

এসিআই কৃষকের সহায়ক



ACI Formulations Limited

**Annual Report
2017-2018**





ACI Crop Care & Public Health has been awarded by Standard Chartered Bank, Bangladesh.



Celebrating Heroes Who Serve the Nation

AGRO AWARD
Excellence in Agriculture

Implemented by
Bangladesh
**BRAND
FORUM**
Empowering Brands in Bangladesh

Standard
Chartered 



ACI Formulations Limited

এ সি আই ফরমুলেশন্স লিমিটেড
এসিআই সেন্টার
২৪৫, তেজগাঁও ইন্ডাস্ট্রিয়াল এরিয়া
ঢাকা ১২০৮, বাংলাদেশ
পি ও বক্স ৭২১৮
টেলিফোন (৮৮-০২) ৮৮৭ ০৯৮২-৭, ৮৮৭ ৮৬০৩
ফ্যাক্স (৮৮-০২) ৮৮৭ ০৯৮৮, ৮৮৭ ৮৬২৬

ACI Formulations Limited
ACI Centre
245, Tejgaon Industrial Area
Dhaka 1208, Bangladesh
PO Box 7218
Telephone (88-02) 887 0982-7, 887 8603
Fax (88-02) 887 0988, 887 8626
Email: info@aci-bd.com
Web: www.aci-bd.com

Your ref

Our ref

Date

25 November 2018

Letter of Transmittal

To

All Shareholders of ACI Formulations Limited (ACI FL)
Bangladesh Securities and Exchange Commission (BSEC)
Registrar of Joint Stock Companies and Firms (RJSCF)
Dhaka Stock Exchange Limited (DSE)
Chittagong Stock Exchange Limited (CSE) &
Other stakeholders of ACI Formulations Limited (ACI FL)

Dear Sirs,

Annual report of ACI Formulations Limited (ACI FL) for the year ended 30 June 2018.

We are pleased to enclose a copy of ACI FL's Annual Report together with the audited financial statements which include statement of financial position, statement of Profit or loss and others comprehensive income, statement of cash flows, statement of changes in equity for the year ended 30 June 2018 along with notes thereto of ACI FL for your kind information and record.

General review of this report, unless explained otherwise, is based on the financials of the 'ACI FL'.

Thanking you,

Yours Sincerely,

Mohammad Mostafizur Rahman
Company Secretary



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Corporate Information

Company Profile

| Basic Information | | | |
|---------------------|-----------------------|-----------------------|-------------|
| Full Name | ACI Formulations Ltd. | Authorized capital | 500,000,000 |
| Incorporation Date | 29 October 1995 | Issued & paid capital | 450,000,000 |
| Registration No | C-29594 (882)/95 | No of Shares | 45000000 |
| Company Type | Public Limited | Face Value | 10 |
| Number of employees | 1,785 | Year End | 30 June |

| Statutory Position | | Board of Directors | |
|---|---|------------------------------------|----------------------|
| Chief Financial Officer | Mr. Pradip Kar Chowdhury | ■ Mr. M. Anis Ud Dowla | Chairman |
| Head of Risk Management & Internal Audit | Mr. Amitava Saha | ■ Ms. Shusmita Anis | Managing Director |
| Company Secretary | Mr. Mohammad Mostafizur Rahman | ■ Mrs. Najma Dowla | Director |
| Auditors | | ■ Dr. Arif Dowla | Director |
| Statutory Auditor | M/s. Hoda Vasi Chowdhury & Co. Chartered Accountants | ■ Dr. A.K.M Fareyzul Haque Ansarey | Director |
| Governance Compliance Auditor | Al-Muqtadir Associates, Chartered Secretaries | ■ Mr. Kamran Tanvirur Rahman | Independent Director |
| Advisors | | ■ Mr. Abdul-Muyeed Chowdhury | Independent Director |
| Legal Advisor | Barrister Rafique-ul Huq, Huq and Company | Board Audit Committee | |
| Advisor, Regulatory Affairs | Mr. M. Sekander Ali | • Mr. Abdul-Muyeed Chowdhury | Chairman |
| Contact Address | | • Dr. A.K.M Fareyzul Haque Ansarey | Member |
| Registered Office | ACI Centre, 245, Tejgaon Industrial Area, Dhaka-1208 | • Mrs. Najma Dowla | Member |
| | Phone # (8802) 8878603 | • Mr. Mohammad Mostafizur Rahman | Secretary |
| | Fax # (8802) 8878619 | | |
| | Email # info@aci-bd.com | | |
| | Web # http://www.aci-bd.com/acifl/ | | |
| Investors Relation's Office | 9 Motijheel C/A, Dhaka-1000 | | |
| | Phone # (8802) 9556254 | | |
| Factory Location | Rajabari, Sreepur, Gazipur | | |
| | Phone # (8802) 0682555135 | | |
| Principle Bankers | | | |
| ■ Standard Chartered Bank | ■ BRAC Bank Limited | | |
| ■ The Hongkong and Shanghai Banking Corporation Limited | ■ The City Bank Limited | | |
| ■ Commercial Bank of Ceylon Plc | ■ Prime Bank Limited | | |
| Subsidiary Company | | | |
| ■ Neem Laboratories (Pvt.) Ltd | | | |

ACI Formulations in Brief

ACI Formulations Limited (ACI FL) was established as the subsidiary of Advanced Chemical Industries (ACI) Limited in 1995. The Company obtained listing with Dhaka Stock Exchange in 2008.

ACI FL's Crop Care & Public Health (CC&PH) business is one of the most renowned names and leading agro chemical manufacturer and supplier of Bangladesh. Since inception the business is contributing to the growth of country's agriculture sector and marked a huge footprint in the industry by showing quality and innovation. ACI Crop Care helps farmers protecting their crops from diseases, insects and weeds and thereby increases farm production through appropriate use of pesticides. CC&PH is providing a complete range of cost effective solution for the farmers through formulating and marketing insecticides, herbicides, fungicides and miticides etc.



Board of Directors' Profile



M. Anis Ud Dowla, Chairman

Mr. M. Anis Ud Dowla, the Chairman of ACI Group, is one of the most successful personalities in Bangladesh business circle. Mr. Dowla has maintained a high profile, and has provided leadership to the business community in different capacities. He served in the British Oxygen Group of UK in Pakistan, Bangladesh and Kenya for 27 years, including 12 years as Managing Director of Bangladesh Oxygen Ltd. In 1987, he became the Group Managing Director of the three ICI companies in Bangladesh. With experience gathered while working with two British multi-nationals for over 32 years, Mr. Dowla has continued to maintain the multinational culture and management style in ACI, with especial emphasis on quality, productivity and customer services. He was the President of Metropolitan Chamber of Commerce & Industries, Dhaka in 1977, 1978, 1995 and 2010. Mr. Dowla has considerable contribution in the field of Industrial Relations of the country. He was elected President of Bangladesh Employers' Federation for four terms in 1975-1976, 1976-1977, 1991-1992, 1992-1993. Besides, he was the Chairman of Pioneer Insurance Company Limited for three terms. At present, he is a Director of the Credit Rating Agency of Bangladesh. He has also been re-elected as the President of the Bangladesh Seed Association (BSA) for three consecutive terms. He is a member of the Board of Trustees of the Independent University of Bangladesh.



Najma Dowla, Director

Mrs. Najma Dowla joined the Board as Director in 2001. In addition to her role as a Board member, she also serves as a Member of the Audit Committee of ACI Formulations Limited. Currently, she occupies the Directorship position in Advanced Chemical Industries Limited, ACI Salt Limited, Premiaflex Plastics Limited, Consolidated Chemicals Limited, ACI Foods Limited, ACI Motors Limited, Stochastic Logic Limited, ACI HealthCare Limited, ACI Chemicals Limited, ACI Boitech Limited, ACI Agrolink Limited, ACI Logistics Limited, ACI Edible Oils Limited, Dowla Agricultural Development Company Limited and ACI Foundation (a non-profit organization). She completed her Bachelor degree in Arts.



Dr. Arif Dowla, Director

Dr. Arif Dowla was inducted as Director of the Company in 2003. He is the Managing Director of the parent company, Advanced Chemical Industries Limited and functional head of ACI Group. He has significant contribution in the advancement of Industrial as well as Agricultural sector of the country. His business strategy and various backward and forward linkages have diversified the Group business in manifold resulting ACI a largest turnover based conglomerate in Bangladesh. Dr. Dowla obtained Ph.D in Mathematics from the University of California, USA. He is a member of the American Mathematical Society and the Society of Quantitative Analyst, New York, as well. He has been included in the Forum of Young Global Leader Honorees 2009 by the World Economic Forum. He has been serving as the Honorary Consul of Belgium in Bangladesh since September 2013. Dr. Dowla is the Chairman of Tetley ACI (Bangladesh) Limited, a Joint-venture between India and Bangladesh. He is a Director of Mutual Trust Bank Limited and former Chairman of the Bank (2012-2014). He was also the Director of Pioneer Insurance Company Limited from 2002 to 2009. Besides, Dr. Dowla is the Managing Director of ACI Logistics Limited and Stochastic Logic Limited. He has Directorship in ACI Salt Limited, ACI Pure Flour Limited, ACI Motors Limited, ACI Foods Limited, Premiaflex Plastics Limited, ACI Agrolink Limited., ACI HealthCare Limited, ACI Edible Oils Limited, Creative Communication Limited, Consolidated Chemicals Limited, ACI Chemicals Limited, ACI Boitech Limited, INFOLYTX Bangladesh Limited, Dowla Agricultural Development Company Limited, ACI Godrej Agrovet Private Limited and ACI Foundation (a non-profit organization).



Dr. A.K.M. Fareyzul Haque Ansarey, Director

A.K.M. Fareyzul Haque 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 Limited in the field of chemical world gives confidence in realizing the business potential of the Company. He is one of the promoters of ACI Formulations Limited and has been discharging his duties and responsibilities as Director since November 1995. Currently, he acts as the Managing Director & CEO of ACI Agribusinesses. He has also been appointed as the Managing Directors of ACI Agrolink Limited, ACI Motors Limited and Premiaflex Plastics Limited. He served Advanced Chemical Industries Limited in the capacity of Executive Director of Agribusinesses and General Manager & Head of Business Operation, as well. Besides, Dr. Ansarey occupies the Directorship position in ACI Salt Limited and ACI Godrej Agrovet Private Limited.



Abdul-Muyeed Chowdhury, Independent Director

Mr. Abdul-Muyeed Chowdhury joined the Board as Independent Director in October 2018. He served as an Independent Director of Advanced Chemical Industries Limited from May 2012 to May 2018. Mr. Chowdhury obtained his Bachelor of Arts with honors in History and Master of Arts (1st Class) from Dhaka University. He also attended Certificate of Participation in an acceptable program of special study in Political Science, Public Administration in the University of Tennessee, Knoxville. Mr. Chowdhury, a CSP, served as an Adviser to the Care Taker Government of Bangladesh in 2001 and was in charge of five Ministries. He was the Executive Director of BRAC from 2000 to 2006. Prior to that, he spent more than three decades in the civil service of Bangladesh and was the Secretary to the Government from 1994 to 2000 holding charge of various ministries. He served as the Chairman of NBR, Managing Director of Biman Bangladesh Airlines and Executive Director of Jamuna Multipurpose Bridge Authority, President of National Shooting Federation of Bangladesh, Chairman of SME Foundation and Vice President of Bangladesh Olympic Association. He was the Chairperson of BRACNet Limited. Currently, he is serving as the CEO of Tiger Tours Limited. Besides, he is a Director of MJL Bangladesh Limited, Omera Petroleum Limited, Omera Fuels Limited, Omera Cylinders Ltd, Summit Alliance Port Limited, PEB Steel Alliance Limited and Tiger Tours Limited. He is also a Member of the Governing Body of BRAC University, Sajida Foundation and Bangladesh Youth Enterprise Advice and Help Center (B'Yeah).



Kamran Tanvinur Rahman, Independent Director

Mr. Kamran Tanvinur Rahman was appointed as an Independent Director of the Company in 2014. He has also been appointed as an Independent Director and Chairman of the Audit Committee of Advanced Chemical Industries Limited. Mr. Rahman obtained his Bachelor of Science Degree in Mechanical Engineering from the Northeastern University, Boston, Massachusetts, USA in the year 1981. He is the Chairman & Managing Director of Pubali Jute Mills Ltd. and the Kapna Tea Co. Ltd. (Kapnapahar Tea Estate). He is a former Vice-President (Asia-Pacific) of International Organization of Employers (IOE), Geneva, Switzerland as well as a former member of the Governing Body of the International Labour Organisation, Geneva, Switzerland. He was also the Vice-President of Metropolitan Chamber of Commerce and Industry, Dhaka, from January 2013 - December 2013. He was Director of the Federation of Bangladesh Chambers of Commerce and Industry. At present, he is the President of Bangladesh Employer's Federation.



Shusmita Anis, Managing Director

Ms. Shusmita Anis completed her graduation in Fine Arts in Graphics Design from San Jose, California, USA. She was inducted as Director of ACI Formulations Limited in 2003 and appointed as the Managing Director of the Company in 2012. She has also been a Director of Advanced Chemical Industries Limited since 2000 and performing as a Member of the Audit Committee. Besides, she is the Director of ACI Logistics Limited, ACI Foods Limited, ACI Motors Limited, Premiaflex Plastics Limited, Creative Communication Limited, Consolidated Chemicals Limited, ACI Pure Flour Limited, Stochastic Logic Limited, ACI Salt Limited, ACI Chemicals Limited, Neem Laboratories (Pvt.) Limited, Dowla Agricultural Development Company Limited, ACI Foundation (a non-profit organization) and Pioneer Insurance Company Limited.



Mohammad Mostafizur Rahman, Company Secretary

Mohammad Mostafizur Rahman joined ACI Formulations Limited as the Company Secretary in July 2018. Previously, he worked with HeidelbergCement Bangladesh Limited, Bata Shoe Company (Bangladesh) Limited, Square Pharma and Rangs Properties Limited in various capacities. In the year of 2010 the Institute of Chartered Secretaries of Bangladesh recognized him as a qualified Chartered Secretary. He completed both LL.B. (Hons.) and LL.M. from University of Dhaka. He earned Post Graduate Diploma in Human Resources Management (PGDHRM) from Bangladesh Institute of Management (BIM) in 2013.



Notice of the 22nd Annual General Meeting

Notice is hereby given that the 22nd Annual General Meeting (AGM) of ACI Formulations Limited will be held on Wednesday, 12 December 2018 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 Financial Statements for the year ended 30 June 2018 together with Reports of the Auditors and the Directors thereon.
- 2) To declare dividend for the year ended 30 June 2018.
- 3) To elect/re-elect Directors and to approve the appointment of Directors.
- 4) To appoint statutory and compliance Auditors for the year 2018-2019 and fix their remuneration.

Dhaka
18 November 2018

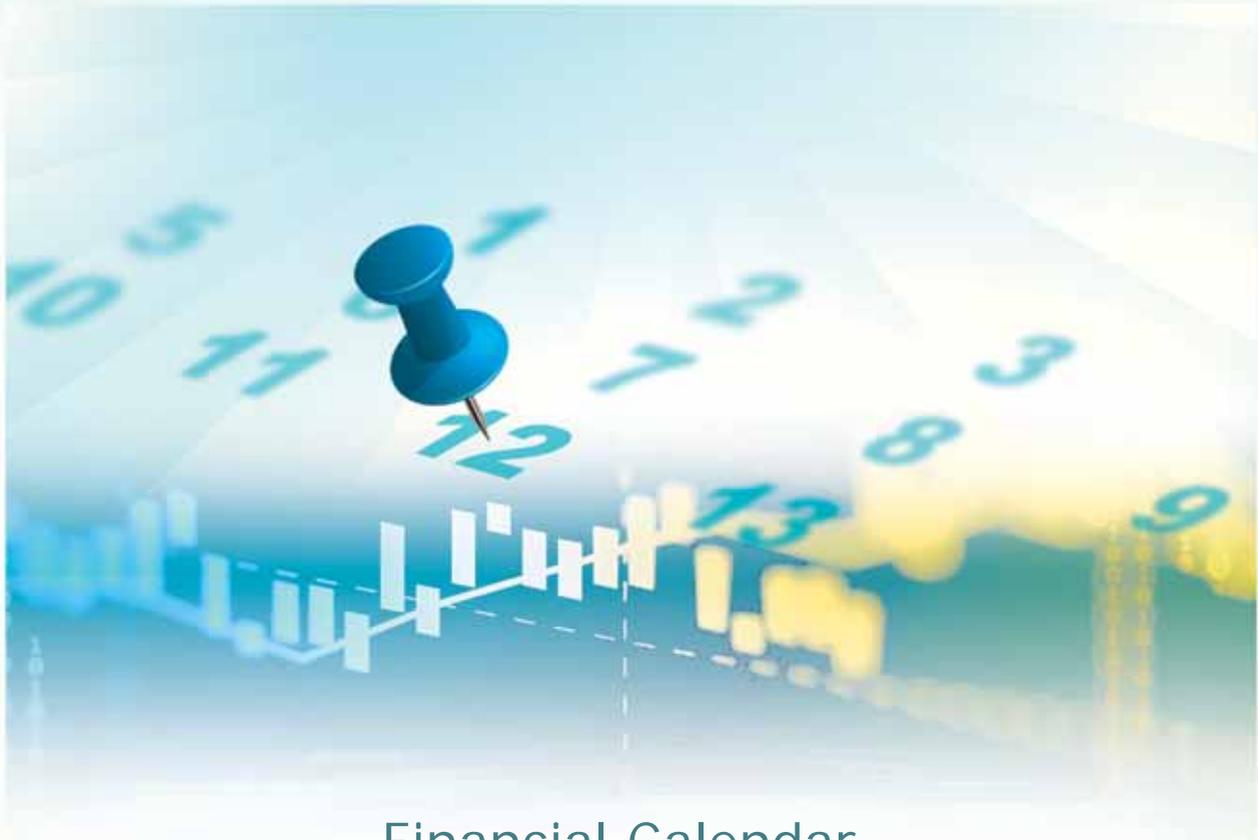
By Order of the Board

Mohammad Mostafizur Rahman
Company Secretary

Notes

- a. The Shareholders, whose names appeared in the Members/Depository Register as on the Record Date i.e. 15 November 2018 will be eligible to attend the AGM and receive the dividend.
- b. The Shareholders are requested to submit their written option to receive dividend to the Company's Share Office on or before 6 December 2018. In case of non-receipt of such option within the stipulated time, the dividend will be paid off as deemed appropriate by the Company.
- c. The Proxy Form, duly completed, must be deposited at the Share Office of the Company at 9 Motijheel Commercial Area, Dhaka-1000 at least before 48 hours of the time fixed for the Meeting.
- d. Admittance to the Meeting venue will be on production of the Attendance Slip and verification of signature of Member (s) and/or Proxy-holder (s).
- e. The Annual Report 2017-2018 is available in Company's website, <http://www.aci-bd.com/acif/>.

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



Financial Calendar

Sunday, 12 November 2017

Quarter One

Adoption of unaudited first quarter financial statements ended 30 September 2017.

Monday, 29 January 2018

Quarter Two

Adoption of unaudited second quarter financial statements ended 31 December 2017.

Thursday, 26 April 2018

Quarter Three

Adoption of unaudited third quarter financial statements ended 31 March 2018.

Thursday, 25 October 2018

Annual

Adoption of audited financial statements for the year ended on 30 June 2018.

Thursday, 15 November 2018

Record Date

Record Date in lieu of Book Closure.

Sunday, 18 November 2018

AGM Notice

Notice of 22nd Annual General Meeting

Sunday, 25 November 2018

Annual Report

Issuance of Annual Report

Wednesday, 12 December 2018

AGM Day

22nd Annual General Meeting

Thursday, 10 January 2019

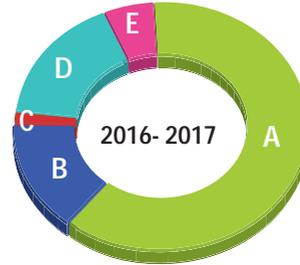
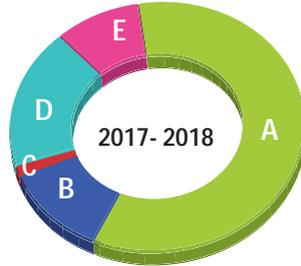
Dividend Payment

Payment of Dividend to the shareowners whose name would appear in the register of the Company on record date.



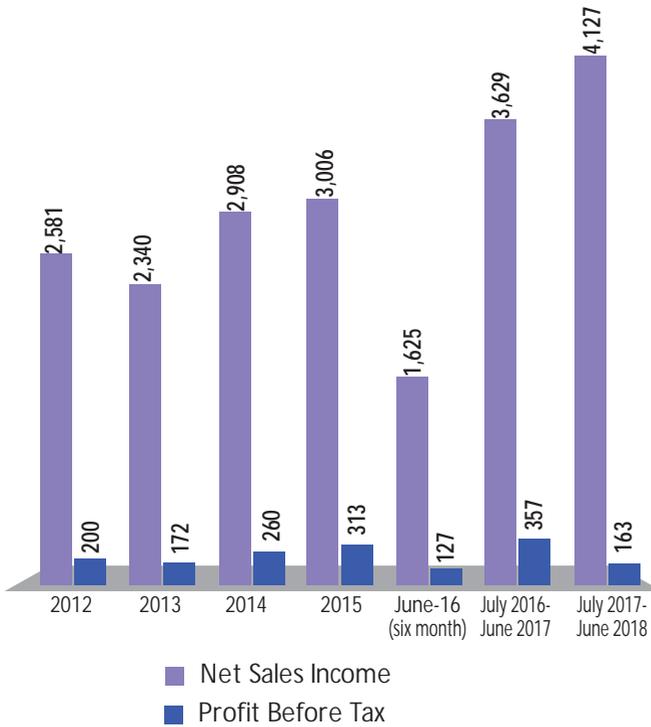
Financial Highlights and Analysis

Turnover Contribution by Business Unit

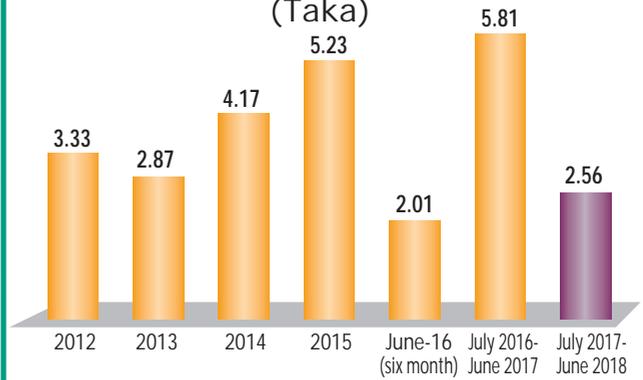


| Business Unit | 2017 - 2018 | 2016 - 2017 |
|-----------------------------|-------------|-------------|
| A Crop Care & Public Health | 59.20% | 61.91% |
| B Mosquito Coil | 11.95% | 14.44% |
| C Toilet Cleaner (Vanish) | 1.51% | 1.44% |
| D Aerosol | 17.93% | 16.80% |
| E Paint | 9.41% | 5.41% |

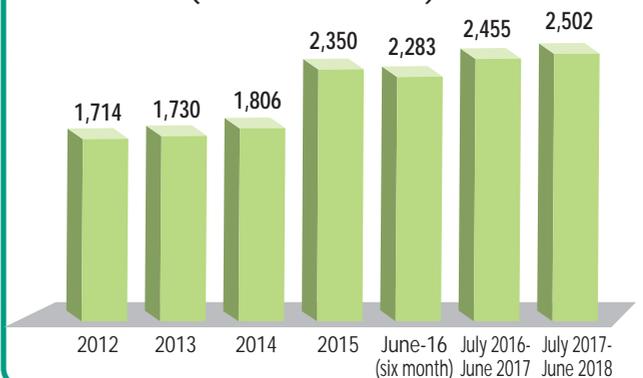
Net Sales Income & Profit Before Tax (Taka in Million)



Earnings Per Share (Taka)



Shareowners' Equity (Taka in Million)



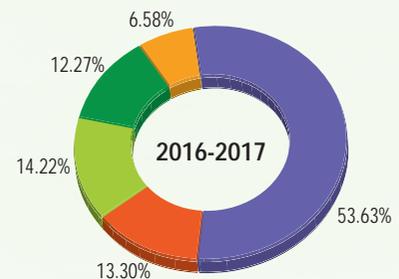
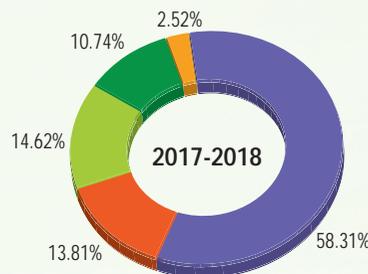
Comparative Statistics

| Particulars | 2012 | 2013 | 2014 | 2015 | June 2016 (Six Month) | July 16- June 17 | July 17- June 18 |
|-------------------------------|----------|----------|----------|----------|--------------------------|---------------------|---------------------|
| Taka in million | | | | | | | |
| Authorized capital | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 |
| Issued & paid-up capital | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 | 450.00 |
| Current assets | 1,590.00 | 1,652.00 | 1,811.60 | 2,594.40 | 2,719.34 | 3,296.51 | 4,265.14 |
| Tangible fixed assets (gross) | 1,353.97 | 1,389.43 | 1,435.68 | 1,717.06 | 1,761.33 | 1,857.65 | 1,912.42 |
| Shareowners' equity | 1,713.74 | 1,730.47 | 1,805.59 | 2,350.46 | 2,283.36 | 2,454.80 | 2,502.33 |
| Turnover (net) | 2,581.04 | 2,340.43 | 2,908.11 | 3,006.49 | 1,625.48 | 3,629.43 | 4,127.46 |
| Gross profit | 609.86 | 584.56 | 738.58 | 800.14 | 476.94 | 1,107.81 | 1,026.50 |
| Profit before tax | 200.21 | 172.29 | 259.65 | 313.11 | 126.64 | 356.73 | 163.30 |
| Profit after tax | 149.96 | 129.23 | 187.62 | 235.14 | 90.40 | 261.44 | 115.03 |
| Dividend | 112.50 | 112.50 | 135.00 | 157.50 | - | 157.50 | 157.50 |
| Current ratio (times) | 1.50 | 1.49 | 1.50 | 1.35 | 1.29 | 1.29 | 1.22 |
| Quick ratio (times) | 0.87 | 0.98 | 0.94 | 0.88 | 0.82 | 0.75 | 0.76 |
| Return on equity (%) | 9.00 | 7.00 | 10.00 | 10.00 | *7.92 | 10.65 | 4.60 |
| Inventory turnover (times) | 2.95 | 3.06 | 3.21 | 2.46 | *2.31 | 1.82 | 1.93 |
| Debtors turnover (times) | 4.26 | 4.93 | 3.48 | 2.19 | *2.56 | 2.51 | 2.78 |
| Fixed assets turnover (times) | 2.05 | 1.88 | 2.34 | 1.72 | *1.87 | 2.02 | 2.30 |
| Net asset per share (Taka) | 38.08 | 38.45 | 40.12 | 52.23 | 50.74 | 54.55 | 55.61 |
| Market price per share (Taka) | 73.90 | 78.90 | 126.70 | 189.70 | 155.00 | 200.10 | 163.70 |
| Earnings per share (Taka) | 3.33 | 2.87 | 4.17 | 5.23 | 2.01 | 5.81 | 2.56 |
| Dividend per share (Taka) | 2.50 | 2.50 | 3.00 | 3.50 | - | 3.50 | 3.50 |
| Dividend rate (%) | 25.00 | 25.00 | 30.00 | 35.00 | - | 35.00 | 35.00 |
| Dividend payout ratio (%) | 75.08 | 87.11 | 71.94 | 66.92 | - | 60.24 | 136.72 |
| Price earnings ratio (times) | 22.19 | 27.49 | 30.38 | 36.27 | *38.56 | 34.44 | 63.95 |
| Dividend yield (%) | 3.38 | 3.17 | 2.37 | 1.85 | - | 1.75 | 2.14 |
| Number of employees | 921 | 922 | 1,149 | 1,459 | 1,489 | 1,679 | 1,785 |

* Ratios are annualised.

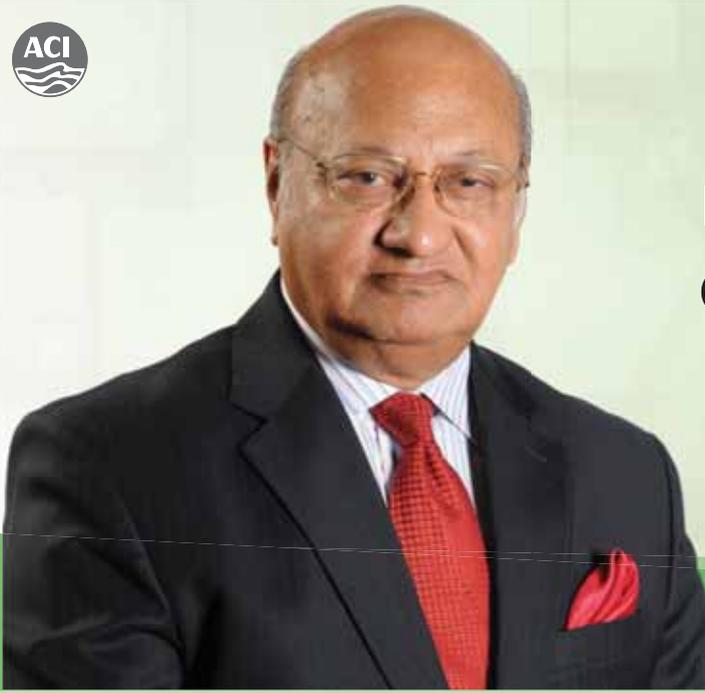
Analysis of Turnover (%)

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



Comparison of Turnover & Costs

| | For the year ended 30 June 2018 | | For the year ended 30 June 2017 | |
|--|------------------------------------|---------------|------------------------------------|---------------|
| | Taka in Million | % | Taka in Million | % |
| Turnover (Gross) | 4,572.60 | 100 | 3,969.62 | 100 |
| Cost of Materials | 2,666.14 | 58.31 | 2,128.79 | 53.63 |
| Salaries, Wages & Benefits paid to Employees | 491.05 | 10.74 | 487.26 | 12.27 |
| Expenses | 631.86 | 13.81 | 527.79 | 13.30 |
| Duties & Taxes paid to Government Exchequer | 668.52 | 14.62 | 564.34 | 14.22 |
| Profit | 115.03 | 2.52 | 261.44 | 6.58 |
| Total | 4,572.60 | 100.00 | 3,969.62 | 100.00 |



Message from the Chairman চেয়ারম্যানের বাণী

Dear Shareowners,

Assalamu Alaikum,

Like last year, this year also had adverse climatic condition, unsuitable for agriculture. The farmers in many cases had to plant the seedlings twice because early and prolonged rain damaged newly-sown seedlings. In some cases the farmers were unable to afford the cost of crop protection chemicals needed for good crop management, hence lower demand for agro chemicals. Any seasonal and weather-dependent business will have major fluctuation in its turnover if the weather is not favorable.

As the field sales activities diminishes when the weather is bad, the field force prepare themselves for providing assistance to the farmers and help them. When floods cause a lot of distress, ACI employees provide assistance to farmers. This relationship-building is an important element of farming community culture. ACI field force builds that relationship.

ACI Formulations Limited wishes to follow a business plan which will improve its ranking in the crop care sector and to that end it has taken the help of a consulting firm. The entire business strategy is being revised and updated so that the business excels in all aspects. This is a major shift and lot of management time is being spent in creating the systems and business processes. The results of this initiative will be manifested in the results of the coming years.

Although the business had not been so good and the profit inadequate, the dividend recommended by the Board has been maintained at the level of last year to fulfil the expectation of the shareowners, by appropriating the shortfall from the retained earnings.

Dear Shareowners, the future of ACI Formulations is to be secured through active engagement with the farmers on one hand and diversifying into other business, on the other. One such business is that of toll manufacturing of Paints. Decorative paints business is growing fast and we have developed the skills to manufacture paints of world class quality.

We have qualified and hardworking employees whose commitment and dedication will produce good results in the years to come and your investment will have healthy growth.

