন মাস অন্তর প্রত্যেক বিজনেস ইউনিটের কৌশলগত দিক নির্দেশনার পুনর্বিবেচনা ও সম্মতি দান করেন। এ ছাড়াও মাসিক প্রতিবেদন এবং বিভিন্ন ব্যবসা প্রধানের প্রদত্ত বিক্রয় ও আর্থিক ফলাফল সংক্রান্ত প্রতিবেদন পর্যালোচনা করার পাশাপাশি সুনির্দিষ্ট লক্ষ্য ও উদ্দেশ্য অর্জনে নতুন কর্ম পরিকল্পনা প্রনয়ন করা হয়। কবু Performance Indicator (KPI) এর ভিত্তিতে বৎসরান্তে প্রত্যেক কর্মীর ফলাফল পর্যালোচনা করা হয়।

শেয়ার মালিকদের সাথে যোগাযোগ

কোম্পানি নিয়মিতভাবে নির্ধারিত সময়ে বার্ষিক সাধারণ সভা করে থাকে। বার্ষিক সাধারণ সভায় পরিচালকবৃন্দ শেয়ার মালিকগণ এবং প্রাতিষ্ঠানিক স্টেকহোল্ডারদের মতামত ও পরামর্শ গ্রহণ করেন এবং চূড়ান্ত গুরুত্বের সাথে বিবেচনা করেন।

পরিচালকমন্ডলীর নির্বাচন

কোম্পানির আর্টিক্যালস অব এসোসিয়েশন এর ৪৭ অনুচ্ছেদ অনুযায়ী জনাব আনিস উদ দৌলা এবং ড. এফ এইচ আনসারী পর্যায়ক্রমিকভাবে অবসর গ্রহণ ও পুনর্নির্বাচনের যোগ্য হিসাবে বিবেচিত।

অডিট কমিটি

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের গাইডলাইন অনুসারে কোম্পানির অডিট কমিটি গঠন করা হয়েছে যা সংযুক্ত কমপ্লায়েন্স রিপোর্ট এ উল্লেখ করা হয়েছে। অডিট কমিটির সদস্যগণ হচ্ছেন জনাব জুনেদ আহমদ চৌধুরী, মিসেস নাজমা দৌলা এবং ড. এফ এইচ আনসারী। জনাব জুনেদ আহমদ চৌধুরী একজন স্বতন্ত্র পরিচালক এবং অডিট কমিটির চেয়ারম্যান।

২০১৪ সালে অডিট কমিটির চারটি সভা অনুষ্ঠিত হয়েছে। কোম্পানির সচিব অডিট কমিটির সচিব হিসাবে দায়িত্ব পালন করেন। অডিট কমিটি ২০১৪ সালে নিম্নবর্ণিত কাজসমূহ সম্পাদন করেনঃ

- অভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতির পর্যালোচনা ও মূল্যায়ণ।
- কোম্পানির পরিচালনাগত ঝুঁকি পর্যালোচনা এবং সচেতনতা বৃদ্ধির মাধ্যমে মোকাবেলা করা।
- বিধিবদ্ধ অডিটরের নিয়োগ এবং তাদের কাজের মূল্যায়ণ।
- কোম্পানির আর্থিক প্রতিবেদন প্রক্রিয়ার সুনিশ্চিতকরণ।
- বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নির্দেশনাবলীর আলোকে বিভিন্ন বিষয় পর্যালোচনা করা।

চলমান প্রতিষ্ঠান

পরিচালনা পর্ষদ পর্যাগু অনুসন্ধান এবং বিশ্লেষণের মাধ্যমে নিশ্চিত হয়েছে যে, সম্পদ এবং পর্যাগু ব্যবসায়িক সুযোগের মাধ্যমে কোম্পানিকে চলমান

বোর্ডের পক্ষে,



সুমিত্রা আনিস

ব্যবস্থাপনা পরিচালক

প্রতিষ্ঠান হিসেবে বিবেচনা করা যায়, যা নিশ্চিতকরণের জন্য পরিচালকগণ আর্থিক হিসাবপত্র বিশ্লেষণ করেছেন এবং চলমান প্রতিষ্ঠানের আলোকে এর আর্থিক হিসাবপত্র প্রস্তুত করা হয়েছে।

আভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি

পরিচালনা পর্ষদ এই মর্মে নিশ্চয়তা দিচ্ছে যে, কোম্পানিতে একটি কার্যকর ঝুঁকি ব্যবস্থাপনা প্রক্রিয়া বিদ্যমান যা আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুদৃঢ় করে এবং সকল জ্ঞাত ও আসন্ন ঝুঁকি চিহ্নিত করন স্বাপেক্ষে ঐ সকল ঝুঁকি মোকাবেলায় প্রয়োজনীয় পদক্ষেপ ও নীতি নির্ধারণে সহায়তা করে। আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা স্বাধীন পরামর্শক হিসাবে নিয়মানুগ ও সুশৃঙ্খল পদ্ধতিতে ঝুঁকি মোকাবেলার মাধ্যমে ব্যবসায়িক উদ্দেশ্য অর্জন নিশ্চিত করে।

কর্পোরেট সামাজিক দায়-দায়িত্ব

এ সি আই গ্রুপের সকল CSR কার্যক্রম কেন্দ্রীয়ভাবে নিয়ন্ত্রিত হয় এবং CSR'র আওতায় গৃহীত সকল প্রকল্প ও প্রোগ্রাম সমূহ ব্যবসায়িক সংশ্লিষ্টতার ভিত্তিতে নির্বাচন করা হয়। একটি পৃথকব্রোসিয়ারে CSR'র আওতায় গৃহীত এ সি আই গ্রুপের সকল প্রকল্পের বিবরণী যথাসময়ে প্রকাশিত হবে এবং কোম্পানীর শেয়াহোল্ডারগণের নিকট প্রেরিত হবে। একটি টেকসহ ব্যবসায়িক প্রতিষ্ঠান নির্মাণের পাশাপাশি CSR কার্যক্রম সম্প্রসারণে আমরা সচেষ্ট।

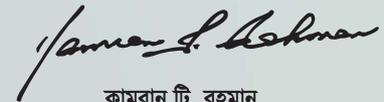
কর্পোরেট গভর্নেন্স কমপ্লায়েন্স রিপোর্ট

কোম্পানির পরিচালনা পর্ষদ কর্পোরেট গভর্নেন্সের সর্বোচ্চ মান নিয়ন্ত্রণ এবং তা প্রকাশে প্রতিশ্রুতিবদ্ধ। কোম্পানির পরিচালনা পর্ষদ কর্পোরেট গভর্নেন্সের আলোকে কার্যাবলী পর্যালোচনা ও দিক নির্দেশনার ব্যাপারে তাদের দায়িত্ব সম্পর্কে অবগত রয়েছে। এসকল দায়-দায়িত্ব পালনের জন্যে পরিচালকগণ সুনির্দিষ্ট নীতি প্রনয়ন করেছেন যা তাদের ভুলত্রুটি সংশোধনের জন্য এবং নির্বাহী ব্যবস্থাপকদের প্রতি সঠিক দিক নির্দেশনা প্রণয়নে অনুসৃত হবে।

আমরা অত্যন্ত আনন্দের সাথে আপনাদের এই মর্মে নিশ্চিত করছি যে, কোম্পানি বাংলাদেশ সিকিউরিটি এন্ড এক্সচেঞ্জ কমিশন এর নোটিশ নং/এসইসি/সি এম আর আর সিডি/২০০৬-১৫৮/১৩৪/প্রশাসন/৪৪, ৭ই আগষ্ট ২০১২ অনুযায়ী সমস্ত প্রয়োজনীয় দিকনির্দেশনা পালন করছে। কোম্পানির পরিচালকমন্ডলীর প্রতিবেদন ২০১৪ এর Annexure-IV এ মেসার্স আল মুক্তাদীর এ্যাসোসিয়েটস, চার্টার্ড সেক্রেটারিজ কর্তৃক প্রত্যায়িত কমপ্লায়েন্স সার্টিফিকেটের অংশ হিসেবে কমপ্লায়েন্স রিপোর্ট মন্তব্য সহকারে অন্তর্ভুক্ত করা হলো।

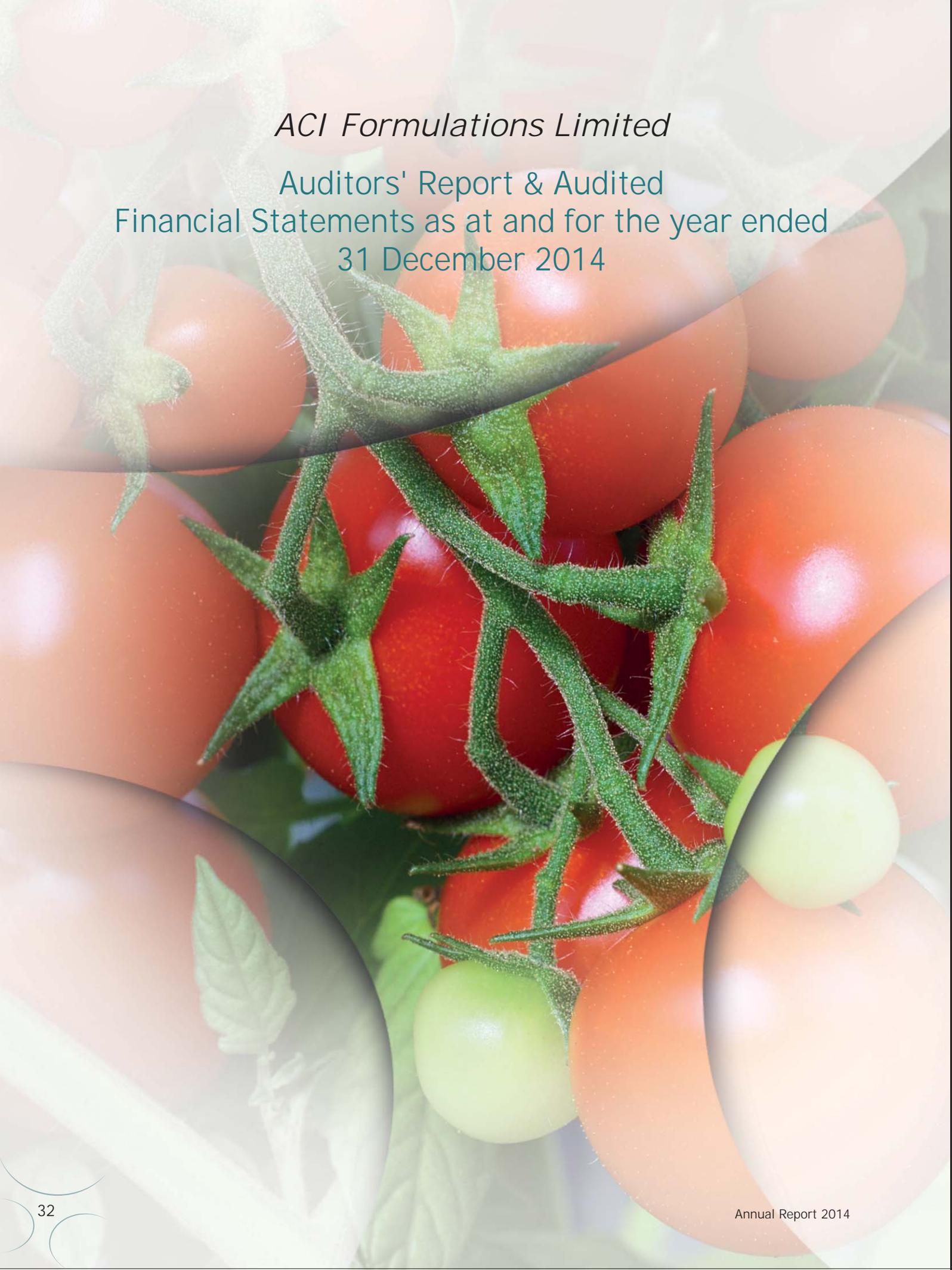
অডিটর

আমাদের অডিটর মেসার্স রহমান রহমান হক, চার্টার্ড একাউন্ট্যান্টস্, ২০১৫ সালে তাঁদেরকে অডিটর হিসেবে পুনর্নিয়োগের জন্য প্রস্তাব রেখেছেন এবং কোম্পানীর পরিচালকমন্ডলী এই পুনর্নিয়োগ বিবেচনার জন্য শেয়ার হোল্ডারগণের নিকট সুপারিশ করেছেন।



কামরান টি. রহমান

স্বতন্ত্র পরিচালক



ACI Formulations Limited

Auditors' Report & Audited
Financial Statements as at and for the year ended
31 December 2014



Rahman Rahman Huq

Chartered Accountants

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Independent Auditors' Report to the Shareholders of ACI Formulations Limited

Report on the Financial Statements

We have audited the accompanying separate financial statements of ACI Formulations Limited ("the Company") as well as the consolidated financial statements of ACI Formulations Limited and its subsidiaries ("the Group"), which comprise the separate and the consolidated statements of financial position as at 31 December 2014, statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements of the Company and the consolidated financial statements of the Group in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the separate financial statements of the Company and the consolidated financial statements of the Group that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the separate financial statements of the Company and the consolidated financial statements of the Group based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements of the Company and the consolidated financial statements of the Group are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements of the Company and the consolidated financial statements of the Group. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the separate financial statements of the Company and the consolidated financial statements of the Group, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the separate financial statements of the Company and the consolidated financial statements of the Group 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 entities internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements of the Company and the consolidated financial statements of the Group.

