

**ADVANCING  
POSSIBILITIES**



# Annual Report 2019-2020

Advanced Chemical Industries Limited



## Our Mission

ACI's Mission is to enrich the quality of life of the people through responsible application of knowledge, technology and skills. ACI is committed to the pursuit of excellence through world-class products, innovative processes and empowered employees, to provide the highest level of satisfaction to our customers.

## Our Vision

To realise the Mission, ACI will :

- Provide products and services of high and consistent quality, ensuring value for money to our customers.
- Endeavour to attain a position of leadership in each category of our businesses.
- Develop our employees by encouraging empowerment and rewarding innovation.
- Promote an environment for learning and personal growth.
- Attain a high level of productivity in all our operations through effective utilisation of resources and adoption of appropriate technology.
- Promote inclusive growth by encouraging and assisting our distributors and suppliers in improving efficiency.
- Ensure superior return on investment through judicious use of resources and efficient operations, utilising our core competencies.

## Our Values

- Quality
- Customer Focus
- Innovation
- Fairness
- Transparency
- Continuous Improvement



ISO 9001 Quality Management System  
ACI is the first company in Bangladesh to have obtained ISO  
9001 Certification for Quality Management System across all categories



## ACI Quality Policy

One of our important vision is to provide products and services of high and consistent quality, ensuring value for money to our customers.

To attain the Vision ACI will:

- Aim to achieve business excellence by understanding, accepting, meeting and exceeding customer expectations.
- Follow International Standards on Quality Management System to ensure consistent quality of products and services to achieve customer satisfaction. ACI will also meet all national and regulatory requirements relating to its current businesses and ensure that current Good Manufacturing Practice (cGMP) as recommended by World Health Organisation is followed for its pharmaceutical operations and conform to all other guidelines and best practices relating to its other businesses.
- Commit itself to quality as the prime consideration in all its business decisions. All employees of ACI follow documented procedures to ensure compliance with quality standards.
- Develop a pool of human resources of the Company to their full potential through regular training and participation in seeking continuous improvement of the Quality Management System.

ISO 14001 Environmental Management System  
ACI is the first company in Bangladesh to have obtained  
ISO 14001 Certification for Environmental Management System



## ACI Environmental Policy

ACI is committed to formulate and conduct all its operations in an environmentally friendly manner, ensuring continual improvement in the utilisation of resources and prevention of pollution or degradation of the environment.

In pursuit of this Goal, ACI will:

- Comply with all local and national legislations and regulations.
- Conserve natural resources like water and energy for sustainable development, and adopt environmentally safe processes.
- Ensure appropriate treatment of all effluents prior to discharge.
- Ensure appropriate communication with internal and external interested parties on environmental issues.
- Create awareness on environmental issues among our employees and contractors.
- Ensure waste management in an environmentally responsible manner through continuous upgradation of technology.

## UN Global Compact

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with the ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Since launching in year 2000, the United Nations Global Compact has been encouraging businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. At present, with over 12,000 corporate participants and other stakeholders from over 145 countries, it is the largest voluntary corporate responsibility initiative in the world. Overall, the Global Compact pursues two complementary objectives:

1. Mainstream its Ten Principles in business strategy and operations around the world; and
2. Catalyze business action in support of broader UN goals with emphasis on collaboration and collective action.

The Global Compact incorporates a transparency and accountability policy known as the Communication on Progress (COP). The annual posting of a COP is an important demonstration of a participant's commitment to the UN Global Compact and its principles. Participating companies are required to follow this policy, as a commitment to transparency and disclosure is critical to the success of the initiative.

Since September 2003, ACI is a proud and active member of The UN Global Compact. ACI is also a Founding Member of the Community of Global Growth of Companies, an initiative of World Economic Forum.

## World Economic Forum

ACI has been accepted as a Founding Member of the Community of Global Growth Companies by the World Economic Forum which is the most prestigious business networking organisation in the world.



For further information on the Compact, please visit [www.unglobalcompact.org](http://www.unglobalcompact.org)



### About Cover

ACI has been able to reach out across many sectors of Bangladesh's economy. This cover depicts the emergence of possibilities as we explore the opportunities across the globe.