Sincerely,

M. Anis Ud Dowlah

Chairman

প্রিয় শেয়ারমালিকবৃন্দ

আসসালামু-আলাইকুম,

গত বছরের ন্যায় এ বছরও জলবায়ু ছিল কৃষি কাজের জন্য অনুপোযুক্ত। বেশীরভাগ ক্ষেত্রেই অতি বৃষ্টি এবং যথাসময়ের পূর্বেই বৃষ্টির কারণে বপনকৃত বীজ নষ্ট হয়ে যায় এবং কৃষকদের দ্বিতীয়বার বীজ বপন করতে হয়। কিছু ক্ষেত্রে কৃষকেরা ফসল প্রতিরক্ষার রাসায়নিক দ্রব্যের ব্যয় বহনে সক্ষম ছিল না। সে কারণে কৃষিকাজে ব্যবহৃত রাসায়নিক দ্রব্যের বাজার চাহিদা কম ছিল। আবহাওয়া অনুকূলে না থাকলে ঋতু নির্ভর যে কোন ব্যবসা ক্ষতিগ্রস্ত হতে পারে।

প্রতিকূল আবহাওয়ার দরুন বিপন্ন কার্যক্রম কমে গেলে মাঠকর্মীরা কৃষকদের সাহায্য-সহযোগীতার জন্য নিজেদেরকে প্রস্তুত করে। এসিআই এর কর্মীবৃন্দ বন্যা দুর্গত কৃষকদের সহযোগিতায় বলিষ্ঠ ভূমিকা পালন করে থাকে। আমাদের মাঠকর্মীরা কৃষকদের সাথে সম্পর্ক উন্নয়নের এই ধারাবাহিকতা নিশ্চিত করে।

একটি কার্যকর ব্যবসায়িক পরিকল্পনা গ্রহণ সাপেক্ষে ক্রপ কেয়ার খাতের অবস্থানকে সুদৃঢ় করার লক্ষ্যে এসিআই ফরমুলেশন্স লিমিটেড দক্ষ কনসালটিং ফার্মের সহায়তা নিচ্ছে। ব্যবসায়িক কৌশল সমূহকে টেলে সাজানো হয়েছে যাতে ব্যবসায়ের সকল ক্ষেত্র সমৃদ্ধ হয়। ব্যবস্থাপনা কর্তৃপক্ষ এই পরিবর্তনের জন্য কঠোর পরিশ্রম করেছে। তাদের এই উদ্যোগ আগামী বছরগুলোতে কোম্পানির জন্য ভাল ফলাফল বয়ে আনবে।

শেয়ারহোল্ডারদের প্রত্যাশা পূরণের লক্ষ্যে মুনাফা কম হওয়া সত্ত্বেও জমাকৃত আয় হতে ঘাটতি পূরণপূর্বক পরিচালনা পর্ষদ গত বছরের সমান লভ্যাংশ সুপারিশ করেছে।

প্রিয় শেয়ারমালিকবৃন্দ, ব্যবসায়িক কার্যক্রমে বৈচিত্র্য এনে এবং কৃষকদের সাথে পরিপূর্ণ অংশগ্রহণের মাধ্যমে এসিআই ফরমুলেশন্স এর ভবিষ্যত নিশ্চিত করতে হবে। সে লক্ষ্যেই রং এর ব্যবসায়ে আমরা টোল ম্যানুফ্যাকচারিং পদ্ধতি চালু করেছি। ডেকোরিটিভ পেইন্টস এর ব্যবসার দ্রুত প্রসার ঘটছে। আমরা ইতিমধ্যে বিশ্বমানের রং উৎপাদনে সক্ষমতা অর্জন করেছি।

আমাদের যোগ্য ও কঠোর পরিশ্রমী কর্মীরা নিরলস প্রচেষ্টার মাধ্যমে ভাল ফলাফল নিশ্চিত করবে এবং আশাকরি ভবিষ্যতে আপনাদের বিনিয়োগ লাভজনকভাবে বাড়তে থাকবে।

আপনাদের বিশ্বস্ত,



এম. আনিস উদ্ দৌলা
চেয়ারম্যান



Statement of Corporate Governance

In ACI FL corporate governance (CG) is a maxim that is intertwined in responsibility, compliance, transparency and accountability. As a part of it, ACI FL acknowledges good corporate governance as the essential element for success in business and recognizes that it is to be established by means of an effective CG Regime. Accordingly, ACI FL emphasizes on stronger diligence to business, all operations being transparent and invites larger involvement of the stakeholders. Aspiring on that, the Company has always strived to remain vigilant on good governance and good business conduct so as to create and maintain value for shareholders, safeguard stakeholders' interest and justify investor confidence. In this respect the Directors of ACI FL are also committed to meeting the highest standards of governance and disclosure. And with that aim, the Board ensures the integrity and firm attention of its employees, supported by a comprehensive framework of policies, guidelines and internal control. The Directors are conscious of their own responsibilities in supervision and direction of 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 functions and in setting up clear guidelines for the executive management.

The Governing Board

The Board of Directors of ACI FL, being the highest authority in the Company, is constituted by a body of very knowledgeable persons and includes core competencies considered relevant in the context of the Company. To further ensure a balanced representation, the Board also includes Independent Directors, who are very resourceful and dignified members of the society. Thus, the Board of ACI FL is a compact body and meets all the criteria required under the BSEC governing Code. Further details about members of the Board are appended at the appropriate parts in this report.

Composition of the Board

The Board consists of 7 (seven) members drawn from amongst the major shareowners and business professionals. Mr. M. Anis Ud Dowla is the Chairman of the Board and Ms. Shusmita Anis is the Managing Director. Of the seven Directors, five are non-executive Directors including two Independent Directors. The non-executive Directors are, however, available whenever business operations call for their attention and involvement.

Roles and Responsibilities of the Board

The Board is the supreme authority of the Company to oversee its operations through appropriate delegation, monitoring, control and reporting. The Directors hold the ultimate responsibility of

conducting the activities of the Company in accordance with law and in the interest of its shareowners and other stakeholders, keeping in view the long-term interest and aspirations of the Company, while also discharging company's legal obligations to its shareowners.

Functioning of the Board

The Directors meet together for the dispatch of the business and regulate the meetings and proceedings according to the needs of the Company. Every Board meeting is preceded by service of Notice well ahead of scheduled time. Notice with agenda supported by working papers for every meeting of the Board are sent to all Directors well in advance so that they can come up with their considered views and can actively participate at the deliberations. During the meeting, the Board gets a thorough review of the performance of the Company through a PowerPoint presentation by the Managing Director. All pertinent matters are discussed in details and decisions are taken based on thorough considerations. Questions arising at any meeting are decided by a majority of votes. However, there is a procedure supported by the Articles of Associations of the Company which allows taking care of any urgent matter through Resolution by Circulation. Such circular resolution is adopted by the Directors present in Bangladesh, without having to call a formal Board Meeting. To make it transparent, such resolutions passed by

circulation are subsequently tabled at the immediate following Board meeting and included in the minutes accordingly.

Management through People

The directors believe that a successful Board directs and not manage. Rather they manage the management. And with that spirit, the Board has delegated adequate operational and financial

of clearly set measurable goals and through objective assessment of their achievements.

Reporting and Communication

The Managing Director reviews and approves the strategic plans of each Business Unit every quarter. She also reviews monthly report and commentary on the sales and financial performance of business from the heads of businesses and the activities of



authorities to the Managing Director which empowers her to set up the organizational structure, recruit appropriate people, empower them to manage the Strategic Business Units and functional areas and provide them guidance for achievement of the desired results.

As the apex corporate authority, the Board is kept informed of the goals, targets and initiatives of the Business Units and apprised of the financial performance on a regular quarterly basis.

The Managing Director is in charge of operations of the Company and manages the affairs of the Company through close consultation with relevant people from within the Company and outside experts.

Empowerment of People

The Board has given clear guidelines to the Managing Director to ensure that there is appropriate delegation of authority and clear statement of accountability of the management staff all the way down to the supervisory level and that performance of the individual is judged on the basis

the functional and service heads. An elaborate MIS system is in place.

Communication with Shareowners

The Board considers that good governance involves openness and trustful cooperation among all stakeholders concerned, including the shareowners of the Company. Shareowners, being the ultimate controllers of the Company, deserve to be informed in all corporate respects required under the law. Annual General Meeting (AGM) is the highest forum for interaction between shareowners and management of the Company. Accordingly, the Company holds the AGM regularly and in time. The shareowners are informed about the AGM well in advance and meeting materials are dispatched to them with priority abiding by laws and guidelines. The Directors attending the Annual General Meeting note the views, aspirations and suggestions of the shareowners and institutional stakeholders offered at the AGM and consider them with utmost attention. The Managing Director also brings to the notice of the Board any written communication received by her from the shareowners.



Internal Control and Risk Management

The Managing Director has to satisfy the Board that adequate internal check and controls are in place through appropriate MIS and employment of Internal Audit team to check and validate the expenses and the systems in operation. To further strengthen the controls, the Company has introduced ISO 9001:2008 Quality Management System, under which all activities are carried out on the basis of Standard Operating Procedures. These standard procedures are updated on a regular basis in line with ISO requirements. The Company has also introduced ISO 14001:2004 Environmental Management System, and as a result has undertaken a task of continuing improvement through annual goals. Internal Audit department has been strengthened with induction of qualified and experienced personnel, demonstrating the Board's commitment to ensure that adequate risk management and internal control systems are in place across the Company.

Independent Director

In compliance with the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC), the existing Board of Directors of the Company includes two Independent Directors, Mr. Kamran Tanvirur Rahman and Mr. Abdul-Muyeed Chowdhury. Mr. Chowdhury is the Chairman of the Board Audit Committee. The Independent Directors of the Company have been elected amongst the senior corporate leaders and bureaucrats of the country who are elite members of the society having requisite qualifications as prescribed by BSEC.

Distinctive Role of Chairman and Managing Director

According to the Governance Code, the positions of Chairman and Managing Director are being held by separate individuals and their roles and responsibilities are clearly established, set out in writing and which are distinct from each other to ensure transparency and better governance. The Chairman is a non-executive director and responsible for smooth functioning of the Board, while the Managing Director acts as the Chief Executive Officer and in charge of the day-to-day operations of the Company.

Chief Financial Officer, Company Secretary and Head of Internal Audit & Compliance

Under requirements of the BSEC Governance Code, the Company has in place the above three key positions held by three qualified professionals. Mr. Pradip Kar Chowdhury, a Fellow Chartered Accountant, acts as the Chief Financial Officer and Mr. Amitava Saha, acts as the Head of Risk Management & Internal Audit. Mr. Mohammad Mostafizur Rahman, a Chartered Secretary, is appointed as the Company Secretary of the Company who is responsible for overall governing compliance of the Company and performs as the bridge between the Board, Management and Shareholders. The roles, responsibilities and duties of these three key positions have clearly set forth in writing by the Board.





The Board Audit Committee

Following the Code of Bangladesh Securities and Exchange Commission (BSEC), the Board has constituted an Audit Committee for the Company the details of which are stated in the Audit Committee Report forming part of this Annual Report. The Committee comprises of 3 (three) Members from the Board of Directors. All members of the Audit Committee are financially literate and are able to scrutinize and interpret financial statements while discharging their duties and responsibilities as a member of the Committee. The Chairman of the Committee is an Independent Director having the requisite qualification in line with BSEC Code. The Company Secretary acts as the Secretary of the Committee, as required by the BSEC Code. The Chief Financial Officer and Head of Internal Audit and Compliance attend all meetings of the Committee regularly as special invitees.

The key responsibilities of the Audit Committee include:

1. Review and monitor the integrity of the financial reporting system and ensure that Company complies with the accounting policies, principles and applicable standards.
2. Review and appraisal of the performance of the internal audit and internal control system.
3. Review of the risks associated with the Company's business operation including mitigation and awareness plan.
4. Overseeing hiring and performance of external auditors.
5. Other matters as per terms of reference as well as time to time requirements of the Regulators.

Reviewing of Business and Financial operations

The operations of the Company are regularly supervised, monitored and guided by the Board. The purpose of business review is to ensure strategic control and follow-up of results based on the prevailing strategic objectives and value considerations. Financial reviews provide the internal quarterly results follow-up for the Company. The purpose is to provide an analysis of the economic and financial situations, which will then form the basis for external reporting and presentations, and to provide quality assurance for the financial reporting.



Report of The Audit Committee

For the year ended 30 June 2018

Under Condition No. 5(7) of the Corporate Governance Code as adopted on 3 June 2018 by Bangladesh Securities and Exchange Commission (BSEC)

Audit Committee in ACI Formulations Limited is a sub-committee of the Board of Directors, assists the board in fulfilling its oversight responsibilities. The Audit Committee assists 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. The Audit Committee be and is responsible to the Board of Directors. The jurisdiction of the Audit Committee extends over the Company covering risk management with special emphasis on ensuring compliance with all applicable legislation and regulation.

Composition and Meetings

Chairman : Abdul-Muyeed Chowdhury, Independent Director (Wef: 30 October 2018)
Member : A.K.M Fareyza Haque Ansarey, Director
Member : Najma Dowla, Director
Secretary : Mohammad Mostafizur Rahman, Company Secretary

A total of 5 (Five) meetings of the Audit Committee were held during the year. Company Secretary functioned as the Secretary to the Committee as per regulatory guidelines. In addition to that the Chief Financial Officer, Head of Internal Audit and Compliance attended the meetings on invitation and other officials were invited to attend the meetings as and when the Committee required their presence.

The detail responsibilities of Audit committee are well defined in the Terms of Reference (TOR). However, the major roles of the Audit Committee are mentioned below:

- (a) To review the quarterly and annual financial statements before submission to the Board for approval, adequacy of internal audit function, Management's Discussion and Analysis, statement of all related party transactions and Management Letters or Letter of Internal Control weakness issued by statutory auditors;
- (b) To oversee the financial reporting process, hiring and performance of external auditors;
- (c) To monitor choice of accounting policies, principles, Internal Audit and Compliance process etc.;

The Audit Committee reports on its activities to the Board of Directors. Audit Committee also immediately reports to the Board of Directors on

- a) report on conflicts of interests,
- b) suspected or presumed fraud or irregularity or material defect in the internal control system,
- c) suspected infringement of laws, including securities related laws, rules and regulations,
- d) any other matter which shall be disclosed to the Board of Directors.

The Committee considered the scope and methodology of the audits, as well as the independence, objectivity and qualification of the external auditors. The Audit Committee reviewed the external audit works and concluded that the financial reporting was satisfactory and in compliance with generally accepted accounting principles in Bangladesh and that the audit was satisfactorily conducted. In connection with financial reporting, the Audit Committee also reviewed the Company's financial statements. The Audit Committee concluded that all reported financial results have been presented in accordance with applicable rules.

Moreover, The Audit Committee reviewed ACI FL's self-assessment of Corporate Governance practices, based on a checklist provided by Bangladesh Securities and Exchange Commission (BSEC). The Committee concluded that Corporate Governance practices within ACI FL to a greater extent exceeded the standards and also found few rooms to improve further which are already on process.

Besides these, the Audit Committee reviewed risk identification, assessment and mitigation methodologies, process and management. The Committee concluded that risk management was satisfactory, with the formulation of highly structured and well-defined risk categories, as well as the identification and review of the major risks affecting ACI FL's flow of operations and their impact in upcoming years.

The Audit Committee will continue to monitor the progress made by Internal Audit Division for "Risk Based Audit" implementation by conducting random sampling of Corporate Governance and Ethics compliance issues, and ensuring the clearance of outstanding items from previous years.

Summary of activities during the year

During the year under review the Committee, inter alia, focused on the following activities:

- a) Reviewed and recommended the Annual Financial Statements for the year ended on 30 June 2018 to the Board for approval.
- b) Reviewed the Management Letter from external auditors for the year under review along with management's responses on the findings.
- c) Reviewed the Auditors' Certification on Corporate Governance compliance for the year ended 30 June 2018.
- d) Reviewed and ascertained that the internal control system including financial and operational controls, accounting system, and reporting structure are adequate and effective.
- e) Reviewed the periodical reports submitted by the Internal Auditors and recommended to the management regarding proper and prompt resolution of the irregularities/issues stated therein.
- f) Reviewed the actions taken by the management for implementation of Audit Committee observations on issues deliberated in Audit Committee reports.
- g) The Committee placed its reports regularly to the Board for reviewing and monitoring the activities recommended on internal control system, compliance with rules and regulation of the regulatory bodies.
- h) The Committee reviewed relevant quarterly Financial Statements during the year under review and recommended to the Board for their approval.
- i) Based on the above review and discussion, the Audit Committee is of the view that the internal control and compliance procedures are adequate to present a true and fair view of the activities and financial status of the Company.



Mohammad Mostafizur Rahman
Secretary of the Committee



Abdul-Muyeed Chowdhury
Chairman of the Committee



Directors' Report to the Shareowners

For the year ended 30 June 2018

Under section 184 of the Companies Act 1994 and Corporate Governance Code as adopted on 3 June 2018 by Bangladesh Securities and Exchange Commission (BSEC).

It is a pleasure and privilege on the part of the Board of Directors to present herewith the Directors' and Auditors' Report together with the audited Financial Statements of ACI Formulations Limited for the financial year ended 30 June 2018.

Discussion on industry outlook, segment wise performance and other operational excellence

Agriculture remains the most important sector of Bangladeshi economy, contributing 14.79% to the national GDP and providing employment for 40.6% of the population. Presently the size of the total agriculture sector is around Tk. 3000 Bn whereas crop protection industry size is Tk. 2200 Crore. The Agrochemical industry is growing at an average of 5% every year where ACI Crop Care has a CAGR of 18%. There are over 250 registered companies doing business in this segment and we have been able to take 11% share from the market. The pesticide industry has a greater role in food security of Bangladesh, by securing around 35% crop losses from Weeds, Insects & Diseases. In our country all the lands are not being treated by pesticides, while insecticides are being used at 38%, herbicide at 45% and Fungicide at 37% level; so there's still so much of opportunity area left for pesticide business as well as scope to increase the yields of crops. Rice is the staple food of our country and the most important crop as its being produced in 70% of the total cultivated area. Some of the major pests like BPH, stem borer or blast can attack in an epidemic form in Rice which may damage 60-70% of crops which cannot be saved without the judicious use of pesticide. Agriculture in Bangladesh is also heavily dependent on the weather, and the entire harvest can be wiped out in a matter of hours if cyclones or flood hit the country.

For our Crop Care business 2017-18 was a distressful year. After several years' of good weather in a row last year the weather was very erratic and unpredictable. Untimely and excessive rainfall caused loss of crops, harvesting difficulty and delay in sowing. Unusual variation in temperature caused damage to crops.

Simultaneously with bad weather, crop care business also suffered due to the closure of a large number of Chinese factories, which produce most of the Active Ingredients we use, and thus became scarce and costly. On top of that increase in Dollar value affected gross margins and interest rate increase further eroded the bottom line. The overall financial performance was disappointing as a result of these adverse factors affecting the business simultaneously.

However, some results were satisfactory. We maintained our market leadership in Granular insecticide and Herbicide categories, recording excellent growth. For example Granular grew by 24%, Herbicide grew by 21%, and Liquid insecticide category increased by 33%. Sulphur sales increased by 29%. Despite all these challenges Crop Care turnover increased by 9%, a commendable achievement of the field force who travel the floods and the rains to be by the side of the farmers as true friends. They deserve our appreciation.



Our 1000+ field force is working everyday and touching the farmers to give solutions to their problems building a long term relationship with farmers and stakeholders. Continuous monitoring and incremental improvements of our field force have helped us achieve the prestigious AgroAward by Standard Chartered Bank as the best in Execution and Support 2017 in the Agricultural sector. Thanks to our vibrant and hardworking marketing and sales team. Our vibrant field force is dedicated, focused to help farmers' productivity. We empower our employees by means of relevant coaching and training to enhance their capabilities. Our performance evaluation process is fair, transparent and based on true measurable performance targets.

ACI's strong distribution network have been further expanded for better penetration to reach crop care products to farmers in remote rural areas. We work with NGOs in remote char and hawor areas helping them introduce good agronomic practices to the farmers there.

Flora is the brand name of a plant growth regulator which particularly gives better yield for Rice. Flora is continuing to have a strong brand image in the mind of the farmers. We have more than 1000

demonstration plot where Flora is used and the improvement in yield is recorded in the presence of officials of Dept. of Agricultural Extension. We had great expectation from Flora and we made huge investment in branding the product. Fortunately the product has become well known to the farmers. During the last 3 years we struggled with the marketing of Flora. In the first year the success was very encouraging and we had an ambitious target for year 2, but due to weather its application was not effective and sales were most disheartening. The resulting glut of unsold products caused disruption. Last year the excess stocks were lifted from the market and the position has been corrected. We hope Flora will have a significant presence in our product portfolio in the years to come. The temporary setback with Flora is a major learning for us.

In order to spread our crop protection solutions across the country we have collaborated with the flagship programme of Digital Bangladesh- "Access to Information Programme - A2i". The MoU between ACI FL and A2i has opened 10000+ windows of opportunities for our products by promoting them to the said number of Union Digital centers (UDC) of A2i.





Intelligent Decision Support System (IDSS) is a groundbreaking remote sensing and decision support system for the Bangladeshi farmers which has taken the digitization of farmers support to a whole new level. We take great pride in introducing us as a partner to that program which is solely facilitated and managed by ACI Agribusinesses. From now on farmers using this platform will be able to see our products and services whenever searching for the solutions of their crop related problems.

2017-18 was the year of innovation and technology adoption for us. ACI Crop Care partnered with country's one of the state-of-the-art bio technology lab "Advanced Seed Research and Biotechnology Centre" (ASRBC) to develop next generation of bio pesticide products. Subsequently, the assigned scientists have identified a new strain of microorganism which has shown excellent capability as a "Bio Fungicide" both at the lab and in the field. Soon it will be launched as a product of our "Bio Crop Care" portfolio.

Being responsible to the society, the company has been engaged in appropriate humanitarian activities and social interventions. Last year, ACI Crop Care stretched its supportive hands to the floods affected people by distributing emergency food and utility kits. Moreover, to further our close relationship with disaster affected farmers and distributors, the

company went beyond the traditional relief distribution system by allowing some exceptions to its credit and collection policy also. After disaster, the company gave its highest priority in ensuring its product availability in the flood-affected area for a quick restart of their farm activities.

In the year 2017-18, our global partner AkzoNobel worked hard on achieving a strong market base in the paint industry. During this period our paint business attained a 98% sales growth while increasing brand visibility and growing trust amongst the target segments of customers.

A new line of super-premium interior emulsion, Velvet Touch Pearl Glow was launched into the market as an image-driving brand. The Akzo Nobel team worked closely with reference groups including architects, engineers, contractors and painters to build credible mindshare among them. As a result we have been given access to paint landmark projects such as Four Points Sheraton, Westin Uttara, Sheraton Banani etc. with our decorative Dulux brand. Alongside the existing portfolio of Decorative Paints, its Performance Coatings portfolio was launched in Bangladesh. The portfolio includes globally acclaimed Marine, Protective and Power Coatings. This helped in increasing the brand image and enabled us to provide paint and coating solutions to major projects of the country. In the coming year, volume driven, fast moving products of

decorative paints have been planned for launch, along with setting up production units of some performance coating products.

ACI Formulations factory located in Gazipur is a fully compliant factory that has kept its technological advancement in alignment with global standards. We toll manufacture products for renowned global companies like S C Johnson USA and AkzoNobel of the Netherlands. Both these companies conduct technical audit and ACI FL continue to score high. The factory also formulates Crop Care products for the farmers.

We are certified under ISO 14001 Environmental Management System. We have rigorous SHE (Safety, Health and Environment) policies. Safety of workers is our top priority.

Our state-of-the-art Effluent Treatment Plant processes all liquid toxic waste materials to make them benign. Efficient Incinerator helps to break down the harmful solid materials at high temperature to make them harmless. ACI FL is committed to maintain sustainable environment. All units are well protected with modern firefighting equipment, production personnel abide by the rules of wearing PPE (Personal Protective Equipment) while working. ACI FL has medical facilities at its premises and a dedicated M.B.B.S doctor is deployed along with a team of certified medical assistants, who are continuously checking and monitoring health issues of its employees. As part of CSR, ACI FL also provides free treatment to the neighbors in its factory vicinity.

We have automated production lines of powder insecticides, fungicide and herbicide. The Liquid unit has been automated. To further protect our brands we have introduced inbuilt hologram system on labels of our Crop Care products. Aerosol plant and Mosquito coil unit increased its productivity by commissioning new equipment.

ACI FL laboratory is well equipped with state of the art testing equipment like HPLC, GLC, UV Spectrophotometer and other analytical equipment. We follow Standard Operating Procedures to ensure that all processes follow clearly stated guidelines.

ACI Crop care, with the mission of enriching the life of the farmers is aiming towards establishing a huge footprint in the crop protection industry by bringing new generation micro granule products which are low dosed, highly efficient and less toxic. To attain the market leadership we are in the process of integrating technologies in all level. We believe that understanding the key customers will be our focus in future and to do that we shall reach out to the farmers through Digital platforms such as social media, website, mobile apps etc.

ACI FL believes in making a difference with the quest of achieving a sustainable, progressive and strong economic society. Our untiring work in the field of agriculture through innovation and development is dedicated to the welfare of the hard working farmers. We have been shaping our business strategies to further our goal of achieving a safe, environment-friendly and sustainable agriculture.





Key Operating & Financial Information at a Glance

The key operating and financial information for the year 2017-18 along with the preceding five years are presented below:

Figures are in million (BDT)

| Particulars | July 2017- June 2018 | July 2016- June 2017 | January 2016 -June 2016 (six month) | December 2015 | December 2014 | December 2013 | December 2012 |
|--|-------------------------|-------------------------|---|------------------|------------------|------------------|------------------|
| Net Turnover | 4,127 | 3,629 | 1,625 | 3,006 | 2,908 | 2,340 | 2,581 |
| Gross profit | 1,027 | 1,108 | 477 | 800 | 739 | 585 | 610 |
| Profit before tax | 163 | 357 | 127 | 313 | 260 | 172 | 200 |
| Profit after tax | 115 | 261 | 90 | 235 | 188 | 129 | 150 |
| Earnings per share (Taka) | 2.56 | 5.81 | 2.01 | 5.23 | 4.17 | 2.87 | 3.33 |
| Issued & paid capital | 450 | 450 | 450 | 450 | 450 | 450 | 450 |
| Shareowners' equity | 2,502 | 2,455 | 2,283 | 2,350 | 1,806 | 1,730 | 1,714 |
| Net asset per share (Taka) | 55.61 | 54.55 | 50.74 | 52.23 | 40.12 | 38.45 | 38.08 |
| Number of employees | 1,785 | 1,679 | 1,489 | 1,459 | 1,149 | 922 | 921 |
| Total contribution to National Exchequer | 669 | 564 | 256 | 387 | 246 | 166 | 170 |

Financial Results

For the year ended 30 June 2018, total revenue of ACI Formulations Limited was Taka 4,127 million, an increase of Taka 498 million from the financial year 2016-17, resulting into 13.72% higher revenue over last year. Despite having higher revenue growth, gross profit margin has decreased to 24.87% in the current year from 30.52% of previous year due to unfavorable material price variance over last year. On the other hand, financing cost has increased by Taka 53 million, mainly due to increased interest rate and unfavorable exchange rate variance over last year. In the current year, profit before tax (PBT) was Taka 163 million and profit after tax (PAT) was Taka 115 million resulting into Earnings per Share Taka 2.56.

Appropriation of Profit

Considering the financial results of the Company during the year and free reserve carried over and in line with following a consistent dividend policy, the Directors recommended appropriation of net profit as follows:

| Particular | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|---|------------------------------------|------------------------------------|
| <i>Un-appropriated profit</i> | 800,904,890 | 696,967,963 |
| <i>Add: Net profit after tax</i> | 115,034,985 | 261,436,927 |
| <i>Add: Realization of revaluation reserve</i> | - | - |
| Total profit available for appropriation | 915,939,875 | 958,404,890 |
| Appropriation of profit: | | |
| <i>Interim dividend:</i> | | |
| <i>Cash Dividend</i> | - | 90,000,000 |
| <i>Final Dividend Proposed:</i> | | |
| <i>Cash Dividend</i> | 157,500,000 | 67,500,000 |
| Total dividend | 157,500,000 | 157,500,000 |
| Balance carried forward | 758,439,875 | 800,904,890 |

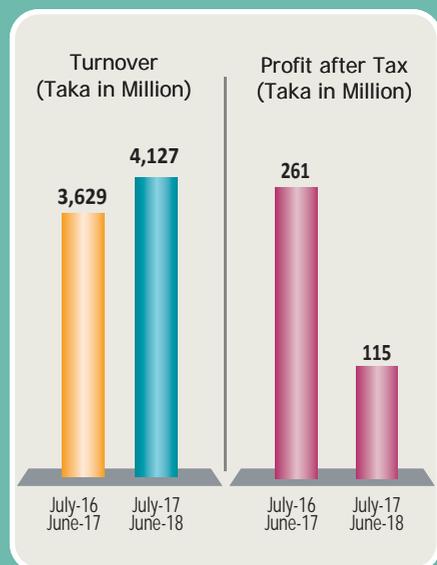
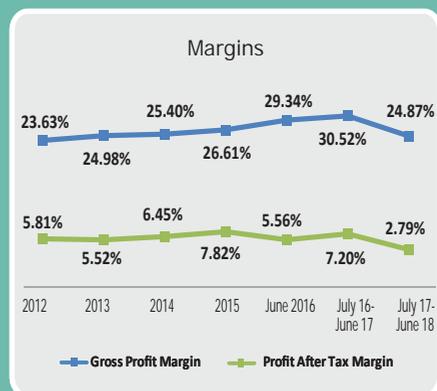
With the balance carried forward and with future ploughing back of the profit, Directors are confident that company will be able to maintain prudent dividend policy in coming years.

Dividend

The Board of Directors is pleased to recommend cash dividend @ 35% on face value of Tk. 10 per share (i.e. Taka 3.5 per share) for the year ended 30 June 2018 to those shareowners whose names were appeared in the Share Register of Members of the Company or in the Depository list of CDBL on the Record Date which is 15 November 2018. During the period under review no bonus share or stock dividend has been declared as interim dividend.

Contribution to the National Exchequer

For the year ended 30 June 2018, the company contributed Taka 668.52 million to the National Exchequer in the form of corporate tax, custom duty and Value Added Tax (VAT). This is equivalent to 14.62% of the Company's gross sales revenue for the year 2017-18.



Cost of Goods Sold and Profit Margins

For the year ended 30 June 2018, cost of goods sold was Taka 3,101 million (75.13% of net revenue) against Taka 2,522 million (69.48% of net revenue) of the financial year 2016-17, resulting an increase of 5.65% cost due to unfavorable material cost variance over last year. This has resulted to reduce gross profit margin to 24.87% (Taka 1,027 million) during the year ended 30 June 2018 as against 30.52% (Taka 1,108 million) of the financial year 2016-17. Lower gross profit margin, coupled with higher financing costs led to register PAT 2.8% in financial year 2017-18.

Related Party Transactions

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 - 35 of the Financial Statements.

Disclosure for Significant Deviation

Both as a stand-alone Company and as a Group, ACI Formulations Limited has registered a significant de-growth in Separate and Consolidated Profits during the reported financial year as reflected in the Separate and Consolidated Profit or Loss Statements despite a reasonable growth in Revenue (14%) at both Separate and Consolidated levels. One of the major reasons for this significant de-growth of the Profits from the previous year are the price hike of raw materials, packing materials and finished goods due to unfavorable price fluctuations in the global market. Moreover, significant currency devaluation affected almost all the businesses of the Group due to higher dependency on import of raw materials, packing materials and finished goods. Significant pick-up in interest rate from the second quarter of the reported financial year resulting into a huge impact on the profitability of the Group since then to date was also impacted highly to the performance of the Group.

Consolidation of Accounts

The financial statements of the subsidiary company, Neem Laboratories (Pvt.) Limited have duly been consolidated with the financial statements of ACI Formulations Limited as per requirements of the Companies Act-1994, Bangladesh Securities and Exchange Commission's guidelines and in line with the International Accounting Standards (IASs)/IFRSs adopted by Bangladesh. However, separate reports including the audited financial statements, auditors' and directors' report for the subsidiary company is provided at the respective section of this report.

Segment-wise performance

Segment-wise performance has been shown in Note-7(ii) of the notes to the accounts of the financial statements.

Risk and Concern

The Company is aware of the different risks associated with doing business and is prepared to counter those risks

through systematic approach. However, business may be affected by risks and uncertainties presently not known to us or that we currently believe to be immaterial. Financial risks management has been disclosed in the Note - 32 of the Financial Statements.

Extraordinary Gain/Loss

No extra-ordinary gain or loss exists during the year as prescribed by the Bangladesh Financial Reporting Standards (BFRS).

Utilization of Proceed (Public Issue)

No proceed has been raised by the Company through public issue, right issue and any instruments during the year under review. And, the financial results of the Company have continued to grow as reflected in the annual financial statements of the Company.

Preparation and Fair Presentation of 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 and changes in equity and cash flows.

Books of Accounts

The books of accounts of the Company have been maintained in accordance with provisions of the Companies Act 1994.

Accounting Policies

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.

Application of IAS or IFRS to the Financial Statements

Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) have been followed in preparation of the financial statements.

Internal Control

Internal Control Policies in ACI FL is designed to ensure operational efficiency, reliable financial reporting and sound governance within and outside the Company. Accordingly, the Board of Directors of the Company is of the opinion that the system of Internal Control is sound in design and has been effectively implemented and monitored.

Declaration/Certification of CEO & CFO

The declaration or certification by the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) to the Board of the Company as prescribed under the Codes of Corporate Governance issued by Bangladesh Securities and Exchange Commission is disclosed in Annexure - IV of this report.



Management Discussion & Analysis

The discussion and analysis duly signed by the Managing Director of the Company presenting, among others, the detailed analysis of the company's operations, financial position, performance, risk and concern, accounting policies & estimation to the financial statements any changes thereof have been disclosed in Annexure III of this report.

Board of Directors

The Board of Directors of the Company consist of 7 (seven) members including 2 (two) Independent Directors. The majority of members of the Board are non-executive. The list and details of Directors are available under the 'Directors Profile' of this report.

Re-election of Directors

By operation of Article 47 of the Company's Articles of Association Dr. Arif Dowla and Mrs. Najma Dowla retire by rotation and being eligible, offer themselves for re-election. The brief resume along with required information of the re-elected directors are available under the 'Directors Profile' of this report.

Appointment of Independent Director

Mr. Juned Ahmed Choudhury has completed his 6-year term as Independent Directors of the Company on 29 October 2018 and he is not eligible for reappointment as per Corporate Governance Code. Accordingly, the Board of Directors of the Company in its meeting held on 25 October 2018 has appointed Mr. Abdul-Muyeed Chowdhury as Independent Director for an initial tenure of three years with effect from 30 October 2018 and recommended to the shareholders for approval in the 22nd Annual General Meeting. Mr. Chowdhury will also act as the Chairman of the Board Audit Committee of the Company. The brief resume along with required information of the Independent Director is available under the 'Directors Profile' of this report.