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

Opinion

In our opinion, the separate financial statements of the Company and the consolidated financial statements of the Group give a true and fair view of the financial position of the Company as well as of the Group as at 31 December 2014, and of their financial performance and their cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Other matter

The separate financial statements of the Company for the year ended 31 December 2013 were audited by another auditor who expressed an unmodified opinion on those financial statements on 29 April 2014.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and Bangladesh Securities and Exchange Rules 1987, we also report the following:

- we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- the separate and the consolidated statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- the expenditure incurred was for the purposes of the Company's business.

Dhaka, 27 April 2015

Rahman Rahman Huq
Chartered Accountants



ACI Formulations Limited

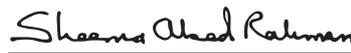
Statement of financial position

<i>In Taka</i>	Note	31 December 2014	31 December 2013
Assets			
Property, plant and equipment	6	1,244,949,311	1,244,808,289
Investments	7	14,539,138	2,808,233
Non-current assets		1,259,488,449	1,247,616,522
Inventories	8	676,561,087	573,655,124
Trade and other receivables	9	868,882,545	825,205,635
Advances, deposits and prepayments	10	181,132,490	134,469,469
Cash and cash equivalents	11	84,802,811	118,780,242
Current assets		1,811,378,933	1,652,110,470
Total assets		3,070,867,382	2,899,726,992
Equity			
Share capital	12	450,000,000	450,000,000
Reserves		692,960,311	692,960,311
Retained earnings		662,627,496	587,511,664
Total equity		1,805,587,807	1,730,471,975
Liabilities			
Employee benefits	13	13,275,149	10,987,355
Deferred tax liabilities	14	47,753,650	53,149,289
Non-current liabilities		61,028,799	64,136,644
Bank overdrafts	15	63,351,555	52,490,536
Loans and borrowings	16	712,586,115	757,296,347
Trade and other payables	17	287,091,746	179,211,111
Provision for tax	18	141,221,360	116,120,379
Current liabilities		1,204,250,776	1,105,118,373
Total liabilities		1,265,279,575	1,169,255,017
Total equity and liabilities		3,070,867,382	2,899,726,992

The annexed notes 1 to 32 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

As per our report of same date.



Rahman Rahman Huq
Chartered Accountants

Dhaka, 27 April 2015

ACI Formulations Limited



Statement of profit or loss and other comprehensive income

<i>In Taka</i>	Note	For the year ended 31 December	
		2014	2013
Revenue	19	2,908,108,612	2,340,431,716
Cost of sales	20	(2,169,525,855)	(1,755,875,325)
Gross profit		738,582,757	584,556,391
Other income	21	6,824,074	6,449,304
Administrative, selling and distribution expenses	22	(418,467,133)	(346,726,896)
Operating profit		326,939,698	244,278,799
Net finance costs	23	(53,617,413)	(62,924,420)
Profit before contribution to WPPF		273,322,285	181,354,379
Contribution to WPPF		(13,666,114)	(9,067,719)
Profit before tax		259,656,171	172,286,660
Income tax expense:	24		
Current tax		(77,435,978)	(50,295,362)
Deferred tax income/(expense)		5,395,639	7,239,234
		(72,040,339)	(43,056,128)
Profit after tax		187,615,832	129,230,532
Other comprehensive income		-	-
Total comprehensive income		187,615,832	129,230,532
Earnings per share	25		
Basic earnings per share		4.17	2.87

The annexed notes 1 to 32 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

Dhaka, 27 April 2015

As per our report of same date.



Rahman Rahman Huq
Chartered Accountants



ACI Formulations Limited

Statement of changes in equity

<i>In Taka</i>	For the year ended 31 December 2013			
	Attributable to owners of the Company			
	Share capital	Revaluation reserve	Retained earnings	Total
Balance at 1 January 2013	450,000,000	692,960,311	570,781,132	1,713,741,443
Total comprehensive income				
Profit after tax	-	-	129,230,532	129,230,532
Total comprehensive income	-	-	129,230,532	129,230,532
Contributions and distributions				
Dividends paid	-	-	(112,500,000)	(112,500,000)
Total transactions with owners of the Company	-	-	(112,500,000)	(112,500,000)
Balance at 31 December 2013	450,000,000	692,960,311	587,511,664	1,730,471,975

<i>In Taka</i>	For the year ended 31 December 2014			
	Attributable to owners of the Company			
	Share capital	Revaluation reserve	Retained earnings	Total
Balance at 1 January 2014	450,000,000	692,960,311	587,511,664	1,730,471,975
Total comprehensive income				
Profit after tax	-	-	187,615,832	187,615,832
Total comprehensive income	-	-	187,615,832	187,615,832
Contributions and distributions				
Dividends paid	-	-	(112,500,000)	(112,500,000)
Total transactions with owners of the Company	-	-	(112,500,000)	(112,500,000)
Balance at 31 December 2014	450,000,000	692,960,311	662,627,496	1,805,587,807

The annexed notes 1 to 32 form an integral part of these financial statements.

ACI Formulations Limited

Statement of cash flows



<i>In Taka</i>	For the year ended 31 December	
	2014	2013
Cash flows from operating activities		
Cash received from customers	2,659,338,041	2,452,150,300
Cash received from other income	6,824,074	6,449,304
	2,666,162,115	2,458,599,604
Cash received/(paid) from/(for):		
Purchase of inventories	(2,198,912,233)	(1,586,609,442)
Other receivables	(3,625,666)	(7,129,187)
Operating expenses	(286,036,067)	(325,433,907)
Other payables	2,627,120	(585,070)
Payment for WPPF	(16,566,743)	(4,972,224)
Advances, deposits and prepayments	(26,198,447)	(2,255,021)
	(2,528,712,037)	(1,926,984,851)
Cash generated from operations	137,450,078	531,614,753
Net finance costs	(53,617,413)	(62,924,420)
Income tax expense	(72,799,571)	(46,517,122)
	(126,416,984)	(109,441,542)
Net cash from operating activities	11,033,094	422,173,211
Cash flows from investing activities		
Acquisition of property, plant and equipment	(56,940,380)	(35,678,585)
Investments	(11,730,905)	(208,049)
Net cash used in investing activities	(68,671,285)	(35,886,634)
Cash flows from financing activities		
Inter-company debts received/(paid)	169,121,980	(201,288,549)
Proceeds from loans and borrowings	(44,710,232)	(13,712,049)
Dividends paid	(111,612,008)	(111,792,866)
Net cash from financing activities	12,799,741	(326,793,464)
Net increase in cash and cash equivalents	(44,838,450)	59,493,113
Cash and cash equivalents at 1 January	66,289,706	6,796,593
Cash and cash equivalents at 31 December*	21,451,256	66,289,706

*Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

The annexed notes 1 to 32 form an integral part of these financial statements.



ACI Formulations Limited

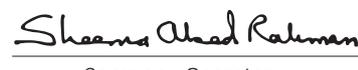
Consolidated statement of financial position

<i>In Taka</i>	Note	31 December 2014
Assets		
Property, plant and equipment	6(a)	1,249,002,024
Biological assets		5,395,071
Investments	7(a)	3,039,138
Intangible assets	27(b)	12,382,918
Non-current assets		1,269,819,151
Inventories	8(a)	679,684,859
Trade and other receivables	9(a)	849,636,929
Advances, deposits and prepayments	10(a)	183,357,798
Cash and cash equivalents	11(a)	87,399,652
Current assets		1,800,079,238
Total assets		3,069,898,389
Equity		
Share capital	12	450,000,000
Reserves		692,960,311
Retained earnings		661,475,821
Equity attributable to owners of the Company		1,804,436,132
Non-controlling interest		(678,199)
Total equity		1,803,757,933
Liabilities		
Employee benefits	13	13,275,149
Deferred tax liabilities		47,547,621
Non-current liabilities		60,822,770
Bank overdrafts	15	63,351,555
Loans and borrowings	16	712,586,115
Trade and other payables	17(a)	288,126,168
Provision for tax	18(a)	141,253,848
Current liabilities		1,205,317,686
Total liabilities		1,266,140,456
Total equity and liabilities		3,069,898,389

The annexed notes 1 to 32 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

As per our report of same date.


Rahman Rahman Huq
Chartered Accountants

Dhaka, 27 April 2015

ACI Formulations Limited

Consolidated statement of profit or loss and other comprehensive income

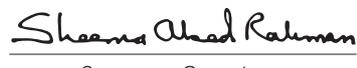


<i>In Taka</i>	Note	For the year ended 31 December 2014
Revenue	19(a)	2,912,197,121
Cost of sales	20(a)	(2,172,844,885)
Gross profit		739,352,236
Other income	21	6,824,074
Administrative, selling and distribution expenses	22(a)	(420,898,970)
Operating profit		325,277,340
Net finance costs		(53,676,210)
Profit before contribution to WPPF		271,601,130
Contribution to WPPF		(13,666,114)
Profit before tax		257,935,016
Income tax expense:	24(a)	
Current tax		(77,456,420)
Deferred tax income/(expense)		5,601,668
		(71,854,752)
Profit after tax		186,080,264
Other comprehensive income		-
Total comprehensive income		186,080,264
Total comprehensive income attributable to:		
Owners of the Company		186,464,157
Non-controlling interest		(383,893)
		186,080,264
Earnings per share	25	
Basic earnings per share		4.14

The annexed notes 1 to 32 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

As per our report of same date.


Rahman Rahman Huq
Chartered Accountants

Dhaka, 27 April 2015

ACI Formulations Limited

Consolidated statement of changes in equity

For the year ended 31 December 2014

In Taka	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Revaluation reserve	Retained earnings	Total		
Balance at 1 January 2014	450,000,000	692,960,311	587,511,664	1,730,471,975	-	1,730,471,975
Total comprehensive income						
Profit after tax	-	-	186,464,157	186,464,157	(383,893)	186,080,264
Total comprehensive income	-	-	186,464,157	186,464,157	(383,893)	186,080,264
Contributions and distributions						
Dividends paid	-	-	(112,500,000)	(112,500,000)	-	(112,500,000)
Total contributions and distributions	-	-	(112,500,000)	(112,500,000)	-	(112,500,000)
Changes in ownership interests						
Acquisition of subsidiary with NCI	-	-	-	-	(294,306)	(294,306)
Total changes in ownership interests	-	-	-	-	(294,306)	(294,306)
Total transactions with owners of the Company	-	-	(112,500,000)	(112,500,000)	(294,306)	(112,794,306)
Balance at 31 December 2014	450,000,000	692,960,311	661,475,821	1,804,436,132	(678,199)	1,803,757,933

The annexed notes 1 to 32 form an integral part of these financial statements.