Advanced Chemical Industries Limited



এডভান্সড কেমিক্যাল  
ইন্ডাস্ট্রিজ লিমিটেড

২৪৫, তেজগাঁও শিল্প এলাকা  
ঢাকা ১২০৮, বাংলাদেশ  
টেলিফোন (৮৮০২) ৮৮৭ ৮৬০৩  
ফ্যাক্স (৮৮০২) ৮৮৭ ৮৬১৯-২০

**Advanced Chemical  
Industries Limited**

245, Tejgaon Industrial Area  
Dhaka 1208, Bangladesh  
Telephone (8802) 887 8603  
Fax (8802) 887 8619-20  
Email : info@aci-bd.com  
Web : www.aci-bd.com

Your ref

Our ref

Date

7 December 2020

## Letter of Transmittal

To

All Shareholders of Advanced Chemical Industries Limited (ACI)  
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 Advanced Chemical Industries Limited (ACI)

Dear Sir,

**Re: Annual Report of Advanced Chemical Industries Limited (ACI) for the year ended 30 June 2020.**

We are pleased to enclose a copy of ACI's Annual Report together with the Audited Financial Statements as on 30 June 2020, statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in equity for the year ended 30 June 2020 along with notes thereto of ACI for your kind information and record.

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

Thanking you,

Yours Sincerely,

**Mohammad Mostafizur Rahman**  
Company Secretary



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# Corporate Information

## Company Profile

### Basic Information

Full Name:	Advanced Chemical Industries Limited	Authorized Capital (BDT):	1,500,000,000
Incorporation Date:	24 January 1973	Issued & Paid Capital (BDT):	573,729,550
Registration No:	C-3885	No of Shares:	57,372,955
Company Type:	Public Limited	Face Value (BDT):	10
Number of Employees:	8,364	Year End:	30 June

### Board of Directors

- Mr. M. Anis Ud Dowla, Chairman
- Mr. Golam Mainuddin, Director
- Mrs. Najma Dowla, Director
- Mr. Anisuddin Ahmed Khan, Director
- Mr. Kamran Tanvirur Rahman, Independent Director
- Ms. Shusmita Anis, Director
- Mr. Adil Husain, Independent Director
- Mr. Abdul-Muyeed Chowdhury, Director
- Dr. Arif Dowla, Managing Director

### Board Committees

#### Audit Committee

- Mr. Kamran Tanvirur Rahman, Chairman
- Mr. Golam Mainuddin, Member
- Ms. Shusmita Anis, Member
- Mr. Mohammad Mostafizur Rahman, Secretary

#### Nomination and Remuneration Committee (NRC)

- Mr. Kamran Tanvirur Rahman, Chairman
- Mr. Golam Mainuddin, Member
- Mr. Mohammad Mostafizur Rahman, Secretary

### Executive Management

- Dr. A.K.M. Fareyzul Haque Ansarey  
Managing Director & CEO  
ACI Motors Limited, Premiaflex Plastics Limited  
ACI Agrolink Limited  
ACI Marine and Riverine Technologies Limited
- Mr. Syed Alamgir  
Managing Director  
ACI Salt Limited, ACI Foods Limited, ACI Pure Flour Limited
- Mr. M Mohibuz Zaman  
Managing Director  
ACI HealthCare Limited, ACI Biotech Limited
- Mr. Pradip Kar Chowdhury  
Executive Director, Finance & Planning
- Mr. Sabbir Hasan Nasir  
Executive Director, ACI Logistics
- Mr. Md. Monir Hossain Khan  
Finance Director
- Mr. Imam Ahmed Istiak  
Director, Operations, Pharmaceuticals

### Statutory Position

Chief Financial Officer:	Mr. Pradip Kar Chowdhury
Company Secretary:	Mr. Mohammad Mostafizur Rahman
Head of Risk Management & Internal Audit:	Mr. Amitava Saha

### Auditors

Statutory Auditor:	Hoda Vasi Chowdhury & Co., Chartered Accountants
Governance Compliance Auditor:	Al-Muqtadir Associates, Chartered Secretaries

### Advisors

Legal Advisor:	Barrister Nihad Kabir
Advisor, Regulatory Affairs:	Mr. M. Sekander Ali
Advisor, NRC:	Mr. Monower Ahmed

### Principal Bankers

- Bank Alfalah Limited
- BRAC Bank Limited
- Commercial Bank of Ceylon Plc
- National Credit and Commerce Bank Ltd
- One Bank Limited
- Eastern Bank Limited
- Jamuna Bank Limited
- Al Arafah Islami Bank Limited
- Pubali Bank Limited
- Standard Chartered Bank
- The City Bank Limited
- The Hongkong and Shanghai Banking Corporation Limited
- United Commercial Bank Limited
- Uttara Bank Limited
- Bank Asia Limited
- Prime Bank Limited
- Dhaka Bank Limited
- Mercantile Bank Limited
- Agrani Bank Limited
- Dutch-Bangla Bank Limited
- Community Bank Limited
- NRB Bank Limited
- Premier Bank Limited



## ACI in Brief

Imperial Chemical Industries, a British multinational established a Branch in the then East Pakistan which was converted into a company after liberation, named ICI Bangladesh Manufacturers Limited. In 1992 ICI divested its investment in Bangladesh to the Management, when its name was changed to Advanced Chemical Industries (ACI) Limited.