Board Meeting & Attendance

During the financial year 2017-2018, a total number of 5 (five) meetings of the Board of Directors were held to transact company's affairs. The Attendance record of the Directors are furnished in Annexure-I of this report.

Directors' Fees

During the year, the Company has paid a total of BDT 11,250/- as Board meeting attendance fees. The remuneration of Directors has been mentioned in Note – 28 and 35(b) of the Financial Statements.

Shareholding Pattern

The pattern of shareholding as on 30 June 2018 of the Company as prescribed by the code of corporate governance issued by the Bangladesh Securities and Exchange Commission (BSEC) is furnished in Annexure-II of this report.

Minority Interest

The Board of Directors ensures that the Company operates within the limit of its charter supported by the laws and codes of corporate governance with regard to the rights of its minority shareholders are protected from any direct or indirect abusive actions by, or in the interest of, the controlling shareholders. However, for contingency, there has been effective means of redress.

Appointment of Auditors

The existing Auditors of the Company, M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, retire at this Annual General Meeting on completion of their audit works for the year ended on 30 June 2018. They are, however, eligible for reappointment as per BSEC notification. M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, expressed their interest to be appointed as auditors of the Company for the FY 2018-2019 at a fee of Tk. 630,000/- plus VAT. Accordingly, Board recommends the appointment to the shareholders of the Company.

Corporate Governance Compliance Status

ACI Formulations Limited believes in sustainable business development through quality assurance, customer focus, innovation, fairness, transparency and compliance, and continuous improvement for enriching the quality of life of the people. However, the Board and management of the Company are committed to continuously strive for the highest standards and ethics in governance practices with a view to safeguarding the interest of its shareowners and innumerable stakeholders as well. In this connection, we

are pleased to confirm that the Company has meanwhile complied with all the requirements under the Corporate Governance Code adopted by Bangladesh Securities and Exchange Commission. The compliance checklist for the year ended 30 June 2018 in this regard is appended in Annexure-V of the Directors' Report. However, the Corporate Governance Compliance Certificate as provided by M/s. Al-Muqtadir Associates, Chartered Secretaries, is also enclosed in Annexure-VI of this report.

Going Concern

The Board is of the opinion that the Company is indeed a going concern. This is recognized through appropriate enquiries and analyses, which establishes that the resources are adequate to support the operations and that sufficient business opportunities exist to justify the organization as a going concern and the Directors analyse the financial statements accordingly to ensure that. Accordingly, the Financial Statements are prepared on a going concern basis and there is no doubt, whatsoever, upon the Company's ability to continue as going concern.

Corporate Social Responsibility (CSR)

CSR is a central function of ACI FL and the projects and programs under CSR are selected on basis of their relevance to the business objectives of the Company. We are conscious of our responsibility to manage a sustainable business organization which requires a strong team to manage CSR and at the same time respect the social aspirations concerning us.

The People of ACI FL

Our Human Resource department is continuously developing our people by conducting customized training

programs throughout the year. We empower our workforce with delegated authority and evaluate them under a scientific system called Balanced Score Card and reward them according to their performance. We acknowledge achievement of individuals and promote our employees based on fair and transparent evaluation. ACI FL takes its social responsibility seriously. Occupational health, safety and environmental protection are always on top of our priority list. We aspire to achieve better results and accordingly set priorities and goals.

Acknowledgements

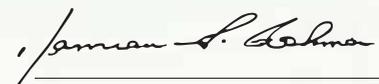
The Board of Directors firmly believes that ACI Formulations has the necessary strengths, resources and commitments to further propel the Company to newer heights. The performance of the Company during the period under review, even with so many challenges confronted, demonstrates the resolves and determination of the Board, Management and overall the peoples in the Company. At this occasion, the Board expresses on record their appreciation to the partners of ACI Formulations, shareowners, suppliers, customers, bankers, regulators, media and all other well-wishers for their support and patronage to bring the company to this level. We value their continued support to fulfill our mission to improve the lives of people.

Finally, and most importantly, we, on behalf of the Board of Directors thank the employees of ACI Formulations in factories, depots, offices and other locations across the country, for their untiring efforts. They have worked hard, against all odds, uncertainties and adversities and built a stronger organisation that can create a greater positive impact on the quality of life of the people.

On behalf of the Board



Shusmita Anis
Managing Director



Kamran Tanvinur Rahman
Independent Director

Dhaka, 25 October 2018



শেয়ার মালিকদের নিকট পরিচালনা পর্ষদের প্রতিবেদন

৩০শে জুন ২০১৮ তারিখে সমাপ্ত অর্থবছরের জন্য

কোম্পানী আইন ১৯৯৪ এর ১৮৪ ধারা এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক ইস্যুকৃত কর্পোরেট গভার্নেন্স কোড অনুযায়ী

আমরা অত্যন্ত আনন্দের সঙ্গে এসিআই ফরমুলেশনস লিমিটেডের পরিচালনা পর্ষদের পক্ষ থেকে ৩০শে জুন ২০১৮ তারিখে সমাপ্ত অর্থবছরের নিরীক্ষিত আর্থিক বিবরণী সমূহ ও নিরীক্ষা প্রতিবেদনসহ পরিচালক মণ্ডলীর প্রতিবেদন আপনাদের বিবেচনার জন্য উপস্থাপন করছি।

ইন্ডাস্ট্রিয়াল আউটলুক, সেগমেন্টওয়াইজ পারফরম্যান্স, ভবিষ্যৎ পরিকল্পনা এবং অন্যান্য পরিচালনগত তথ্য

বাংলাদেশের অর্থনীতিতে কৃষি এখনও সর্বোচ্চ শিখরে অবস্থান করছে, যা দেশের জাতীয় জিডিপিতে ১৪.৭৯% অবদান রাখার মধ্য দিয়ে দেশের মোট জনসংখ্যার শতকরা ৪০.৬ জনের কর্মসংস্থানের ব্যবস্থা করছে। বর্তমানে দেশের মোট কৃষির বাজারমূল্য প্রায় ৩০০০ বিলিয়ন টাকা যার মধ্যে শস্য সংরক্ষণ শিল্পের বাজার মূল্য ২২০০ কোটি টাকা। এথোক্যামিক্যাল শিল্প প্রতিবছর ৫% হারে বৃদ্ধি পাচ্ছে; যেখানে এসিআই গ্রুপ কেয়ারের CAGR রয়েছে ১৮%। বর্তমানে এই খাতে ২৫০টি নিবন্ধিত ব্যবসা প্রতিষ্ঠান রয়েছে যেখানে আমাদের মার্কেট শেয়ার ১১%। ৩৫% শস্যকে আগাছা, কীট-পতঙ্গ এবং রোগের হাত থেকে রক্ষা করার মাধ্যমে কীটনাশক শিল্প বাংলাদেশের খাদ্য নিরাপত্তায় গুরুত্বপূর্ণ অবদান রাখছে। আমাদের দেশের সকল জমিতে বালাইনাশক ব্যবহৃত হয়না। ৩৮% ক্ষেত্রে কীটনাশক, ৪৫% ক্ষেত্রে আগাছা নাশক এবং ৩৭% ক্ষেত্রে ছত্রাকনাশক ব্যবহার করা হয়। সুতরাং, কীটনাশক ব্যবহারের মাধ্যমে শস্য উৎপাদন বৃদ্ধির পাশাপাশি কীটনাশক ব্যবসায়ের যথেষ্ট সুযোগ রয়েছে। ধান আমাদের দেশের প্রধান খাদ্য এবং সবচেয়ে গুরুত্বপূর্ণ শস্য। মোট চাষযোগ্য জমির ৭০% জায়গায় ধান চাষ করা হয়। BPH, উদ্ভিদের কাণ্ডপঁচা অথবা আগাফাঁটা রোগের আক্রমণে ধান উৎপাদন মারাত্মকভাবে ব্যাহত হতে পারে এবং ৬০%-৭০% পর্যন্ত উৎপাদন কমে যেতে পারে। এই রোগসমূহ থেকে শস্যকে কীটনাশকের যথার্থ ব্যবহার ছাড়া রক্ষা করা সম্ভব নয়। বাংলাদেশের কৃষি এখনও বহুলাংশে আবহাওয়ার উপর নির্ভরশীল এবং ঘূর্ণিঝড় অথবা বন্যার আঘাতে উৎপাদিত শস্য কয়েক ঘণ্টার মধ্যে ধ্বংস হয়ে যেতে পারে।

গ্রুপ কেয়ার ব্যবসায়ের জন্য ২০১৭-১৮ অর্থবছর ছিল একটি হতাশাজনক বছর। বেশ কয়েকবছর ভাল থাকার পর গতবছরের আবহাওয়া ছিল অস্থির ও অনিশ্চিত। মাত্রাতিরিক্ত ও অসময়ের বৃষ্টিপাতে শস্যহানি ঘটেছে, শস্যবুনন ও ফলনে বিলম্ব হয়েছে। তাপমাত্রার অস্বাভাবিক পরিবর্তনও শস্যকে ক্ষতিগ্রস্ত করেছে। খারাপ আবহাওয়ার পাশাপাশি সংশ্লিষ্ট চীনা প্রতিষ্ঠানগুলো বন্ধ হয়ে যাওয়ায় গ্রুপ কেয়ার ক্ষতিগ্রস্ত হয়েছে। এইসব প্রতিষ্ঠান থেকে আমাদের ব্যবহৃত কাঁচামাল আসতো। ফলশ্রুতিতে, এইসব কাঁচামালসমূহ দূর্লভ ও ব্যয়বহুল হয়ে উঠে। ডলারের মূল্য ও ঋণের সুদের হার বৃদ্ধির কারণেও ব্যবসা ক্ষতিগ্রস্ত হয়েছে। এইসকল নেতিবাচক কারণে ব্যবসার সার্বিক আর্থিক অবস্থা খারাপ ছিল।

তদুপরি, অনেক ফলাফল ছিল সন্তোষজনক। দানাদার কীটনাশক ও ছত্রাকনাশক ক্যাটাগরিতে আমরা বাজারের নেতৃস্থানীয় অবস্থান ধরে রেখেছি এবং তাৎপর্যপূর্ণ প্রবৃদ্ধিও অর্জন করেছি। দানাদার, ছত্রাকনাশক এবং তরল কীটনাশক ব্যবসা ২৪%, ২১% এবং ৩৩% হারে বৃদ্ধি পেয়েছে। সালফার বিক্রয় ২৯% বৃদ্ধি পেয়েছে। সকল ধরনের প্রতিকূলতা অতিক্রম করে গ্রুপকেয়ারের ব্যবসা ৯% বৃদ্ধি

পেয়েছে যা এসিআই ফরমুলেশনস'র মাঠ পর্যায়ে কর্মীদের একটি গুরুত্বপূর্ণ অর্জন। তাঁরা বৃষ্টি ও বন্যার সময় কৃষকদের সত্যিকারের বন্ধু হিসাবে কাজ করেছে। তারা আমাদের প্রশংসার দাবীদার।

আমাদের হাজারের অধিক মাঠকর্মী প্রতিদিন কৃষকদের সমস্যার সমাধানের মাধ্যমে তাদের সাথে দীর্ঘমেয়াদী সম্পর্ক তৈরী করে চলেছে। আমাদের মাঠকর্মীদের সক্ষমতার অবিরাম পর্যবেক্ষণ এবং উন্নয়নের ধারা অব্যাহত রাখার কারণে আমরা Standard Chartered Bank এর সম্মানজনক Agro Award 2017 অর্জনে সক্ষম হয়েছি। আমাদের টোকস এবং পরিশ্রমী বাজারজাতকরণ ও বিক্রয়কর্মীদের আমরা সাধুবাদ জানাই। আমাদের মাঠকর্মীরা কৃষকদের উৎপাদনশীলতা বৃদ্ধির জন্য নিবেদিত প্রাণ। মাঠকর্মীদেরকে আমরা কোচিং এবং প্রাসঙ্গিক প্রশিক্ষণের মাধ্যমে দক্ষতা বৃদ্ধি করে থাকি। আমাদের মূল্যায়ন পদ্ধতি নিরপেক্ষ, স্বচ্ছ এবং অর্জিত ফলাফলের উপর নিরূপিত।

প্রত্যন্ত অঞ্চলের কৃষকদের কাছে পৌঁছানোর জন্য এবং গ্রুপ কেয়ার ব্যবসায়কে আরও সমৃদ্ধ করার জন্য এসিআই ডিস্ট্রিবিশন নেটওয়ার্ক বিস্তৃত করা হয়েছে। আমরা দুর্গম চর এবং হাওড় অঞ্চলে এনজিওদের সাথে কাজ করছি এবং কৃষকদের সঠিক কৃষি পদ্ধতির সাথে পরিচিত করছি।

চারা গাছের বৃদ্ধি সহায়ক হিসাবে ফ্লোরা একটি অতি পরিচিত নাম, যা মূলতঃ ধানের বৃদ্ধিতে অত্যন্ত সহায়ক। কৃষকদের কাছে ফ্লোরা খুব দ্রুত সমাদৃত হচ্ছে। আমাদের এক হাজারের অধিক প্রদর্শনী পুট রয়েছে যেখানে ফ্লোরা ব্যবহৃত হচ্ছে। পুটের শস্য বৃদ্ধির অগ্রগতি কৃষি সম্প্রসারণ বিভাগের কর্মকর্তাদের উপস্থিতিতে রেকর্ড করা হয়। ফ্লোরা নিয়ে আমাদের অনেক প্রত্যাশা রয়েছে। তাই ফ্লোরার ব্র্যান্ডিং এর জন্য বিশাল অংকের বিনিয়োগ করা হয়েছে। সৌভাগ্যক্রমে পণ্যটি কৃষকদের কাছে সুপরিচিত হয়ে উঠেছে। বিগত ৩ বছর আমরা ফ্লোরার বাজারজাতকরণের জন্য অনেক সংগ্রাম করেছি। প্রথম বছরের সাফল্য ছিল উৎসাহব্যঞ্জক। ফলে দ্বিতীয় বছরের জন্য উচ্চাকাঙ্ক্ষী লক্ষ্য ছিল কিন্তু বিক্রয় আবহাওয়ার জন্য সঠিক বাজারজাতকরণ সম্ভবপর না হওয়ায় বিক্রয় ছিল হতাশাজনক। অবিক্রিত পণ্য আমাদের জন্য বিপর্যয় এনেছিল। বাজার থেকে গতবছর অবিক্রিত অতিরিক্ত পণ্য সরিয়ে নেওয়ার মাধ্যমে পরিস্থিতি উন্নয়ন করা হয়েছে। সামনের বছরগুলিতে ফ্লোরা আরো তাৎপর্যপূর্ণ অবদান রাখবে বলে আশাবাদী। ফ্লোরার এই সাময়িক ধাক্কা আমাদের জন্য একটি গুরুত্বপূর্ণ শিক্ষা।

আমাদের ফসল সুরক্ষা সমাধানগুলোকে দেশব্যাপী ছড়িয়ে দেবার জন্য ডিজিটাল বাংলাদেশ এর বিশেষ প্রকল্প "Access to Information Programme - A2i" এর সহযোগী হয়েছি। এসিআই ফরমুলেশনস এবং A2i-এর মধ্যকার সমঝোতা স্মারক (MOU) উক্ত প্রকল্পের আওতাধীন ১০০০০ এর অধিক ইউনিয়নে A2i ডিজিটাল সেন্টার

(UDC) এর মাধ্যমে আমাদের পণ্য প্রচারের সুযোগ তৈরী করে দিয়েছে। বাংলাদেশের কৃষকদের জন্য Intelligent Decision Support System (IDSS) একটি যুগান্তকারী পদক্ষেপ, যা তাঁদেরকে ডিজিটলাইজেশন এর মাধ্যমে সমস্যা সমাধান ও সিদ্ধান্ত গ্রহণে সহায়তা করবে। এসিআই এগ্রিবিজনেসেস কর্তৃক এককভাবে পরিচালিত এই প্রোগ্রামের অংশীদার হতে পেরে আমরা অত্যন্ত গর্বিত। এখন থেকে এই প্ল্যাটফর্ম ব্যবহারকারী কৃষকরা যখন তাদের ফসল সম্পর্কিত সমস্যার সমাধান খুঁজবে তখন আমাদের পণ্য ও সেবাসমূহ জানতে পারবে।

২০১৭-২০১৮ সাল আমাদের জন্য ছিল উদ্ভাবন ও প্রযুক্তি গ্রহণের বছর। বায়োপেস্টিসাইড পণ্যের উন্নতিকল্পে এসিআই গ্রুপকেয়ার দেশের অন্যতম বায়োটেকনোলজি ল্যাব, “Advanced Seed Research and Technology Centre” এর সাথে সহযোগী হয়েছে। নিয়োজিত বিজ্ঞানীরা এমন এক ধরনের মাইক্রোঅর্গানিজম চিহ্নিত করতে সক্ষম হয়েছে, যা ছত্রাকনাশক হিসাবে বিজ্ঞানাগারে এবং মাঠে নিজেকে প্রমাণ করতে পেরেছে। খুব শীঘ্রই এটি আমাদের “Bio Crop Care”- পোর্টফলিওতে নতুন পণ্য হিসাবে আত্মপ্রকাশ করবে।

সমাজের প্রতি দায়বদ্ধতা বিবেচনায় এসিআই ফরমুলেশন্স বিভিন্ন মানবিক ও সামাজিক কর্মকাণ্ডের সাথে সম্পৃক্ত রয়েছে। গতবছর এসিআই গ্রুপ কেয়ার বন্যার্তদের জরুরী খাদ্য ও ব্যবহার্য জিনিস প্রদানের মাধ্যমে সহায়তার হাত বাড়িয়েছে। বন্যার্ত কৃষক এবং পরিবেশকদের সাথে সম্পর্ক আরো দৃঢ় করার জন্য প্রথাগত ত্রাণ বিতরণের পাশাপাশি তাদের জন্য ঋণ এবং ঋণ সংগ্রহ নীতিমালাকে সহজতর করা হয়েছে। তাঁদের কার্যক্রমকে পুনরায় শুরু করার জন্য বন্যাদূর্গত এইসব এলাকায় কোম্পানি পণ্য প্রাপ্তিকে নিশ্চিত করেছে।

২০১৭-১৮ সালে আমাদের বৈশ্বিক সহযোগী “Akzo Nobel”, দেশের পেইন্ট ইন্ডাস্ট্রিতে শক্ত অবস্থান তৈরীর জন্য কঠোর পরিশ্রম করেছে। এই সময়ে আমরা পেইন্ট ব্যবসায় ৯৮% বিক্রয় প্রবৃদ্ধি অর্জন করতে সক্ষম হয়েছি। সেই সাথে ভোক্তাদের কাছে আমাদের ব্র্যান্ডের গ্রহণযোগ্যতা ও বিশ্বাসযোগ্যতা বৃদ্ধি পেয়েছে। Velvet Touch Pearl Glow নামক একটি উন্নতমানের ইমালশন বাজারে আনা হয়েছে যা আমাদের ব্র্যান্ড-এর ভাবমূর্তিকে উজ্জ্বল করেছে। Akzo Nobel কর্মীদল স্থাপতি, প্রকৌশলী, ঠিকাদার এবং রংমিস্ত্রীদের সাথে নিবিড়ভাবে কাজ করার মাধ্যমে তাদের মনে বিশ্বাসযোগ্যতা অর্জন করতে সক্ষম হয়েছে। যার ফলশ্রুতিতে আমরা আমাদের Dulux ব্র্যান্ড এর মাধ্যমে Four Points Sheraton, Westin Uttara, Sheraton Banani তে কাজ করতে পেরেছি। বিদ্যমান Decorative Paints পোর্টফলিও’র সাথে Performance Coating পোর্টফলিও বাজারে প্রবর্তন করা হয়েছে। এই পোর্টফলিওটিতে বিশ্বব্যাপি সমাদৃত Marine, Protective এবং Power Coating অন্তর্ভুক্ত হয়েছে। এটি আমাদের ব্র্যান্ডের ভাবমূর্তি বৃদ্ধির সাথে সাথে দেশের বড় প্রজেক্টগুলোতে আমাদের অংশ গ্রহণের সুযোগ করে দিয়েছে। আগামী বছর Performance Coating পণ্যের জন্য উৎপাদন ইউনিট নির্মাণের সাথে সাথে Decorative Paint এ নতুন পণ্য সংযোজন করা হবে।

গাজীপুর অবস্থিত এসিআই ফরমুলেশন্স কারখানায় রয়েছে সম্পূর্ণ বৈশ্বিক মানসম্পন্ন প্রযুক্তি। আমরা আন্তর্জাতিক মানসম্পন্ন কোম্পানী

যেমন SC Johnson USA এবং AkzoNoble (Netherlands) এর জন্য পণ্য উৎপাদন করি। উভয় কোম্পানীর পরিচালিত কারিগরী নিরীক্ষায় এসিআই ফরমুলেশন্স সর্বোচ্চ স্কোর পেয়ে থাকে। এই ফ্যাক্টরীটি কৃষকদের গ্রুপ কেয়ার এর পণ্যও উৎপাদন করে থাকে।

আমরা ISO 14001 Environmental Management System কর্তৃক সনদপ্রাপ্ত। আমাদের SHE (Safety, Health and Environment) নীতিমালা রয়েছে। শ্রমিকদের নিরাপত্তা আমাদের সর্বোচ্চ অগ্রাধিকার।

এসিআই ফরমুলেশন্স এর Effluent Treatment Plant সর্বোৎকৃষ্ট মানের যা সকলধরনের তরল বিষাক্ত বর্জ্যকে পরিশোধন করে। Efficient Incinerator কঠিন বিষাক্ত পদার্থকে উচ্চ তাপমাত্রায় ভেঙ্গে ক্ষতিহীন করে ফেলে। এসিআই ফরমুলেশন্স টেকসই পরিবেশ বজায় রাখতে প্রতিশ্রুতিবদ্ধ। কারখানার সকল ইউনিট আধুনিক অগ্নিনির্বাপক যন্ত্রপাতি দ্বারা সুরক্ষিত। উৎপাদনে নিয়োজিত কর্মীরা কর্মক্ষেত্রে সর্বদা ব্যক্তিগত সুরক্ষা সরঞ্জাম (Personal Protective Equipment) পরিহিত হয়ে কাজ করে। এসিআই এফএল এর রয়েছে চিকিৎসা সুবিধা। একজন MBBS ডাক্তারের নেতৃত্বে একদল সনদপ্রাপ্ত চিকিৎসাসহযোগী প্রতিনিয়ত এসিআই এফএল কর্মীদের স্বাস্থ্য পরীক্ষা ও পর্যবেক্ষণ করে থাকে। CSR এর অংশ হিসাবে এসিআই ফরমুলেশন্স ফ্যাক্টরীর পার্শ্ববর্তী প্রতিবেশীদের বিনামূল্যে চিকিৎসা সেবা প্রদান করে থাকে।

পাউডার জাতীয় কীটনাশক, ছত্রাকনাশক এবং উদ্ভিদনাশক উৎপাদনের জন্য আমাদের স্বয়ংক্রিয় ব্যবস্থা রয়েছে। তরল কীটনাশক প্রস্তুতকারক ইউনিটও স্বয়ংক্রিয় পদ্ধতি সম্পন্ন। আমাদের ব্র্যান্ডকে আরো সুরক্ষিত করার জন্য গ্রুপকেয়ার পণ্যের লেবেলে ইনবিট হলেগ্রাম চালু করা হয়েছে। নতুন ও আধুনিক যন্ত্রপাতি স্থাপনের ফলে এ্যারোসল প্ল্যান্ট ও মশার কয়েলের ইউনিটে উৎপাদন বৃদ্ধি পেয়েছে।

এসিআই ফরমুলেশন্স এর পরীক্ষাগারে রয়েছে উন্নতমানের HPLC, GLC, UV Spectrophotometer সহ আরও অন্যান্য বিশ্লেষণী যন্ত্রপাতি। উৎপাদনের সকল প্রক্রিয়া নির্ধারিত নিয়ম অনুযায়ী হচ্ছে কিনা তা নিশ্চিত করার জন্য স্ট্যান্ডার্ড অপারেটিং প্রডিসিউর অনুসরণ করা হয়।

এসিআই গ্রুপ কেয়ার কৃষকদের জীবনমান উন্নয়নের জন্য শস্য সুরক্ষা শিল্পে তাৎপর্যপূর্ণ অবদান রাখতে বদ্ধপরিকর। শস্য সুরক্ষা শিল্পে উচ্চক্ষমতাসম্পন্ন, বিষহীন এবং স্বল্পমাত্রায় কার্যকরী নতুন ধারার micro granule পণ্য সরবরাহে গ্রুপ কেয়ার সচেষ্ট। বাজারে নেতৃত্ব প্রতিষ্ঠার জন্য আমরা সকল ক্ষেত্রে প্রযুক্তির সমন্বয় করি। আমরা বিশ্বাস করি যে ভোক্তাদের চাহিদা অনুধাবন করার মাধ্যমে ডিজিটাল প্ল্যাটফর্ম যেমনঃ সামাজিক যোগাযোগ মাধ্যম, ওয়েব সাইট, মোবাইল এপস ইত্যাদির মাধ্যমে কৃষকদের কাছে পৌঁছতে সক্ষম হব।

এসিআই ফরমুলেশন্স টেকসই, প্রগতিশীল এবং শক্তিশালী অর্থনৈতিক সমাজ গড়ার মাধ্যমে সফলতা তৈরিতে বিশ্বাসী। উদ্ভাবন এবং উন্নয়নের মাধ্যমে কৃষিক্ষেত্রে আমাদের যে নিরলস প্রচেষ্টা তা কাঠোর পরিশ্রমী কৃষকদের কল্যাণের জন্যই উৎসর্গকৃত। নিরাপদ, পরিবেশবান্ধব এবং টেকসই কৃষি ব্যবস্থাকে সামনে রেখেই আমাদের সকল ব্যবসায়িক কৌশল অবলম্বন করা হয়।

এক নজরে মূখ্য পরিচালনগত ও আর্থিক তথ্য

২০১৭-১৮ অর্থবছর সহ কোম্পানীর বিগত পাঁচ বছরের মূখ্য পরিচালনগত ও আর্থিক তথ্যাদি নিম্নে প্রদর্শন করা হলোঃ

মিলিয়ন টাকায়

| বিবরণ | জুলাই ২০১৭ - জুন ২০১৮ | জুলাই ২০১৬ - জুন ২০১৭ | জানুয়ারি ২০১৬ - জুন ২০১৬ (ছয় মাস) | ডিসেম্বর ২০১৫ | ডিসেম্বর ২০১৪ | ডিসেম্বর ২০১৩ | ডিসেম্বর ২০১২ |
|-------------------------------|--------------------------|--------------------------|---|------------------|------------------|------------------|------------------|
| নীট বিক্রয় | ৪,১২৭ | ৩,৬২৯ | ১,৬২৫ | ৩,০০৬ | ২,৯০৮ | ২,৩৪০ | ২,৫৮১ |
| মোট গ্রস মুনাফা | ১,০২৭ | ১,১০৮ | ৪৭৭ | ৮০০ | ৭৩৯ | ৫৮৫ | ৬১০ |
| কর পূর্ববর্তী মুনাফা | ১৬৩ | ৩৫৭ | ১২৭ | ৩১৩ | ২৬০ | ১৭২ | ২০০ |
| কর পরবর্তী মুনাফা | ১১৫ | ২৬১ | ৯০ | ২৩৫ | ১৮৮ | ১২৯ | ১৫০ |
| শেয়ার প্রতি আয় (টাকা) | ২.৫৬ | ৫.৮১ | ২.০১ | ৫.২৩ | ৪.১৭ | ২.৮৭ | ৩.৩৩ |
| ইসুকৃত ও পরিশোধিত মূলধন | ৪৫০ | ৪৫০ | ৪৫০ | ৪৫০ | ৪৫০ | ৪৫০ | ৪৫০ |
| শেয়ার মালিকদের ইকুইটি | ২,৫০২ | ২,৪৫৫ | ২,২৮৩ | ২,৩৫০ | ১,৮০৬ | ১,৭৩০ | ১,৭১৪ |
| শেয়ার প্রতি নীট সম্পদ (টাকা) | ৫৫.৬১ | ৫৪.৫৫ | ৫০.৭৪ | ৫২.২৩ | ৪০.১২ | ৩৮.৪৫ | ৩৮.০৮ |
| কর্মচারীদের সংখ্যা | ১,৭৮৫ | ১,৬৭৯ | ১,৪৮৯ | ১,৪৫৯ | ১,১৪৯ | ৯২২ | ৯২১ |
| জাতীয় রাজস্ব আয়ে অবদান | ৬৬৯ | ৫৬৪ | ২৫৬ | ৩৮৭ | ২৪৬ | ১৬৬ | ১৭০ |

আর্থিক ফলাফল

৩০শে জুন ২০১৮ সালে সমাপ্ত অর্থবছরে এসিআই ফরমুলেশন্স লিমিটেড এর নীট বিক্রয় ছিল ৪,১২৭ মিলিয়ন টাকা যা ২০১৬-২০১৭ অর্থ বছরের তুলনায় ৪৯৮ মিলিয়ন টাকা এবং শতকরায় ১৩.৭২% অধিক। বিক্রয় প্রবৃদ্ধি থাকা সত্ত্বেও কাঁচামালের মূল্য প্রতিকূল থাকার কারণে আলোচ্য অর্থবছরে গ্রস মুনাফার হার হ্রাস পেয়ে ২৪.৮৭% হয়েছে যা পূর্ববর্তী অর্থ বছরে ছিল ৩০.৫২%। অন্যদিকে ব্যাংক সুদের হার ও বিনিময় মুদ্রার হার বৃদ্ধি পাওয়ার কারণে, অর্থায়ন ব্যয় বেড়েছে ৫৩ মিলিয়ন টাকা। আলোচ্য অর্থ-বছরে কর পূর্ববর্তী মুনাফা ১৬৩ মিলিয়ন টাকা এবং কর পরবর্তী মুনাফা ১১৫ মিলিয়ন টাকা ছিল যার ফলশ্রুতিতে শেয়ার প্রতি আয় (ইপিএস) হয়েছে ২.৫৬ টাকা।

মুনাফা বন্টন

আলোচ্য অর্থবছরের ফলাফল পর্যালোচনা, ফ্রি রিজার্ভ এবং ধারাবাহিক লভ্যাংশ নীতি অনুসরণের আলোকে পরিচালনা পর্ষদ নীট মুনাফার নিম্নলিখিত বন্টন সুপারিশ করেছেনঃ

| বিবরণ | ৩০শে জুন ২০১৮ তারিখে সমাপ্ত বছরের জন্য | ৩০শে জুন ২০১৭ তারিখে সমাপ্ত বছরের জন্য |
|-------------------------------------|---|---|
| অবন্টিত মুনাফা | ৮০০,৯০৪,৮৯০ | ৬৯৬,৯৬৭,৯৬৩ |
| যোগ: কর-পরবর্তী মুনাফা | ১১৫,০৩৪,৯৮৫ | ২৬১,৪৩৬,৯২৭ |
| যোগ: আদায়কৃত পুনঃমূল্যায়ণ সঞ্চিতি | - | - |
| সর্বমোট বন্টনযোগ্য মুনাফা | ৯১৫,৯৩৯,৮৭৫ | ৯৫৮,৪০৪,৮৯০ |
| মুনাফা বন্টনঃ | | |
| অন্তর্বর্তীকালীন লভ্যাংশঃ | | |
| নগদ লভ্যাংশ | - | ৯০,০০০,০০০ |
| চূড়ান্ত প্রস্তাবিত লভ্যাংশঃ | | |
| নগদ লভ্যাংশ | ১৫৭,৫০০,০০০ | ৬৭,৫০০,০০০ |
| সর্বমোট লভ্যাংশ | ১৫৭,৫০০,০০০ | ১৫৭,৫০০,০০০ |
| অবন্টিত মুনাফা স্থিতি | ৭৫৮,৪৩৯,৮৭৫ | ৮০০,৯০৪,৮৯০ |

এ বছরের স্থিতি এবং আগামীতে মুনাফা অর্জনের মাধ্যমে কোম্পানী ধারাবাহিক লভ্যাংশ নীতি বজায় রাখতে পারবে বলে পরিচালনা পর্ষদ আশ্বসীল।

লভ্যাংশ

৩০শে জুন ২০১৮ তারিখে সমাপ্ত বছরের জন্য পরিচালনা পর্ষদ আনন্দের সাথে চূড়ান্ত লভ্যাংশ হিসেবে ৩৫% নগদ লভ্যাংশ (অর্থাৎ শেয়ার প্রতি ৩.৫ টাকা) সুপারিশ করেছে। রেকর্ড ডেট, অর্থাৎ ১৫ নভেম্বর ২০১৮, যে সকল সম্মানিত শেয়ার মালিকগণের নাম কোম্পানীর সদস্যদের শেয়ার রেজিস্টার বা সিডিবিএল এর ডিপোজিটরিতে অন্তর্ভুক্ত ছিল, তারা এই চূড়ান্ত লভ্যাংশ পাওয়ার যোগ্য হিসেবে বিবেচিত। আলোচ্য বছরে কোম্পানী অন্তর্বর্তীকালীন লভ্যাংশ হিসেবে কোন বোনাস শেয়ার বা স্টক ডিভিডেন্ড ঘোষণা করেনি।

জাতীয় রাজস্ব আয়ে অবদান

৩০শে জুন ২০১৮ তারিখে সমাপ্ত অর্থবছরে কোম্পানি আয়কর, আবগারি শুল্ক এবং মূল্য সংযোজন কর বাবদ মোট ৬৬৮.৫২ মিলিয়ন টাকা জাতীয় কোষাগারে জমা দান করেছে; যা উল্লেখিত সমাপ্ত বছরের মোট বিক্রয়লব্ধ আয়ের ১৪.৬২%।