ACI Formulations Limited

Consolidated statement of cash flows



<i>In Taka</i>	Note	For the year ended 31 December 2014
Cash flows from operating activities		
Cash received from customers		2,665,058,362
Cash received from other income		6,824,074
		2,671,882,436
Cash received/(paid) from/(for):		
Purchase of inventories		(2,202,531,645)
Other receivables		(3,625,666)
Operating expenses		(287,511,248)
Other payables		2,627,120
Payment for WPPF		(16,566,743)
Advances, deposits and prepayments		(26,034,135)
		(2,533,642,317)
Cash generated from operating activities		138,240,119
Net finance costs		(53,676,210)
Income tax expense		(72,806,862)
		(126,483,072)
Net cash from operating activities		11,757,047
Cash flows from investing activities		
Acquisition of property, plant and equipment		(56,986,685)
Investments		(11,598,560)
Net cash used in investing activities		(68,585,245)
Cash flows from financing activities		
Inter-company debts received/(paid)		171,385,829
Proceeds from loans and borrowings		(45,187,232)
Dividends paid		(111,612,008)
Net cash from financing activities		14,586,589
Net increase in cash and cash equivalents		(42,241,609)
Cash and cash equivalents at 1 January		66,289,706
Cash and cash equivalents at 31 December*		24,048,097

*Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

The annexed notes 1 to 32 form an integral part of these financial statements.



ACI Formulations Limited

Notes to the financial statements

as at and for the year ended 31 December 2014

1. Reporting entity

1.1 Company profile

ACI Formulations Limited (the "Company") is a company incorporated in Bangladesh. It was incorporated as a private limited company on 29 October 1995 and was converted from private limited to public limited company on 4 May 2005 and listed with both Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) on 30 October 2008. The registered office of the Company is situated in Dhaka. The Company went into commercial operations on 1 July 1998. Advanced Chemical Industries Limited (ACI Limited) incorporated in Bangladesh is the immediate as well as ultimate parent of the Company.

1.2 Nature of business

The principal activities of the Company are manufacturing and marketing of a number of agrochemical and consumer products.

Agrochemical products (Crop Care & Public Health) are directly marketed by the Company with the use of depot facilities of ACI Limited.

Some products of Consumer Brands Division of ACI Limited are manufactured by the Company under contract.

1.3 Description of subsidiaries

ACI Formulations Limited has acquired 75% shares of Neem Laboratories (Pvt.) Ltd, Aloe Organics (Pvt.) Limited and Green Business & Marketing Company (BD) Limited. The effective date of acquisition was 28 February 2014. Neem Laboratories (Pvt.) Ltd is engaged in manufacturing and marketing of herbal products in a small scale. On the other hand, the operations of Aloe Organics (Pvt.) Limited and Green Business & Marketing Company (BD) Limited are currently dormant.

2. Basis of accounting

2.1 Statement of compliance

The financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) and the Securities and Exchange Rules 1987.

Consolidated financial information is presented only for 2014 as this is the first year of consolidation.

2.2 Date of authorisation

The separate financial statements as well as consolidated financial statements were authorised by the Board of Directors on 27 April 2015 for publication.

Details of the Company's accounting policies are included in Notes 31 and 32.

2.3 Reporting period

These financial statements cover the period from 1 January to 31 December.

3. Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/TK/BDT), which is both functional and presentation currency of the Company. The amounts in these financial statements have been rounded off to the nearest Taka.

4. Use of estimates and judgments

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards (BFRSs) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements are included in the following notes:

Note- 6(a) & 32(h)	Property, plant and equipment
Note- 8(a) & 32(g)	Inventories
Note- 9(a) & 32(j)(i)	Trade and other receivables
Note- 13 & 32(d)	Employee benefits
Note- 14 & 32(f) (ii)	Deferred tax liabilities
Note- 18(a) & 32(f)(i)	Provision for tax

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5. Operating segments

(i) Basis for segmentation

The Company has the following three strategic divisions, which are reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the Company's CEO reviews internal management reports at least on quarterly basis.

The following summary describes the operations of each reportable segment:

Reportable segments	Operations
Crop Care and Public Health (CC & PH)	To manufacture and sell crop care and public health products
Mosquito coil (M.Coil)	To manufacture and sell mosquito coil products
Aerosol	To manufacture and sell aerosol and air freshener products

(ii) Information about reportable segments

Information related to each reportable segment is set out below. Segment profit before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

2014

In Taka	Reportable segments				Total reportable segments	Unallocated	Total
	CC & PH	M Coil	Aerosol				
External revenue	1,606,540,708	-	-	1,606,540,708	48,770,734	1,655,311,442	
Intra-segment revenue	-	808,861,352	448,024,327	1,256,885,679	-	1,256,885,679	
Segment revenue	1,606,540,708	808,861,352	448,024,327	2,863,426,387	48,770,734	2,912,197,121	
Cost of sales excluding depreciation	(971,701,696)	(714,154,708)	(402,203,520)	(2,088,059,924)	(42,271,202)	(2,130,331,126)	
Depreciation	(22,588,239)	(18,719,655)	(4,949,767)	(46,257,661)	(250,137)	(46,507,798)	
Other income	4,165,492	1,200	2,657,382	6,824,074	-	6,824,074	
Operating expenses excluding depreciation	(328,859,252)	(36,782,402)	(24,086,279)	(389,727,933)	(27,139,887)	(416,867,820)	
Net finance costs	(40,576,583)	(4,235,434)	(3,383,058)	(48,195,075)	(5,481,135)	(53,676,210)	
Segment profit/(loss) before tax	234,631,409	33,221,836	15,256,130	283,109,375	(25,174,359)	257,935,016	
Segment assets	1,929,774,833	740,105,623	234,305,235	2,904,185,691	165,712,698	3,069,898,389	
Segment liabilities	681,085,199	221,887,968	98,411,711	1,001,384,878	264,755,578	1,266,140,456	

6. Property, plant and equipment

Property, plant and equipment- at cost

In Taka	Land	Building	Plant and Machinery	Equipment and machinery	Electrical and other office appliances	Furniture and fixture	Motor vehicle	Under construction	Total
Balance at 1 January 2013	160,174,586	179,650,262	226,017,547	15,528,332	7,527,397	21,641,930	12,121,545	25,977,950	648,639,549
Additions	9,472,833	195,287	49,000	470,400	648,698	321,027	220,880	24,300,460	35,678,585
Transfer	-	9,984,304	14,011,576	-	-	-	-	(23,995,880)	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 December 2013	169,647,419	189,829,853	240,078,123	15,998,732	8,176,095	21,962,957	12,342,425	26,282,530	684,318,134
Balance at 1 January 2014	169,647,419	189,829,853	240,078,123	15,998,732	8,176,095	21,962,957	12,342,425	26,282,530	684,318,134
Additions	2,522,936	-	119,976	757,734	164,800	282,780	10,850,235	42,241,918	56,940,379
Transfer	-	4,626,221	33,396,753	-	-	-	-	(38,022,974)	-
Disposals	-	-	(10,685,043)	-	-	-	-	-	(10,685,043)
Balance at 31 December 2014	172,170,355	194,456,074	262,909,809	16,756,466	8,340,895	22,245,737	23,192,660	30,501,474	730,573,470

In Taka	Land	Building	Plant and Machinery	Equipment and machinery	Electrical and other office appliances	Furniture and fixture	Motor vehicle	Under construction	Total
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Balance at 1 January 2013	-	8,714,313	55,193,362	4,043,350	2,248,177	3,443,725	5,602,920	-	79,245,847
Depreciation	-	4,619,075	27,823,132	2,240,482	924,490	2,545,698	2,446,395	-	40,599,272
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 December 2013	-	13,333,388	83,016,494	6,283,832	3,172,667	5,989,423	8,049,315	-	119,845,119
Balance at 1 January 2014	-	13,333,388	83,016,494	6,283,832	3,172,667	5,989,423	8,049,315	-	119,845,119
Depreciation	-	4,803,570	27,629,339	2,365,961	972,351	2,571,336	3,553,501	-	41,896,058
Disposals	-	-	(174,181)	-	-	-	-	-	(174,181)
Balance at 31 December 2014	-	18,136,958	110,471,652	8,649,793	4,145,018	8,560,759	11,602,816	-	161,566,996
Carrying amounts									
At 31 December 2013	169,647,419	176,496,465	157,061,629	9,714,900	5,003,428	15,973,534	4,293,110	26,282,530	564,473,015
At 31 December 2014	172,170,355	176,319,116	152,438,157	8,106,673	4,195,877	13,684,978	11,589,844	30,501,474	569,006,474

* The Company capitalised the borrowing costs to the extent of Tk.2,663,931 and Tk.1,046,422 on acquisition of qualifying assets during the year 2013 and 2014 respectively.

Property, plant and equipment - at revaluation

In Taka	Land	Building	Plant and Machinery	Equipment and machinery	Electrical and other office appliances	Furniture and fixture	Motor vehicle	Under construction	Total
Balance at 1 January 2013	631,685,128	36,864,035	26,744,726	2,297,093	3,586,781	788,957	3,147,727	-	705,114,447
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 December 2013	631,685,128	36,864,035	26,744,726	2,297,093	3,586,781	788,957	3,147,727	-	705,114,447
Balance at 1 January 2014	631,685,128	36,864,035	26,744,726	2,297,093	3,586,781	788,957	3,147,727	-	705,114,447
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 December 2014	631,685,128	36,864,035	26,744,726	2,297,093	3,586,781	788,957	3,147,727	-	705,114,447

In Taka	Land	Building	Plant and Machinery	Equipment and machinery	Electrical and other office appliances	Furniture and fixture	Motor vehicle	Under construction	Total
Accumulated depreciation									
Balance at 1 January 2013	-	1,843,202	12,450,562	1,209,764	745,152	321,859	1,259,090	-	17,829,629
Depreciation	-	921,601	4,644,123	255,584	372,578	126,113	629,545	-	6,949,544
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 December 2013	-	2,764,803	17,094,685	1,465,348	1,117,730	447,972	1,888,635	-	24,779,173
Balance at 1 January 2014	-	2,764,803	17,094,685	1,465,348	1,117,730	447,972	1,888,635	-	24,779,173
Depreciation	-	786,108	2,300,123	163,100	372,577	140,984	629,545	-	4,392,437
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 December 2014	-	3,550,911	19,394,808	1,628,448	1,490,307	588,956	2,518,180	-	29,171,610
Carrying amounts									
At 31 December 2013	631,685,128	34,099,232	9,650,041	831,745	2,469,051	340,985	1,259,092	-	680,335,274
At 31 December 2014	631,685,128	33,313,124	7,349,918	668,645	2,096,474	200,001	629,547	-	675,942,837
Carrying amounts - cost/revaluation									
At 31 December 2013	801,332,547	210,595,697	166,711,670	10,546,645	7,472,479	16,314,519	5,552,202	26,282,530	1,244,808,289
At 31 December 2014	803,855,483	209,632,240	159,788,075	8,775,318	6,292,351	13,884,979	12,219,391	30,501,474	1,244,949,311

*The property, plant and equipment of the Company were revalued on 31 December 2010 by independent professional valuers, Asian Surveyors Ltd, which were also revalued previously in 2004. The revaluation of 2010 resulted in a revaluation surplus of Taka 627,887,411.