Advanced Chemical Industries (ACI) Limited, being one of the largest conglomerates in Bangladesh with a multinational heritage operates across the country through its four diversified strategic business units. 'ACI Pharmaceuticals' is dedicated to improve the health of the people of Bangladesh through introduction of innovative and reliable Pharmaceuticals products.

'ACI Consumer Brands' is adding value to the daily life of consumers through its Toiletries, Home Care, Hygiene, Electrical, Electronics, Mobile, Salt, Flour, Foods, Rice, Tea, Edible Oil, Paints and International Businesses. 'ACI Agribusinesses' is the largest integrator in Bangladesh in Agriculture, Livestock, Fisheries, Farm Mechanization, Infrastructure Development Services and Motorcycle. 'ACI Retail Chain' is the largest retail chain in Bangladesh operating through its 144 SHWAPNO outlets including 34 newly opened express outlets across the country by touching the lives of over 45,000 plus households each day. The Company contributed Taka 4,318 million to the National Exchequer during FY 2019-2020 in the form of corporate tax, custom duty and value added tax.



## Group of Companies

### Subsidiaries

1. ACI Formulations Limited
2. ACI Salt Limited
3. ACI Pure Flour Limited
4. ACI Foods Limited
5. ACI Agrolink Limited
6. Creative Communication Limited
7. Premiaflex Plastics Limited
8. ACI Motors Limited
9. ACI Logistics Limited
10. ACI Edible Oils Limited
11. ACI HealthCare Limited
12. ACI Chemicals Limited
13. INFOLYTX Bangladesh Limited
14. ACI Biotech Limited
15. ACI Marine and Riverine Technologies Limited

### Joint Ventures and Associates

16. Tetley ACI (Bangladesh) Limited
17. Asian Consumer Care (Pvt.) Limited
18. ACI Godrej Agrovet Private Limited
19. ACI CO-RO Bangladesh Ltd.
20. Stochastic Logic Limited



## We Honour, We Mourn



**Barrister Rafique-ul Huq**

(02 November 1935 – 24 October 2020)

“

*Barrister Rafique-ul Huq was a true well wisher. He was the legal advisor to ICI and helped them with their divestment. I also consulted him to ensure that the transition is smooth.*

*He drafted the Memorandum and Articles of Association of ACI and helped us with all the formalities that a successful divestment needs to complete.*

*He was by my side whenever he was needed. He has attended all our Annual General Meetings without fail, for 26 years in a row. I was looking forward to having him in our next AGM in December 2020 on a virtual platform, but that will not be. We will miss him.*

*May Allah grant him a place in heaven.*

”

**M. Anis Ud Dowla**



**Waliur Rahman Bhuiyan, OBE**

(02 July 1952 – 19 June 2020)

“

*Waliur Rahman Bhuiyan joined Bangladesh Oxygen as a management trainee under me. He was a conscientious learner, with a logical mind and effective disposition. He rose to the highest level in Bangladesh Oxygen to the position of Managing Director. He provided leadership to the business community as President of Foreign Investors' Chamber for several terms. We rejoiced when he was honoured with the title of Order of the British Empire.*

*After retirement, at my invitation, he joined the ACI Board. His wise deliberations were a source of strength for the Company. We will miss him at our Board meetings.*

*May Allah grant him eternal peace in heaven.*

”

**M. Anis Ud Dowla**



## Board of Directors' Profile



**Mr. 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. Mr. Dowla 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 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.



**Mr. Golam Mainuddin**  
Director

Mr. Golam Mainuddin joined the Board of Advanced Chemical Industries (ACI) Limited in October 2015. Prior to that he served the Company in the capacity of Independent Director as well as Chairman of the Board's Audit Committee. Mr. Mainuddin has been the Chairman of British American Tobacco Bangladesh since August 2008. He has been with BAT Bangladesh over 36 years and served in different management capacity. After obtaining his Masters of Science degree from Dhaka University, Mr. Mainuddin pursued the first 28 years of his career in the agro-based industry followed by corporate management over the last 22 years. He was a Tea Garden Manager at Duncan Brothers from 1969 to 1982, and then joined BAT Bangladesh to soon become the Head of Leaf in 1985. He was inducted as Director of BAT in 1986, and was given the responsibility of Deputy Managing Director in 1996. He was the Vice-President of Metropolitan Chambers of Commerce and Industries (MCCI), Vice-President of Bangladesh Employers' Federation (BEF) and Director of Federation of Bangladesh Chambers of Commerce and Industries (FBCCI). He was the Independent Director as well as Chairman of the Audit Committee of Apex Footwear Limited. Besides, he served as Director of Infrastructure Investment Facilitation Company (IIFC) at the Ministry of Finance of the Government of Bangladesh. He has been a CIP (Commercially Important Person) by the Government of Bangladesh since 2010.