বিক্রিত পণ্যের খরচ এবং মুনাফার হার

৩০শে জুন ২০১৮ তারিখে সমাপ্ত অর্থবছরে বিক্রিত পণ্যের ব্যয় হয়েছে ৩.১০১ মিলিয়ন টাকা (নীট বিক্রয়ের ৭৫.১৩%) যা ২০১৬-২০১৭ অর্থ বছরে ছিল ২.৫২২ মিলিয়ন টাকা (নীট বিক্রয়ের ৬৯.৪৮%), গত অর্থ বছরের থেকে কাঁচামালের মূল্য তুলনামূলকভাবে বেশি থাকায় ৫.৬৫% ব্যয় বৃদ্ধি পেয়েছে। এর পাশাপাশি, প্রান্তিক মুনাফার হার হ্রাস পেয়ে দাঁড়িয়েছে ২৪.৮৭% (১.০২৭ মিলিয়ন টাকা) যা ২০১৬-২০১৭ অর্থবছরে ছিল ৩০.৫২% (১.১০৮ মিলিয়ন টাকা)। ২০১৭-২০১৮ অর্থ বছরে এস মুনাফার হার হ্রাস ও অর্থায়ন ব্যয় বৃদ্ধি পাওয়ায় কর পরবর্তী মুনাফার হার ২.৮% হয়।

সংশ্লিষ্ট পক্ষগুলোর সকল লেনদেন

সংশ্লিষ্ট পক্ষগুলোর সাথে সব লেনদেন বাণিজ্যিক ভিত্তিতে করা হয়েছে এবং এর ভিত্তি ছিল "Arms Length Transaction"। সংশ্লিষ্ট পক্ষের লেনদেনের বিস্তারিত তথ্য আর্থিক বিবরণীর নোট-৩৫-এ প্রকাশিত হয়েছে।

বার্ষিক আর্থিক বিবরণীর মধ্যে উল্লেখযোগ্য পার্থক্য

মোট বিক্রয় ১৪ শতাংশ বৃদ্ধি পাওয়া সত্ত্বেও আলোচ্য বছরে এসিআই ফরমুলেশনস লিমিটেডের একক ও সমন্বিত মুনাফা নিম্নমুখী ছিল। আন্তর্জাতিক বাজারে কাঁচামাল, প্যাকিং উপকরণ এবং তৈরী পণ্যের মূল্য বৃদ্ধি সহ মুদ্রার অবমূল্যায়ন এই মুনাফা হ্রাসের অন্যতম কারণ। দ্বিতীয় প্রান্তিক থেকে শুরু করে সুদের হার ধারাবাহিকভাবে উল্লেখযোগ্য হারে বৃদ্ধি থাকায় কোম্পানী তথা গ্রুপ পর্যায়ে প্রফিটাবিলিটি ক্ষতিগ্রস্ত হয়েছে।

সাবসিডিয়ারী কোম্পানীর আর্থিক বিবরণীর কনসলিডেশন

কোম্পানী আইন-১৯৯৪, বিএসইসি রেগুলেশন ও বাংলাদেশে গৃহীত আইএএস ও আইএফআরএস অনুসারে সাবসিডিয়ারী কোম্পানী, নিম ল্যাবরেটরীজ (প্রাঃ) লিমিটেড এর আর্থিক বিবরণীসমূহ এসিআই ফরমুলেশনস লিমিটেড এর আর্থিক বিবরণীর সঙ্গে একত্রিকরণ করা হয়েছে। এছাড়াও সাবসিডিয়ারী কোম্পানীর নিরীক্ষিত আর্থিক বিবরণীসমূহ নিরীক্ষা প্রতিবেদন ও পরিচালক মণ্ডলীর প্রতিবেদনসহ আলাদাভাবে বার্ষিক প্রতিবেদনের নির্ধারিত স্থানে উপস্থাপন করা হয়েছে।

সেগমেন্ট অনুযায়ী রিপোর্টিং

আর্থিক বিবরণীর নোট - ৭ (ii) এ সেগমেন্ট অনুযায়ী রিপোর্টিং ফলাফল পর্যালোচনা করা হয়েছে।

ব্যবসা সংশ্লিষ্ট ঝুঁকি

কোম্পানী নিজ ব্যবসা সংশ্লিষ্ট ঝুঁকি সম্পর্কে সচেতন এবং সেগুলোকে নিয়মানুগ পদ্ধতির মাধ্যমে মোকাবেলায় প্রস্তুত। যদিও ব্যবসা বিভিন্ন ঝুঁকি এবং অনিশ্চয়তার দ্বারা প্রভাবিত হতে পারে যার পূর্ব ধারণা করা কঠিন। আর্থিক বিবরণীর নোট-৩২ এ আর্থিক ঝুঁকি ব্যবস্থাপনা বর্ণিত হয়েছে।

অস্বাভাবিক লাভ বা ক্ষতি

Bangladesh Financial Reporting Standards (BFRSs) অনুসারে কোন অস্বাভাবিক লাভ বা ক্ষতি রিপোর্টিং পিরিয়ডে বিদ্যমান নেই।

পাবলিক ইস্যু তহবিলের ব্যবহার

রিপোর্টিং পিরিয়ডে কোন আইপিও, রাইট ইস্যু বা অন্য কোন ধরনের ক্যাপিটাল ইস্যু নেই। কোম্পানীর আর্থিক ফলাফল ক্রমবর্ধমান যা বার্ষিক আর্থিক বিবরণীতে প্রতিফলিত হয়েছে।

আর্থিক বিবরণী প্রস্তুতকরণ ও যথাযথ প্রদর্শন

কোম্পানীর ব্যবস্থাপনা পর্ষদ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে কোম্পানীর স্থিতি, পরিচালন ফলাফল, অর্থ প্রবাহ এবং ইকুইটি পরিবর্তনের একটি সত্য ও যথার্থ চিত্র তুলে ধরা হয়েছে।

হিসাবের বই রক্ষণাবেক্ষন

কোম্পানীর হিসাবের বই কোম্পানী আইন-১৯৯৪ বিধি মোতাবেক রক্ষণাবেক্ষন করা হয়েছে।

আর্থিক বিবরণী হিসাবনীতি

আর্থিক বিবরণী প্রস্তুতকরণের ক্ষেত্রে যথাযথ হিসাবনীতি ধারাবাহিকভাবে অনুসরণ করা হয়েছে এবং হিসাবের ভিত্তি যুক্তিসঙ্গত ও সঠিক।

আর্থিক বিবরণী IAS ও IFRS এর প্রভাব

আর্থিক বিবরণী প্রস্তুতকরণের ক্ষেত্রে "Bangladesh Accounting Standards (BASs)" ও "Bangladesh Financial Reporting Standards (BFRSs)" অনুসরণ করা হয়েছে।

আভ্যন্তরীণ নিয়ন্ত্রণ

কোম্পানীর সার্বিক কার্যক্ষমতা, আর্থিক প্রতিবেদনের নির্ভরযোগ্যতা এবং সুশাসন প্রতিষ্ঠাকে বিবেচনায় রেখে এসিআই ফরমুলেশনস এর আভ্যন্তরীণ নীতিমালা প্রণীত হয়েছে। তদনুসারে, কোম্পানীর পরিচালনা পর্ষদের মতে, আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা কার্যকর এবং তা সঠিক ভাবে নিরীক্ষণ করা হয়েছে।

CEO এবং CFO এর প্রত্যায়নপত্র

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর কর্পোরেট গভর্নেন্স কোড অনুযায়ী চীফ এক্সিকিউটিভ অফিসার (সিইও) এবং চীফ ফাইন্যান্সিয়াল অফিসার (সিএফও) কর্তৃক বোর্ডকে প্রদত্ত প্রত্যায়নপত্র বার্ষিক প্রতিবেদনের Annexure-IV এ অন্তর্ভুক্ত করা হয়েছে।

পরিচালনগত আলোচনা ও বিশ্লেষণ

কোম্পানীর ব্যবস্থাপনা পরিচালক কর্তৃক স্বাক্ষরিত "পরিচালনগত আলোচনা ও বিশ্লেষণ" রিপোর্টের Annexure-III এ অন্তর্ভুক্ত করা হয়েছে, যেখানে কোম্পানীর আর্থিক বিবরণী সংশ্লিষ্ট পরিচালনগত বিশদ বিশ্লেষণ, আর্থিক অবস্থা, ফলাফল, ঝুঁকি ও উদ্বেগ, হিসাবনীতি ও অনুমানসহ অন্যান্য বিষয় আলোচিত হয়েছে।

পরিচালনা পর্ষদ

কোম্পানীর পরিচালনা পর্ষদ দুইজন স্বতন্ত্র পরিচালক সহ সাত জন সদস্যের সমন্বয়ে গঠিত। বোর্ডের অধিকাংশ সদস্য অ-নির্বাহী। পরিচালকদের তালিকা এবং বিবরণ এই রিপোর্টের 'পরিচালক প্রোফাইল' এ অন্তর্ভুক্ত করা হয়েছে।

পরিচালক নির্বাচন

কোম্পানীর আর্টিক্যালস অব এসোসিয়েশন এর ৪৭ অনুচ্ছেদ অনুযায়ী জনাব. আরিফ দৌলা ও জনাবা নাজমা দৌলা আসন্ন বার্ষিক সাধারণ সভায় পর্যায়ক্রমিকভাবে অবসর গ্রহণ করবেন। পুনর্নির্বাচিত পরিচালকদের তালিকা এবং বিবরণ এই রিপোর্টের 'পরিচালক প্রোফাইল' এ অন্তর্ভুক্ত করা হয়েছে। আসন্ন ২২তম বার্ষিক সাধারণ সভায় উল্লেখিত সকল পরিচালকগণ পুনর্নির্বাচনের যোগ্য হিসেবে বিবেচিত। তাদের সংক্ষিপ্ত জীবন বৃত্তান্ত ও অন্যান্য তথ্যাদি এই রিপোর্টের 'পরিচালক প্রোফাইল' এ অন্তর্ভুক্ত করা হয়েছে।

স্বতন্ত্র পরিচালক পুনর্নিয়োগ

স্বতন্ত্র পরিচালক জনাব জুনেদ আহমদ চৌধুরীর ৬ বছরের মেয়াদ ২৯ অক্টোবর ২০১৮ তারিখে সমাপ্ত হয়। তদানুসারে, কোম্পানীর পরিচালকগণ ২৫শে অক্টোবর ২০১৮ ইং তারিখে অনুষ্ঠিত পর্ষদ সভায় জনাব আব্দুল-মুয়ীদ চৌধুরী কে ৩০শে অক্টোবর ২০১৮ তারিখ থেকে কার্যকর হিসেবে তিন বছরের জন্য স্বতন্ত্র পরিচালক হিসাবে নিযুক্ত করেছেন। জনাব আব্দুল-মুয়ীদ চৌধুরী অডিট কমিটির চেয়ারম্যান হিসেবেও দায়িত্ব পালন করছেন। এ লক্ষ্যে, পরিচালনা পর্ষদ তাদের আসন্ন ২২তম বার্ষিক সাধারণ সভায় তার নিয়োগ নিশ্চিত করার জন্য শেয়ারহোল্ডারদের নিকট প্রস্তাব করেছেন। তার সংক্ষিপ্ত জীবন বৃত্তান্ত ও অন্যান্য তথ্যাদি এই রিপোর্টের 'পরিচালক প্রোফাইল' এ অন্তর্ভুক্ত করা হয়েছে।



পরিচালনা পর্ষদের সভা

২০১৭-২০১৮ অর্থবছরে পরিচালনা পর্ষদের মোট ৫টি সভা অনুষ্ঠিত হয়েছে। পরিচালকগণের উপস্থিতি সারাংশ Annexure-I এ দেখানো হয়েছে।

পরিচালকদের সম্মানী ভাতা

২০১৭-২০১৮ অর্থবছরে কোম্পানীর বোর্ড মিটিং এ উপস্থিতি ফি হিসাবে মোট ১১,২৫০/- টাকা প্রদান করা হয়েছে। পরিচালকমণ্ডলীর সম্মানী ভাতা আর্থিক বিবরণীর নোট-২৮ এবং ৩৫(b) তে উল্লেখ করা হয়েছে।

শেয়ার হোল্ডিং প্যাটার্ন

৩০শে জুন ২০১৮ ইং তারিখে কোম্পানীর শেয়ার হোল্ডিং প্যাটার্ন Annexure-II এ দেখানো হয়েছে।

ক্ষুদ্র বিনিয়োগকারীদের স্বার্থরক্ষা

পরিচালনা পর্ষদ এই মর্মে নিশ্চিত যে, কোম্পানী কর্পোরেট গভার্নেন্স কোড ও তার নিজস্ব আইনানুগ কার্যসীমার মধ্যে পরিচালিত একটি সত্ত্বা এবং কোম্পানীর ক্ষুদ্র বিনিয়োগকারীগণ কন্ট্রোলিং শেয়ার হোল্ডারগণের যেকোন প্রত্যক্ষ ও পরোক্ষ ক্ষতিকর কার্যকলাপ থেকে সুরক্ষিত। তদুপরি, যেকোন অনাকাঙ্খীত ঘটনার জন্য যথাযথ প্রতিকারের ব্যবস্থা কোম্পানীতে রয়েছে।

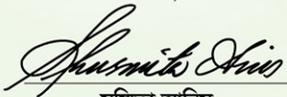
অডিটরদের নিয়োগ

কোম্পানীর বর্তমান অডিটর মেসার্স হুদা ভাসি চৌধুরী এন্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস, তাদের ২০১৮ সালের ৩০শে জুন তারিখের সমাপ্ত আর্থিক বছরের নিরীক্ষা সম্পন্ন করার পর আসন্ন বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন। বিএসইসি'র প্রজ্ঞাপন মোতাবেক তারা পুনঃনিয়োগের যোগ্য হিসেবে বিবেচিত। মেসার্স হুদা ভাসি চৌধুরী এন্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস ৬,৩০,০০০/- টাকা (মূল্য সংযোজন কর ব্যতিরেকে) সম্মানীর বিনিময়ে ২০১৮-২০১৯ অর্থ বছরের নিরীক্ষা কার্যক্রম সম্পন্ন করার লক্ষ্যে নিয়োগ প্রাপ্ত হতে আগ্রহ প্রকাশ করেছে। এ লক্ষ্যে, কোম্পানীর পরিচালনা পর্ষদ শেয়ারহোল্ডারদের নিকট তাদের নিয়োগের জন্য সুপারিশ করেন।

কর্পোরেট গভার্নেন্স কমপ্লায়েন্স স্ট্যাটাস

এসিআই ভোক্তা সাধারণের জীবনযাত্রার গুণগতমান-উন্নয়ন, ভোক্তা অধিকার সংরক্ষণ, উদ্ভাবন, স্বচ্ছতা, জবাবদিহিতা ও ক্রমাগত উন্নতির মধ্য দিয়েই ব্যবসার প্রসার ঘটানোর সম্ভব বলে বিশ্বাস করে। এর রয়েছে দেশের সর্ববৃহৎ একীভূত বহুমাত্রিক ঐতিহ্য সমৃদ্ধ ব্যবসায়িক সংস্কৃতি। দীর্ঘদিন ধরে এসিআইতে কর্পোরেট গভার্নেন্স এর অনুশীলন বিরাজমান। পরিচালনা পর্ষদ ও ব্যবস্থাপকগণ কোম্পানীতে কর্পোরেট গভার্নেন্স অনুশীলনে সর্বোচ্চ নৈতিকতা ও মান বজায় রাখার মাধ্যমে শেয়ারহোল্ডার ও অংশীদারদের স্বার্থ রক্ষায় প্রতিশ্রুতিবদ্ধ। আমরা অত্যন্ত আনন্দের সাথে আপনাদের এই মর্মে নিশ্চিত করছি যে, কোম্পানী বাংলাদেশ সিকিউরিটিজ এন্ড একচেঞ্জ কমিশন এর নোটিফিকেশন অনুযায়ী সমস্ত প্রয়োজনীয় দিকনির্দেশনা পালন করেছে। এই অনুসারে, ৩০শে জুন ২০১৮ সালের সমাপ্ত অর্থবছরের জন্য মন্তব্য সহ কমপ্লায়েন্স রিপোর্ট কোম্পানীর পরিচালকমণ্ডলীর প্রতিবেদনের Annexure-V এ অন্তর্ভুক্ত করা হয়েছে। এ ছাড়াও কর্পোরেট গভার্নেন্স কোড অনুযায়ী আল-মুক্তাদীর এ্যাসোসিয়েটস, চার্টার্ড সেক্রেটারীজ, কর্তৃক প্রত্যায়িত

পরিচালকমণ্ডলীর পক্ষে,



সুমিতা আনিস
ব্যবস্থাপনা পরিচালক

ঢাকা, ২৫ অক্টোবর ২০১৮

কমপ্লায়েন্স সার্টিফিকেট এই প্রতিবেদনের Annexure-VI এ অন্তর্ভুক্ত করা হয়েছে।

চলমান প্রতিষ্ঠান

পরিচালনা পর্ষদ বিশ্বাস করে যে এসিআই ফরমুলেশন্স একটি চলমান প্রতিষ্ঠান হিসাবে পরিচালিত। তারা পর্যাপ্ত অনুসন্ধান এবং বিশ্লেষণের মাধ্যমে নিশ্চিত হয়েছে যে, সম্পদ এবং পর্যাপ্ত ব্যবসায়িক সুযোগের মাধ্যমে কোম্পানীকে চলমান প্রতিষ্ঠান হিসেবে বিবেচনা করা যায়, যা নিশ্চিতকরণের জন্য পরিচালকগণ আর্থিক হিসাবপত্র বিশ্লেষণ করেছেন। চলমান প্রতিষ্ঠান নীতির আলোকেই কোম্পানীর আর্থিক বিবরণী সমূহ প্রস্তুত করা হয়েছে।

কর্পোরেট সামাজিক দায়বদ্ধতা (CSR)

সামাজিক দায়বদ্ধতা এসিআই ফরমুলেশন্স লিমিটেড এর একটি কেন্দ্রীয় কার্যক্রম এবং CSR এর আওতায় গৃহীত সকল প্রজেক্ট ও প্রোগ্রামসমূহ ব্যবসায়িক সংশ্লিষ্টতার সাথে সম্পর্কিত। টেকসই ব্যবসা প্রতিষ্ঠান গড়ে তোলার লক্ষ্যে আমরা সামাজিক দায়বদ্ধতা ও আকাঙ্ক্ষার প্রতি শ্রদ্ধাশীল।

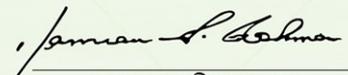
এসিআই'র মানব সম্পদ

বহুব্যাপী বিভিন্ন ধরনের কাস্টমাইজড প্রশিক্ষণের মাধ্যমে আমাদের মানব সম্পদ বিভাগ কর্মীদের উন্নয়নে ধারাবাহিকভাবে কাজ করে যাচ্ছে। কর্তৃত্ব অর্পণ ও ক্ষমতায়নের পাশাপাশি আমরা আমাদের কর্মী বাহিনীকে ব্যালেন্সড স্কোর কার্ডের মত বৈজ্ঞানিক পন্থায় তাঁদের কার্যফল যাচাই ও পুরস্কৃত করে থাকি। নিরপেক্ষ ও স্বচ্ছ মূল্যায়নের মাধ্যমে প্রত্যেকের স্ব-স্ব অবদানের স্বীকৃতি স্বরূপ তাদের পদোন্নতি নিশ্চিত করা হয়। এসিআই ফরমুলেশন্স সামাজিক দায়বদ্ধতাকে গুরুত্বের সাথে বিবেচনা করে থাকে। পেশাগত স্বাস্থ্য, নিরাপত্তা ও পরিবেশ রক্ষা এখানে অগ্রাধিকার তালিকার শীর্ষে রয়েছে। আমরা ভাল কিছু করার প্রচেষ্টায় সর্বদা নিয়োজিত এবং সেই অনুযায়ী আমাদের সুনির্দিষ্ট লক্ষ্য নির্ধারণে সচেষ্ট।

কৃতজ্ঞতা জ্ঞাপন ও স্বীকৃতি

কোম্পানীর পরিচালনা পর্ষদ দৃঢ়ভাবে বিশ্বাস করে যে, এসিআই ফরমুলেশন্স এর রয়েছে পর্যাপ্ত শক্তি, সম্পদ ও প্রতিশ্রুতি যা কোম্পানীকে আরও উচ্চতায় পৌঁছে দিতে পারে। বহুবিধ চ্যালেঞ্জের মুখোমুখি হওয়া সত্ত্বেও কোম্পানীর ব্যবসায়িক ফলাফল পরিচালনা পর্ষদ, ব্যবস্থাপনা পর্ষদ, সর্বোপরি এবং সকল কর্মীবৃন্দের দৃঢ় মনোবল এবং সংকল্পেরই ফসল। এসিআই ফরমুলেশন্স এর সকল ব্যবসায়িক সহযোগী, শেয়ারমালিক, সরবরাহকারী, ক্রেতা, ব্যাংকার ও মিডিয়া যাদের সহযোগীতা এবং অক্লান্ত পরিশ্রমের ফলে কোম্পানি আজকের এই পর্যায়ে এসেছে তাদের জন্য পরিচালনা পর্ষদের পক্ষ থেকে রইল আন্তরিক অভিনন্দন। মানুষের জীবনমান উন্নয়নে আমাদের লক্ষ্যের প্রতি তাদের এই অব্যাহত মূল্যবান সমর্থন ও সহযোগীতা আমাদের কাছে যথেষ্ট গুরুত্ব বহন করে।

পরিশেষে, এবং অক্লান্ত গুরুত্বের সাথে আমরা পরিচালনা পর্ষদের পক্ষ থেকে ফ্যাক্টরী, ডিপো এবং অফিস সমূহের সকলের অক্লান্ত প্রচেষ্টার প্রতি আমাদের কৃতজ্ঞতা জানাতে চাই। নানাবিধ অনিশ্চয়তা ও প্রতিকূলতার মাঝেও তাদের কঠোর পরিশ্রম ও নিষ্ঠার বলে এসিআই ফরমুলেশন্স একটি শক্তিশালী প্রতিষ্ঠান হিসেবে গড়ে উঠেছে যা জনগণের জীবনমান উন্নয়নে নিরন্তর অবদান রেখে চলেছে।



কামরান তানভীর রহমান
যত্ন পরিচালক

Annexure-I

Number of Board Meetings and Attendance of Directors

As per condition no. 1 (5) (xxii) of the Corporate Governance Code 2018 issued by Bangladesh Securities and Exchange Commission, the number of Board Meetings held and the Attendance by each Director during the Financial Year 2017-2018 are as follows:

| Name | Position | Meeting Held | Meeting Attended |
|-----------------------------------|----------------------|--------------|------------------|
| Mr. M. Anis Ud Dowla | Chairman | 5 | 5 |
| Dr. A.K.M Fareyzaul Haque Ansarey | Director | 5 | 4 |
| Mr. Juned Ahmed Choudhury | Independent Director | 5 | 5 |
| Dr. Arif Dowla | Director | 5 | 5 |
| Mrs. Najma Dowla | Director | 5 | 5 |
| Mr. Kamran Tanvirur Rahman | Independent Director | 5 | 5 |
| Ms. Shusmita Anis | Managing Director | 5 | 5 |

- The Board granted leave of absence to the members who were unable to attend Board meetings as per laws.

Annexure-II

Pattern of Shareholding

As per condition no. 1 (5) (xxiii) of the Corporate Governance Code 2018 issued by Bangladesh Securities and Exchange Commission, the pattern of shareholding along with name wise details as on 30 June 2018 are as follows:

| Condition no. | Name of Shareholders | Position | No. of Shares held | % of Shares held |
|------------------|--|-------------------------|--------------------|------------------|
| 1(5) (xxiii) (a) | Parent/Subsidiary/Associated Companies and other related parties: | | | |
| | Advanced Chemical Industries Limited | Parent Company | 24,066,105 | 53.48% |
| 1(5) (xxiii) (b) | Directors: | | | |
| | Mr. M. Anis Ud Dowla | Chairman | 4,504,500 | 10.01% |
| | Dr. A.K.M Fareyzaul Haque Ansarey | Director | 1,129,500 | 2.51% |
| | Advanced Chemical Industries Limited, Represented By, | | 24,066,105 | 53.48% |
| | Mrs. Najma Dowla | Director | 4,500 | 0.010% |
| | Dr. Arif Dowla | Director | 1,800 | 0.004% |
| | Ms. Shusmita Anis | Managing Director | 1,800 | 0.004% |
| | Mr. Juned Ahmed Choudhury | Independent Director | - | - |
| | Mr. Kamran Tanvirur Rahman | Independent Director | - | - |
| | Chief Executive Officer, Chief Financial officer, Company Secretary, Head of Internal Audit and Compliance: | | | |
| | Ms. Shusmita Anis | Chief Executive Officer | 1,800 | 0.004% |
| | Mr. Pradip Kar Chowdhury | Chief Financial Officer | - | - |
| | Mr. Mohammad Mostafizur Rahman | Company Secretary | - | - |
| | Mr. Amitava Saha | Head of Internal Audit | - | - |
| 1(5) (xxiii) (c) | Executives (Other than Directors, CEO, CS, CFO and Head of Internal Audit and Compliance): | | | |
| | - | - | - | - |
| 1(5) (xxiii) (d) | Shareholders holding 10% or more voting interest in the Company: | | | |
| | Advanced Chemical Industries Limited | Parent Company | 24,066,105 | 53.48% |
| | Investment Corporations of Bangladesh (ICB) | Institution | 60,79,542 | 13.51% |
| | Mr. M. Anis Ud Dowla | Chairman | 45,04,500 | 10.01% |



Annexure-III

Management Discussion and Analysis

As per condition no. 1 (5) (xxv) of the Corporate Governance Code 2018 issued by Bangladesh Securities and Exchange Commission, the Management's Discussion & Analysis are as follows:

Accounting policies and estimation for preparation of financial statements

The Company follows International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) along with local regulations applicable for preparation of financial statements. Detail description of accounting policies and estimation used for preparation of the financial statements of the Company are disclosed in the notes 4 and 6 to the financial statements.

Changes in accounting policies and estimation

The Company has been following consistent policies and estimation. There is no such changes in accounting policies or estimation which has material impact on financial statements.

Comparative analysis of financial performance and financial position as well as cash flows for current financial year with immediate preceding five years

Major areas of financial performances and financial position as well as cash flows with immediate preceding five years are as follows:

Figures in million except ratios and percentage

| Particulars | 2012 | 2013 | 2014 | 2015 | June 2016 | July 16- June 17 | July 17- June 18 |
|------------------------------------|-------|-------|-------|--------|-----------|---------------------|---------------------|
| Net Turnover | 2,581 | 2,340 | 2,908 | 3,006 | 1,625 | 3,629 | 4,127 |
| Gross profit | 610 | 585 | 739 | 800 | 477 | 1,108 | 1,027 |
| Profit before tax | 200 | 172 | 260 | 313 | 127 | 357 | 163 |
| Profit after tax | 150 | 129 | 188 | 235 | 90 | 261 | 115 |
| Earnings per share (Taka) | 3.33 | 2.87 | 4.17 | 5.23 | 2.01 | 5.81 | 2.56 |
| EBITDA | 350 | 292 | 373 | 435 | 188 | 551 | 406 |
| Issued & paid capital | 450 | 450 | 450 | 450 | 450 | 450 | 450 |
| Shareowners' equity | 1,714 | 1,730 | 1,806 | 2,350 | 2,283 | 2,455 | 2,502 |
| Net asset per share (Taka) | 38.08 | 38.45 | 40.12 | 52.23 | 50.74 | 54.55 | 55.61 |
| Net operating cash flows per share | 2.63 | 9.38 | 0.25 | (5.16) | 1.05 | (6.54) | (2.73) |

The Company has maintained a consistent growth over the analyzed periods as depicted in the analysis enumerated above.

Comparison of financial performances and financial position as well as cash flows with peer industry scenario

The Company is diversified business conglomerate having several businesses in different sectors. Accordingly, the company has no such peer company to draw a reasonable comparison.

Explanation of the financial and economic scenario of the country and the globe

A broad-based pick-up in economic activity continued in Q4 of FY 2017-18, supported by strong domestic and external demand. Strong private sector credit growth together with a rebound in remittance inflows helped boost consumption demand. At the same time, aided by favorable financing conditions and fiscal policy supports, both public and private investment picked up during this period, as reflected in the strong growth of investment-related imports. On the supply side, the growth momentum received support from the industry and the service sectors. The agriculture sector activities also remained solid, aided by favorable weather, higher crop prices, and timely supply of inputs and finance. Real GDP growth reached 7.86% in FY18, up from 7.28% growth in FY 2016-17.

Headline CPI inflation (point-to-point) moderated to 5.54% in June 2018, driven by falling food inflation due to a good boro harvest. Average inflation edged down to 5.78% in June 2018, slightly above the FY 2017-18 target of 5.5%. Non-food inflation, which was on the rise for more than a year, increased at a faster pace in the last two months of Q4

of FY 2017-18 and reached 4.87% in June 2018, partly due to rising global commodity prices and strong domestic demand.

The negative growth in NFA caused by the deficit in overall balance and negative government borrowings from the banking system resulted in a low growth of broad money (M2) at 9.24%, well below the FY 2017-18 program target of 13.30%, while private credit growth (16.95%) remained close to the monetary program (16.80%). Central Bank reduced Cash Reserve Ratio (CRR) by 100 basis points and repo rate by 75 basis points in April 2018 to moderate any sharp liquidity tightening and avoid any abrupt increase in interest rates as often witnessed during market transitions in many developing economies with segmented markets.

Despite a rebound in exports and strong remittance inflows, the deficit in current account balance widened to USD 9.78 billion (around 3 percent of GDP) in FY 2017-18, driven mainly by a sharp increase in infrastructure-related imports in connection with the implementation of government's mega projects, higher food imports due to last year's floods, and rising global commodity prices. However, a favorable financial account surplus moderated overall balance to a deficit of around USD 0.7 billion.

The higher growth in overall expenditure against revenue collection led to a higher budget deficit in Q4 of FY 2017-18. As in the recent past, deficit financing primarily relied on the non-bank financing sources but bank financing of budget deficit turned positive in Q4 of FY 2017-18. The capital market witnessed a mixed trend during Q4 FY 2017-18, as reflected in price indices, market capitalization, price earnings ratio, and turnover.

While looking in the Global Economy, commodity prices in the global market continued its rising trend in Q4 of FY 2017-18, supported by both supply and demand factors, including strong economic activities in the emerging market and advanced economies. Accelerating growth lifted demand for the commodities, while some commodities faced supply constraints. Rising geopolitical tension combined with production cuts increased oil prices. From a regional perspective, inflation performance followed a mixed trend in South Asia during Q4 of FY 2017-18. Inflation in Sri Lanka fell to 2.5% in Q4 of FY 2017-18 from 2.8% in Q3 of FY 2017-18. Inflation in India and Pakistan marginally increased to 4.9% and 5.2% in Q4 of FY 2017-18 from 4.3% and 3.2%, respectively in Q3 FY 2017-18.

Risk and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company

The Company has exposure to the Credit Risk, Liquidity Risk and Market Risk arising from the financial statements. The detail explanation of risk and concerns along with the Risk Management Framework are explained in the note 32 to the financial statements published in this annual report.

The Company has taken sufficient steps and controls effectively consistently round the year to mitigate the risk and concerns.

Future plan for company's operation, performances and financial position

The Company has taken all sorts feasible plans, strategy and vision to continue the operations of the company for foreseeable future. This is relevant to share that company maintains a periodic action plans along with mid-term and long-term strategies to maintain the sustainability in its performances and financial position.