6(a) Consolidated property, plant and equipment

Consolidated property, plant and equipment - at cost

In Taka	Land	Building	Plant and Machinery	Equipment and machinery	Electrical and other office appliances	Furniture and fixture	Motor vehicle	Under construction	Total
Balance at 1 January 2014	169,647,419	189,829,853	240,078,123	15,998,732	8,176,095	21,962,957	12,342,425	26,282,530	684,318,134
Additions	2,522,937	-	2,423,574	1,175,839	473,500	633,743	12,110,235	42,241,918	61,581,746
Transfer	-	4,626,221	33,396,753	-	-	-	-	(38,022,974)	-
Disposals	-	-	(10,685,043)	-	-	-	-	-	(10,685,043)
Balance at 31 December 2014	172,170,35	194,456,074	265,213,407	17,174,571	8,649,595	22,596,700	24,452,660	30,501,474	735,214,837
In Taka	Land	Building	Plant and Machinery	Equipment and machinery	Electrical and other office appliances	Furniture and fixture	Motor vehicle	Under construction	Total
Accumulated depreciation	-	-	(174,181)	-	-	-	-	-	(174,181)
Balance at 1 January 2014	-	13,333,388	83,016,494	6,283,832	3,172,667	5,989,423	8,049,315	-	119,845,119
Depreciation	-	4,803,570	27,859,699	2,406,381	1,003,221	2,606,340	3,805,501	-	42,484,712
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 December 2014	-	18,136,958	110,702,012	8,690,213	4,175,888	8,595,763	11,854,816	-	162,155,650
Carrying amounts									
At 31 December 2014	172,170,356	176,319,116	154,511,395	8,484,358	4,473,707	14,000,937	12,597,844	30,501,474	573,059,187

Consolidated property, plant and equipment - at revaluation

In Taka	Land	Building	Plant and Machinery	Equipment and machinery	Electrical and other office appliances	Furniture and fixture	Motor vehicle	Under construction	Total
Balance at 1 January 2014	631,685,128	36,864,035	26,744,726	2,297,093	3,586,781	788,957	3,147,727	-	705,114,447
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 December 2014	631,685,128	36,864,035	26,744,726	2,297,093	3,586,781	788,957	3,147,727	-	705,114,447

In Taka	Land	Building	Plant and Machinery	Equipment and machinery	Electrical and other office appliances	Furniture and fixture	Motor vehicle	Under construction	Total
Accumulated depreciation									
Balance at 1 January 2014	-	2,764,803	17,094,685	1,465,348	1,117,730	447,972	1,888,635	-	24,779,173
Depreciation	-	786,108	2,300,123	163,100	372,577	140,984	629,545	-	4,392,437
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 December 2014	-	3,550,911	19,394,808	1,628,448	1,490,307	588,956	2,518,180	-	29,171,610
Carrying amounts									
At 31 December 2014	631,685,128	33,313,124	7,349,918	668,645	2,096,474	200,001	629,547	-	675,942,837
Carrying amounts-cost/revaluation									
At 31 December 2014	803,855,484	209,632,240	161,861,313	9,153,003	6,570,181	14,200,938	13,227,391	30,501,474	1,249,002,024



7. Investments

<i>In Taka</i>	Note	2014	2013
Investment in subsidiaries	27(a)	11,500,000	-
Investment in FDR	7.1	2,964,138	2,733,233
Investment in shares of ACI Motors Limited		75,000	75,000
		14,539,138	2,808,233

- 7.1 Investment in FDR amounting to Taka 2,964,138 which is kept as lien against service received from Titas Gas Transmission and Distribution Limited. Therefore, the Company has no intention to encash the said amount and recorded as long term investment.

7(a). Consolidated investments

<i>In Taka</i>	2014
Investment in FDR	2,964,138
Investment in shares of ACI Motors Limited	75,000
	3,039,138

8. Inventories

<i>In Taka</i>	2014	2013
Raw and packing materials	330,379,286	270,361,670
Work in process	-	2,421,569
Finished goods	273,488,949	231,715,739
Goods in transit	67,564,145	58,089,188
Other inventories (engineering stores and diesel)	23,386,643	22,700,919
Allowance for slow-moving inventory	(18,257,936)	(11,633,961)
	676,561,087	573,655,124

In view of innumerable items of inventories and diversified quantities, inventories are presented group-wise.

8(a) Consolidated inventories

<i>In Taka</i>	2014
Raw and packing materials	332,651,593
Finished goods	274,340,411
Goods in transit	67,564,145
Other inventories (engineering stores and diesel)	23,386,646
Allowance for slow-moving inventory	(18,257,936)
	679,684,859

9. Trade and other receivables

<i>In Taka</i>	2014	2013
Trade receivables:		
Related parties:		
ACI Limited	99,820,930	109,138,319
Other than related parties	817,848,645	535,922,932
	917,669,575	645,061,251
Allowance for doubtful debts	(128,270,151)	(81,662,474)
	789,399,424	563,398,777
Other receivables:		
Related parties:		
ACI Limited	37,970,014	254,677,671
Neem Laboratories Pvt. Ltd.	20,073,211	-
Other than related parties	21,439,896	7,129,187
	79,483,121	261,806,858
	868,882,545	825,205,635
Below six months	801,372,527	741,816,371
Over six months	195,780,169	165,051,738
Allowance for doubtful debts	(128,270,151)	(81,662,474)
	868,882,545	825,205,635

9(a) Consolidated trade and other receivables

<i>In Taka</i>	2014
Trade receivables:	
Related parties:	
ACI Limited	99,820,930
Other than related parties	818,565,806
	918,386,736
Allowance for doubtful debts	(128,270,151)
	790,116,585
Other receivables:	
Related parties:	
ACI Limited	37,970,014
Other parties	21,550,330
	59,520,344
	849,636,929
Below six months	782,126,911
Over six months	195,780,169
Allowance for doubtful debts	(128,270,151)
	849,636,929



10. Advances, deposits and prepayments

<i>In Taka</i>	Note	2014	2013
Advances:			
Staffs		2,557,694	5,304,852
Suppliers & others		23,285,417	23,365,670
Bank guarantee margin		20,621,840	1,064,475
VAT current account		6,051,421	1,556,350
Advance income tax	10.1	114,830,960	94,366,386
		167,347,332	125,657,733
Deposits:			
Security deposits		11,412,760	5,972,310
		11,412,760	5,972,310
Prepayments:			
Prepaid expenses		2,372,398	2,839,426
		2,372,398	2,839,426
		181,132,490	134,469,469

10.1 Advance income tax

<i>In Taka</i>	2014	2013
Balance at 1 January	94,366,386	47,849,264
Additions	72,799,571	46,517,122
Adjustments	(52,334,997)	-
Balance at 31 December	114,830,960	94,366,386

10(a) Consolidated advances, deposits and prepayments

<i>In Taka</i>	Note	2014
Advances:		
Staffs		2,557,694
Suppliers & others		24,885,226
Bank guarantee margin		20,621,840
VAT current account		6,051,421
Advance income tax	10.1	114,830,960
		168,947,141
Deposits:		
Security deposits		11,412,760
		11,412,760
Prepayments:		
Prepaid expenses		2,997,897
		2,997,897
		183,357,798

11 Cash and cash equivalents

<i>In Taka</i>	Note	2014	2013
Cash in hand		2,194,500	150,000
Collection in hand	11.1	17,920,314	59,733,002
Bank balances	11.2	64,687,997	58,897,240
Cash and cash equivalents in the statement of financial position		84,802,811	118,780,242
Bank overdraft used for cash management purposes		(63,351,555)	(52,490,536)
Cash and cash equivalents in the statement of cash flows		21,451,256	66,289,706

11.1. This represents cash in hand at depots which was collected against cash sales at the end of the reporting period.

11.2. Bank balances

<i>In Taka</i>	2014	2013
Standard Chartered Bank	12,038,476	8,057,760
The Hongkong and Shanghai Banking Corporation Limited	8,673,732	10,877,213
AB Bank Limited	19,749,387	21,299,627
Agrani Bank Limited	3,054,274	1,232,481
Janata Bank Limited	2,517,929	3,254,546
Eastern Bank Limited	-	55
BRAC Bank Limited	9,604,882	4,792,940
ONE Bank Limited	2,482,523	4,062,793
Commercial Bank of Ceylon PLC	6,412,705	5,319,825
The City Bank Limited	154,089	-
	64,687,997	58,897,240

11.(a) Consolidated cash and cash equivalents

<i>In Taka</i>	Note	2014
Cash in hand		2,291,274
Collection in hand		17,920,314
Bank balances	11(a).1	67,188,064
Cash and cash equivalents in the consolidated statement of financial position		87,399,652
Bank overdraft used for cash management purposes		(63,351,555)
Cash and cash equivalents in the consolidated statement of cash flows		24,048,097



11(a).1 Bank balances

<i>In Taka</i>	2014
Standard Chartered Bank	12,038,476
The Hongkong and Shanghai Banking Corporation Limited	8,673,732
AB Bank Limited	19,749,387
Agrani Bank Limited	3,054,274
Janata Bank Limited	2,517,929
BRAC Bank Limited	9,604,882
ONE Bank Limited	2,482,523
Commercial Bank of Ceylon PLC	6,412,705
Dutch Bangla Bank Limited	2,500,067
The City Bank Limited	154,089
	67,188,064

12. Share capital

<i>In Taka</i>	2014	2013
Ordinary shares (6,600,000 shares @ Tk 10 each)	66,000,000	66,000,000
Bonus shares (32,500,000 shares @ Tk. 10 each)	325,000,000	325,000,000
Right shares (5,900,000 shares @ Tk. 10 each)	59,000,000	59,000,000
In issue at 31 December - fully paid	450,000,000	450,000,000
Authorised - par value Tk. 10	500,000,000	500,000,000

Percentage of shareholdings:

	No. of share		% of holding		Value (Taka)	
	2014	2013	2014	2013	2014	2013
Directors and sponsors	29,708,205	29,708,205	66.02%	66.02%	297,082,050	97,082,050
Institutions	8,991,542	11,384,370	19.98%	25.30%	89,915,420	113,843,700
General shareholders	6,300,253	3,907,425	14.00%	8.68%	63,002,530	39,074,250
	45,000,000	45,000,000	100.0%	100.0%	450,000,000	450,000,000

A distribution schedule of the above shares is given below as required by the Listing Rules for 2014:

Shareholder's range	No. of shareholder	Number of shares	% of shares
Less than 500	4,641	817,113	1.82%
501 to 5000 shares	2,052	3,143,294	6.99%
5001 to 10,000 shares	132	969,247	2.15%
10,001 to 20,000 shares	46	656,292	1.46%
20,001 to 30,000 shares	32	781,740	1.74%
30,001 to 40,000 shares	15	522,927	1.16%
40,001 to 50,000 shares	6	278,264	0.62%
50,001 to 100,000 shares	12	741,236	1.65%
100,001 to 1,000,000 shares	13	4,203,707	9.34%
Over 1,000,000 shares	5	32,886,180	73.08%
	6,954	45,000,000	100.00%

13 Employee benefits

<i>In Taka</i>	Note	2014	2013
Defined benefit liability	13.1	8,715,238	7,177,444
Other employee benefits		4,559,911	3,809,911
		13,275,149	10,987,355

13.1 Defined benefit liability

<i>In Taka</i>	2014	2013
Balance at 1 January	7,177,444	7,770,548
Service cost	3,014,568	3,015,970
Benefits paid	(1,476,774)	(3,609,074)
Balance at 31 December	8,715,238	7,177,444

14. Deferred tax liabilities

<i>In Taka</i>	Note	2014	2013
Balance at 1 January		53,149,289	60,388,523
Less: Deferred tax income/(expense) for the year	24	5,395,639	7,239,234
Balance at 31 December		47,753,650	53,149,289

<i>In Taka</i>	Carrying amount on reporting date	Tax base	Taxable/(deductible) temporary difference
At 31 December 2014			
Land	803,855,483	-	803,855,483
Property, plant and equipment (other than land)	410,592,354	169,392,716	241,199,638
Allowance for slow-moving inventory	18,257,936	-	(18,257,936)
Allowance for doubtful debts	128,270,151	-	(128,270,151)
Defined benefit liability	8,715,238	-	(8,715,238)
Taxable/(Deductible) temporary differences	1,369,691,162	169,392,716	889,811,796
Applicable tax rate for land			3%
Applicable tax rate for other than land			27.50%
Deferred tax liabilities			47,753,650
At 31 December 2013			
Land	801,332,547	-	801,332,547
Property, plant and equipment (other than land)	417,193,212	181,727,921	235,465,291
Allowance for slow-moving inventory	11,633,961	-	(11,633,961)
Allowance for doubtful debts	81,662,474	-	(81,662,474)
Defined benefit liability	7,177,444	-	(7,177,444)
Taxable/(Deductible) temporary differences	1,318,999,638	181,727,921	936,323,959
Applicable tax rate for land			2%
Applicable tax rate for other than land			27.50%
Deferred tax liabilities			53,149,289



15. Bank overdrafts

<i>In Taka</i>	Note	2014	2013
Standard Chartered Bank	15.1	41,475,954	33,070,633
The Hongkong and Shanghai Banking Corporation Limited	15.2	4,922,101	-
BRAC Bank Limited	15.3	8,293,989	-
Commercial Bank of Ceylon PLC	15.4	8,659,511	19,419,903
		63,351,555	52,490,536

15.1 Standard Chartered Bank

The Company is enjoying overdraft facilities from Standard Chartered Bank (SCB) under the following terms and conditions:

Limit : Tk 10,000,000
 Purpose : Working capital
 Tenure : On demand

15.2 The Hongkong and Shanghai Banking Corporation Limited

The Company is enjoying overdraft facilities from The Hongkong and Shanghai Banking Corporation Limited (HSBC) under the following terms and conditions:

Limit : Tk 10,000,000
 Purpose : Working capital
 Tenure : On demand

15.3 BRAC Bank Limited

The Company is enjoying overdraft facilities from Brac Bank under the following terms and conditions:

Limit : Tk 10,000,000
 Purpose : Working capital
 Tenure : On demand

15.4 Commercial Bank of Ceylon PLC

The Company is enjoying overdraft facilities from Commercial Bank of Ceylon PLC under the following terms and conditions:

Limit : Tk 20,000,000
 Purpose : Working capital
 Tenure : On demand

16. Loans and borrowings

<i>In Taka</i>	Note	2014	2013
Standard Chartered Bank	16.1	224,236,002	128,246,273
The Hongkong and Shanghai Banking Corporation Limited	16.2	233,125,452	246,373,596
BRAC Bank Limited	16.3	2,515,104	15,423,478
Commercial Bank of Ceylon PLC	16.4	252,709,557	367,253,000
		712,586,115	757,296,347

16.1 Standard Chartered Bank

The Company is enjoying trade finance facility under general banking facilities from Standard Chartered Bank (SCB) under the following terms and conditions:

16.1.1 Letter of Credit (L/C secured)/Loan Against Trust Receipt (LATR)/short term loan

Amount : Tk 510,000,000.