Shusmita Anis
Managing Director



Annexure-IV

[As per condition No. 1(5) (xxvi)]

DECLARATION BY CEO AND CFO

Date: 25 October 2018

The Board of Directors
ACI Formulations Limited

Subject: **Declaration on Financial Statements for the year ended on 30 June 2018.**

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of ACI Formulations Limited for the year ended on 30 June 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30 June 2018 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (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 in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Shusmita Anis
Managing Director

Pradip Kar Chowdhury
Chief Financial Officer

Annexure-V

Status of Compliance with the Corporate Governance Code (CGC)

[As per condition No. 1(5) (xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018

(Report under Condition No. 9)

| Condition No | Title | Status | | Remarks |
|---------------|--|----------|--------------|---------|
| | | Complied | Not-Complied | |
| 1(1) | The number of Board members shall not be less than 5 (five) and more than 20 (twenty); | Complied | | |
| 1(2)(a) | At least one-fifth (1/5) of the total number of directors shall be Independent Directors (ID); | Complied | | |
| 1(2)(b)(i) | IDs do not hold any share or holds less than 1% shares of the total paid-up shares of the Company; | Complied | | |
| 1(2)(b)(ii) | ID is not a sponsor and not connected with any sponsor or director or nominated director or shareholder or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares and his or her family members shall not hold above mentioned shares; | Complied | | |
| 1(2)(b)(iii) | ID has not been an executive of the company in immediately preceding two financial years; | Complied | | |
| 1(2)(b)(iv) | ID does not have any pecuniary or otherwise relationship with the company or its subsidiary/associated companies; | Complied | | |
| 1(2)(b)(v) | ID is not a member or TREC holder, director or officer of any stock exchange; | Complied | | |
| 1(2)(b)(vi) | ID is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market; | Complied | | |
| 1(2)(b)(vii) | ID is/was not a partner or an executive of company's audit firms engaged in Statutory Audit or Internal Audit or Special Audit or Compliance Certification of the Codes during preceding three years; | Complied | | |
| 1(2)(b)(viii) | ID shall not be independent director in more than five listed companies; | Complied | | |
| 1(2)(b)(ix) | ID has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or NBF1; | Complied | | |
| 1(2)(b)(x) | ID has not been convicted for a criminal offence involving moral turpitude; | Complied | | |
| 1(2)(c) | Appointment of ID shall be done by Board and approved by shareholders in the AGM; | Complied | | |
| 1(2)(d) | The position of IDs cannot remain vacant for more than ninety days; | Complied | | |
| 1(2)(e) | The tenure of office of an ID shall be for Three years, which may be extended for One tenure only; | Complied | | |
| 1(3)(a) | ID shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, corporate laws, regulatory requirements and can make meaningful contribution to the business; | Complied | | |
| 1(3)(b)(i) | ID is a Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of One Hundred million or any listed company or a member of any national or international chamber of commerce or business association | Complied | | |
| 1(3)(b)(ii) | ID is/was a Corporate Leader as top level executive as adopted by the code and a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; | Complied | | |
| 1(3)(b)(iii) | ID was Former official of government in the position not below 5th Grade of the national pay scale and educational background of bachelor degree in economics or commerce or business or law; | Complied | | |
| 1(3)(b)(iv) | ID is/was University Teacher who has educational background in Economics or Commerce or Business Studies or Law; | | | N/A |
| 1(3)(b)(v) | ID is/was a professional or an advocate practicing in the HCD of Bangladesh Supreme Court or a CA, CMA, CFA, CCA, CPA and CS or equivalent qualification; | Complied | | |
| 1(3)(c) | The ID shall have at least Ten years of experiences in any field mentioned in clause (b); | Complied | | |
| 1(3)(d) | Special cases for relaxing qualifications or experiences with prior approval of the Commission; | | | N/A |
| 1(4)(a) | Chairman of the Board and the Chief Executive Officer of the companies is different individuals having clearly defined their respective roles and responsibilities by Board; | Complied | | |

Contd.



| Condition No | Title | Status | | Remarks |
|----------------|---|----------|--------------|---------|
| | | Complied | Not-Complied | |
| 1(4)(b) | Chairperson of the Board and the MD and/or CEO of the company shall be different individuals; | Complied | | |
| 1(4)(c) | Chairperson elected from among the non-executive directors of the company; | Complied | | |
| 1(4)(d) | The Board clearly defined respective roles for Chairman and the Managing Director; | Complied | | |
| 1(4)(e) | In absence of Chairman, the remaining members may elect one from non-executive directors as Chairperson for that particular Board's meeting; | Complied | | |
| 1(5)(i) | An industry outlook and possible future developments; | Complied | | |
| 1(5)(ii) | Segment-wise or product-wise performance; | Complied | | |
| 1(5)(iii) | Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any; | Complied | | |
| 1(5)(iv) | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable; | Complied | | |
| 1(5)(v) | A discussion on continuity of any extraordinary activities and their implications (gain or loss); | Complied | | |
| 1(5)(vi) | A detailed discussion and statement on related party transactions; | Complied | | |
| 1(5)(vii) | A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments; | Complied | | |
| 1(5)(viii) | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.; | Complied | | |
| 1(5)(ix) | An explanation on any significant variance between Quarterly Financial performances and Annual Financial Statements; | Complied | | |
| 1(5)(x) | A statement of Directors remuneration; | Complied | | |
| 1(5)(xi) | A statement on fair preparation of the financial statements by the management of the issuer company; | Complied | | |
| 1(5)(xii) | A statement that proper books of account of the issuer company have been maintained; | Complied | | |
| 1(5)(xiii) | A statement that appropriate accounting policies have been consistently applied in the financial statements and that the accounting estimates are based on reasonable and prudent judgment; | Complied | | |
| 1(5)(xiv) | IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed; | Complied | | |
| 1(5)(xv) | A statement that the system of internal control is sound in design and has been effectively implemented and monitored; | Complied | | |
| 1(5)(xvi) | A statement with regard to the protection of minority shareholders from abusive actions of controlling shareholders; | Complied | | |
| 1(5)(xvii) | A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern; | Complied | | |
| 1(5)(xviii) | An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained; | Complied | | |
| 1(5)(xix) | Key operating and financial data of at least preceding 5 (five) years shall be summarized; | Complied | | |
| 1(5)(xx) | An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year; | Complied | | |
| 1(5)(xxi) | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend; | Complied | | |
| 1(5)(xxii) | The total number of Board meetings held during the year and attendance by each director; | Complied | | |
| 1(5)(xxiii)(a) | Parent /Subsidiary /Associated Companies and other related parties (name wise details); | Complied | | |
| 1(5)(xxiii)(b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details); | Complied | | |
| 1(5)(xxiii)(c) | Executives; | Complied | | |
| 1(5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name wise details); | Complied | | |
| 1(5)(xxiv)(a) | A brief resume of the director; | Complied | | |
| 1(5)(xxiv)(b) | Nature of expertise in specific functional areas; | Complied | | |

| Condition No | Title | Status | | Remarks |
|---------------|---|----------|--------------|-------------|
| | | Complied | Not-Complied | |
| 1(5)(xxiv)(c) | Names of companies in which the person also holds the directorship and membership of board committees; | Complied | | |
| | A Management's Discussion and Analysis signed by CEO or MD; | Complied | | |
| 1(5)(xxv)(a) | Presenting detailed analysis of accounting policies and estimation for preparation of financial statements; | Complied | | |
| 1(5)(xxv)(b) | Presenting detailed analysis of changes in accounting policies and estimation, if any; | Complied | | |
| 1(5)(xxv)(c) | Presenting detailed analysis of comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; | Complied | | |
| 1(5)(xxv)(d) | Presenting detailed analysis of compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; | Complied | | |
| 1(5)(xxv)(e) | Presenting detailed analysis of briefly explain the financial and economic scenario of the country and the globe; | Complied | | |
| 1(5)(xxv)(f) | Presenting detailed analysis of risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; | Complied | | |
| 1(5)(xxv)(g) | Presenting detailed analysis of future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM; | Complied | | |
| 1(5)(xxvi) | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) disclosed as per Annexure-A; | Complied | | |
| 1(5)(xxvii) | The report and compliance certificate disclosed as per Annexure-B and Annexure-C; | Complied | | |
| 1(6) | Conducting Board meetings and recording the minutes of the meetings and keeping required books and records in line BSS as adopted by the ICSB; | Complied | | |
| 1(7)(a) | Code of conduct, based on the recommendation of the NRC for the Chairman of the Board, other board members and Managing Director of the company; | Complied | | |
| 1(7)(b) | Code of conduct as determined by the NRC shall be posted on the website of the company; | | | On progress |
| 2(a) | Composition of the Board of the subsidiary company; | Complied | | |
| 2(b) | Independent director of the holding company on the Board of the subsidiary company; | Complied | | |
| 2(c) | Review of minutes of the subsidiary company's Board meeting by the holding company's Board; | Complied | | |
| 2(d) | Statement as to the review of minutes of Subsidiary company by the holding company's Board; | Complied | | |
| 2(e) | Review of financial statements of Subsidiary company by the Audit Committee of the holding company; | Complied | | |
| 3(1)(a) | The Board shall appoint a MD or CEO, CS, CFO and HIAC; | Complied | | |
| 3(1)(b) | The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals; | Complied | | |
| 3(1)(c) | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time; | | | On progress |
| 3(1)(d) | Respective roles, responsibilities and duties of the CFO, the HIAC and the CS; | Complied | | |
| 3(1)(e) | Removal of the MD or CEO, CS, CFO and HIAC with approval of the Board and immediate dissemination to BSEC and stock exchange(s); | Complied | | |
| 3(2) | The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board; | Complied | | |
| 3(3)(a)(i) | Certification of CEO and CFO as to the review of financial statements with declaration that there is no materially untrue and misleading statement; | Complied | | |
| 3(3)(a)(ii) | Certification of CEO and CFO as to the true and fair view of the financial statements and affairs of the Company's per applicable laws; | Complied | | |
| 3(3)(b) | Certification of CEO and CFO that to the best of their knowledge and belief there was no fraudulent, illegal transactions during the year; | Complied | | |
| 3(3)(c) | The certification of the MD or CEO and CFO shall be disclosed in the Annual Report; | Complied | | |
| 4(i) | Board Audit Committee (BAC); | Complied | | |
| 4(ii) | Nomination and Remuneration Committee; | | | On progress |
| 5(1)(a) | BAC as a sub-committee of the Board; | Complied | | |
| 5(1)(b) | BAC shall assist the Board of Directors as to the the financial statements reflect true and fair view of the state of affairs of the company; | Complied | | |

Contd.



| Condition No | Title | Status | | Remarks |
|----------------|---|----------|--------------|-------------|
| | | Complied | Not-Complied | |
| 5(1)(c) | BAC is responsible to the Board. The duties of the BAC is clearly set forth in writing; | Complied | | |
| 5(2)(a) | BAC is composed of 3 (three) members; | Complied | | |
| 5(2)(b) | The Board appointed members of BAC who are non-executive directors and Chairperson is an ID; | Complied | | |
| 5(2)(c) | All members of BAC are "financially literate" and 1 (one) member have accounting or related financial management background and 10 (ten) years of such experience; | Complied | | |
| 5(2)(d) | Filling of casual vacancy in the BAC; | Complied | | |
| 5(2)(e) | The CS shall act as the Secretary of the Committee; | Complied | | |
| 5(2)(f) | The quorum of the BAC meeting have not constitute without ID; | Complied | | |
| 5(3)(a) | The Board of Directors select 1 (one) ID as the Chairman of BAC; | Complied | | |
| 5(3)(b) | Election of Chairman of the particular meeting in absence of regular Chairperson of BAC recording the reasons of such absence in the minutes; | Complied | | |
| 5(3)(c) | Chairman of the BAC shall remain present in the AGM; | Complied | | |
| 5(4)(a) | BAC conducted four meetings in the financial year: | Complied | | |
| 5(4)(b) | The quorum of the meeting of BAC constituted in presence of either two members including ID or two third of the members, whichever was higher; | Complied | | |
| 5(5)(a) | Oversee the financial reporting process; | Complied | | |
| 5(5)(b) | Monitor choice of accounting policies and principles; | Complied | | |
| 5(5)(c) | Monitor Internal Audit and Compliance process to ensure that it is adequately resourced; | Complied | | |
| 5(5)(d) | Oversee hiring and performance of external auditors; | Complied | | |
| 5(5)(e) | Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption; | Complied | | |
| 5(5)(f) | Review with the management, the annual financial statements before submission to the Board for approval; | Complied | | |
| 5(5)(g) | Review with the management, the quarterly and half yearly financial statements before submission to the Board for approval; | Complied | | |
| 5(5)(h) | Review the adequacy of internal audit function; | Complied | | |
| 5(5)(i) | Review the Management's Discussion and Analysis before disclosing in the Annual Report; | Complied | | |
| 5(5)(j) | Review statement of all related party transactions submitted by the management; | Complied | | |
| 5(5)(k) | Review Management Letters or Letter of Internal Control weakness issued by statutory auditors; | Complied | | |
| 5(5)(l) | Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; | Complied | | |
| 5(5)(m) | Oversee whether the proceeds raised IPO or RPO or Rights Share Offer have been utilized per the purposes stated in relevant offer document or prospectus approved by the Commission; | Complied | | |
| 5(6)(a)(i) | The BAC shall report on its activities to the Board; | Complied | | |
| 5(6)(a)(ii)(a) | The BAC shall immediately report to the Board if any report on conflicts of interests; | Complied | | |
| 5(6)(a)(ii)(b) | The BAC shall immediately report to the Board if any suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; | Complied | | |
| 5(6)(a)(ii)(c) | The BAC shall immediately report to the Board if any suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; | Complied | | |
| 5(6)(a)(ii)(d) | The BAC shall immediately report to the Board if any other matter which the Audit Committee deems necessary; | Complied | | |
| 5(6)(b) | If any material impact on the financial condition and results of operation, unreasonably ignored by the management; | Complied | | |
| 5(7) | Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii); | Complied | | |
| 6(1)(a) | Nomination and Remuneration Committee (NRC) as a sub-committee of the Board; | | | On progress |

| Condition No | Title | Status | | Remarks |
|---------------|--|----------|--------------|-------------|
| | | Complied | Not-Complied | |
| 6(1)(b) | The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive; | | | On progress |
| 6(1)(c) | ToR of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b); | | | On progress |
| 6(2)(a) | The Committee shall comprise of at least three members including an independent director; | | | On progress |
| 6(2)(b) | All members of the Committee shall be non-executive directors; | | | On progress |
| 6(2)(c) | Members of the Committee shall be nominated and appointed by the Board; | | | On progress |
| 6(2)(d) | The Board shall have authority to remove and appoint any member of the Committee; | | | On progress |
| 6(2)(e) | In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee; | | | On progress |
| 6(2)(f) | The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee; | | | On progress |
| 6(2)(g) | The company secretary shall act as the secretary of the Committee; | | | On progress |
| 6(2)(h) | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director; | | | On progress |
| 6(2)(i) | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company; | | | On progress |
| 6(3)(a) | The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director; | | | On progress |
| 6(3)(b) | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes; | | | On progress |
| 6(3)(c) | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; | | | On progress |
| 6(4)(a) | The NRC shall conduct at least one meeting in a financial year; | | | On progress |
| 6(4)(b) | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC; | | | On progress |
| 6(4)(c) | The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h); | | | On progress |
| 6(4)(d) | The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC; | | | On progress |
| 6(5)(a) | NRC shall be independent and responsible or accountable to the Board and to the shareholders; | | | On progress |
| 6(5)(b)(i)(a) | NRC shall oversee, formulate & recommend to the Board regarding the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully; | | | On progress |
| 6(5)(b)(i)(b) | NRC shall oversee, formulate & recommend to the Board regarding the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; | | | On progress |
| 6(5)(b)(i)(c) | NRC shall oversee, formulate & recommend to the Board regarding remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals; | | | On progress |
| 6(5)(b)(ii) | NRC shall oversee & make report with recommendation to the Board regarding devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality; | | | On progress |
| 6(5)(b)(iii) | NRC shall oversee & make report with recommendation to the Board regarding identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board; | | | On progress |
| 6(5)(b)(iv) | NRC shall oversee & make report with recommendation to the Board regarding formulating the criteria for evaluation of performance of independent directors and the Board; | | | On progress |

Contd.

| Condition No | Title | Status | | Remarks |
|--------------|---|----------|--------------|-------------|
| | | Complied | Not-Complied | |
| 6(5)(b)(v) | NRC shall oversee & make report with recommendation to the Board regarding identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; | | | On progress |
| 6(5)(b)(vi) | NRC shall oversee & make report with recommendation to the Board regarding developing, recommending and reviewing annually the company's human resources and training policies; | | | On progress |
| 6(5)(c) | The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report; | | | On progress |
| | The issuer Company shall not engage its external or statutory auditors - | | | |
| 7(1)(i) | - to perform the appraisal or valuation services or fairness opinions of the company. | Complied | | |
| 7(1)(ii) | - to perform the financial information systems design and implementation of the company. | Complied | | |
| 7(1)(iii) | - to perform book-keeping or other services related to the accounting records or financial statements of the company. | Complied | | |
| 7(1)(iv) | - to perform broker-dealer services of the company. | Complied | | |
| 7(1)(v) | - to perform actuarial services of the company. | Complied | | |
| 7(1)(vi) | - to perform internal audit services or special audit services of the company. | Complied | | |
| 7(1)(vii) | - to perform any service that the Audit Committee determines of the company. | Complied | | |
| 7(1)(viii) | - to perform audit or certification services on compliance of corporate governance as required under condition No. 9(1) of the company. | Complied | | |
| 7(1)(ix) | - to perform any other service that creates conflict of interest of the company. | Complied | | |
| 7(2) | 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; his or her family members also shall not hold any shares in the said company; | Complied | | |
| 7(3) | Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders; | Complied | | |
| 8(1) | The company shall have an official website linked with the website of the stock exchange; | Complied | | |
| 8(2) | The company shall keep the website functional from the date of listing; | Complied | | |
| 8(3) | The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s) ; | Complied | | |
| 9(1) | Compliance Audit certification and its disclosure in the Annual Report; | Complied | | |
| 9(2) | Compliance certification professional shall be appointed by the shareholders in the AGM; | Complied | | |
| 9(3) | The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not; | Complied | | |



Annexure-VI

Al-Muqtadir Associates
Chartered Secretaries & Consultants

Business Office
Block: D, Road: 8
House # 412, Apartment: 8
Bashundhara R/A, Dhaka-1229
Bangladesh

Phones: 01730 340 340
01552 108 522
e-mail : akamuqtadir@gmail.com
VAT Reg : 19041063900
BIN No : 000179575

Report to the Shareholders of ACI Formulations Limited on compliance with the Corporate Governance Code

(As required under the BSEC Codes of Corporate Governance)

We have examined the compliance status to the Corporate Governance Code by ACI Formulations Limited for the year ended on 30th June 2018. This code relates to the gazette notification no: BSEC/CMRRCD/2006-158/207/Admin/80 dated the 3rd June 2018 of Bangladesh Securities and Exchange Commission (BSEC).

Such compliance with 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 Code. This is a scrutiny and verification and an independent audit on compliance of the conditions of Corporate Governance as well as provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of the Corporate Governance Code.

We state that we have obtained all the information and explanations or representations, which we have required, and after due scrutiny and verification thereof, we report that in our opinion and subject to the remarks and observations as reported in the attached Compliance Statement :

- (a) The Company has complied with the conditions of Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission.
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- (c) Proper books and records have been kept by the Company as required under the Companies Act 1994, the securities laws and other relevant laws, and
- (d) The standard of governance in the Company is satisfactory.

This report, however, is no endorsement about quality of contents in the Annual Report of the Company for the year 2017-18.



Dhaka, October 25, 2018

Al-Muqtadir Associates
Chartered Secretaries & Consultants

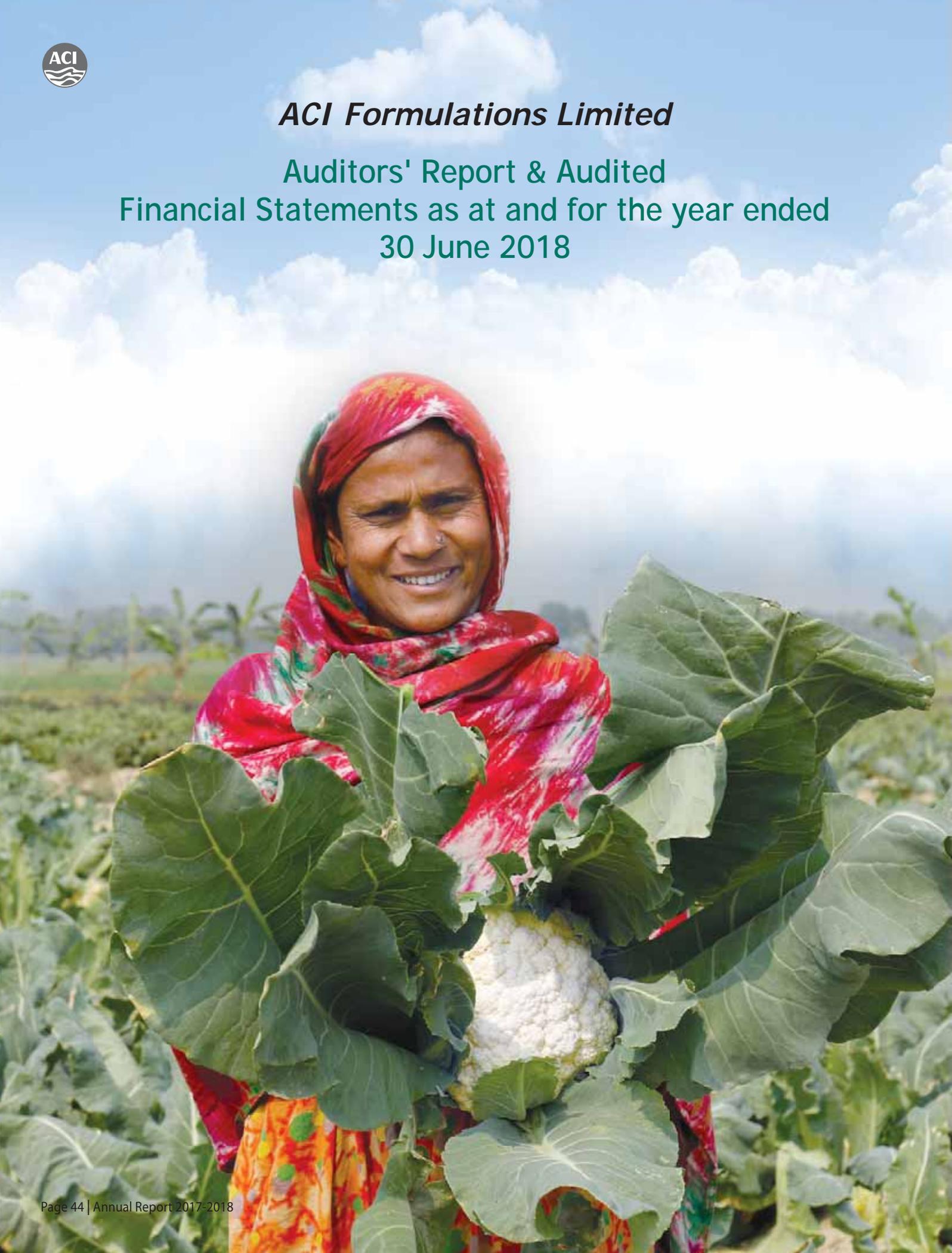


A.K.A. Muqtadir FCS
CEO & Chief Consultant



ACI Formulations Limited

Auditors' Report & Audited Financial Statements as at and for the year ended 30 June 2018



Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Auditor's 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 30 June 2018, 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. The financial statements of one subsidiary as disclosed in note 37 to these financial statements were not audited by us.

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, the Companies Act 1994, the Securities and Exchange Rules 1987, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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 30 June 2018, and of their financial performance and their cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and relevant notification issued by Bangladesh Securities and Exchange Commission, 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 Group so far as it appeared from our examination of these books;
- the separate and the consolidated statements of financial position, 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 Group's business.



Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 25 October 2018



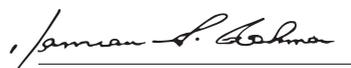
ACI Formulations Limited

Statement of financial position

| In Taka | Note | 30 June 2018 | 30 June 2017 |
|--|------|---------------|---------------|
| Assets | | | |
| Property, plant and equipment | 8 | 1,793,502,725 | 1,792,755,192 |
| Investments | 9 | 37,096,077 | 7,067,287 |
| Non-current assets | | 1,830,598,802 | 1,799,822,479 |
| Inventories | 10 | 1,610,648,618 | 1,384,424,562 |
| Trade receivables | 11 | 1,350,154,816 | 1,326,720,349 |
| Other receivables | 12 | 27,351,263 | 7,096,188 |
| Inter- company receivables | 13 | 516,615,689 | 39,933,951 |
| Advances, deposits and prepayments | 14 | 498,329,534 | 399,976,801 |
| Cash and cash equivalents | 15 | 262,039,838 | 138,354,624 |
| Current assets | | 4,265,139,758 | 3,296,506,475 |
| Total assets | | 6,095,738,560 | 5,096,328,954 |
| Equity | | | |
| Share capital | 16 | 450,000,000 | 450,000,000 |
| Revaluation reserve | | 1,136,392,931 | 1,136,392,931 |
| Retained earnings | | 915,939,875 | 868,404,890 |
| Total equity | | 2,502,332,806 | 2,454,797,821 |
| Liabilities | | | |
| Employee benefits | 17 | 39,179,275 | 30,560,130 |
| Deferred tax liabilities | 18 | 59,510,615 | 51,789,493 |
| Non-current liabilities | | 98,689,890 | 82,349,623 |
| Bank overdrafts | 19 | 163,497,501 | 85,843,847 |
| Loans and borrowings | 20 | 2,738,695,818 | 1,875,875,406 |
| Trade payables | 21 | 126,995,956 | 56,095,428 |
| Other payables | 22 | 196,583,593 | 256,273,023 |
| Inter-company payables | 23 | - | 56,695,146 |
| Provision for tax | 24 | 268,942,996 | 228,398,660 |
| Current liabilities | | 3,494,715,864 | 2,559,181,510 |
| Total liabilities | | 3,593,405,754 | 2,641,531,133 |
| Total equity and liabilities | | 6,095,738,560 | 5,096,328,954 |
| Net Asset Value (NAV) per share | | 55.61 | 54.55 |

The annexed notes 1 to 37 form an integral part of these financial statements.

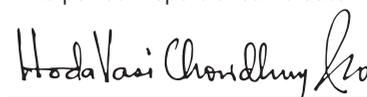

Managing Director


Director


Company Secretary

Dhaka, 25 October 2018

As per our report of same date.


Hoda Vasi Chowdhury & Co.
Chartered Accountants

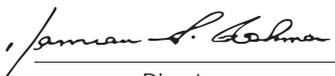
ACI Formulations Limited

Statement of profit or loss and other comprehensive income

| <i>In Taka</i> | Note | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|---|------|------------------------------------|------------------------------------|
| Revenue | 25 | 4,127,465,958 | 3,629,430,879 |
| Cost of sales | 26 | (3,100,967,609) | (2,521,617,906) |
| Gross profit | | 1,026,498,349 | 1,107,812,973 |
| Other income | 27 | 6,594,472 | 4,380,330 |
| Administrative, selling and distribution expenses | 28 | (690,177,273) | (618,540,895) |
| Operating profit | | 342,915,548 | 493,652,408 |
| Finance costs, net | 29 | (171,020,345) | (118,151,966) |
| Profit before contribution to WPPF | | 171,895,203 | 375,500,442 |
| Contribution to WPPF | | (8,594,760) | (18,775,022) |
| Profit before tax | | 163,300,443 | 356,725,420 |
| Income tax expense | 30 | | |
| Current tax | | (40,544,336) | (91,149,008) |
| Deferred tax income/(expense) | | (7,721,122) | (4,139,485) |
| | | (48,265,458) | (95,288,493) |
| Profit after tax | | 115,034,985 | 261,436,927 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | 115,034,985 | 261,436,927 |
| Earnings per share | 31 | | |
| Basic earnings per share | | 2.56 | 5.81 |

The annexed notes 1 to 37 form an integral part of these financial statements.

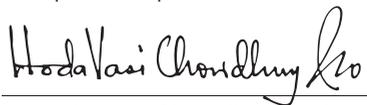

 Managing Director


 Director


 Company Secretary

Dhaka, 25 October 2018

As per our report of same date.


 Hoda Vasi Chowdhury & Co.
 Chartered Accountants



ACI Formulations Limited

Statement of changes in equity

| <i>In Taka</i> | For the year ended 30 June 2018 | | | |
|---|---------------------------------|---------------------|-------------------|---------------|
| | Share capital | Revaluation reserve | Retained earnings | Total |
| Balance at 1 July 2017 | 450,000,000 | 1,136,392,931 | 868,404,890 | 2,454,797,821 |
| Total comprehensive income | | | | |
| Profit after tax | - | - | 115,034,985 | 115,034,985 |
| Other comprehensive income, net of tax | - | - | - | - |
| Total comprehensive income | - | - | 115,034,985 | 115,034,985 |
| Transactions with owners of the company | | | | |
| Contributions and distributions | | | | |
| Final dividend paid for the year 2016-17 | - | - | (67,500,000) | (67,500,000) |
| Total transactions with owners of the company | - | - | (67,500,000) | (67,500,000) |
| Transactions recognised directly in equity | | | | |
| Realisation of revaluation surplus | - | - | - | - |
| Total transactions recognised directly in equity | - | - | - | - |
| Balance at 30 June 2018 | 450,000,000 | 1,136,392,931 | 915,939,875 | 2,502,332,806 |

| <i>In Taka</i> | For the year ended 30 June 2017 | | | |
|---|---------------------------------|---------------------|-------------------|---------------|
| | Share capital | Revaluation reserve | Retained earnings | Total |
| Balance at 1 July 2016 | 450,000,000 | 1,136,392,931 | 696,967,963 | 2,283,360,894 |
| Total comprehensive income | | | | |
| Profit after tax | - | - | 261,436,927 | 261,436,927 |
| Other comprehensive income net of tax | - | - | - | - |
| Total comprehensive income | - | - | 261,436,927 | 261,436,927 |
| Transactions with owners of the company | | | | |
| Contributions and distributions | | | | |
| Interim dividend paid for the year 2016-17 | - | - | (90,000,000) | (90,000,000) |
| Total transactions with owners of the company | - | - | (90,000,000) | (90,000,000) |
| Transactions recognised directly in equity | | | | |
| Realisation of revaluation surplus | - | - | - | - |
| Total transactions recognised directly in equity | - | - | - | - |
| Balance at 30 June 2017 | 450,000,000 | 1,136,392,931 | 868,404,890 | 2,454,797,821 |

The annexed notes 1 to 37 form an integral part of these financial statements.

ACI Formulations Limited

Statement of cash flows

| <i>In Taka</i> | Note | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|---|------|------------------------------------|------------------------------------|
| Cash flows from operating activities | | | |
| Cash receipts from customers and others | | 4,092,179,386 | 3,498,070,296 |
| Cash paid to suppliers and employees | | (3,916,293,729) | (3,558,308,349) |
| Cash (used in)/generated from operating activities | | 175,885,657 | (60,238,053) |
| Paid to WPPF | | (18,775,022) | (6,665,352) |
| Interest paid | | (159,914,659) | (92,619,989) |
| Income tax paid | | (120,057,281) | (134,944,391) |
| | | (298,746,962) | (234,229,732) |
| Net cash (used in)/from operating activities* | 15.3 | (122,861,305) | (294,467,785) |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | | (63,755,936) | (110,117,465) |
| Sale proceed from property, plant and equipment | | 432,800 | - |
| Investment | | (30,028,790) | (29,913) |
| Net cash (used in)/from investing activities | | (93,351,926) | (110,147,378) |
| Cash flows from financing activities | | | |
| Inter-company debts received/(paid) | | (533,376,884) | (363,119,851) |
| Proceeds from loans and borrowings | | 862,820,412 | 931,638,216 |
| Dividends paid | | (67,198,737) | (155,122,480) |
| Net cash (used in)/from financing activities | | 262,244,791 | 413,395,885 |
| Net increase/(decrease) in cash and cash equivalents | | 46,031,560 | 8,780,722 |
| Opening Cash and cash equivalents | | 52,510,777 | 43,730,055 |
| Cash and cash equivalents at reporting date | | 98,542,337 | 52,510,777 |
| Closing balance represents | | | |
| Cash and cash equivalents | 15 | 262,039,838 | 138,354,624 |
| Bank overdraft | 19 | (163,497,501) | (85,843,847) |
| | | 98,542,337 | 52,510,777 |
| Net Operating Cash Flows Per Share (NOCFPS) | | (2.73) | (6.54) |

* See Note 15.3 for reconciliation of net operating cash flow.

The annexed notes 1 to 37 form an integral part of these financial statements.



ACI Formulations Limited

Consolidated statement of financial position

| In Taka | Note | 30 June 2018 | 30 June 2017 |
|---|-------|----------------------|----------------------|
| Assets | | | |
| Property, plant and equipment | 8(a) | 1,795,746,344 | 1,795,620,835 |
| Investments | 9(a) | 33,147,743 | 3,118,953 |
| Intangible assets | | 5,147,792 | 5,147,792 |
| Non-current assets | | 1,834,041,879 | 1,803,887,580 |
| Inventories | 10(a) | 1,629,233,566 | 1,397,198,792 |
| Trade receivables | 11(a) | 1,360,567,380 | 1,339,390,192 |
| Other receivables | 12 | 26,004,265 | 7,088,014 |
| Inter- company receivables | 13(a) | 490,417,631 | - |
| Advances, deposits and prepayments | 14(a) | 500,830,409 | 404,723,417 |
| Cash and cash equivalents | 15(a) | 262,105,286 | 150,743,214 |
| Current assets | | 4,269,158,537 | 3,299,143,629 |
| Total assets | | 6,103,200,416 | 5,103,031,209 |
| Equity | | | |
| Share capital | 16 | 450,000,000 | 450,000,000 |
| Revaluation reserve | | 1,136,392,931 | 1,136,392,931 |
| Retained earnings | | 909,029,248 | 859,292,594 |
| Equity attributable to the owners of the Company | | 2,495,422,179 | 2,445,685,525 |
| Non controlling interest | | (165,520) | (210,452) |
| Total equity | | 2,495,256,659 | 2,445,475,073 |
| Liabilities | | | |
| Employee benefits | 17 | 39,179,275 | 30,560,130 |
| Deferred tax liabilities | | 58,526,713 | 51,201,931 |
| Non-current liabilities | | 97,705,988 | 81,762,061 |
| Bank overdrafts | 19 | 163,497,501 | 85,843,847 |
| Loans and borrowings | 20(a) | 2,746,378,692 | 1,881,364,554 |
| Trade payables | 21(a) | 132,432,664 | 66,025,151 |
| Other payables | 22(a) | 197,588,908 | 257,187,927 |
| Inter-company payables | 23 | - | 56,695,146 |
| Provision for tax | 24(a) | 270,340,004 | 228,677,450 |
| Current liabilities | | 3,510,237,769 | 2,575,794,075 |
| Total liabilities | | 3,607,943,757 | 2,657,556,136 |
| Total equity and liabilities | | 6,103,200,416 | 5,103,031,209 |
| Net Asset Value (NAV) per share | | 55.45 | 54.35 |

The annexed notes 1 to 37 form an integral part of these financial statements.