Purpose : To retire the documents under letters of credit issued by the Standard Chartered Bank.

Tenure : 120 - 270 days.

Payment : On maturity each trust receipt outstanding will be adjusted by debiting company's bank account and quarterly interest will be charged into the same account.

16.1.2 Acceptance

Amount : Tk 510,000,000 (Inner limit of limit 16.1.1 above).

Purpose : To provide acceptance against usance or deferred L/C.

Tenure : 180 - 270 days.

16.1.3 Import invoice financing

Amount : Tk 150,000,000 (Inner limit of limit 16.1.1 above).

Purpose : To finance 100% local procurement of raw materials.

Tenure : 120 days.

16.1.4 Import loan

Amount : Tk 50,000,000 (Inner limit of limit 16.1.1 above).

Purpose : For granting import loan to meet drawing under machinery and spare parts.

Tenure : 360 days.

Payment : 12 equal monthly installments.

16.1.5 Securities against the facilities

Securities against the facilities mentioned under notes 15.1 and 16.1 are as follows:

- Demand promissory note and letter of continuation for Tk 540,000,000 each.
- Registered first charge over stock and book debts of the Company for Tk 540,000,000.
- First charge by way of registered mortgage over the tangible fixed assets of the Company both existing and future where Standard Chartered Bank's share being at least Tk 15,000,000.
- Corporate guarantee from Advanced Chemical Industries Limited supported by board resolution.

16.2 The Hongkong and Shanghai Banking Corporation Limited

The Company is enjoying following facilities from The Hongkong and Shanghai Banking Corporation Limited (HSBC) under the following terms and conditions:

16.2.1 Letters of Credit / Loan Against Trust Receipt (LATR) / Short term loan

Amount : Tk 402,549,000.

Purpose : To retire sight documents by creating import loan and usance documents against borrowers acceptance and issue shipping guarantee. To finance imported raw materials/ spares/ small machinery on sight and deferred basis.

Tenure : 180 days for imports (loan) and deferred payment bills and 30 days for shipping guarantee.



16.2.2 Securities against the facilities

Securities against the facilities mentioned under notes 15.2 and 16.2 are as follows:

- Demand promissory note of Tk 597,549,000 with letter of revival and continuity.
- Letter of set off between different accounts maintained with the bank.
- Corporate guarantee to be executed by Advanced Chemical Industries Limited for Tk 430,000,000 supported by Board Resolution for credit facilities granted to ACI Formulations Limited.
- First pari-passu charge with other lenders over the borrower's stock of raw materials, work-in-progress and finished goods for Tk 430,000,000 registered with the Registrar of Joint Stock Companies and Firms (RJSC).
- First pari-passu charge with other lenders over the borrower's book debts/receivables for Tk 430,000,000 registered with the Registrar of Joint Stock Companies (RJSC) on pari-pasu basis with SCB where HSBC's share is Tk 430,000,000.

16.3 BRAC Bank Limited

The Company is enjoying following facilities from BRAC Bank Limited under the following terms and conditions:

16.3.1 Letters of Credit / Revolving Acceptance/Loan Against Trust Receipt (LATR)

Amount : Tk 250,000,000
Purpose : To retire import documents for raw materials and chemicals
Tenure : 120 - 180 days

16.3.2 Revolving loan

Amount : Tk 40,000,000
Purpose : Working capital
Tenure : 120 days

16.3.3 Securities against the facilities

Securities against the facilities mentioned under notes 15.3 and 16.3 are as follows:

- Registered first charge over stock and book debts of the Company for Tk. 300,000,000.
- Corporate guarantee from Advanced Chemical Industries Limited.

16.4 Commercial Bank of Ceylon PLC

The Company is enjoying following facilities from Commercial Bank of Ceylon PLC under the following terms and conditions:

16.4.1 Letters of Credit / Loan Against Trust Receipt (LATR)

Amount : Tk 300,000,000
Purpose : To retire import documents for raw materials and chemicals
Tenor : 180 days

16.4.2 Short term loan

Amount : Tk 100,000,000
Purpose : Working capital finance
Tenure : 180 days

16.4.3 Securities against the facilities

Securities for the facilities mentioned under notes 15.4 and 16.4 are as follows:

- Registered first hypothecation charge over stocks and book debts on pari-pasu basis with SCB and HSBC, CBC's share being Tk 420,000,000.

17 Trade and other payables

<i>In Taka</i>	Note	2014	2013
Trade payables		107,495,778	76,339,936
Other payables	17.1	179,595,968	102,871,175
		287,091,746	179,211,111

17.1 Other payables

<i>In Taka</i>	Note	2014	2013
Related parties		-	3,336,616
Creditors for expenses	17.1.1	145,737,689	67,229,193
Interest payable		4,577,180	3,638,749
Security money payable		2,571,438	1,175,438
Unclaimed dividend		7,733,816	6,845,824
Withholding tax and VAT		2,357,744	1,126,625
Provision for workers' profit participation fund		16,618,101	19,518,730
		179,595,968	102,871,175

17.1.1 This includes accrued manufacturing, administrative, selling and distribution expenses.

17(a) Consolidated trade and other payables

<i>In Taka</i>	Note	2014
Trade payables		107,622,356
Other payables	17(a).1	180,503,812
		288,126,168

17(a).1 Other payables

<i>In Taka</i>	2014
Creditors for expenses	146,505,635
Interest payable	4,577,180
Security money payable	2,571,438
Unclaimed dividend	7,733,816
Withholding tax and VAT	2,497,642
Provision for workers' profit participation fund	16,618,101
	180,503,812



18 Provision for tax

<i>In Taka</i>	2014	2013
Balance at 1 January	116,120,379	65,825,017
Provision made during the year	77,435,978	50,295,362
Adjustment on completion of assessment for prior years	(52,334,997)	-
Balance at 31 December	141,221,360	116,120,379

18(a) Consolidated provision for tax

<i>In Taka</i>	2014
Balance at 1 January	116,120,379
Provision made during the year	77,468,466
Adjustment on completion of assessment for prior years	(52,334,997)
Balance at 31 December	141,253,848

19 Revenue

<i>In Taka</i>	Note	2014	2013
Agrochemical products	19.1	1,606,540,708	1,197,965,916
Consumer products	19.2	1,301,567,904	1,142,465,800
		2,908,108,612	2,340,431,716

In view of innumerable items of sales and diversified quantities, it is not practicable to disclose the quantities against each items of sale.

19.1 Agrochemical products

<i>In Taka</i>	2014	2013
Local	1,572,798,967	1,149,613,290
Export	33,741,741	48,352,626
	1,606,540,708	1,197,965,916

19.2 Consumer products

<i>In Taka</i>	Note	2014	2013
Mosquito coil	19.2.1	808,861,352	695,007,431
Aerosol	19.2.1	448,024,327	441,133,288
Paint		44,682,225	6,325,081
		1,301,567,904	1,142,465,800

19.2.1 ACI Limited, the ultimate parent, is the brand owner of these products. As per contract, ACI Formulations Limited produces these products for ACI Limited which is marketed by ACI Limited through its own channel.

19(a) Consolidated revenue

<i>In Taka</i>	Note	2014
Agrochemical products	19(a).1	1,606,540,708
Consumer products	19(a).2	1,305,656,413
		2,912,197,121

19(a).1 Agrochemical products

<i>In Taka</i>	2014
Local	1,572,798,967
Export	33,741,741
	1,606,540,708

19(a).2 Consumer products

<i>In Taka</i>	2014
Mosquito coil	808,861,352
Aerosol	448,024,327
Paint	44,682,225
Herbal cosmetics	4,088,509
	1,305,656,413



20 Cost of sales

In Taka	Note	2014					Total	2013
		Crop Care & Public Health	Mosquito Coil	Aerosol	Paint	Total		
Stock of finished goods at 1 January		223,939,378	-	-	7,776,361	231,715,739	334,212,931	
Cost of goods manufactured	20.1	875,825,639	732,867,987	407,146,913	-	2,015,840,539	1,583,309,687	
Finished goods purchased		133,082,948	-	-	62,375,578	195,458,526	70,068,446	
Cost of finished goods available for sale		1,232,847,965	732,867,987	407,146,913	70,151,939	2,443,014,804	1,987,591,064	
Stock of finished goods at 31 December		(242,439,196)	-	-	(31,049,753)	(273,488,949)	(231,715,739)	
		990,408,769	732,867,987	407,146,913	39,102,186	2,169,525,855	1,755,875,325	
20.1 Cost of goods manufactured								
		2014						
In Taka	Note	Crop Care & Public Health	Mosquito Coil	Aerosol	Paint	Total	2013	
Cost of materials consumed	20.1.1	812,150,874	612,074,105	389,407,426	-	1,813,632,405	1,403,869,114	
Manufacturing overhead	22	59,204,341	120,793,882	15,317,918	-	195,316,141	176,198,937	
Stock write off		4,470,424	-	-	-	4,470,424	1,999,565	
Cost of production		875,825,639	732,867,987	404,725,344	-	2,013,418,970	1,582,067,616	
Difference in work in process:								
Work in process at 1 January		-	-	2,421,569	-	2,421,569	3,663,640	
Work in process at 31 December		-	-	-	-	-	(2,421,569)	
		-	-	2,421,569	-	2,421,569	1,242,071	
		875,825,639	732,867,987	407,146,913	-	2,015,840,539	1,583,309,687	

20.1.1 Cost of materials consumed

In Taka	2014					Total	2013
	Crop Care & Public Health	Mosquito Coil	Aerosol	Paint			
Raw and packing materials:							
Opening stock	161,865,884	62,911,476	45,584,309	-	270,361,669	264,094,251	
Purchase	857,715,400	631,844,773	384,089,849	-	1,873,650,022	1,410,136,533	
Closing Stock	(207,430,410)	(82,682,144)	(40,266,732)	-	(330,379,286)	(270,361,670)	
	812,150,874	612,074,105	389,407,426	-	1,813,632,405	1,403,869,114	
20(a) Consolidated cost of sales							
In Taka					2014		
Opening stock					504,498,977		
Purchase					2,073,836,910		
Manufacturing overhead					201,501,002		
Closing stock					(606,992,004)		
					2,172,844,885		



21 Other income

<i>In Taka</i>	2014	2013
Crop Care & Public Health	4,165,492	3,511,676
Mosquito Coil	1,200	510
Aerosol	2,657,382	2,937,118
	6,824,074	6,449,304