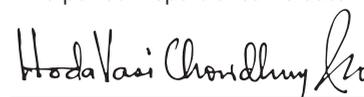

Managing Director


Director


Company Secretary

Dhaka, 25 October 2018

As per our report of same date.


Hoda Vasi Chowdhury & Co.
Chartered Accountants

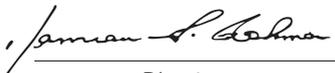
ACI Formulations Limited

Consolidated statement of profit or loss and other comprehensive income

| <i>In Taka</i> | Note | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|---|---------|------------------------------------|------------------------------------|
| Revenue | 25(a) | 4,153,270,513 | 3,663,013,573 |
| Cost of sales | 26(a) | (3,122,157,333) | (2,552,157,279) |
| Gross profit | | 1,031,113,180 | 1,110,856,294 |
| Other income | 27 | 6,594,472 | 4,380,330 |
| Administrative, selling and distribution expenses | 28(a) | (691,303,121) | (619,196,713) |
| Operating profit | | 346,404,531 | 496,039,911 |
| Finance costs, net | 29(a) | (171,540,849) | (118,619,710) |
| Profit before contribution to WPPF | | 174,863,682 | 377,420,201 |
| Contribution to WPPF | | (8,594,760) | (18,775,022) |
| Profit before tax | | 166,268,922 | 358,645,179 |
| Income tax expense: | 30(a) | | |
| Current tax | | (41,662,554) | (91,350,505) |
| Deferred tax income/(expense) | | (7,324,782) | (4,126,921) |
| | | (48,987,336) | (95,477,426) |
| Profit after tax | | 117,281,586 | 263,167,753 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | 117,281,586 | 263,167,753 |
| Profit attributable to: | | | |
| Owners of the Company | | 117,236,654 | 263,137,439 |
| Non-controlling interest | | 44,932 | 30,314 |
| | | 117,281,586 | 263,167,753 |
| Earnings per share | 31.1(a) | | |
| Basic earnings per share | | 2.61 | 5.85 |

The annexed notes 1 to 37 form an integral part of these financial statements.


 Managing Director


 Director


 Company Secretary

Dhaka, 25 October 2018

As per our report of same date.


 Hoda Vasi Chowdhury & Co.
 Chartered Accountants

ACI Formulations Limited

Consolidated statement of changes in equity

For the year ended 30 June 2018

| In Taka | Attributable to owners of the Company | | | | Non-controlling interests | Total equity |
|--|---------------------------------------|---------------------|-------------------|---------------|---------------------------|---------------|
| | Share capital | Revaluation reserve | Retained earnings | Total | | |
| Balance as at 1 July 2017 | 450,000,000 | 1,136,392,931 | 859,292,594 | 2,445,685,525 | (210,452) | 2,445,475,073 |
| Total comprehensive income | - | - | 117,236,654 | 117,236,654 | 44,932 | 117,281,586 |
| Profit after tax | - | - | - | - | - | - |
| Other comprehensive income, net of tax | - | - | - | - | - | - |
| Total comprehensive income | - | - | 117,236,654 | 117,236,654 | 44,932 | 117,281,586 |
| Transactions with owners of the company | - | - | - | - | - | - |
| Contributions and distributions | - | - | - | - | - | - |
| Realisation of revaluation surplus | - | - | - | - | - | - |
| Changes in ownership interests | - | - | - | - | - | - |
| Adjustment of strike off of subsidiaries | - | - | - | - | - | - |
| Total transactions with owners of the company | - | - | - | - | - | - |
| Transactions recognised directly in equity | - | - | (67,500,000) | (67,500,000) | - | (67,500,000) |
| Final dividend paid for the year 2016-17 | - | - | (67,500,000) | (67,500,000) | - | (67,500,000) |
| Total transactions recognised directly in equity | - | - | (67,500,000) | (67,500,000) | - | (67,500,000) |
| Balance as at 30 June 2018 | 450,000,000 | 1,136,392,931 | 909,029,248 | 2,495,422,179 | (165,520) | 2,495,256,659 |

For the year ended 30 June 2017

| In Taka | Attributable to owners of the Company | | | | Non-controlling interests | Total equity |
|--|---------------------------------------|---------------------|-------------------|---------------|---------------------------|---------------|
| | Share capital | Revaluation reserve | Retained earnings | Total | | |
| Balance as at 1 July 2016 | 450,000,000 | 1,136,392,931 | 686,155,155 | 2,272,548,086 | (231,655) | 2,272,316,431 |
| Total comprehensive income | - | - | 263,137,439 | 263,137,439 | 30,314 | 263,167,753 |
| Profit after tax | - | - | - | - | - | - |
| Other comprehensive income, net of tax | - | - | - | - | - | - |
| Total comprehensive income | - | - | 263,137,439 | 263,137,439 | 30,314 | 263,167,753 |
| Transactions with owners of the company | - | - | - | - | - | - |
| Contributions and distributions | - | - | - | - | - | - |
| Realisation of revaluation surplus | - | - | - | - | - | - |
| Changes in ownership interests | - | - | - | - | - | - |
| Adjustment of strike off of subsidiaries | - | - | - | - | (9,111) | (9,111) |
| Total transactions with owners of the company | - | - | - | - | (9,111) | (9,111) |
| Transactions recognised directly in equity | - | - | (90,000,000) | (90,000,000) | - | (90,000,000) |
| Interim dividend paid for the year 2016-17 | - | - | (90,000,000) | (90,000,000) | - | (90,000,000) |
| Total transactions recognised directly in equity | - | - | (90,000,000) | (90,000,000) | - | (90,000,000) |
| Balance as at 30 June 2017 | 450,000,000 | 1,136,392,931 | 859,292,594 | 2,445,685,525 | (210,452) | 2,445,475,073 |

The annexed notes 1 to 37 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 30 June 2018 | For the year ended 30 June 2017 |
|--|---------|------------------------------------|------------------------------------|
| Cash flows from operating activities | | | |
| Cash receipts from customers | | 4,120,241,219 | 3,521,798,279 |
| Cash paid to suppliers and employees | | (3,958,204,168) | (3,571,988,865) |
| Cash (used in)/generated from operating activities | | 162,037,051 | (50,190,586) |
| Payment for WPPF | | (18,775,022) | (6,665,352) |
| Interest paid | | (160,435,163) | (93,087,733) |
| Income tax paid | | (120,205,040) | (135,464,269) |
| | | (299,415,225) | (235,217,354) |
| Net cash (used in)/from operating activities* | 15.2(b) | (137,378,174) | (285,407,940) |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | | (63,755,935) | (110,346,288) |
| Sale proceed from property, plant and equipment | | 432,800 | - |
| Investment | | (30,028,790) | (29,913) |
| Net cash (used in)/from investing activities | | (93,351,925) | (110,376,201) |
| Cash flows from financing activities | | | |
| Inter-company debts received/(paid) | | (533,376,884) | (363,119,851) |
| Proceeds from loans and borrowings | | 865,014,138 | 932,813,742 |
| Dividends paid | | (67,198,737) | (155,122,480) |
| Net cash (used in)/from financing activities | | 264,438,517 | 414,571,411 |
| Net increase/(decrease) in cash and cash equivalents | | 33,708,418 | 18,787,270 |
| Opening Cash and cash equivalents | | 64,899,367 | 46,112,097 |
| Closing cash and cash equivalents at reporting date | | 98,607,785 | 64,899,367 |
| Closing balance represents | | | |
| Cash and cash equivalents | 15(a) | 262,105,286 | 150,743,214 |
| Bank overdraft | 19 | (163,497,501) | (85,843,847) |
| | | 98,607,785 | 64,899,367 |
| Net Operating Cash Flows Per Share (NOCFPS) | | (3.05) | (6.34) |

* See Note 15.2(b) for reconciliation of net operating cash flow.

The annexed notes 1 to 37 form an integral part of these financial statements.



ACI Formulations Limited

Notes to the financial statements

as at and for the year ended 30 June 2018

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, was converted 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 at 245 Tejgaon Industrial Area, Dhaka-1208, Bangladesh. 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. The consolidated financial statements of the Company as at and for the year ended 30 June 2018 comprise the Company's and its subsidiaries (together referred to as the "Group" and individually as "Group entities") interest in controlled entities.

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 S. C. Johnson & Son, Inc., are manufactured by the Company under contract which is distributed by ACI Limited.

1.3 Description of subsidiaries

The Company has acquired 98% shares of Neem Laboratories (Pvt.) Ltd. The initial 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.

2. Basis of accounting

2.1 Statement of compliance

The separate financial statements as well as consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

2.2 Date of authorisation

The separate financial statements as well as consolidated financial statements were authorised by the Company's Board of Directors on 25 October 2018 for publication.

2.3 Basis of measurement

The consolidated financial statements have been prepared on going concern basis under the historical cost basis except for certain assets which are stated either at revalued amount or fair market value as explained in the accompanying notes.

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 Group. The amounts in these financial statements have been rounded off to the nearest Taka, unless otherwise indicated. Because of these rounding off, in some instance the total may not match the sum of individual balance.

4. Use of judgments and estimates

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30 June 2018 is included in the following notes:

| | |
|------------------|-------------------------------|
| Note- 8 & 8(a) | Property, plant and equipment |
| Note- 10 & 10(a) | Inventories |
| Note- 11 & 11(a) | Trade receivables |
| Note- 12 | Other receivables |
| Note- 13 & 13(a) | Inter- company receivables |
| Note- 17 | Employee benefits |
| Note- 18 | Deferred tax liabilities |
| Note- 24 & 24(a) | Provision for tax |
| Note- 33 | Commitment and contingencies |

When measuring the fair value of an asset or a liability, the Group 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 Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



5 Reporting period

The current financial period of the Company covers one year from 1 July 2017 to 30 June 2018 and will be following consistently.

6 Significant accounting policies

The Group 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) Current versus non-current classification
- (b) Offsetting
- (c) Basis of consolidation
- (d) Revenue
- (e) Foreign currency transactions
- (f) Employee benefits
- (g) Finance income and finance costs
- (h) Income tax
- (i) Investment
- (j) Biological assets
- (k) Inventories
- (l) Property, plant and equipment
- (m) Intangible assets and goodwill
- (n) Financial instruments
- (o) Share capital
- (p) Impairment
- (q) Operating leases
- (r) Provisions
- (s) Going concern
- (t) Contingencies
- (u) Statement of cash flows
- (v) Earnings per share (EPS)
- (w) Events after the reporting period
- (x) Dividends
- (y) Materiality and aggregation
- (z) Standards issued but not yet effective

(a) Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- i) expected to be settled in normal operating cycle, or
- ii) due to be realised within twelve months after the reporting period, or
- iii) held primarily for the purpose of trading, or
- iv) used or exchanged to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- i) expected to be settled in normal operating cycle, or
- ii) due to be settled within twelve months after the reporting period, or
- iii) held primarily for the purpose of trading, or
- iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

(b) Offsetting

The Group reports separately both assets and liabilities, and income and expenses, unless required by an applicable accounting standard or offsetting reflects the substance of the transaction and such offsetting is permitted by applicable accounting standard.

Cash receipts and payments on behalf of customers when the cash flows reflect the activities of the customer rather than those of the entity and cash receipts and payments for items in which the turnover is quick, the amounts are large, and the maturities are short are presented net in the statement of cash flows.

(c) Basis of consolidation

(i) *Subsidiaries*

Subsidiaries are entities controlled by the Company. Control exists when the Company 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 the Company.

(ii) *Non-controlling interests*

Non-controlling interest (NCI) is the equity interest in a subsidiary not attributable to ACI Formulations Limited. NCI is measured at subsidiaries' proportionate share of identifiable net assets at the date of acquisition.

(iii) *Loss of control*

When the Company loses control over a subsidiary, it derecognises the assets (including any goodwill) and liabilities of the subsidiary, any related NCI and other components of the equity at their carrying amount at the date when control is lost. Any resulting gain or loss is recognised in the profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) *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.



(d) Revenue

i) Sale of goods

Revenue is recognised when the significant risk and reward of ownership have been transferred to the customer, recovery of the consideration is payable, the associated costs and possible return of goods can be measured reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured net of returns, allowances and value added tax.

ii) Rendering of services

Revenue from rendering of services is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

iii) Commissions

If the Group acts in capacity of an agent rather than as the principal of transaction, then the revenue recognised is the net amount of commission made by the Group.

(e) Foreign currency transactions

The financial statements are prepared in BDT, which is the Company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of such transactions. Monetary assets and liabilities in foreign currencies at the date of financial position are translated into BDT at the exchange rate prevailing at that date. 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 transaction.

(f) 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 Group 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 8% 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.

The Company recognises contribution to defined contribution plan as an expense when an employee has rendered related services in exchange for such contribution. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(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. The Employees' Gratuity Fund of the Company is being considered as defined benefit plan.

Defined benefit plan is a post-employment benefit plan under which amounts to be paid as retirement benefits are determined by reference to employees' earnings and/or year of services. The rate used to discount post employment benefit obligations is determined by reference to the rate stated in the actuarial report. Actuarial valuation of gratuity scheme has been made in 2018 to assess the adequacy of the liabilities provided for the schemes.

(iv) Workers' Profit Participation Fund (WPPF)

The Company operates funds for workers as 'Workers' Profit Participation Fund' and 5% of the profit before charging such expense have been transferred to this fund as per section 234 of the Labour Act 2006 (amended in 2013).

(g) Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;

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

(h) 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. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income tax, if any. Current tax assets and liabilities are offset only if certain criteria are met. It is measured using tax rates enacted or substantively enacted at the reporting date. The applicable tax rates for the Company is currently 25%.

(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.
- temporary difference related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will.

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.

(i) Investment

In separate financial statements of the Company, investment in subsidiaries has been carried at cost as per BAS 27: Separate Financial Statements.

Investments in subsidiaries- Investment in subsidiaries has been accounted for as per BFRS 10: Consolidated Financial Statements. The investment is eliminated in full against the equity of acquired subsidiary, which is measured at fair value at the date of acquisition as per BFRS 3: Business Combinations.



(j) Biological assets

Biological assets are measured fair value less costs to sell, with any changes therein recognised in profit or loss.

(k) 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.

Material 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.

(l) 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. The items of property, plant and equipment were revalued in the year 2004, 2010 and 2015 by the firm of professional values on the basis of applicable methods including market value method, premise on the accompanying narrative information and valuation methodology. 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 30 June 2018 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.

(ii) Subsequent costs

The cost of replacement or upgradation of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. All other repair and maintenance expense are charged to income statement as incurred.

(iii) Depreciation

All items of property, plant and equipment have been depreciated on straight line basis over the estimated useful life of each item of property, plant and equipment. Depreciation on additions is charged in full from the month 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, as land has unlimited useful life and CWIP has not yet been placed in service.

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 initially recognised property, plant and equipment are as follows:

| <i>In Year</i> | 30 June 2018 | 30 June 2017 |
|--|---------------------|---------------------|
| Building | 40 | 40 |
| Plant and machinery | 10 | 10 |
| Equipment and machinery | 5-10 | 5-10 |
| Electrical and other office appliances | 5-10 | 5-10 |
| Furniture and fixture | 10 | 10 |
| Motor 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 during this period.

(iv) Capitalisation of borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset as per BAS 23: Borrowing cost. The capitalisation rate is the weighted average of the borrowing costs of Group's borrowings for this purpose and the capitalisation of such borrowing costs ceases when the asset is ready for intended use.

(v) Impairment

The carrying amount of the non- financial assets, other than inventories and deferred tax assets (considered as disclosed separately under respective accounting standards), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

(vi) 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. When revalued assets are disposed of, the amounts included in the revaluation surplus are transferred to retained earnings.

(m) Intangible assets and goodwill

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



(n) Financial instruments

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

(i) *Financial assets*

The Group initially recognises receivables and deposits issued on the date when they are originated. All other financial assets are initially recognised on the trade date, when the entity becomes a party to the contractual provisions of the instrument.

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

Trade, inter-company 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 Group'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 Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Investment in term deposit

The Group has the positive intent and ability to hold term deposit to maturity, and as such financial assets are classified as held to maturity. Held to maturity financial assets are recognised at fair value plus any directly attributable transaction cost.

(ii) *Financial liabilities*

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

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

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

The Group 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 economic 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 Group has a legally enforceable 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.

(o) **Share capital**

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with BAS 12: Income Taxes.

(p) **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 Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers; or
- the disappearance of an active market of a security because of financial difficulties; or
- observable data indicating that there is a measurable decrease in expected cash flows from a group of financial assets.

Financial assets measured at amortised cost

The Group 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 Group 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 Group 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 Group reviews the carrying amounts of its non-financial assets (other than biological costs, inventories and 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.

(q) **Operating leases**

All leases other than those which meet the definition of finance lease are treated as operating lease and are not recognised in the statement of financial position. Payments made under operating leases are charged to the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease.

(r) **Provisions**

A provision is recognised if, as a result of past event, the Group 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. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provision are reversed.

(s) **Going concern**

The Group 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.

(t) **Contingencies**

(i) *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; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

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

(ii) 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 Group does not recognise contingent asset. Only when the realisation of the related economic benefits are visually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

(u) Statement of cash flows

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

(v) Earnings per share (EPS)

The Group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company / Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting profit or loss for the year attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any. However, dilution of EPS is not applicable for these financial statements as there was no potential dilutive ordinary shares during the year ended 30 June 2018.

(w) Events after the reporting period

Events after the reporting period that provide additional information about the Group'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.

(x) Dividends

Final dividend distribution to the Group's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Group's shareholders at the Annual General meeting, while interim dividend distributions are recognised in the period in which the dividends are declared and paid.

(y) Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.



(z) Standards issued but not yet effective

The Group has consistently applied the accounting policies as set out in Note 6 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 July 2016 have been considered. However, these amendments have no material impact on the financial statements of the Group.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted. However, the Group has not early applied the following new standards in preparing these financial statements.

(i) BFRS 9 Financial Instruments

BFRS 9, published in July 2014, replaces the existing guidance in BAS 39 Financial Instruments: Recognition and Measurement. BFRS 9 includes revised guidance on the classification and measurement of the financial instruments, a new expected credit loss model for calculating impairment of financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS 39. BFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is yet to assess the potential impact of BFRS 9 on its financial statements.

(ii) BFRS 15 Revenue from Contracts with Customers

BFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing recognition guidance, including BAS 18 Revenue, BAS 11 Construction Contracts and BFRI 13 Customer Loyalty Programmes. BFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is yet to assess the potential impact of BFRS 15 on its financial statements.

(iii) BFRS 16 Leases

BFRS 16 eliminates the current operating/financing lease dual accounting model for leases. Instead, there is a single, on-balance sheet accounting model, similar to current finance lease accounting. Issued in January 2016, the new BFRS will replace the existing guidance in BAS 17 Leases. BFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. Early adoption is permitted if BFRS 15 Revenue from Contracts with Customers is also adopted. The Group is yet to assess the potential impact of BFRS 16 on its financial statements.

7 Operating segments

(i) Basis for segmentation

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

| 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 |
| Paint | To manufacture and sell paint products |

(ii) Information about reportable segments

Information related to each reportable segment is set out below. Segment profit/(loss) 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.

30 June 2018

| In Taka | Reportable segments | | | | | Total reportable segments | Unallocated | Total |
|---|----------------------|--------------------|--------------------|---------------------|----------------------|---------------------------|----------------------|-------|
| | CC & PH | M Coil | Aerosol | Paint | | | | |
| External revenue | 2,443,423,693 | 493,339,066 | 740,044,144 | 388,284,614 | 4,065,091,517 | 62,374,441 | 4,127,465,958 | |
| Intra-segment revenue | - | - | - | - | - | 25,804,555 | 25,804,555 | |
| Segment revenue | 2,443,423,693 | 493,339,066 | 740,044,144 | 388,284,614 | 4,065,091,517 | 88,178,996 | 4,153,270,513 | |
| Cost of sales excluding depreciation | (1,548,731,260) | (448,672,834) | (693,827,073) | (303,498,615) | (2,994,729,782) | (79,882,085) | (3,074,611,867) | |
| Depreciation | (31,527,801) | (21,542,720) | (5,266,820) | (3,977,695) | (62,315,036) | (1,305,290) | (63,620,326) | |
| Other income | 5,399,477 | - | 261,660 | 933,335 | 6,594,472 | - | 6,594,472 | |
| Operating expenses excluding depreciation | (566,146,178) | (7,851,318) | (9,104,536) | (91,164,839) | (674,266,872) | (955,351) | (675,222,223) | |
| Finance costs | (151,972,566) | - | - | (19,047,779) | (171,020,345) | (520,504) | (171,540,849) | |
| Segment profit/(loss) before tax | 142,923,096 | 14,508,583 | 30,502,006 | (27,047,430) | 160,886,256 | 5,382,666 | 166,268,922 | |
| Segment assets | 3,113,953,743 | 819,496,863 | 610,415,503 | 400,986,835 | 4,944,852,944 | 1,158,347,472 | 6,103,200,416 | |
| Segment liabilities | 1,203,632,465 | 25,024,322 | 283,779,417 | 97,668,332 | 1,610,104,536 | 1,997,839,221 | 3,607,943,757 | |

30 June 2017

| In Taka | Reportable segments | | | | | Total reportable segments | Unallocated | Total |
|---|----------------------|--------------------|--------------------|---------------------|----------------------|---------------------------|----------------------|-------|
| | CC & PH | M Coil | Aerosol | Paint | | | | |
| External revenue | 2,246,950,903 | 524,068,918 | 609,912,662 | 196,284,925 | 3,577,217,408 | 52,213,471 | 3,629,430,879 | |
| Intra-segment revenue | - | - | - | - | - | 33,582,694 | 33,582,694 | |
| Segment revenue | 2,246,950,903 | 524,068,918 | 609,912,662 | 196,284,925 | 3,577,217,408 | 85,796,165 | 3,663,013,573 | |
| Cost of sales excluding depreciation | (1,232,312,497) | (479,846,611) | (569,059,507) | (147,933,483) | (2,429,152,098) | (78,780,231) | (2,507,932,329) | |
| Depreciation | (28,888,650) | (19,572,336) | (4,464,268) | (3,554,181) | (56,479,435) | (1,253,105) | (57,732,540) | |
| Other income | 3,302,997 | 203,964 | 180,385 | 692,984 | 4,380,330 | - | 4,380,330 | |
| Operating expenses excluding depreciation | (509,500,476) | (9,235,459) | (9,564,962) | (77,300,687) | (605,601,584) | (87,544) | (605,689,128) | |
| Finance costs | (108,720,621) | - | - | (9,431,345) | (118,151,966) | (467,744) | (118,619,710) | |
| Segment profit/(loss) before tax | 352,290,073 | 14,837,552 | 25,654,095 | (39,179,697) | 353,602,022 | 5,043,157 | 358,645,179 | |
| Segment assets | 2,794,009,021 | 837,670,307 | 508,122,761 | 302,157,542 | 4,441,959,631 | 661,071,578 | 5,103,031,209 | |
| Segment liabilities | 796,570,879 | 134,139,448 | 247,500,013 | 85,878,612 | 1,264,088,952 | 1,393,467,184 | 2,657,556,136 | |

8 Property, plant and equipment

| In Taka | Land | Building | Plant and machinery | Equipment and machinery | Electrical and other office appliances | Furniture and fixture | Motor vehicle | Under construction | Total |
|--------------------------------|----------------------|--------------------|---------------------|-------------------------|--|-----------------------|-------------------|--------------------|----------------------|
| Cost | | | | | | | | | |
| Balance at 1 July 2016 | 209,248,399 | 182,818,822 | 165,153,554 | 11,097,303 | 6,620,217 | 13,136,221 | 43,162,915 | 3,460,222 | 634,697,653 |
| Additions | 21,040,764 | - | - | 3,513,547 | 758,980 | 87,236 | 10,239,939 | 73,946,119 | 109,586,585 |
| Transfer | - | 2,979,317 | 57,707,076 | - | - | - | - | (60,686,393) | - |
| Adjustment | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2017 | 230,289,163 | 185,798,139 | 222,860,630 | 14,610,850 | 7,379,197 | 13,223,457 | 53,402,854 | 16,719,948 | 744,284,238 |
| Balance at 1 July 2017 | 230,289,163 | 185,798,139 | 222,860,630 | 14,610,850 | 7,379,197 | 13,223,457 | 53,402,854 | 16,719,948 | 744,284,238 |
| Additions | 3,676,022 | - | 4,342,985 | 1,462,002 | 524,777 | 1,719,702 | 14,569,538 | 36,930,166 | 63,225,192 |
| Transfer | - | 5,722,863 | 14,656,231 | 186,536 | 206,160 | 7,694,082 | - | (28,465,872) | - |
| Adjustment | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2018 | 233,965,185 | 191,521,002 | 241,859,846 | 16,259,388 | 8,110,134 | 22,637,241 | 67,972,392 | 25,184,242 | 807,509,430 |
| Revaluation | | | | | | | | | |
| Balance at 1 July 2016 | 1,087,030,581 | 36,307,824 | 4,895,230 | 448,847 | 1,291,621 | 113,471 | 8 | - | 1,130,087,582 |
| Addition | - | - | - | - | - | - | - | - | - |
| Adjustment | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2017 | 1,087,030,581 | 36,307,824 | 4,895,230 | 448,847 | 1,291,621 | 113,471 | 8 | - | 1,130,087,582 |
| Balance at 1 July 2017 | 1,087,030,581 | 36,307,824 | 4,895,230 | 448,847 | 1,291,621 | 113,471 | 8 | - | 1,130,087,582 |
| Addition | - | - | - | - | - | - | - | - | - |
| Adjustment | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | (1) | - | (1) |
| Balance at 30 June 2018 | 1,087,030,581 | 36,307,824 | 4,895,230 | 448,847 | 1,291,621 | 113,471 | 7 | - | 1,130,087,581 |

| 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-Cost | | | | | | | | | |
| Balance at 1 July 2016 | - | 2,907,095 | 13,847,850 | 1,006,136 | 482,032 | 1,283,904 | 4,389,259 | - | 23,916,276 |
| Depreciation | - | 5,965,909 | 31,078,282 | 2,661,183 | 1,044,220 | 2,733,759 | 10,840,848 | - | 54,324,201 |
| Adjustment | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2017 | - | 8,873,004 | 44,926,132 | 3,667,319 | 1,526,252 | 4,017,663 | 15,230,107 | - | 78,240,477 |
| Balance at 1 July 2017 | - | 8,873,004 | 44,926,132 | 3,667,319 | 1,526,252 | 4,017,663 | 15,230,107 | - | 78,240,477 |
| Depreciation | - | 6,010,996 | 33,720,666 | 3,114,069 | 1,287,022 | 2,769,872 | 13,308,152 | - | 60,210,777 |
| Adjustment | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2018 | - | 14,884,000 | 78,646,798 | 6,781,388 | 2,813,274 | 6,787,535 | 28,538,259 | - | 138,451,254 |

| 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 - Revaluation | | | | | | | | | |
| Balance at 1 July 2016 | - | 603,020 | 373,039 | 59,773 | 69,269 | 4,171 | (2) | - | 1,109,270 |
| Depreciation | - | 1,171,367 | 823,630 | 118,952 | 138,540 | 14,392 | - | - | 2,266,881 |
| Adjustment | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2017 | - | 1,774,387 | 1,196,669 | 178,725 | 207,809 | 18,563 | (2) | - | 3,376,151 |
| Balance at 1 July 2017 | - | 1,774,387 | 1,196,669 | 178,725 | 207,809 | 18,563 | (2) | - | 3,376,151 |
| Depreciation | - | 1,171,367 | 823,630 | 118,952 | 138,540 | 14,392 | - | - | 2,266,881 |
| Adjustment | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2018 | - | 2,945,754 | 2,020,299 | 297,677 | 346,349 | 32,955 | (2) | - | 5,643,032 |
| Carrying amounts | | | | | | | | | |
| As at 1 July 2016 | 1,296,278,980 | 215,616,531 | 155,827,895 | 10,480,241 | 7,360,537 | 11,961,617 | 38,773,666 | 3,460,222 | 1,739,759,689 |
| As at 30 June 2017 | 1,317,319,744 | 211,458,572 | 181,633,059 | 11,213,653 | 6,936,757 | 9,300,702 | 38,172,757 | 16,719,948 | 1,792,755,192 |
| As at 30 June 2018 | 1,320,995,766 | 209,999,072 | 166,087,979 | 9,629,170 | 6,242,132 | 15,930,222 | 39,434,142 | 25,184,242 | 1,793,502,725 |

8 (a) Consolidated property, plant and equipment

| In Taka | Land | Building | Plant and machinery | Equipment and machinery | Electrical and other office appliances | Furniture and fixture | Motor vehicle | Under construction | Total |
|--------------------------------|--------------------|--------------------|---------------------|-------------------------|--|-----------------------|-------------------|--------------------|--------------------|
| Cost | | | | | | | | | |
| Balance at 1 July 2016 | 209,248,400 | 182,818,822 | 167,457,152 | 11,480,648 | 7,053,680 | 13,487,184 | 44,422,915 | 3,460,222 | 639,429,023 |
| Additions | 21,040,764 | - | - | 3,742,370 | 758,980 | 87,236 | 10,239,939 | 73,946,119 | 109,815,408 |
| Transfer | - | 2,979,317 | 57,707,076 | - | - | - | - | (60,686,393) | - |
| Adjustment | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2017 | 230,289,164 | 185,798,139 | 225,164,228 | 15,223,018 | 7,812,660 | 13,574,420 | 54,662,854 | 16,719,948 | 749,244,431 |
| Balance at 1 July 2017 | 230,289,164 | 185,798,139 | 225,164,228 | 15,223,018 | 7,812,660 | 13,574,420 | 54,662,854 | 16,719,948 | 749,244,431 |
| Additions | 3,676,022 | - | 4,342,985 | 1,462,002 | 524,777 | 1,719,702 | 14,569,538 | 36,930,166 | 63,225,192 |
| Transfer | - | 5,722,863 | 14,656,231 | 186,536 | 206,160 | 7,694,082 | - | (28,465,872) | - |
| Adjustment | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2018 | 233,965,186 | 191,521,002 | 244,163,444 | 16,871,556 | 8,543,597 | 22,988,204 | 69,232,392 | 25,184,241 | 812,469,623 |

| In Taka | Land | Building | Plant and machinery | Equipment and machinery | Electrical and other office appliances | Furniture and fixture | Motor vehicle | Under construction | Total |
|--------------------------------|----------------------|-------------------|---------------------|-------------------------|--|-----------------------|---------------|--------------------|----------------------|
| Revaluation | | | | | | | | | |
| Balance at 1 July 2016 | 1,087,030,581 | 36,307,824 | 4,895,230 | 448,847 | 1,291,621 | 113,471 | 8 | - | 1,130,087,582 |
| Addition | - | - | - | - | - | - | - | - | - |
| Adjustment | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2017 | 1,087,030,581 | 36,307,824 | 4,895,230 | 448,847 | 1,291,621 | 113,471 | 8 | - | 1,130,087,582 |
| Balance at 1 July 2017 | 1,087,030,581 | 36,307,824 | 4,895,230 | 448,847 | 1,291,621 | 113,471 | 8 | - | 1,130,087,582 |
| Addition | - | - | - | - | - | - | - | - | - |
| Adjustment | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | (1) | - | (1) |
| Balance at 30 June 2018 | 1,087,030,581 | 36,307,824 | 4,895,230 | 448,847 | 1,291,621 | 113,471 | 7 | - | 1,130,087,581 |

| 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 - Cost | | | | | | | | | |
| Balance at 1 July 2016 | - | 2,907,095 | 14,423,750 | 1,119,663 | 559,207 | 1,371,274 | 5,019,259 | - | 25,400,248 |
| Depreciation - | - | 5,965,909 | 31,308,642 | 2,723,435 | 1,075,090 | 2,768,855 | 11,092,848 | - | 54,934,779 |
| Adjustment | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2017 | - | 8,873,004 | 45,732,392 | 3,843,098 | 1,634,297 | 4,140,129 | 16,112,107 | - | 80,335,027 |
| Balance at 1 July 2017 | - | 8,873,004 | 45,732,392 | 3,843,098 | 1,634,297 | 4,140,129 | 16,112,107 | - | 80,335,027 |
| Depreciation | - | 6,010,996 | 33,951,025 | 3,187,762 | 1,317,892 | 2,804,967 | 13,560,159 | - | 60,832,801 |
| Adjustment | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2018 | - | 14,884,000 | 79,683,417 | 7,030,860 | 2,952,189 | 6,945,096 | 29,672,266 | - | 141,167,828 |

| 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 - Revaluation | | | | | | | | | |
| Balance at 1 July 2016 | - | 603,020 | 373,039 | 59,773 | 69,269 | 4,171 | (2) | - | 1,109,270 |
| Depreciation | - | 1,171,367 | 823,630 | 118,952 | 138,540 | 14,392 | - | - | 2,266,881 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2017 | - | 1,774,387 | 1,196,669 | 178,725 | 207,809 | 18,563 | (2) | - | 3,376,151 |
| Balance at 1 July 2017 | - | 1,774,387 | 1,196,669 | 178,725 | 207,809 | 18,563 | (2) | - | 3,376,151 |
| Depreciation | - | 1,171,367 | 823,630 | 118,952 | 138,540 | 14,392 | - | - | 2,266,881 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Balance at 30 June 2018 | - | 2,945,754 | 2,020,299 | 297,677 | 346,349 | 32,955 | (2) | - | 5,643,032 |
| Carrying amounts | | | | | | | | | |
| As at 1 July 2016 | 1,296,278,981 | 215,616,531 | 157,555,593 | 10,750,059 | 7,716,825 | 12,225,210 | 39,403,666 | 3,460,222 | 1,743,007,087 |
| As at 30 June 2017 | 1,317,319,745 | 211,458,572 | 183,130,397 | 11,650,042 | 7,262,175 | 9,529,199 | 38,550,757 | 16,719,948 | 1,795,620,835 |
| As at 30 June 2018 | 1,320,995,767 | 209,999,072 | 167,354,958 | 9,991,866 | 6,536,680 | 16,123,624 | 39,560,135 | 25,184,241 | 1,795,746,344 |



9 Investments

| <i>In Taka</i> | Note | 30 June 2018 | 30 June 2017 |
|--|------|-------------------|------------------|
| Investment in subsidiaries | 9.1 | 3,948,334 | 3,948,334 |
| Investment in FDR | 9.2 | 33,072,743 | 3,043,953 |
| Investment in shares of ACI Motors Limited | | 75,000 | 75,000 |
| | | 37,096,077 | 7,067,287 |

9.1 Investment in subsidiary

| <i>Name of subsidiary</i> | 30 June 2018 | | | | | 30 June 2017 |
|----------------------------------|------------------|----------------------|--------------------------------------|---------------|------------------|------------------|
| | Number of shares | Face value per share | Called and paid up capital per share | Share-holding | Value | Value |
| | | Taka | Taka | % | Taka | Taka |
| Neem Laboratories (Pvt.) Ltd | 4,900 | 100 | 100 | 98 | 3,948,334 | 3,948,334 |
| Total investment in subsidiaries | | | | | 3,948,334 | 3,948,334 |

9.2 Investment in FDR includes amounting to Taka 2,022,500 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.

9(a) Consolidated investments

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|--|-------------------|------------------|
| Investment in FDR | 33,072,743 | 3,043,953 |
| Investment in shares of ACI Motors Limited | 75,000 | 75,000 |
| | 33,147,743 | 3,118,953 |

10 Inventories

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|---|----------------------|----------------------|
| Raw and packing materials | 643,307,254 | 647,622,210 |
| Work in process | - | 738,855 |
| Finished goods | 824,787,142 | 660,208,454 |
| Goods in transit | 127,762,895 | 63,020,190 |
| Other inventories (engineering stores and diesel) | 27,321,256 | 26,511,825 |
| Allowance for slow-moving inventory | (12,529,929) | (13,676,972) |
| | 1,610,648,618 | 1,384,424,562 |

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

10(a) Consolidated inventories

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|---|----------------------|----------------------|
| Raw and packing materials | 656,813,680 | 659,313,231 |
| Work in process | - | 738,855 |
| Finished goods | 825,485,805 | 661,199,925 |
| Goods in transit | 132,506,744 | 63,179,729 |
| Other inventories (engineering stores and diesel) | 27,321,256 | 26,511,825 |
| Allowance for slow-moving inventory | (12,893,919) | (13,744,773) |
| | 1,629,233,566 | 1,397,198,792 |

11 Trade receivables

| <i>In Taka</i> | 30 June 2018 | | | 30 June 2017 |
|------------------------------------|-----------------------|------------------------|---------------|---------------|
| | Dues over 6 months | Dues below 6 months | Total | Total |
| Related party | - | - | - | - |
| Other than related parties | 245,830,265 | 1,215,388,450 | 1,461,218,715 | 1,463,691,574 |
| | | | 1,461,218,715 | 1,463,691,574 |
| Less: Allowance for doubtful debts | | | (111,063,899) | (136,971,225) |
| | | | 1,350,154,816 | 1,326,720,349 |

In view of innumerable number of debtors, it is not practicable to disclose the amount of receivable against each specific debtors.