22 Allocation of expenses

<i>In Taka</i>	2014					2013
	Manufacturing expenses	Administrative expenses	Distribution expenses	Selling expenses	Total	Total
Salary and wages	100,565,262	95,885,197	10,662,492	87,094,090	294,207,041	254,472,300
Travelling and conveyance	165,764	3,903,208	9,169,704	42,889,359	56,128,035	54,958,700
Rent and rates	736,427	3,814,973	5,617,044	2,937,543	13,105,987	10,218,768
Repair and maintenance	24,170,140	3,212,083	562,098	130,268	28,074,589	24,937,886
Fuel and power	23,984,737	2,146,503	669,914	17,907	26,819,061	22,163,203
Postage, telephone, fax etc.	511,279	48,537	-	2,461,229	3,021,045	2,342,237
Printing and stationery	596,488	1,958,713	1,596,803	743,905	4,895,909	4,351,783
Promotional expenses	8,940	40,676	-	57,139,986	57,189,602	46,749,555
Entertainment	417,769	1,392,603	518,711	1,732,486	4,061,569	2,703,884
Vehicle maintenance	1,375,989	3,457,749	5,421,342	4,852,295	15,107,375	15,556,862
Doubtful debts	-	-	-	46,945,776	6,945,776	21,131,743
Truck and handling	2,481,860	-	3,773,910	-	6,255,770	8,651,247
Legal and professional charge	-	410,397	-	3,555,421	3,965,818	1,091,660
Audit fees	-	400,000	-	-	400,000	350,000
Insurance	3,174,908	-	-	423,700	3,598,608	3,365,072
Directors' fees	-	8,250	-	-	8,250	9,000
Bank charges	92,403	948,886	-	899,841	1,941,130	1,334,430
Sundry expenses	280,550	-	-	-	280,550	281,393
Product development expenses	513,461	-	-	3,984,780	4,498,241	4,889,637
Training expenses	246,608	-	-	1,331,878	1,578,486	920,361
Depreciation	42,363,744	587,595	-	3,162,975	46,114,314	47,548,817
Lab chemical and apparatus	483,155	-	-	-	483,155	279,025
Donation and subscription	157,417	93,000	-	-	250,417	219,930
Meeting expenses	-	196,878	-	1,666,428	1,863,306	1,891,182
	202,326,901	118,505,248	37,992,018	261,969,867	620,794,034	530,418,675
Recovery of expenses for toll manufacturing service charges:						
ACI Limited	(7,010,760)	-	-	-	(7,010,760)	(7,492,842)
	195,316,141	118,505,248	37,992,018	261,969,867	613,783,274	522,925,833
(A) Manufacturing expenses					195,316,141	176,198,937
(B) Administrative, selling and distribution expenses					418,467,133	346,726,896
					613,783,274	522,925,833

22(a) Consolidated administrative, selling and distribution expenses

<i>In Taka</i>	2014
Administrative expenses	118,603,474
Distribution expenses	38,246,098
Selling expenses	264,049,398
	420,898,970

23 Net finance costs

This includes interest expenses arising from borrowings of fund net off interest income.

24 Income tax expense

<i>In Taka</i>	Note	2014	2013
Current tax expense			
Current year	18	77,435,978	50,295,362
Adjustment for prior years		-	-
		77,435,978	50,295,362
Deferred tax expense/(income)			
Change in deferred tax liabilities	14	(5,395,639)	(7,239,234)
		(5,395,639)	(7,239,234)
Tax expense/(income)		72,040,339	43,056,128

24(a) Consolidated income tax expense

<i>In Taka</i>	2014
Current tax expense	
Current year	77,456,420
Adjustment for prior years	-
	77,456,420
Deferred tax expense/(income)	
Change in deferred tax assets	(5,601,668)
	(5,601,668)
Tax expense/(income)	71,854,752

25 Earnings per share

25.1 Basic earnings per share

The calculation of basic earnings per share based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding is as follows:

	2014	2013
Profit/(loss) attributable to ordinary shareholders (Taka)	187,615,832	129,230,532
Weighted average number of ordinary shares at 31 December (Number)	45,000,000	45,000,000
Earning per share (Taka)	4.17	2.87

25(a) Consolidated basic earnings per share

The calculation of basic earnings per share based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding is as follows:

	2014
Profit/(loss) attributable to ordinary shareholders (Taka)	186,464,157
Weighted average number of ordinary shares at 31 December (Number)	45,000,000
Earning per share (Taka)	4.14



25.2 Diluted earnings per share

No diluted EPS was required to be calculated for the year since there was no scope for dilution of shares for the year 2014.

26 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk (see (ii))
- Liquidity risk (see (iii))
- Market risk (see (iv))

(i) Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(ii) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

<i>In Taka</i>	Note	Carrying amount 2014
Trade receivables	9(a)	918,386,736
Other receivables	9(a)	59,520,344
Security deposits	10(a)	11,412,760
Bank balances	11(a)	67,188,064
		1,056,507,904

At 31 December, the maximum exposure to credit risk for trade and other receivables by geographic regions was as follows:

<i>In Taka</i>	Carrying amount 2014
Bangladesh	956,808,554
India	21,098,526
	977,907,080

(b) Impairment

At 31 December 2014, the aging of trade receivables was as follows:

<i>In Taka</i>	Carrying amount 2014
Neither past due nor impaired	99,820,930
Past due 1 - 90 days	519,525,661
Past due 91 - 120 days	42,487,010
Past due 121 - 180 days	71,028,025
Past due 181 - 365 days	63,024,627
Past due 366 - 730 days	36,161,098
Past due 731 + days	86,339,385
	918,386,736

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

<i>In Taka</i>	Note	2014
Balance at 1 January	9	81,662,474
Impairment loss recognised		46,915,310
Amounts written off		(307,633)
Balance at 31 December		128,270,151

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents and other investments at amounts in excess of expected cash outflows on financial liabilities. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 December 2014

In Taka	Note	Carrying amount	Contractual cash flows				
			Total	2 months or less	1 - 2 years	2 - 5 years	More than 5 years
Non-derivative financial liabilities:							
Employee benefits	13	13,275,149	13,275,149	-	-	-	13,275,149
Bank overdrafts	15	63,351,555	63,351,555	63,351,555	-	-	-
Loans and borrowings	16	712,586,115	712,586,115	-	712,586,115	-	-
Trade payables	17(a)	107,622,356	107,495,778	107,495,778	-	-	-
Other payables	17(a).1	180,503,812	180,503,812	7,649,618	172,854,194	-	-
		1,077,338,987	1,077,212,409	178,496,951	885,440,309	-	13,275,149
Derivative financial liabilities							
		1,077,338,987	1,077,212,409	178,496,951	885,440,309	-	13,275,149

(iv) Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which purchases are denominated and the respective functional currency of the Company. The functional currency of the Company is Bangladesh Taka (Taka/TK/BDT). The foreign currency in which these transactions are denominated is US Dollar (USD).

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as at the date of statement of financial position was as follows:

<i>In USD</i>	Note	2014
Bank balances	11(a).1	82,267
Loans and borrowings	16	(5,728,846)
Net exposure		(5,646,579)

The following significant exchange rates have been applied during the year:

<i>In Taka</i>	2014	
	Average rate	Year-end spot rate
USD	77.61	77.95

Sensitivity analysis

A reasonably possible strengthening (weakening) of foreign currency against functional currency at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of forecast sales and purchase.

<i>Effect in Taka</i>	Profit/(loss)		Equity, net of tax increase/(decrease)	
	Strengthening	Weakening	Strengthening	Weakening
31 December 2014 USD (5% movement)	22,007,540	(22,007,540)	22,007,540	(22,007,540)



b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. The Company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as at date of statement of financial position is as follows.

<i>In Taka</i>	Note	Nominal Amount 2014
<i>Fixed rate instruments</i>		
<i>Financial assets</i>		
Investment in FDR	7(a)	2,964,138
<i>Financial liabilities</i>		
Bank overdrafts	15	(63,351,555)
Loans and borrowings	16	(712,586,115)
		(772,973,532)
<i>Variable rate instruments</i>		
<i>Financial liabilities</i>		
Offshore loan		(446,563,508)
		(446,563,508)

v) Financial instruments - Fair values and financial risk management

Accounting classifications and fair values

The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2014 In Taka	Carrying amount							Fair value					
	Notes	Held-for-trading	Designated at fair value	Fair value -hedging instruments	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	9(a)	-	-	-	-	977,907,080	-	-	977,907,080	-	-	-	-
Security deposits	10(a)	-	-	-	-	11,412,760	-	-	11,412,760	-	-	-	-
Bank balances	11(a).1	-	-	-	-	67,188,064	-	-	67,188,064	-	-	-	-
		-	-	-	-	1,056,507,904	-	-	1,056,507,904	-	-	-	-
Financial liabilities measured at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee benefits	13	-	-	-	-	-	-	13,275,149	13,275,149	-	-	-	-
Bank overdrafts	15	-	-	-	-	-	-	63,351,555	63,351,555	-	-	-	-
Loans and borrowings	16	-	-	-	-	-	-	712,586,115	712,586,115	-	-	-	-
Trade and other payables	17(a)	-	-	-	-	-	-	288,126,168	288,126,168	-	-	-	-
		-	-	-	-	-	-	1,077,338,987	1,077,338,987	-	-	-	-

The Company has not disclosed the fair values for financial instruments, because their carrying amounts are a reasonable approximation of fair values.



27 Acquisition of subsidiary

ACI Formulations Limited has acquired 75% shares of Neem Laboratories (Pvt.) Ltd, Aloe Organics (Pvt.) Limited and Green Business & Marketing Company (BD) Limited on 28 February 2014. The Company through its voting rights controls the operating and financing activities of above three entities.

a) Consideration transferred

<i>In Taka</i>	Note	2014
Cash	7	11,500,000
Total consideration transferred		11,500,000

b) Intangible assets

<i>In Taka</i>	2014
Intangible assets	12,382,918
	12,382,918

This includes goodwill arising from the acquisition of the subsidiaries.

28 Commitments and contingencies

28.1 Commitments

On the date of statement of financial position, the Company is enjoying unfunded credit facilities from the following banks:

<i>In Taka</i>	2014	2013
a) Letters of credit		
Standard Chartered Bank	34,081,150	40,438,427
Commercial Bank of Ceylon PLC	91,090,323	30,966,142
BRAC Bank Limited	8,405,000	5,839,511
The Hongkong and Shanghai Banking Corporation Limited	23,597,997	71,905,659
	157,174,470	149,149,739
b) Capital expenditure commitment		
i) Contracted but not approved for	-	-
ii) Approved but not contracted for	14,944,306	82,584,695
	14,944,306	82,584,695

28.2 Contingent liabilities

<i>In Taka</i>	2014	2013
Bank guarantee		
The Hongkong and Shanghai Banking Corporation limited	5,893,925	7,498,179
Standard Chartered Bank	43,944	43,944
	5,937,869	7,542,123
Performance guarantee		
Standard Chartered Bank	3,225,437	2,754,320
	3,225,437	2,754,320

29 Related parties

a) Parent and ultimate controlling party

ACI Limited holds 53.48% shares in the Company. As a result, the ultimate controlling party of the Company is ACI Limited.

b) Transactions with key management personnel

(i) Loans to directors

During the year, no loan was given to the directors of the Company.

(ii) Key management personnel compensation

Key management personnel compensation comprised the following:

In Taka	2014	2013
Salary	5,250,000	3,125,000
Benefits	3,777,996	3,298,360
Provident fund contribution	210,000	120,000
	9,237,996	6,543,360

Company's key management personnel includes the Company's directors. Compensation includes salaries, non-cash benefits, and contributions to a post employment defined benefit plan.

c) Other related party transactions

Name of the party	Relationship	Nature of transaction	Transaction value Year ended		Outstanding balance as at	
			31 December (Taka)	2013	31 December (Taka)	2013
ACI Limited	Holding company	Sale of products	1,256,885,679	1,136,140,719	99,820,930	109,138,319
Premiaflex Plastics Limited	Subsidiary of holding company	Working capital financing	2,259,160,145	2,605,930,151	37,970,014	254,677,671
ACI Salt Limited	Subsidiary of holding company	Working capital financing	-	24,418,758	-	(3,336,616)
Neem Laboratories (Pvt) Ltd	Subsidiary company	Working capital financing	20,073,211	10,306,355	-	-
				-	20,073,211	-



30 Other disclosures

30.1 Number of employees

As at 31 December 2014, number of regular employees receiving remuneration of Tk. 36,000 or above per annum was 1,149 (31 December 2013: 922).