11(a) Consolidated trade receivables

| <i>In Taka</i> | 30 June 2018 | | | 30 June 2017 |
|------------------------------------|-----------------------|------------------------|---------------|---------------|
| | Dues over 6 months | Dues below 6 months | Total | Total |
| Related parties | - | - | - | - |
| Other than related parties | 245,830,265 | 1,225,801,014 | 1,471,631,279 | 1,476,361,417 |
| | | | 1,471,631,279 | 1,476,361,417 |
| Less: Allowance for doubtful debts | | | (111,063,899) | (136,971,225) |
| | | | 1,360,567,380 | 1,339,390,192 |

12 Other receivables

Other receivable represents receivable on accounts of promotional expense to be reimbursed by Akzonobel and interest income from FDR.

13 Inter-company receivables

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|----------------------------|--------------|--------------|
| ACI Limited | 465,478,723 | - |
| Neem Laboratories Pvt. Ltd | 51,136,966 | 39,933,951 |
| | 516,615,689 | 39,933,951 |

This arises due to working capital financing with ACI Limited and Neem Laboratories Pvt. Ltd.

13(a) Consolidated inter-company receivable

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|----------------|--------------|--------------|
| ACI Limited | 490,417,631 | - |
| | 490,417,631 | - |



14 Advances, deposits and prepayments

| <i>In Taka</i> | Note | 30 June 2018 | 30 June 2017 |
|-----------------------|------|--------------|--------------|
| Advances: | | | |
| Staffs | | 622,834 | 3,202,996 |
| Supplier and others | | 37,334,415 | 39,040,552 |
| VAT current account | | 22,876,978 | 8,826,787 |
| Advance income tax | 14.1 | 403,491,786 | 283,434,505 |
| | | 464,326,013 | 334,504,840 |
| Deposits: | | | |
| Security deposits | | 9,984,433 | 12,407,921 |
| Bank guarantee margin | | 18,599,560 | 50,777,412 |
| | | 28,583,993 | 63,185,333 |
| Prepayments: | | | |
| Prepaid expenses | | 5,419,528 | 2,286,628 |
| | | 5,419,528 | 2,286,628 |
| | | 498,329,534 | 399,976,801 |

14.1 Advance income tax

| <i>In Taka</i> | Note | 30 June 2018 | 30 June 2017 |
|-----------------|------|--------------|---------------|
| Opening balance | | 283,434,505 | 281,452,076 |
| Additions | | 120,057,281 | 134,944,391 |
| Adjustments | | - | (132,961,962) |
| Closing balance | | 403,491,786 | 283,434,505 |

14(a) Consolidated advances, deposits and prepayments:

| <i>In Taka</i> | Note | 30 June 2018 | 30 June 2017 |
|-----------------------|------|--------------|--------------|
| Advances: | | | |
| Staffs | | 622,834 | 3,202,996 |
| Suppliers & others | | 38,157,308 | 39,738,445 |
| VAT current account | | 23,170,306 | 10,400,654 |
| Advance income tax | | 404,463,787 | 284,258,747 |
| | | 466,414,235 | 337,600,842 |
| Deposits: | | | |
| Security deposits | | 9,984,433 | 12,407,921 |
| Bank guarantee margin | | 18,599,560 | 50,777,412 |
| | | 28,583,993 | 63,185,333 |
| Prepayments: | | | |
| Prepaid expenses | | 5,832,181 | 3,937,242 |
| | | 5,832,181 | 3,937,242 |
| | | 500,830,409 | 404,723,417 |

15 Cash and cash equivalents

| <i>In Taka</i> | Note | 30 June 2018 | 30 June 2017 |
|--------------------|------|--------------|--------------|
| Cash in hand | | 4,253,865 | 4,046,750 |
| Collection in hand | 15.1 | 157,098,527 | 61,438,596 |
| Bank balances | 15.2 | 100,687,446 | 72,869,278 |
| | | 262,039,838 | 138,354,624 |

15.1 This represents cash in hand at depots which was collected against cash sales and payment instruments collected against credit sales at the end of the reporting period.

15.2 Bank balances

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|--|--------------|--------------|
| Standard Chartered Bank | 18,839,170 | 12,096,940 |
| The Hongkong and Shanghai Banking Corporation Limited (HSBC) | 12,940,545 | 9,178,959 |
| AB Bank Limited | 32,689,873 | 32,122,887 |
| Agrani Bank Limited | 2,752,892 | 1,975,013 |
| Janata Bank Limited | 4,944,061 | 4,071,198 |
| Sonali Bank Limited | 4,879,643 | 5,848,169 |
| Bank Asia Limited | 2,790 | 3,365 |
| BRAC Bank Limited | 14,500,256 | 3,210,311 |
| ONE Bank Limited | 4,406,428 | 989,427 |
| Commercial Bank of Ceylon PLC | 5,352,044 | 3,255,319 |
| The City Bank Limited | - | 101,274 |
| Pubali Bank Limited | 238 | 16,416 |
| Dutch Bangla Bank Limited | (620,494) | - |
| | 100,687,446 | 72,869,278 |

15.3 Reconciliation of net operating cash flow

| <i>In Taka</i> | Note | 30 June 2018 | 30 June 2017 |
|--|------|----------------------|----------------------|
| Profit after tax | | 115,034,985 | 261,436,927 |
| <i>Adjustment for:</i> | | | |
| - Depreciation and amortization | | 63,008,544 | 57,121,962 |
| - Impairment | | - | 7,896,666 |
| - Bad debts and inventory loss/(recovery) | | (28,518,099) | (15,386,110) |
| - Net finance cost | | 171,020,345 | 118,151,966 |
| - Tax expense | | 48,265,458 | 95,288,493 |
| - Contribution to WPPF | | 8,594,760 | 18,775,022 |
| <i>Changes in:</i> | | | |
| - Inventories | | (225,077,013) | (389,536,649) |
| - Trade and other receivables | | (17,782,217) | (120,355,135) |
| - Advances, deposit and prepayments | | 21,704,548 | (7,690,077) |
| - Trade and other payables, employment benefits' | | 19,634,346 | (85,941,117) |
| Cash (used in)/generating from operating activities | | 175,885,657 | (60,238,053) |
| Paid to WPPF | | (18,775,022) | (6,665,352) |
| Interest paid | | (159,914,659) | (92,619,989) |
| Income tax paid | | (120,057,281) | (134,944,391) |
| Net cash (used in)/from operating activities | | (122,861,305) | (294,467,785) |

15(a) Consolidated cash and cash equivalents

| <i>In Taka</i> | Note | 30 June 2018 | 30 June 2017 |
|--------------------|---------|--------------|--------------|
| Cash in hand | | 4,339,770 | 4,132,655 |
| Collection in hand | | 157,098,527 | 61,438,596 |
| Bank balances | 15.2(a) | 100,666,989 | 85,171,963 |
| | | 262,105,286 | 150,743,214 |



15.2(a) Consolidated bank balances

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|--|--------------|--------------|
| Standard Chartered Bank | 18,839,170 | 12,096,940 |
| The Hongkong and Shanghai Banking Corporation Limited (HSBC) | 12,940,545 | 9,178,959 |
| AB Bank Limited | 32,689,873 | 32,122,887 |
| Agrani Bank Limited | 2,752,892 | 1,975,013 |
| Janata Bank Limited | 4,944,061 | 4,071,198 |
| Sonali Bank Limited | 4,879,643 | 5,848,169 |
| Bank Asia Limited | 2,790 | 3,365 |
| BRAC Bank Limited | 14,500,256 | 3,210,311 |
| ONE Bank Limited | 4,406,428 | 989,427 |
| Commercial Bank of Ceylon PLC | 5,352,044 | 3,255,319 |
| Dutch Bangla Bank Limited | (640,951) | 12,302,685 |
| The City Bank Limited | - | 101,274 |
| Pubali Bank Limited | 238 | 16,416 |
| | 100,666,989 | 85,171,963 |

15.2(b) Reconciliation of net operating cash flow

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|--|----------------------|----------------------|
| Profit after tax | 117,281,586 | 263,167,753 |
| <i>Adjustment for:</i> | | |
| - Depreciation and amortization | 63,620,326 | 57,732,541 |
| - Impairment | - | 7,896,666 |
| - Bad debts and inventory loss/(recovery) | (28,221,910) | (15,386,110) |
| - Net finance cost | 171,540,849 | 118,619,710 |
| - Tax expense | 48,987,336 | 95,477,426 |
| - Contribution to WPPF | 8,594,760 | 18,775,022 |
| <i>Changes in:</i> | | |
| - Inventories | (243,580,980) | (392,687,669) |
| - Trade and other receivables | (14,186,113) | (130,209,847) |
| - Advances, deposit and prepayments | 24,098,048 | (8,220,828) |
| - Trade and other payables, employment benefits' | 13,903,149 | (65,355,250) |
| Cash (used in)/generating from operating activities | 162,037,051 | (50,190,586) |
| Paid to WPPF | (18,775,022) | (6,665,352) |
| Interest paid | (160,435,163) | (93,087,733) |
| Income tax paid | (120,205,040) | (135,464,269) |
| Net cash (used in)/from operating activities | (137,378,174) | (285,407,940) |

16 Share capital

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|---|--------------------|--------------------|
| Ordinary shares (6,600,000 shares of Tk. 10 each) | 66,000,000 | 66,000,000 |
| Bonus shares (32,500,000 shares of Tk. 10 each) | 325,000,000 | 325,000,000 |
| Right shares (5,900,000 shares of Tk. 10 each) | 59,000,000 | 59,000,000 |
| In issue at reporting date - fully paid | 450,000,000 | 450,000,000 |
| Authorised - par value Tk. 10 | 500,000,000 | 500,000,000 |

16.1 Shareholding position

| | Number of share | | Percentage of holding | | Value (Taka) | |
|------------------------|-----------------|--------------|-----------------------|--------------|--------------|--------------|
| | 30 June 2018 | 30 June 2017 | 30 June 2018 | 30 June 2017 | 30 June 2018 | 30 June 2017 |
| Directors and sponsors | 29,708,205 | 29,708,205 | 66.02% | 66.02% | 297,082,050 | 297,082,050 |
| Institutions | 10,891,808 | 9,457,564 | 24.20% | 21.02% | 108,918,080 | 94,575,640 |
| General shareholders | 4,399,987 | 5,834,231 | 9.78% | 12.96% | 43,999,870 | 58,342,310 |
| | 45,000,000 | 45,000,000 | 100.00% | 100.00% | 450,000,000 | 450,000,000 |

16.2 Share owning schedule:

| | Number of shareholder | | Number of share | | Percentage of holding | |
|-----------------------------|-----------------------|--------------|-----------------|--------------|-----------------------|--------------|
| | 30 June 2018 | 30 June 2017 | 30 June 2018 | 30 June 2017 | 30 June 2018 | 30 June 2017 |
| Less than 500 | 2,334 | 3,523 | 380,450 | 435,285 | 0.85% | 0.97% |
| 501 to 5000 shares | 1,006 | 1,280 | 1,623,379 | 2,176,057 | 3.61% | 4.84% |
| 5001 to 10,000 shares | 80 | 121 | 582,914 | 884,196 | 1.30% | 1.96% |
| 10,001 to 20,000 shares | 40 | 68 | 577,544 | 981,204 | 1.28% | 2.18% |
| 20,001 to 30,000 shares | 24 | 26 | 612,438 | 641,638 | 1.36% | 1.43% |
| 30,001 to 40,000 shares | 11 | 8 | 398,931 | 267,156 | 0.89% | 0.59% |
| 40,001 to 50,000 shares | 11 | 10 | 511,205 | 449,718 | 1.14% | 1.00% |
| 50,001 to 100,000 shares | 13 | 17 | 1,055,218 | 1,287,086 | 2.34% | 2.86% |
| 100,001 to 1,000,000 shares | 16 | 9 | 4,469,282 | 1,535,959 | 9.93% | 3.41% |
| Over 1,000,000 shares | 4 | 5 | 34,788,639 | 36,341,701 | 77.30% | 80.76% |
| | 3,539 | 5,067 | 45,000,000 | 45,000,000 | 100.00% | 100.00% |

17 Employee benefits

| <i>In Taka</i> | Note | 30 June 2018 | 30 June 2017 |
|--------------------------------|------|--------------|--------------|
| Net Defined benefit obligation | 17.1 | 29,519,364 | 25,100,219 |
| Other employee benefits | | 9,659,911 | 5,459,911 |
| | | 39,179,275 | 30,560,130 |

17.1 Net Defined benefit obligation

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|-----------------|--------------|--------------|
| Opening balance | 25,100,219 | 23,811,703 |
| Service cost | 5,989,331 | 1,830,259 |
| Benefits paid | (1,570,186) | (541,743) |
| Closing balance | 29,519,364 | 25,100,219 |

18 Deferred tax liabilities

| <i>In Taka</i> | Note | 30 June 2018 | 30 June 2017 |
|--|------|--------------|--------------|
| Opening balance | | 51,789,493 | 47,650,008 |
| Deferred tax (income)/expense for the year | 30 | 7,721,122 | 4,139,485 |
| Closing balance | | 59,510,615 | 51,789,493 |



| <i>In Taka</i> | Carrying amount on reporting date | Tax base | Taxable/ (deductible) temporary difference |
|---|-----------------------------------|--------------------|--|
| At 30 June 2018 | | | |
| Land | 1,320,995,766 | - | 1,320,995,766 |
| Property, plant and equipment (other than land) | 447,322,717 | 214,686,555 | 232,636,162 |
| Allowance for slow-moving inventory | 12,529,929 | - | (12,529,929) |
| Allowance for doubtful debts | 111,063,899 | - | (111,063,899) |
| Net Defined benefit obligation | 29,519,364 | - | (29,519,364) |
| Taxable/(Deductible) temporary differences | 1,921,431,675 | 214,686,555 | 1,400,518,736 |
| Applicable tax rate for land | | | 3% |
| Applicable tax rate for other than land | | | 25% |
| Deferred tax liabilities | | | 59,510,615 |
| At 30 June 2017 | | | |
| Land | 1,317,319,744 | - | 1,317,319,744 |
| Property, plant and equipment (other than land) | 458,715,500 | 233,887,481 | 224,828,019 |
| Allowance for slow-moving inventory | 13,676,972 | - | (13,676,972) |
| Allowance for doubtful debts | 136,971,225 | - | (136,971,225) |
| Net Defined benefit obligation | 25,100,219 | - | (25,100,219) |
| Taxable/(Deductible) temporary differences | 1,951,783,660 | 233,887,481 | 1,366,399,347 |
| Applicable tax rate for land | | | 3% |
| Applicable tax rate for other than land | | | 25% |
| Deferred tax liabilities | | | 51,789,493 |

19 Bank overdrafts

| <i>In Taka</i> | Note | 30 June 2018 | 30 June 2017 |
|--|------|--------------------|-------------------|
| Standard Chartered Bank | 19.1 | 43,607,230 | 12,767,150 |
| The Hongkong and Shanghai Banking Corporation Limited (HSBC) | 19.1 | (1,394,870) | 523,112 |
| Prime Bank Limited | 19.1 | 95,570,247 | 67,430,144 |
| BRAC Bank Limited | 19.1 | 8,831,767 | 1,950,114 |
| Commercial Bank of Ceylon PLC | 19.1 | 16,883,127 | 3,173,327 |
| | | 163,497,501 | 85,843,847 |

19.1 Terms and repayment schedule

The terms and conditions of outstanding overdraft are as follows.

| <i>In Taka</i> | Currency | Year of maturity | 30 June 2018 | | 30 June 2017 | |
|-------------------------------|----------|------------------|--------------------|--------------------|--------------------|-------------------|
| | | | Loan limit | Loan outstanding | Loan limit | Loan outstanding |
| Standard Chartered Bank | BDT | 2018 | 10,000,000 | 43,607,230 | 10,000,000 | 12,767,150 |
| HSBC | BDT | 2018 | 10,000,000 | (1,394,870) | 10,000,000 | 523,112 |
| Prime Bank Limited | BDT | 2019 | 100,000,000 | 95,570,247 | 100,000,000 | 67,430,144 |
| BRAC Bank Limited | BDT | 2018 | 10,000,000 | 8,831,767 | 10,000,000 | 1,950,114 |
| Commercial Bank of Ceylon PLC | BDT | 2018 | 20,000,000 | 16,883,127 | 20,000,000 | 3,173,327 |
| | | | 150,000,000 | 163,497,501 | 150,000,000 | 85,843,847 |

The Company is enjoying overdraft facilities from the banks for the purpose of meeting working capital requirements which is to be repaid to the banks on demand.

20 Loans and borrowings

| <i>In Taka</i> | Note | 30 June 2018 | 30 June 2017 |
|-------------------------------|------|----------------------|----------------------|
| Standard Chartered Bank | 20.1 | - | 153,883,858 |
| HSBC | 20.1 | 55,162,809 | 163,869,350 |
| BRAC Bank Limited | 20.1 | 471,909,577 | 109,141,014 |
| The City Bank Limited | 20.1 | 578,940,357 | 500,000,000 |
| Prime Bank Limited | 20.1 | 843,582,669 | 554,523,595 |
| Commercial Bank of Ceylon PLC | 20.1 | 789,100,406 | 394,457,589 |
| | | 2,738,695,818 | 1,875,875,406 |

20(a) Consolidated Loans and borrowings

| <i>In Taka</i> | Note | 30 June 2018 | 30 June 2017 |
|-------------------------------|------|----------------------|----------------------|
| Standard Chartered Bank | 20.1 | - | 153,883,858 |
| HSBC | 20.1 | 55,162,809 | 163,869,350 |
| BRAC Bank Limited | 20.1 | 471,909,577 | 109,141,014 |
| The City Bank Limited | 20.1 | 578,940,357 | 500,000,000 |
| Prime Bank Limited | 20.1 | 843,582,669 | 554,523,595 |
| Commercial Bank of Ceylon PLC | 20.1 | 789,100,406 | 394,457,589 |
| Dutch Bangla Bank Limited | | 7,682,874 | 5,489,148 |
| | | 2,746,378,692 | 1,881,364,554 |

20.1 Terms and repayment schedule

The terms and conditions of combined outstanding loans are as follows:

| <i>In Taka</i> | Note | Year of Currency | Loan maturity | 30 June 2018 | | 30 June 2017 | |
|-------------------------------|--------|------------------|---------------|----------------------|----------------------|----------------------|----------------------|
| | | | | Loan limit | Loan outstanding | Loan limit | Loan outstanding |
| Standard Chartered Bank | 20.1.1 | BDT | 2018 | 510,000,000 | - | 510,000,000 | 153,883,858 |
| HSBC | 20.1.2 | BDT | 2018 | 420,000,000 | 55,162,809 | 250,000,000 | 163,869,350 |
| BRAC Bank Limited | 20.1.3 | BDT | 2018 | 750,000,000 | 471,909,577 | 750,000,000 | 109,141,014 |
| The City Bank Limited | 20.1.4 | BDT | 2019 | 800,000,000 | 578,940,357 | 500,000,000 | 500,000,000 |
| Prime Bank Limited | 20.1.5 | BDT | 2019 | 800,000,000 | 843,582,669 | 1,000,000,000 | 554,523,595 |
| Commercial Bank of Ceylon PLC | 20.1.6 | BDT | 2018 | 800,000,000 | 789,100,406 | 400,000,000 | 394,457,589 |
| | | | | 4,080,000,000 | 2,738,695,818 | 3,410,000,000 | 1,875,875,406 |

20.1.1 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 against the facility offer letter dated 18 June 2017 and subsequent updates:

20.1.1.1 Letter of Credit (L/C secured)/Loan Against Trust Receipt (LATR)

Amount : Tk 510,000,000

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

Tenure : 360 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.



20.1.1.2 Acceptance

Amount : Tk 510,000,000 (Inner limit of limit 20.1.1.1 above).
Purpose : To provide acceptance against usance or deferred/usance L/C issued. Acceptance can be utilised for machinery L/C as well.
Tenure : 360 days.

20.1.1.3 Shipping Guarantees

Amount : Tk 200,000,000 (Inner limit of limit 20.1.1.1 above).
Purpose : To release of imported goods
Tenure : 30 days.

20.1.1.4 Import loan

Amount : Tk 50,000,000 (Inner limit of limit 20.1.1.1 above).
Purpose : For release of imported goods
Tenure : 180 days.

20.1.1.5 Short term loan

Amount : Tk 250,000,000 (Inner limit of limit 20.1.1.1 above).
Purpose : For granting payment of procurement of local raw materials and payment for duty and tax of imported raw materials.
Tenure : 90 days.
Payment : On maturity of such loan.

20.1.1.6 Bond & Guarantees

Amount : Tk 20,000,000 (Inner limit of limit 20.1.1.1 above).
Purpose : Issuance of guarantees on behalf of the company.
Tenure : 365 days.

20.1.1.7 Securities against the facilities

Securities against the facilities mentioned under notes 19 and 20.1.1 are as follows:

- Demand promissory note and letter of continuation for Tk 520,000,000 each.
- Registered hypothecation over stock and book debts of the Company on pari-pasu basis for Tk 520,000,000.
- 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 140,000,000.
- Corporate guarantee from Advanced Chemical Industries Limited supported by board resolution.

20.1.2 The Hongkong and Shanghai Banking Corporation Limited (HSBC)

The Company is enjoying following facilities from The Hongkong and Shanghai Banking Corporation Limited (HSBC) under the following terms and conditions against the facility offer letter dated 24 August 2017 and subsequent updates:

20.1.2.1 Combined limit/ import line/ Import cash limit

Amount : Tk 390,000,000.
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.
Payment : On maturity of such loan.

20.1.2.3 Guarantee

Amount : Tk 30,000,000.

Purpose : To issues guarantees favouring various Government Bodies and utility companies etc. required in the normal course of business.

Tenure : 1 year/ 5 years for utilities companies.

20.1.2.2 Securities against the facilities

Securities against the facilities mentioned under notes 19 and 20.1.2 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 Advance Chemical Industries Limited Board Resolution for credit facilities granted to ACI Formulations Limited.
- First pari-pasu 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-pasu 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 Standard Chartered Bank, where HSBC's share is Tk. 430,000,000.

20.1.3 BRAC Bank Limited

The Company is enjoying following facilities from BRAC Bank Limited under the following terms and conditions against the facility offer letter dated 19 October 2017:

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

Amount : Tk 500,000,000

Purpose : To retire import documents for raw materials.

Tenure : 120 - 180 days

Payment : On maturity of such loan.

20.1.3.2 Revolving loan

Amount : Tk 250,000,000

Purpose : Working capital

Tenure : 120 days.

Payment : On maturity of such loan.

20.1.3.3 Bank guarantee:

Amount : Tk 50,000,000

Purpose : To meet various contractual obligation

Tenure : Open ended

20.1.3.3 Securities against the facilities

Securities against the facilities mentioned under notes 19 and 20.1.3 are as follows:

- Registered first charge over stock and book debts of the Company for Tk. 760,000,000.
- Corporate guarantee from Advanced Chemical Industries Limited.

20.1.4 The City Bank Limited

The Company is enjoying following facilities from The City Bank Limited under the following terms and conditions against the facility offer letter dated 26 April 2018.

20.1.4.1 Letters of Credit / Revolving Acceptance/Loan Against Trust Receipt (LATR)/Short Term Loan

Amount : Tk 800,000,000

Purpose : To retire sight L/C, deferred L/C, import of raw materials and finished goods.

Tenure : 180 days from date of each disbursement



20.1.4.1.1 Letters of Credit - Local

Amount : Tk 150,000,000 (inner limit of 20.1.4.1)
Purpose : To procure raw material and finished goods from local source
Tenure : 90 days from date of each disbursement

20.1.4.2 Securities against the facilities

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

- 1st ranking PPSSA on all floating assets including stock, book debts of ACI Formulations Limited for BDT 800,000,000.
- Corporate guarantee from Advanced Chemical Industries Limited.

20.1.5 Prime Bank Limited

The Company is enjoying following facilities from Prime Bank Limited under the following terms and conditions against the facility offer letter dated 5 March 2018.

20.1.5.1 Letters of credit (LC) / Loan against trust receipt (LTR)

Amount : Tk 800,000,000
Purpose : For payment of imported raw materials / chemicals / accessories / capital machinery / spare parts and others (import of capital machinery shall not exceed Tk 80,000,000). Also for retirement of L/C documents or payment of accepted bills.
Tenure : 180 - 365 days
Payment : On maturity of such loan.

20.1.5.2 Time loan / Short term loan

Amount : Tk 500,000,000 (Inner limit of limit 20.1.5.1 above)
Purpose : To procure raw materials / chemicals / accessories and others from local sources.
Tenure : 180 days
Payment : On maturity of such loan.

20.1.5.3 Bank guarantee

Amount : Tk 40,000,000 (Inner limit of limit 20.1.5.1 above)
Purpose : To provide guarantee in favor of different authority as required by the Company.
Tenure : Open ended.

20.1.5.4 Securities against the facilities

Securities against the facilities mentioned under notes and 20.1.5 are as follows:

- Available charge on floating assets with Registrar of Joint Stock Companies and Firms (RJSC).
- NIGPA to sell hypothecated assets without reference to the Court in case of default.
- Corporate guarantee of Advance Chemicals Industries Limited to ACI Formulations Limited.

20.1.6 Commercial Bank of Ceylon PLC

The Company is enjoying following facilities from Commercial Bank of Ceylon PLC under the following terms and conditions against the facility offer letter dated 5 September 2017 and subsequent updates:

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

Amount : Tk 700,000,000
Purpose : To retire import documents for raw materials, packing materials, finished goods and spare parts.
Tenure : 180 days
Payment : On maturity of such loan.

20.1.6.2 Short term loan

Amount : Tk 100,000,000

Purpose : For granting payment of procurement of local raw materials and payment for duty and tax of imported raw materials.

Tenure : 180 days

Payment : On maturity of such loan.

20.1.6.3 Securities against the facilities

Securities for the facilities mentioned under notes 19 and 20.1.6 are as follows:

- Registered first hypothecation charge over stocks and book debts on pari-pasu basis with other lenders, CBC's share being Tk 820,000,000.

21 Trade Payables

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|--|--------------|--------------|
| Related party- Premiaflex Plastics Limited | 10,818,922 | 7,604,717 |
| Other than related parties | 116,177,034 | 48,490,711 |
| | 126,995,956 | 56,095,428 |

21(a) Consolidated trade payables

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|--|--------------|--------------|
| Related party- Premiaflex Plastics Limited | 10,818,922 | 7,604,717 |
| Other than related parties | 121,613,742 | 58,420,434 |
| | 132,432,664 | 66,025,151 |

22 Other payables

| <i>In Taka</i> | Note | 30 June 2018 | 30 June 2017 |
|--|------|--------------|--------------|
| Creditors for expenses | 22.1 | 116,944,466 | 178,575,406 |
| Interest payable | | 45,834,424 | 34,728,738 |
| Security money payable | | 11,049,410 | 11,299,410 |
| Unpaid dividend | | 10,960,069 | 10,658,806 |
| Withholding tax and VAT | | 3,200,464 | 2,235,641 |
| Provision for workers' profit participation fund | | 8,594,760 | 18,775,022 |
| | | 196,583,593 | 256,273,023 |

22.1 This includes accrued selling, manufacturing and other accrued expenses.

22(a) Consolidated other payables

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|--|--------------|--------------|
| Creditors for expenses | 117,767,558 | 179,402,321 |
| Interest payable | 45,834,424 | 34,728,738 |
| Security money payable | 11,049,410 | 11,299,410 |
| Unpaid dividend | 10,960,069 | 10,658,806 |
| Withholding tax and VAT | 3,382,687 | 2,323,630 |
| Provision for workers' profit participation fund | 8,594,760 | 18,775,022 |
| | 197,588,908 | 257,187,927 |



23 Inter-company payable

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|----------------|--------------|--------------|
| ACI Limited | - | 56,695,146 |
| | - | 56,695,146 |

This arises due to common cost sharing and working capital financing with ACI Limited.

24 Provision for tax

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|--|--------------------|--------------------|
| Opening balance | 228,398,660 | 270,211,614 |
| Provision made during the year | 40,544,336 | 91,149,008 |
| Adjustment on completion of assessment for prior years | - | (132,961,962) |
| Closing balance | 268,942,996 | 228,398,660 |

24(a) Consolidated provision for tax

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|--|--------------------|--------------------|
| Opening balance | 228,677,450 | 270,288,907 |
| Provision made during the year | 41,662,554 | 91,350,505 |
| Adjustment on completion of assessment for prior years | - | (132,961,962) |
| Closing balance | 270,340,004 | 228,677,450 |

25 Revenue

| <i>In Taka</i> | Note | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|-----------------------|------|------------------------------------|------------------------------------|
| Agrochemical products | 25.1 | 2,443,423,693 | 2,246,950,903 |
| Consumer products | 25.2 | 1,684,042,265 | 1,382,479,976 |
| | | 4,127,465,958 | 3,629,430,879 |

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

25.1 Agrochemical products

| <i>In Taka</i> | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|----------------|------------------------------------|------------------------------------|
| Local | 2,422,736,206 | 2,219,373,126 |
| Export | 20,687,487 | 27,577,777 |
| | 2,443,423,693 | 2,246,950,903 |

25.2 Consumer products

| <i>In Taka</i> | Note | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|----------------|--------|------------------------------------|------------------------------------|
| Coil | 25.2.1 | 493,339,066 | 524,068,918 |
| Aerosol | 25.2.1 | 740,044,144 | 609,912,662 |
| Vanish | 25.2.1 | 62,374,441 | 52,213,471 |
| Paint | | 388,284,614 | 196,284,925 |
| | | 1,684,042,265 | 1,382,479,976 |

25.2.1 On 24 April 2015 ACI Limited entered into agreements with S. C. Johnson & Son, Inc. (a corporation incorporated under the laws of the state of Wisconsin, USA) whereby S. C. Johnson & Son, Inc. has purchased the brands of these products on mutually beneficial terms. As per contract, ACI Formulations Limited produces these products for S.C. Johnson & Son, Inc., which are marketed by ACI Limited through its own channel. ACI Formulations Limited will continue to be the manufacturer of these products for a period of 5 years from 24 April 2015.