30.2 Comparatives

Previous year's figures have been rearranged, whenever considered necessary to conform to the current year's presentation. Following are the significant reclassifications that have been made to 2013 to conform to current year's presentation.

Statement of financial position	
<u>In Taka</u>	<u>At 31 December 2013</u>
<u>Financial statement line item impacted - Dr. / (Cr.)</u>	
From capital work-in-progress to property, plant and equipment	
Property, plant and equipment	26,282,530
Capital work-in-progress	(26,282,530)
From other receivables and inter-company receivables to trade and other receivables	
Trade and other receivables	370,945,177
Other receivables	(7,129,187)
Inter-company receivables	(363,815,990)
From advance income tax to advances, deposits and prepayments	
Advances, deposits and prepayments	94,366,386
Advance income tax	(94,366,386)
From other payables and inter-company payables to trade and other payables	
Trade & other payables	(102,871,175)
Other payables	99,534,559
Inter-company payables	3,336,616

30.3 Subsequent events

The Directors of ACI Formulations Limited have entered into Agreements on 24 April 2015 whereby S. C. Johnson & Son, Inc. a corporation incorporated under the laws of the State of Wisconsin, USA has purchased the Brands owned by Advanced Chemical Industries Limited in the categories of Insect Control, Air Care and Toilet Care Products on mutually beneficial terms and that ACI Formulations Limited will continue to be the Manufacturer of the Products for a period of 5 years.

In addition, the Board of Directors in their meeting held on 27 April 2014 have recommended cash dividend @ 30% i.e. Taka 3 per share of Taka 10 each aggregating to Taka 135,000,000 for the year ended 31 December 2014 subject to approval of the shareholders' in the Annual General Meeting scheduled to be held on 11 June 2015. The financial statements for the year ended 31 December 2014 do not include the effect of the cash dividend which will be accounted for in the period when shareholders' right to receive payment is established.

There are no other events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements.

31 Basis of measurement

The financial statements have been prepared on going concern basis under the historical cost convention.

32 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Set out below is an index of the significant accounting policies, the details of which are available on the current and following pages:

- a. Basis of consolidation
- b. Revenue
- c. Foreign currency
- d. Employee benefits
- e. Finance income and finance costs
- f. Income tax
- g. Inventories
- h. Property, plant and equipment
- i. Intangible assets
- j. Financial instruments
- k. Share capital
- l. Impairment
- m. Provisions
- n. Going concern
- o. Contingencies
- p. Statement of cash flows
- q. Events after the reporting period

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by ACI Formulations Limited. Control exists when ACI Formulations Limited has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries have been included in the consolidated financial statements from the date that control commences until the date that it ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by ACI Formulations Limited.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.



(b) Revenue

Revenue is recognised upon invoicing the customers for goods sold and delivered. Revenue represents net of Value Added Tax, goods returns and allowances. Revenue from agency service under respective agreement is recognized to the extent of service rendered.

(c) Foreign currency

Transactions in foreign currencies are translated to the functional currencies at exchange rate at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate prevailing at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transactions.

(d) Employee benefits

(i) *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) *Defined contribution plans (provident fund)*

The Company operates a recognised provident fund scheme where employees contribute 10% of their basic salary with equal contribution by the Company. The provident fund is being considered as defined contribution plan being managed by a Board of Trustees.

(iii) *Defined benefit plans (gratuity)*

The Company operates an unfunded gratuity scheme, provision in respect of which is made annually covering all its permanent eligible employees. Actuarial valuation of gratuity scheme was last made in 2006 to assess the adequacy of the liabilities provided for the schemes as per Bangladesh Accounting Standard-19: Employee Benefits.

Defined benefit plan is a retirement benefit plan under which amounts to be paid as retirement benefits are determined by reference to employees' earnings and/or year of services. The Employees' Gratuity Fund of the Company is being considered as defined benefit plan.

(iv) *Workers' profit participation fund (WPPF)*

The Company provides 5% of its profit before tax before charging such expense as WPPF in accordance with The Bangladesh Labour Act, 2006.

(e) Finance income and finance costs

The Company's finance income and finance costs include:

- interest income;
- interest expense;

Interest income or expense is recognised using the effective interest method.

(f) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI (Other Comprehensive Income).

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. The applicable tax rate for the Company is currently 27.5%

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improve.

(g) Inventories

Inventories except materials in transit are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operation capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Stock-in-transit represents the cost incurred up to the date of the statement of financial position for the items that were not received till to the date of the statement of financial position. Inventory losses and abnormal losses are recognised as expenses.

(h) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost or revaluation less accumulated depreciation and any accumulated impairment losses. Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that were not ready for use at the end of 2014 and these are stated at cost.



Cost includes expenditure that is directly attributable to the acquisition of asset. The cost of self constructed asset includes the cost of material and direct labour, any other costs directly attributable to bringing the assets to the working condition for their intended use. When revalued assets are disposed off, the amounts included in the revaluation surplus are transferred to retained earnings.

- (ii) Subsequent to initial recognition cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other repair & maintenance expense are charged to income statement as it is incurred.

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

All items of property, plant and equipment (except land) have been depreciated on straight line basis. Depreciation on additions is charged at 50% of normal rates in the year of acquisition and no depreciation is charged in the year of disposal. Depreciation is charged at the rates varying from 2.5% to 20% depending on the estimated useful lives of assets. No depreciation is charged for land and capital work-in-progress.

The revalued items of property, plant and equipment are depreciated based on their revalued amount at the date of revaluation over their remaining estimated useful lives.

The estimated useful lives of property, plant and equipment are as follows:

<i>In Year</i>	2014	2013
Building	40	40
Plant and machinery	10	10
Furniture and fixture	10	10
Electrical and other office appliances	5-10	5-10
Equipment and machinery	5-10	5-10
Vehicles	5	5

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. No revision in respect of items of property, plant and equipment was done in 2014.

(iv) Capitalisation of borrowing costs

Borrowing costs relating to acquisition of fixed assets is capitalised as per Bangladesh Accounting Standard 23: Borrowing costs at the weighted average cost of borrowing. Capitalisation of borrowing costs is ceased when acquisition of relevant asset is completed.

(v) Retirement and disposals

An asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset in profit or loss.

(i) Intangible assets

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

(j) Financial instruments

Non-derivative financial instruments comprise of investments in shares and term deposit, trade and other receivables, cash and cash equivalents, trade and other payables, share capital and interest - bearing borrowings.

(i) Financial assets

The Company initially recognises receivables and deposits issued on the date when they are originated. All other financial assets are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The Company's financial assets comprise trade and other receivables, refundable deposits and cash and cash equivalents.

Trade and other receivables

Trade receivables are recognised and carried at original invoiced amount. Receivables are stated at net off provision for doubtful debts. Provision is made in these accompanying financial statements complying the Company's policy and receivables are written off when the debts became finally irrecoverable.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and all call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

(ii) Financial Liabilities

The Company initially recognises financial liabilities on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company's financial liabilities comprise trade and other payables, share capital and interest - bearing borrowings.

The Company recognises such financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.



(iii) Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(k) Share capital

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

(l) Impairment

(i) Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment. Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers; or
- observable data indicating that there is measurable decrease in expected cash flows from a Company of financial assets.

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(ii) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs (Cash-generating units).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or CGU exceeds its recoverable amount.

(m) Provisions

A provision is recognised if, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(n) Going concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the management continue to adopt going concern basis in preparing the financial statements. The current resources of the Company provide sufficient fund to meet the present requirements of its existing business.

(o) Contingencies

Contingent liability

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company discloses contingent liability in the financial statements. A provision is recognised in the period in which the recognition criteria of provision is met.

Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company does not recognise contingent asset.

(p) Statement of cash flows

Cash flows from operating activities are presented under direct method as per BAS 7: Statement of cash flows.

(q) Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the reporting date 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 in the notes when material.

ACI Formulations Limited

Report of the Directors and Audited
Financial Statements of the Subsidiary Companies
for the year 2014





NEEM LABORATORIES (PVT.) Limited

Directors' Report

NEEM LABORATORIES (Pvt.) Limited is a private company limited by shares, incorporated in 2003 with the Registrar of Joint Stock Companies, Dhaka, Bangladesh and governed by the Companies Act 1994. ACI Formulations Limited acquired 75% shares of this Company.

Currently, the company engaged in manufacturing and marketing of herbal products in small scale. ACI Formulations Limited acquired the substantial shares of the Company having a plan to produce its products in large scale and to expand the market as well. Neem soap is one of its famous products. We are re-launching Neem soap with the ambition to capture a sizable market share.

The current financial year of the Company comprised from 1st July 2013 to 30th June 2014. The financial highlights based on the audited account of the Company during the period under review is given below:

Key Financial Results	Taka
Revenue	5,626,012
Gross profit	1,233,799
Operating expenses	(2,336,502)
Operating loss	(1,102,703)
Loss after tax	(1,936,867)

On behalf of the Board


Director


Mr. Syed Alamgir
Director

Dhaka, 4 September 2014

NEEM LABORATORIES (Pvt.) Limited Auditors' Report

We have audited the accompanying Balance Sheet of "NEEM LABORATORIES (Pvt.) Limited" as of June 30, 2014 and Statement of Comprehensive Income, Statement of Changes in equity and Statement of Cash Flows for the year then ended and the related notes to the accounts. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards, give a true and fair view of the state of the Company's affairs as of June 30, 2014 and of the results of its operations for the period then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books; and
- c. The Company's balance sheet dealt with by the report is in agreement with the books of accounts.

Dated: 4th September 2014



Shiraz Khan Basak & CO.
Chartered Accountant

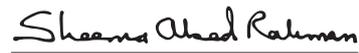
Statement of Financial Position

As at 30 June 2014

	30-June-2014 <u>Taka</u>	30-June-2013 <u>Taka</u>
<u>Assets</u>		
Property, plant and equipment:		
At cost	4,637,668	4,582,063
Accumulated depreciation	(294,883)	-
	4,342,785	4,582,063
Biological assets	5,395,071	-
Total non-current assets	9,737,856	4,582,063
Deferred tax asset	103,209	-
Inventories	3,319,850	-
Trade receivables	859,451	-
Advances, deposits and prepayments	1,695,451	350,000
Cash and cash equivalents	1,460,933	840,079
Total current assets	7,335,684	1,190,079
Total assets	17,176,749	5,772,142
<u>Equity and liabilities</u>		
<u>Equity</u>		
Share capital	500,000	500,000
Retained earnings	(2,619,776)	(682,909)
Total equity	(2,119,776)	(182,909)
<u>Liability</u>		
Long term liabilities	274,533	406,333
Bank overdraft	-	5,197,118
Obligation under lease- current portion	212,000	212,000
Trade payables	128,289	-
Other payables	483,573	139,600
Inter-company liabilities	18,170,000	-
Current tax liability	28,130	-
Total current liabilities	19,021,992	5,548,718
Total liabilities	19,296,525	5,955,051
Total equity and liabilities	17,176,749	5,772,142


Director


Director


Company Secretary

As per our separate report of even date annexed.

Date: 4th September 2014
Place: Dhaka


Shiraz Khan Basak & CO.
Chartered Accountant



NEEM LABORATORIES (Pvt.) Limited

Statement of Comprehensive Income

For the year ended 30 June 2014

	30-June-2014 <u>Taka</u>	30-June-2013 <u>Taka</u>
Revenue	5,626,012	-
Cost of sales	(4,392,213)	-
Gross profit	1,233,799	-
Administration, selling and distribution expenses	(2,336,502)	(477,001)
	(1,102,703)	(477,001)
Other income	-	-
Result from operating activities	(1,102,703)	(477,001)
Finance cost	(909,243)	(205,908)
Profit / (loss) before income tax	(2,011,946)	(682,909)
Income tax expenses :		
Current tax expenses	(28,130)	-
Deferred tax income	103,209	-
	75,079	-
Net profit / (loss) after tax	(1,936,867)	(682,909)


Director


Director


Company Secretary

As per our separate report of even date annexed.