25(a) Consolidated revenue

| <i>In Taka</i> | Note | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|-----------------------|---------|---------------------------------------|---------------------------------------|
| Agrochemical products | 25.1(a) | 2,443,423,693 | 2,246,950,903 |
| Consumer products | 25.2(a) | 1,709,846,820 | 1,416,062,670 |
| | | 4,153,270,513 | 3,663,013,573 |

25.1(a) Agrochemical products

| <i>In Taka</i> | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|----------------|---------------------------------------|---------------------------------------|
| Local | 2,422,736,206 | 2,219,373,126 |
| Export | 20,687,487 | 27,577,777 |
| | 2,443,423,693 | 2,246,950,903 |

25.2(a) Consumer products

| <i>In Taka</i> | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|------------------|---------------------------------------|---------------------------------------|
| Coil | 493,339,066 | 524,068,918 |
| Aerosol | 740,044,144 | 609,912,662 |
| Vanish | 62,374,441 | 52,213,471 |
| Paint | 388,284,614 | 196,284,925 |
| Herbal cosmetics | 25,804,555 | 33,582,694 |
| | 1,709,846,820 | 1,416,062,670 |



26.1.1.1 Cost of materials consumed

| In Taka | For the year ended 30 June 2018 | | | | | For the year ended 30 June 2017 |
|---------------------------|---------------------------------|---------------|--------------|--------------|--------------|------------------------------------|
| | Crop Care & Public Health | Mosquito Coil | Aerosol | Vanish | Paint | |
| Raw and packing materials | | | | | | |
| Opening stock | 263,263,355 | 177,106,658 | 129,683,739 | 20,592,958 | 56,975,499 | 647,622,209 |
| Purchase | 1,620,796,814 | 327,089,226 | 655,700,931 | 53,176,758 | 182,035,641 | 2,838,799,370 |
| Closing Stock | (324,858,595) | (161,731,661) | (89,598,762) | (19,353,036) | (47,765,199) | (647,622,210) |
| | 1,559,201,574 | 342,464,223 | 695,785,908 | 54,416,680 | 191,245,941 | 2,843,114,326 |

26(a) Consolidated cost of sales

| | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|------------------------|---------------------------------------|---------------------------------------|
| In Taka | | |
| Opening stock | 1,321,252,011 | 969,921,871 |
| Purchase | 3,021,579,234 | 2,636,409,084 |
| Manufacturing overhead | 261,625,573 | 267,078,335 |
| Closing stock | (1,482,299,485) | (1,321,252,011) |
| | 3,122,157,333 | 2,552,157,279 |

27

Other income

| | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|---------------------------|---------------------------------------|---------------------------------------|
| In Taka | | |
| Crop Care & Public Health | 5,399,477 | 3,302,997 |
| Mosquito Coil | - | 203,964 |
| Aerosol | 261,660 | 180,385 |
| Paint | 933,335 | 692,984 |
| | 6,594,472 | 4,380,330 |



28 Administrative, selling and distribution expenses

| <i>In Taka</i> | For the year ended 30 June 2018 | | | | | For the year ended 30 June 2017 |
|--|---------------------------------|-------------------------|-----------------------|------------------|--------------|---------------------------------|
| | Manufacturing expenses | Administrative expenses | Distribution expenses | Selling expenses | Total | Total |
| Salary and wages | 151,560,404 | 99,283,094 | 29,045,438 | 211,161,417 | 491,050,353 | 487,259,462 |
| Traveling and conveyance | 667,058 | 2,832,251 | 18,882,904 | 85,716,206 | 108,098,419 | 96,909,140 |
| Rent and rates | 523,670 | 3,598,738 | 13,920,990 | 12,135,949 | 30,179,347 | 16,394,932 |
| Repair and maintenance | 23,503,581 | 6,820,312 | 918,026 | 385,647 | 31,627,566 | 31,035,664 |
| Fuel and power | 31,341,306 | 2,283,634 | 1,342,107 | 92,622 | 35,059,669 | 58,310,957 |
| Postage, telephone, fax etc. | 575,416 | 111,286 | - | 10,230,042 | 10,916,744 | 6,918,216 |
| Printing and stationery | 706,786 | 1,312,100 | 4,291,549 | 913,456 | 7,223,891 | 6,125,120 |
| Promotional expenses | - | 13,556 | - | 129,695,707 | 129,709,263 | 54,549,393 |
| Entertainment | 1,154,985 | 2,535,863 | 1,113,848 | 4,025,341 | 8,830,037 | 5,158,852 |
| Vehicle maintenance | 2,600,755 | 2,607,785 | 11,123,603 | 7,840,965 | 24,173,108 | 22,464,038 |
| Doubtful debts | - | - | - | (27,378,105) | (27,378,105) | (14,433,594) |
| Truck and handling | 2,775,480 | - | 15,573,761 | - | 18,349,241 | 18,331,345 |
| Legal and professional charge | - | 226,597 | - | 9,856,482 | 10,083,079 | 19,433,804 |
| Audit fees | - | 630,000 | - | - | 630,000 | 618,000 |
| Insurance | 3,454,954 | - | - | 988,018 | 4,442,972 | 4,743,006 |
| Directors' fees | - | 11,250 | - | - | 11,250 | 9,000 |
| Bank charges | - | 2,145,393 | - | 1,006,763 | 3,152,156 | 2,527,198 |
| Investment write off | - | - | - | - | - | 7,896,666 |
| Sundry expenses | 205,868 | - | - | - | 205,868 | 168,726 |
| Product development expenses | 19,175 | - | - | 827,289 | 846,464 | 1,365,619 |
| Training expenses | 129,016 | - | - | 1,683,511 | 1,812,527 | 2,077,401 |
| Depreciation | 47,545,468 | 2,025,591 | - | 13,437,485 | 63,008,544 | 57,121,962 |
| Lab chemical and apparatus | 391,755 | - | - | - | 391,755 | 258,005 |
| Meeting expenses | - | 559,249 | - | 4,349,553 | 4,908,802 | 4,956,641 |
| | 267,155,677 | 126,996,699 | 96,212,226 | 466,968,348 | 957,332,950 | 890,199,553 |
| Recovery of expenses for toll manufacturing service charges: | (7,445,650) | - | - | - | (7,445,650) | (7,693,200) |
| | 259,710,027 | 126,996,699 | 96,212,226 | 466,968,348 | 949,887,300 | 882,506,353 |
| (A) Manufacturing expenses | | | | | 259,710,027 | 263,965,458 |
| (B) Administrative, selling and distribution expenses | | | | | 690,177,273 | 618,540,895 |
| | | | | | 949,887,300 | 882,506,353 |

28(a) Consolidated administrative, selling and distribution expenses

| <i>In Taka</i> | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|-------------------------|---------------------------------|---------------------------------|
| Administrative expenses | 128,122,548 | 134,966,347 |
| Distribution expenses | 96,212,226 | 76,768,405 |
| Selling expenses | 466,968,347 | 407,461,961 |
| | 691,303,121 | 619,196,713 |

29 Finance costs, net

| <i>In Taka</i> | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|--------------------------|---------------------------------------|---------------------------------------|
| Interest expenses | | |
| Bank loan | 182,963,319 | 96,105,166 |
| Inter-company | 4,835,410 | 22,434,030 |
| | 187,798,729 | 118,539,196 |
| Interest income | | |
| Bank | 54,902 | 387,230 |
| Inter-company | 16,723,482 | - |
| | 16,778,384 | 387,230 |
| | 171,020,345 | 118,151,966 |

29(a) Consolidated finance costs, net

| <i>In Taka</i> | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|--------------------------|---------------------------------------|---------------------------------------|
| Interest expenses | | |
| Bank loan | 183,483,823 | 96,572,910 |
| Inter-company | 4,835,410 | 22,434,030 |
| | 188,319,233 | 119,006,940 |
| Interest income | | |
| Bank | 54,902 | 387,230 |
| Inter-company | 16,723,482 | - |
| | 16,778,384 | 387,230 |
| | 171,540,849 | 118,619,710 |

30 Income tax expense

| <i>In Taka</i> | Note | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|--------------------------------------|------|---------------------------------------|---------------------------------------|
| Current tax expense | | | |
| Charged during the year | 24 | 40,544,336 | 91,149,008 |
| | | 40,544,336 | 91,149,008 |
| Deferred tax expense/(income) | | | |
| Change in deferred tax liabilities | 18 | 7,721,122 | 4,139,485 |
| | | 7,721,122 | 4,139,485 |
| Tax expense/(income) | | 48,265,458 | 95,288,493 |



30(a) Consolidated income tax expense

| <i>In Taka</i> | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|-------------------------------|---------------------------------------|---------------------------------------|
| Current tax expense | | |
| Charged during the year | 41,662,554 | 91,350,505 |
| | 41,662,554 | 91,350,505 |
| Deferred tax expense/(income) | | |
| Change in deferred tax assets | 7,324,782 | 4,126,921 |
| | 7,324,782 | 4,126,921 |
| Tax expense/(income) | 48,987,336 | 95,477,426 |

31 Earnings per share

31.1 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:

| <i>In Taka/Number</i> | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|--|---------------------------------------|---------------------------------------|
| Profit/(loss) attributable to the owners of the Company (Taka) | 115,034,985 | 261,436,927 |
| Weighted average number of ordinary shares (number) | 45,000,000 | 45,000,000 |
| Earning per share (Taka) | 2.56 | 5.81 |

31.1(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:

| <i>In Taka/Number</i> | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|--|---------------------------------------|---------------------------------------|
| Profit/(loss) attributable to the owners of the Group (Taka) | 117,236,654 | 263,137,439 |
| Weighted average number of ordinary shares (number) | 45,000,000 | 45,000,000 |
| Earning per share (Taka) | 2.61 | 5.85 |

31.2 Diluted earnings per share

No diluted EPS was required to be calculated for the year ended 30 June 2018 since there was no scope for dilution of shares.

32 Financial risk management

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

- Credit risk (see 32 (ii));
- Liquidity risk (see 32(iii)); and
- Market risk (see 32(iv)).

(i) Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Company's exposure to credit risk primarily relates to trade receivables and balance with banks including short and long term deposits.

The Group'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 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 | |
|---------------------------|-------|-----------------|---------------|
| | | 30 June 2018 | 30 June 2017 |
| Trade receivables | 11(a) | 1,471,631,279 | 1,476,361,417 |
| Other receivables | 12 | 26,004,265 | 7,088,014 |
| Inter-company receivables | 13(a) | 490,417,631 | - |
| Deposits | 14(a) | 28,583,993 | 63,185,333 |
| Bank balances | 15(a) | 100,666,989 | 85,171,963 |
| | | 2,117,304,157 | 1,631,806,727 |

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

| <i>In Taka</i> | Carrying amount | |
|----------------|-----------------|---------------|
| | 30 June 2018 | 30 June 2017 |
| Bangladesh | 1,472,548,104 | 1,478,251,296 |
| India | 25,087,440 | 5,198,135 |
| | 1,497,635,544 | 1,483,449,431 |

(b) Ageing of trade receivables

The aging of trade receivables at reporting date was as follows:

| <i>In Taka</i> | Carrying amount | |
|-------------------------------|-----------------|---------------|
| | 30 June 2018 | 30 June 2017 |
| Neither past due nor impaired | 885,082,002 | 835,032,234 |
| Past due 1 - 90 days | 217,866,451 | 192,148,496 |
| Past due 91 - 120 days | 92,354,328 | 185,335,049 |
| Past due 121 - 180 days | 50,946,672 | 75,707,737 |
| Past due 181 - 365 days | 55,502,112 | 36,319,993 |
| Past due 366 - 730 days | 53,733,018 | 38,366,988 |
| Past due 731 plus days | 116,146,696 | 113,450,920 |
| | 1,471,631,279 | 1,476,361,417 |

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectable in full, based on historical payment behaviour and extensive analysis of the customer credit risk, including underlying customers' credit rating if they are applicable.

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

| <i>In Taka</i> | Note | 30 June 2018 | 30 June 2017 |
|-------------------------------|-------|--------------|--------------|
| Opening balance | 11(a) | 136,971,225 | 152,357,003 |
| Impairment loss recognised | | 16,006,533 | 17,510,854 |
| Amounts written off/ write in | | (41,913,859) | (32,896,632) |
| Closing balance | | 111,063,899 | 136,971,225 |

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group aims to maintain the level of its cash and cash equivalents and other investments and other investments at amounts in excess of expected cash outflows on financial liabilities. The Group 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.

| In Taka | Note | Carrying amount | Contractual cash flows | | | | | |
|---|-------|-----------------|------------------------|------------------|---------------|-------------|-------------|-------------------|
| | | | Total | 2 months or less | 2-12 months | 1 - 2 years | 2 - 5 years | More than 5 years |
| 30 June 2018 | | | | | | | | |
| Non-derivative financial liabilities | | | | | | | | |
| Employee benefits | 17 | 39,179,275 | 39,179,275 | - | - | - | - | 39,179,275 |
| Bank overdrafts | 19 | 163,497,501 | 163,497,501 | - | - | - | - | - |
| Loans and borrowings | 20(a) | 2,746,378,692 | 2,746,378,692 | - | 2,746,378,692 | - | - | - |
| Trade payables | 21(a) | 132,432,664 | 132,432,664 | - | - | - | - | - |
| Other payables | 22(a) | 197,588,908 | 197,588,908 | 60,177,180 | 137,411,728 | - | - | - |
| Inter-company payables | 23 | - | - | - | - | - | - | - |
| | | 3,279,077,040 | 3,279,077,040 | 356,107,345 | 2,883,790,420 | - | - | 39,179,275 |
| Derivative financial liabilities | | - | - | - | - | - | - | - |
| | | 3,279,077,040 | 3,279,077,040 | 356,107,345 | 2,883,790,420 | - | - | 39,179,275 |
| 30 June 2017 | | | | | | | | |
| Non-derivative financial liabilities | | | | | | | | |
| Employee benefits | 17 | 30,560,130 | 30,560,130 | - | - | - | - | 30,560,130 |
| Bank overdrafts | 19 | 85,843,847 | 85,843,847 | - | - | - | - | - |
| Loans and borrowings | 20(a) | 1,881,364,554 | 1,881,364,554 | - | 1,881,364,554 | - | - | - |
| Trade payables | 21(a) | 66,025,151 | 66,025,151 | - | - | - | - | - |
| Other payables | 22(a) | 257,187,927 | 257,187,927 | 47,711,174 | 209,476,753 | - | - | - |
| Inter-company payables | 23 | 56,695,146 | 56,695,146 | - | 56,695,146 | - | - | - |
| | | 2,377,676,755 | 2,377,676,755 | 199,580,172 | 2,147,536,453 | - | - | 30,560,130 |
| Derivative financial liabilities | | - | - | - | - | - | - | - |
| | | 2,377,676,755 | 2,377,676,755 | 199,580,172 | 2,147,536,453 | - | - | 30,560,130 |

(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 balance sheet date was as follows.

| <i>In USD</i> | 30 June 2018 | 30 June 2017 |
|----------------------|--------------|--------------|
| Bank balances | 204,641 | 180,712 |
| Loans and borrowings | (10,547,917) | (6,665,819) |
| | (10,343,276) | (6,485,107) |

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

| <i>In Taka</i> | 30 June 2018 | | 30 June 2017 | |
|----------------|--------------|--------------------|--------------|--------------------|
| | Average rate | Year-end spot rate | Average rate | Year-end spot rate |
| USD | 82.53 | 83.75 | 79.95 | 81.30 |

Sensitivity analysis

A reasonably possible strengthening (weakening) of foreign currency against functional currency at 30 June 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 |
| 30 June 2018 | | | | |
| USD (5% movement) | 42,678,944 | (42,678,944) | 42,678,944 | (42,678,944) |
| 30 June 2017 | | | | |
| USD (5% movement) | 25,924,215 | (25,924,215) | 25,924,215 | (25,924,215) |

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 balance sheet date is as follows.

| <i>In Taka</i> | Note | Nominal Amount | |
|--|-------|-----------------|-----------------|
| | | 30 June 2018 | 30 June 2017 |
| Fixed rate instruments | | | |
| <i>Financial assets</i> | | | |
| Investment in FDR | 9(a) | 33,072,743 | 3,043,953 |
| <i>Financial liabilities</i> | | | |
| Bank overdrafts | 19 | (163,497,501) | (85,843,847) |
| Loans and borrowings | 20(a) | (2,746,378,692) | (1,881,364,554) |
| | | (2,876,803,450) | (1,964,164,448) |
| Variable rate instruments | | | |
| <i>Financial assets</i> | | | |
| Loans to Advance Chemical Industries Limited | | 486,991,754 | - |
| <i>Financial liabilities</i> | | | |
| Offshore loan | | (883,388,049) | (541,931,120) |
| Loans from Advance Chemical Industries Limited | | - | (56,161,769) |
| | | (396,396,295) | (598,092,889) |



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.

30 June 2018

| In Taka | Note | Carrying amount | | | | | Fair value | | | | | | |
|---|---------|--------------------------|-----------------------------|------------------|-----------------------|--------------------|-----------------------------|-------|---------------|---------------|---------|-------|---|
| | | Designated at fair value | Fair value held-for-trading | 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 | | | | | | | | | | | | | |
| | 11(a) | - | - | - | 1,471,631,279 | - | - | - | 1,471,631,279 | - | - | - | - |
| | 12 | - | - | - | 26,004,265 | - | - | - | 26,004,265 | - | - | - | - |
| | 13(a) | - | - | - | 490,417,631 | - | - | - | 490,417,631 | - | - | - | - |
| | 14(a) | - | - | - | 28,583,993 | - | - | - | 28,583,993 | - | - | - | - |
| | 15.2(a) | - | - | - | 100,666,989 | - | - | - | 100,666,989 | - | - | - | - |
| | | - | - | - | 2,117,304,157 | - | - | - | 2,117,304,157 | - | - | - | - |
| Financial liabilities measured at fair value | | | | | | | | | | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | | | | | |
| | 17 | - | - | - | - | - | - | - | - | 39,179,275 | - | - | - |
| | 19 | - | - | - | - | - | - | - | - | 163,497,501 | - | - | - |
| | 20(a) | - | - | - | - | - | - | - | - | 2,746,378,692 | - | - | - |
| | 21(a) | - | - | - | - | - | - | - | - | 132,432,664 | - | - | - |
| | 22(a) | - | - | - | - | - | - | - | - | 197,588,908 | - | - | - |
| | 23 | - | - | - | - | - | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | - | 3,279,077,040 | - | - | - |
| | | - | - | - | - | - | - | - | - | 3,279,077,040 | - | - | - |

30 June 2017

| In Taka | Note | Carrying amount | | | | | Fair value | | | | | | |
|---|---------|------------------|--------------------------|---------------------------------|------------------|-----------------------|--------------------|-----------------------------|---------|---------|---------|-------|---------------|
| | | Held-for-trading | Designated at fair value | Fair value -hedging instruments | Held to maturity | Loans and receivables | Available for sale | Other financial liabilities | Level 1 | Level 2 | Level 3 | Total | |
| Financial assets measured at fair value | | | | | | | | | | | | | |
| Financial assets not measured at fair value | | | | | | | | | | | | | |
| Trade receivables | 11(a) | - | - | - | - | 1,476,361,417 | - | - | - | - | - | - | - |
| Other receivables | 12 | - | - | - | - | 7,088,014 | - | - | - | - | - | - | 7,088,014 |
| Inter-company receivables | 13(a) | - | - | - | - | - | - | - | - | - | - | - | - |
| Security deposits | 14(a) | - | - | - | - | 63,185,333 | - | - | - | - | - | - | 63,185,333 |
| Bank balances | 15.2(a) | - | - | - | - | 85,171,963 | - | - | - | - | - | - | 85,171,963 |
| | | - | - | - | - | 1,631,806,727 | - | - | - | - | - | - | 1,631,806,727 |
| Financial liabilities measured at fair value | | | | | | | | | | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | | | | | |
| Employee benefits | 17 | - | - | - | - | - | - | - | - | - | - | - | 30,560,130 |
| Bank overdrafts | 19 | - | - | - | - | - | - | - | - | - | - | - | 85,843,847 |
| Loans and borrowings | 20(a) | - | - | - | - | - | - | - | - | - | - | - | 1,881,364,554 |
| Trade payables | 21(a) | - | - | - | - | - | - | - | - | - | - | - | 66,025,151 |
| Other payables | 22(a) | - | - | - | - | - | - | - | - | - | - | - | 257,187,927 |
| Inter company payables | 23 | - | - | - | - | - | - | - | - | - | - | - | 56,695,146 |
| | | - | - | - | - | - | - | - | - | - | - | - | 2,377,676,755 |

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

33 Commitments and contingencies

33.1 Commitments

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

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|---|--------------|--------------|
| a) Revenue expenditure (Letters of credit) | | |
| Standard Chartered Bank | - | 423,610 |
| Commercial Bank of Ceylon PLC | 100,797,229 | 104,133,024 |
| The City Bank Limited | 14,428,976 | 50,398,683 |
| BRAC Bank Limited | 374,229,873 | 27,340,387 |
| Prime Bank Limited | 4,419,874 | 31,745,576 |
| HSBC | - | 36,621,902 |
| | 493,875,952 | 250,663,182 |
| b) Capital expenditure | | |
| Approved and contracted for | 145,404,227 | 51,467,395 |
| | 145,404,227 | 51,467,395 |

33.2 Contingent liabilities

| <i>In Taka</i> | 30 June 2018 | 30 June 2017 |
|------------------------------|--------------|--------------|
| Bank guarantee | | |
| HSBC | 1,581,679 | 1,581,679 |
| Standard Chartered Bank | - | 15,437,798 |
| BRAC Bank | 37,544,393 | - |
| | 39,126,072 | 17,019,477 |
| Performance guarantee | | |
| Standard Chartered Bank | 15,585,397 | 147,600 |
| | 15,585,397 | 147,600 |
| | 54,711,469 | 17,167,077 |

34 Production capacity

The production status (business wise) for the year ended 30 June 2018 are as follows:

| Business Segment | Capacity | Unit | Actual | % of utilisation |
|-----------------------------|------------|--------|-----------|------------------|
| Crop Care and Public Health | 25,800 | M Ton | 13,652 | 52.91 |
| Mosquito Coil | 1,098,000 | Carton | 406,268 | 37.00 |
| Aerosol | 11,400,000 | Can | 9,166,362 | 80.41 |
| Paint | 3,000 | M Ton | 1,247 | 41.57 |

The production status (business wise) for the year ended 30 June 2017 were as follows:

| Business Segment | Capacity | Unit | Actual | % of utilisation |
|-----------------------------|-----------|--------|-----------|------------------|
| Crop Care and Public Health | 21,570 | M Ton | 10,138 | 47.00 |
| Mosquito Coil | 1,098,000 | Carton | 562,418 | 51.22 |
| Aerosol | 7,965,000 | Can | 6,988,780 | 87.74 |

35 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 followings:

| <i>In Taka</i> | For the year ended 30 June 2018 | For the year ended 30 June 2017 |
|-----------------------------|---------------------------------|---------------------------------|
| Salary | 8,467,878 | 9,018,400 |
| Benefits | 5,858,836 | 4,746,240 |
| Provident fund contribution | - | 468,720 |
| | 14,326,714 | 14,233,360 |

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 parties | Relationship | Nature of transaction | Transaction value (Taka) | | Outstanding balance at | |
|-----------------------------|--------------------|---|----------------------------|----------------------------|------------------------|------------------|
| | | | 30 June 2018 | 30 June 2017 | 30 June 2018 | 30 June 2017 |
| ACI Limited | Holding company | Sale of products Receipt against sales Working capital financing | - | - | - | - |
| ACI Pure Flour Limited | Sister concern | Working capital financing | 547,112,777 | 346,742,717 | 490,417,631 | (56,695,146) |
| Neem Laboratories (Pvt) Ltd | Subsidiary company | Working capital financing | 11,203,015 | 16,377,134 | 51,136,966 | 39,933,951 |
| Premiaflex Plastics Limited | Sister concern | Receipt against working capital financing Purchase of products Payment against purchase | (81,610,298) 71,428,376 | (62,522,081) 54,917,364 | - (10,181,922) | - (7,604,717) |

36 Other disclosures

36.1 Number of employees

At 30 June 2018, number of regular employees receiving remuneration of Tk. 36,000 or above per annum was 1,785 (30 June 2017: 1,679).

36.2 Subsequent events

The Board of Directors in their meeting held on 25 October 2018 have recommended cash dividend @35% per share of Taka 10 each aggregating to Taka 157,500,000 for the year ended 30 June 2018 subject to approval of the shareholders' in the Annual General Meeting scheduled to be held on 12 December 2018. The financial statements for the year ended 30 June 2018 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.

37 Name of auditors of the group companies

| Name of the company | Status of the company | Name of auditors |
|------------------------------|-----------------------|-------------------------|
| Neem Laboratories (Pvt.) Ltd | Subsidiary | Shiraz Khan Basak & Co. |





ACI Formulations Limited

Report of the Directors and Audited Financial Statements of the Subsidiary Companies as at & for the year ended 30 June 2018





Neem Laboratories (PVT.) Limited

Directors' Report

Neem Laboratories (Pvt.) Ltd. 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 is the major shareholder of the Company having 98% shares in the Company.

Currently, the Company engaged in manufacturing and marketing of herbal products in small scale. ACI Formulations Limited, however, acquired the Company in 2013 having a plan of large scale operation to capture the potential market of the Neem based products and to make available the benefits of Neem & other herbs to the consumers. The personal care portfolio has been re-launched under the brand name "Neem Original". Currently the portfolio consists soap, face wash, hand wash and face pack. The soap category is the flagship product of the portfolio. We are looking to introduce more products in the portfolio in coming years to strengthen the brand as a whole.

The Company follows fiscal year (July-June) as its financial year. The operating results as per audited accounts of the company for the year ended on 30 June 2018 are as follows:

Key Financial Results

| | Value (BDT) |
|---------------------------|-------------|
| Revenue | 25,804,555 |
| Gross profit | 4,614,832 |
| Operating profit/ (loss) | 3,488,982 |
| Profit /(loss) before tax | 2,968,478 |
| Profit /(loss) after tax | 2,246,599 |

On behalf of the Board


Shusmita Anis
Director


Syed Alamgir
Director

Dhaka: 20 September 2018



SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS
(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (Level-10)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road), Dhaka-1205
Tel : 88-02-9635139, Fax: 88-02-9672006
Mobile : 01552-638228, 01711-520770,
01992-117370, 01920-719463
E-mail : shirazkhanbasak@yahoo.com

Independent Auditor's Report to the Shareholders of NEEM LABORATORIES (Pvt) Limited

We have audited the accompanying Financial Statements of NEEM LABORATORIES (Pvt.) Limited ("the company") which comprise the Statement of Financial Position as at June 30, 2018 and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information disclosed in note.

Management's responsibility for the financial statements

Management of the company is responsible for the preparation and fair presentation of these Financial Statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management of the company, as well as evaluating the overall presentation of the Financial Statements.

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

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of NEEM LABORATORIES (Pvt.) Limited as at June 30, 2018 and its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the applicable section of the Companies Act, 1994 and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by the law have been kept by the company so far as it appeared from our examination of those books; and
- c) the Company's Statement of Financial Position and Statement of Comprehensive Income together with annexed notes dealt with by the report are in agreement with the books of accounts.

Date: 20 September 2018
Place: Dhaka


Shiraz Khan Basak & Co.
Chartered Accountants.

NEEM LABORATORIES (Pvt.) Limited

Statement of Financial Position

As at 30 June 2018

| Particulars | 30 June 2018 Taka | 30 June 2017 Taka |
|-------------------------------------|----------------------|----------------------|
| Assets | | |
| Property, plant and equipment: | | |
| At cost | 4,960,191 | 4,960,191 |
| Accumulated depreciation | (2,716,573) | (2,094,550) |
| Total non-current assets | 2,243,618 | 2,865,641 |
| Deferred tax asset | 983,901 | 587,562 |
| Inventories | 18,584,948 | 12,774,231 |
| Trade receivables | 10,412,564 | 12,669,842 |
| Advances, deposits and prepayments | 2,500,875 | 4,746,616 |
| Inter-company receivable | 24,938,908 | - |
| Cash and cash equivalents | 65,448 | 12,388,590 |
| Total current assets | 56,502,743 | 42,579,279 |
| Total assets | 59,730,262 | 46,032,482 |
| Equity and liabilities | | |
| Equity | | |
| Share capital | 500,000 | 500,000 |
| Retained earnings | (8,775,608) | (11,022,207) |
| Total equity | (8,275,608) | (10,522,207) |
| Liability | | |
| Loans and borrowings | 7,682,874 | 5,489,148 |
| Trade payables | 5,436,703 | 9,929,724 |
| Other payables | 1,005,315 | 914,905 |
| Inter-company liabilities | 52,483,972 | 39,942,124 |
| Current tax liability | 1,397,006 | 278,788 |
| Total current liabilities | 68,005,870 | 56,554,689 |
| Total liabilities | 68,005,870 | 56,554,689 |
| Total equity and liabilities | 59,730,262 | 46,032,482 |


Director


Director


Company Secretary

As per our separate report of even date annexed.


Shiraz Khan Basak & Co.
Chartered Accountant

Date: 20 September 2018
Place: Dhaka

An associate firm of D.N. Gupta Associates



NEEM LABORATORIES (PVT.) LIMITED

Statement of Comprehensive Income

For the year ended 30 June 2018

| Particulars | 30 June 2018 Taka | 30 June 2017 Taka |
|---|----------------------|----------------------|
| Revenue | 25,804,555 | 33,582,694 |
| Cost of sales | (21,189,723) | (30,539,372) |
| Gross profit | 4,614,832 | 3,043,322 |
| Administration, selling and distribution expenses | (1,125,850) | (857,902) |
| | 3,488,982 | 2,185,420 |
| Other income | - | - |
| Result from operating activities | 3,488,982 | 2,185,420 |
| Finance cost | (520,504) | (467,743) |
| Profit / (loss) before income tax | 2,968,478 | 1,717,677 |
| Income tax expenses : | | |
| Current tax expenses | (1,118,218) | (201,496) |
| Deferred tax income | 396,339 | 12,564 |
| | (721,879) | (188,932) |
| Net profit / (loss) after tax | 2,246,599 | 1,528,745 |


Director


Director


Company Secretary

As per our separate report of even date annexed.

Date: 20 September 2018
Place: Dhaka


Shiraz Khan Basak & Co.
Chartered Accountant

An associate firm of D.N. Gupta Associates

NEEM LABORATORIES (PVT.) LIMITED

Statement of Changes In Equity

For the year ended 30 June 2018

| Particulars | Share capital Taka | Retained earnings Taka | Total Taka |
|--|-----------------------|---------------------------|---------------|
| Balance on 30 June 2016 | 500,000 | (12,550,952) | (12,050,952) |
| Net profit for the year | - | 1,528,745 | 1,528,745 |
| Other comprehensive income/(Loss) for the year | - | - | - |
| Total comprehensive income for the year | - | 1,528,745 | 1,528,745 |
| Balance at 30 June 2017 | 500,000 | (11,022,207) | (10,522,207) |
| Net profit for the year | - | 2,246,599 | 2,246,599 |
| Other comprehensive income/(Loss) for the period | - | - | - |
| Total comprehensive income for the period | - | 2,246,599 | 2,246,599 |
| Balance at 30 June 2018 | 500,000 | (8,775,608) | (8,275,608) |



NEEM LABORATORIES (PVT.) LIMITED

Statement of Cash Flows

For the year ended 30 June 2018

| Particulars | 30 June 2018 Taka | 30 June 2017 Taka |
|--|----------------------|----------------------|
| A) Cash flows from operating activities | | |
| Cash receipts/(paid) from /(to) customers | 28,061,833 | 23,727,983 |
| Cash receipts from other income | - | - |
| | 28,061,833 | 23,727,983 |
| Cash paid for: | | |
| Purchase of inventory | (31,493,455) | (29,935,624) |
| Operating expenses | (413,423) | 198,764 |
| Advances, deposits and prepayments | 2,393,500 | (530,752) |
| | (29,513,378) | (30,267,612) |
| Cash generated from operations | (1,451,545) | (6,539,629) |
| Financing cost | (520,504) | (467,744) |
| Income tax | (147,759) | (519,878) |
| | (668,263) | (987,622) |
| Net cash used in operating activities | (2,119,808) | (7,527,251) |
| B) Cash flows from investing activities | | |
| Purchase of property, plant and equipment | - | (228,823) |
| Net cash from (used in) investing activities | - | (228,823) |
| C) Cash flows from financing activities | | |
| Inter-company debts (paid)/received | (12,397,060) | 16,597,966 |
| Short term loan received | 2,193,726 | 1,175,525 |
| Net cash flows from financing activities | (10,203,334) | 17,773,491 |
| D) Net cash flow from all activities (A+B+C) | (12,323,142) | 10,017,417 |
| E) Cash and cash equivalent at 01 July 2017 | 12,388,590 | 2,371,173 |
| F) Cash and cash equivalent at 30 June 2018 (D+E) | 65,448 | 12,388,590 |
| Closing balance represents: | | |
| Cash in hand and at bank | 65,448 | 12,388,590 |
| | 65,448 | 12,388,590 |



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 22nd Annual General Meeting of the Company to be held on Wednesday, 12 December 2018 at 9:00 am and/or at any adjournment thereof.

As witness my hands this _____ day of _____ 2018.

Signature on
Tk.20
Revenue Stamp

(Signature of the Proxy)

(Signature of the Shareholder)

Registered Folio/ BO ID No. _____

No. of Shares held _____

Date _____

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 22nd Annual General Meeting being held on Wednesday, 12 December 2018 at 9:00 am at Officers Club, 26 Baily Road, Dhaka.

Name of member/proxy _____

Registered Folio/ BO ID No _____

No. of Shares held _____

Signature of Shareholder(s)





ACI Formulations Limited
ACI Centre, 245 Tejgaon Industrial Area, Dhaka 1208