Date: 4th September 2014
Place: Dhaka


Shiraz Khan Basak & CO.
Chartered Accountant

Statement of Changes In Equity

For the year ended 30 June 2014

Particulars	Share capital Taka	Retained earnings Taka	Total Taka
Balance on 01 July 2012	500,000	-	500,000
Net loss for the year	-	(682,909)	(682,909)
Other comprehensive income/(loss) for the year	-	-	-
Total comprehensive income for the year	-	(682,909)	(682,909)
Balance at 30 June 2013	500,000	(682,909)	(182,909)
Net loss for the year	-	(1,936,867)	(1,936,867)
Other comprehensive income/(loss) for the year	-	-	-
Total comprehensive income for the year	-	(1,936,867)	(1,936,867)
Balance at 30 June 2014	500,000	(2,619,776)	(2,119,776)



NEEM LABORATORIES (Pvt.) Limited

Statement of Cash Flows

For the year ended 30 June 2014

Notes	30-June-2014 <u>Taka</u>	30-June-2013 <u>Taka</u>
A) Cash flows from operating activities		
Cash receipts/(paid) from /(to) customers	4,766,562	-
Cash receipts from other income	-	-
	4,766,562	-
Cash paid for:		
Purchase of inventory	(7,434,373)	-
Operating expenses	(1,847,046)	(264,901)
Advances, deposits and prepayments	(1,345,451)	(273,000)
	(10,626,869)	(537,901)
Cash generated from operations	(5,860,308)	(537,901)
Financing cost	(909,243)	(205,909)
Income tax	-	-
	(909,243)	(205,909)
Net cash used in operating activities	(6,769,551)	(743,810)
B) Cash flows from investing activities		
Purchase of property, plant and equipment	(55,605)	(4,247,063)
Payment for biological assets	(5,395,071)	-
Net cash from (used in) investing activities	(5,450,676)	(4,247,063)
C) Cash flows from financing activities		
Inter-company debts (paid)/received	18,170,000	-
Long term long (paid)/ received	(131,800)	618,333
Net cash flows from financing activities	18,038,200	618,333
D) Net cash flow from all activities (A+B+C)	5,817,973	(4,372,540)
E) Cash and cash equivalent at 1st July	(4,357,040)	15,500
F) Cash and cash equivalent at year ended 30 June (D+E)	1,460,933	(4,357,040)
Closing balance represents:		
Cash in hand and at bank	1,460,933	840,079
Bank overdraft	-	(5,197,118)
	1,460,933	(4,357,039)



ALOE ORGANICS (Pvt.) Ltd. Directors' Report

ALOE ORGANICS (Pvt.) Ltd. is a private company limited by shares incorporated in 2004 with the Registrar of Joint Stock Companies, Dhaka, Bangladesh and governed by the Companies Act 1994. ACI Formulations Limited acquired 75% shares of this Company.

Objective of the Company is manufacturing and marketing of cosmetics and toiletries products. The operation of the Company is currently dormant. ACI Formulations Limited acquired the substantial shares of the company with a view to facilitate a long term plan to manufacture cosmetic and toiletries products in large scale.

The current financial year of the Company comprised from 1st July 2013 to 30th June 2014. The financial highlights based on the audited account of the Company during the period under review is given below:

Key Financial Results	Taka
Operating expenses	(167,102)
Loss after tax	(167,102)

On behalf of the Board


Director


Mr. Syed Alamgir
Director

Dhaka, 4 September 2014

ALOE ORGANICS (Pvt.) Ltd. Auditors' Report

We have audited the accompanying Balance Sheet of "ALOE ORGANICS (Pvt.) Ltd." as of June 30, 2014 and Statement of Comprehensive Income, Statement of Changes in equity and Statement of Cash Flows for the year then ended and the related notes to the accounts. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards, give a true and fair view of the state of the Company's affairs as of June 30, 2014 and of the results of its operations for the period then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- c. The Company's balance sheet dealt with by the report is in agreement with the books of accounts; and
- d. The expenditure incurred was for the purposes of the Company's business.

Dated: 4th September 2014



Shiraz Khan Basak & CO.
Chartered Accountant

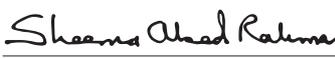
ALOE ORGANICS (Pvt.) Ltd.
Statement of Financial Position
As at 30 June 2014



<u>Assets</u>	30-June-2014 <u>Taka</u>	30-June-2013 <u>Taka</u>
Current Assets		
Advances, deposits and prepayments	178,000	-
Cash and cash equivalents	6,548	401,000
Total current assets	184,548	401,000
Total assets	184,548	401,000
Equity and liabilities		
Equity		
Share capital	500,000	500,000
Retained earnings	(375,902)	(208,800)
Total equity	124,098	291,200
Liability		
Other payables	60,450	5,000
Inter-company liabilities	-	104,800
Total current liabilities	60,450	109,800
Total liabilities	60,450	109,800
Total equity and liabilities	184,548	401,000


Director


Director


Company Secretary

As per our separate report of even date annexed.


Shiraz Khan Basak & CO.
Chartered Accountant

Date: 4th September 2014
Place: Dhaka



ALOE ORGANICS (Pvt.) Ltd.

Statement of Comprehensive Income

For the year ended 30 June 2014

	30-June-2014 <u>Taka</u>	30-June-2013 <u>Taka</u>
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Administration, selling and distribution expenses	(167,102)	(208,800)
Other income	-	-
Result from operating activities	(167,102)	(208,800)
Finance cost	-	-
Profit / (loss) before income tax	(167,102)	(208,800)
Income tax expenses :	-	-
Net profit / (loss) after tax	(167,102)	(208,800)


Director


Director


Company Secretary

As per our separate report of even date annexed.

Date: 4th September 2014
Place: Dhaka


Shiraz Khan Basak & CO.
Chartered Accountant



ALOE ORGANICS (Pvt.) Ltd.

Statement of Changes In Equity

For the year ended 30 June 2014

Particulars	Share capital Taka	Retained earnings Taka	Total Taka
Balance on 01 July 2012	500,000	-	500,000
Net loss for the year	-	(208,800)	(208,800)
Other comprehensive income/(loss) for the year	-	-	-
Total comprehensive income for the year	-	(208,800)	(208,800)
Balance at 30 June 2013	500,000	(208,800)	291,200
Net loss for the year	-	(167,102)	(167,102)
Other comprehensive income/(loss) for the year	-	-	-
Total comprehensive income for the year	-	(167,102)	(167,102)
Balance at 30 June 2014	500,000	(375,902)	124,098



Green Business & Marketing Company (BD) Limited Directors' Report

Green Business & Marketing Company (BD) Limited is a private Company limited by shares incorporated in 2013 with the Registrar of Joint Stock Companies, Dhaka, Bangladesh and governed by the Companies Act 1994. ACI Formulations Limited acquired 75% shares of this Company.

Objective of the Company is marketing and distribution of cosmetics and herbal products. The Company has yet to start its operational activities. ACI Formulations Limited acquired the substantial shares of the company with a view to accelerate marketing and distribution plan to capture sizable market in the related business field.

The current financial year of the Company comprised from 1st July 2013 to 30th June 2014. The financial highlights based on the audited account of the Company during the period under review are given below:

Key Financial Results	Taka
Operating expenses	(60,520)
Loss after tax	(60,520)

On behalf of the Board


Director


Mr. Syed Alamgir
Director

Dhaka, 4 September 2014

Green Business & Marketing Company (BD) Limited Auditors' Report

We have audited the accompanying Balance Sheet of "Green Business & Marketing Company (BD) Ltd." as of June 30, 2014 and Statement of Comprehensive Income and Statement of Changes in equity for the year then ended and the related notes to the accounts. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards, give a true and fair view of the state of the Company's affairs as of June 30, 2014 and of the results of its operations for the period then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- c. The Company's balance sheet dealt with by the report is in agreement with the books of accounts; and
- d. The expenditure incurred was for the purposes of the Company's business.

Dated: 4th September 2014



Shiraz Khan Basak & CO.
Chartered Accountant



Green Business & Marketing Company (BD) Limited

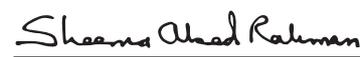
Statement of Financial Position

As at 30 June 2014

	30-June-2014 <u>Taka</u>	30-June-2013 <u>Taka</u>
<u>Assets</u>		
<u>Current Assets</u>		
Preoperating expenses	430,600	415,600
Cash and cash equivalents	4,321	65,999
Total current assets	434,921	481,599
Total assets	434,921	481,599
<u>Equity and liabilities</u>		
<u>Equity</u>		
Share capital	500,000	500,000
Retained earnings	(83,921)	(23,401)
Total equity	416,079	476,599
<u>Liability</u>		
Other payables	18,842	5,000
Total current liabilities	18,842	5,000
Total liabilities	18,842	5,000
Total equity and liabilities	434,921	481,599


Director


Director


Company Secretary

As per our separate report of even date annexed.

Date: 4th September 2014
Place: Dhaka


Shiraz Khan Basak & CO.
Chartered Accountant

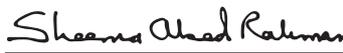
Green Business & Marketing Company (BD) Limited
 Statement of Comprehensive Income
 For the year ended 30 June 2014



	30-June-2014 <u>Taka</u>	30-June-2013 <u>Taka</u>
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Administration, selling and distribution expenses	(60,520)	(23,401)
Other income	-	-
Result from operating activities	(60,520)	(23,401)
Finance cost	-	-
Profit / (loss) before income tax	(60,520)	(23,401)
Income tax expenses :	-	-
Net profit / (loss) after tax	(60,520)	(23,401)


 Director


 Director


 Company Secretary

As per our separate report of even date annexed.

Date: 4th September 2014
 Place: Dhaka


 Shiraz Khan Basak & CO.
 Chartered Accountant



Green Business & Marketing Company (BD) Limited

Statement of Changes In Equity

For the year ended 30 June 2014

Particulars	Share capital Taka	Retained earnings Taka	Total Taka
Balance on 01 July 2012	500,000	-	500,000
Net loss for the year	-	(23,401)	(23,401)
Other comprehensive income/(loss) for the year	-	-	-
Total comprehensive income for the year	-	(23,401)	(23,401)
Balance at 30 June 2013	500,000	(23,401)	476,599
Net loss for the year	-	(60,520)	(60,520)
Other comprehensive income/(loss) for the year	-	-	-
Total comprehensive income for the year	-	(60,520)	(60,520)
Balance at 30 June 2014	500,000	(83,921)	416,079

Corporate Directory

Registered Office

ACI Centre
245 Tejgaon Industrial Area
Dhaka 1208
Phone # (8802) 8878603
Fax # (8802) 8878619 & 8878626

Share Office

9 Motijheel C/A
Dhaka 1000
Phone # (8802) 9556254

Manufacturing Facilities

ACI Formulations Plant
Rajabari, Sreepur, Gazipur
Phone # (8802) 0682555135





ACI Formulations Limited

Registered Office
ACI Centre, 245 Tejgaon Industrial Area, Dhaka 1208

PROXY FORM

I/We _____
of _____
being a Member of ACI Formulations Limited, hereby appoint _____

of _____
whose signature is appended below as my/our proxy to attend and vote for me/us and on my/our behalf
at the 19th Annual General Meeting of the Company to be held on Thursday, 11 June 2015 at 9:00 am
and/or at any adjournment thereof

As witness my hands this _____ day of _____ 2015.

Signature on
Tk. 20
Revenue Stamp

(Signature of the Proxy)

(Signature of the Shareowner)

Registered Folio / BO ID No. _____

No. of Shares held _____

Note : A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form, duly completed, must be deposited at the Share Office of the Company at 9 Motijheel C/A, Dhaka 1000, not later than 48 hours before the time fixed for the meeting.

Please complete the attendance slip and hand it over at the venue of the Meeting.



ACI FORMULATIONS LIMITED
Registered Office
ACI Centre, 245 Tejgaon Industrial Area, Dhaka 1208

ATTENDANCE SLIP

I hereby record my Attendance at the 19th Annual General Meeting being held on Thursday, 11 June 2015 at 9:00 am at Officers Club, 26 Baily Road, Dhaka.

Name of member/proxy _____

Registered Folio / BO ID No. _____

Signature





ACI Formulations Limited

ACI Centre, 245 Tejgaon Industrial Area, Dhaka 1208