**Mrs. Najma Dowla**  
Director

Mrs. Najma Dowla joined the Board as Director in 1996. She is also a Director and Member of the Audit Committee and Nomination and Remuneration Committee of ACI Formulations Limited. Currently, she occupies the Directorship position in 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.



**Mr. Anisuddin Ahmed Khan**  
Director

Mr. Anisuddin Ahmed Khan joined the Board of Advanced Chemical Industries (ACI) Limited in August 2020. Mr. Khan, Adjunct Faculty at the School of Business of Independent University Bangladesh (IUB) is a Fellow of the Institute of Bankers, Bangladesh and former Managing Director & CEO of Mutual Trust Bank Limited (MTB), where he served for nearly eleven years. Prior to joining MTB, he headed IDLC Finance Limited for six years. A career banker, he served earlier for 21 years with the then Grindlays Bank plc and its successor banks - ANZ Grindlays Bank and Standard Chartered Bank (SCB), in an array of senior roles both in Bangladesh and abroad. He has served as Chairman of both the Association of Bankers, Bangladesh Limited (ABB) and Primary Dealers Bangladesh Limited (PDBL). He was also the Vice-President of the Bangladesh Association of Publicly Listed Companies (BAPLC) for two separate two-year terms. During his stint at IDLC, he was first Vice Chairman and then Chairman of the Bangladesh Leasing & Finance Companies Association (BLFCA) for two terms from 2004-2008. Mr. Anis has LL.B. (Honors) and LL.M. (First Class First) degrees and a Diploma in French (First Class) from the University of Dhaka. He also qualified in the BCS Examination 1982. In addition he holds a Post Graduate Diploma in Human Resource Management (First Class) from the Bangladesh Institute of Management, Dhaka and is a Fellow of the Institute of Personnel Management, Bangladesh. He has attended training courses on leadership, corporate governance and strategic management at the University of Cambridge, United Kingdom; INSEAD, Fontainebleau, France; University of California, Berkeley, California, USA and at the London School of Economics, London, United Kingdom. He has presented a paper on "Financing the Transformation of the Bangladesh Garments Industry" at the School of South Asian Studies, University of Harvard, Cambridge, Massachusetts, USA and 'Achieving SDGs: Financial Inclusion, Bangladesh Perspective' at the Bangladesh Development Conference held there in June 2015. Similarly, he presented another paper on 'Financial Inclusion' at Kennedy Law School, University of Harvard in June 2017. He presented a paper on investment in Bangladesh at Yale University in March 2019. He also serves as the Chairman of the Board Audit Committee and Nomination & Remuneration Committee of Berger Paints Bangladesh Ltd., Independent Director of Summit Alliance Port Limited (SAPL) and Ananta Apparels Limited. A Director of W&W Grains Corporation, Mr. Anis has recently been elected to the board, representing participating banks, of Central Counterparty Bangladesh Limited (CCBL), set up for automating the clearing operations of the stock exchanges. Mr. Anis serves as Vice-President of the Metropolitan Chamber of Commerce & Industry, Dhaka (MCCI), Life Member of the SAARC Chamber of Commerce and Industry, Member of the Managing Committee of Ispahani Islamia Eye Institute & Hospital and Independent Trustee of the CSR Centre. He was presented the 'Business & Entrepreneur Excellence Award 2016' by the UK Bangladesh Catalysts of Commerce & Industry in the category of "Inspirational Leader of the Year" in November 2018.



**Dr. Arif Dowla**  
Managing Director

Dr. Arif Dowla took over the charge of the Managing Director of Advanced Chemical Industries (ACI) Limited in June 2005. Prior to this position, he served the Company as Deputy Managing Director from September 2000. Dr. Dowla is the functional head of the Company who manages the affairs of ACI Group with appropriate delegation of authority and accountability while the chief executives of all strategic business units directly report to him. 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 UK and Bangladesh. He is also the Chairman of ACI CO-RO Bangladesh Ltd., a joint-venture between Denmark 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, however, occupies 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).



**Mr. Abdul-Muyeed Chowdhury**  
Director

Mr. Abdul-Muyeed Chowdhury joined the Board as Director in 28 January 2019. He is serving as an Independent Director of ACI Formulations Limited from October 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 Limited, 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).



**Mr. Kamran Tanvirur Rahman**  
Independent Director

Mr. Kamran Tanvirur Rahman was appointed as an Independent Director of the Company in 2014. He obtained his Bachelor of Science Degree in Mechanical Engineering from the Northeastern University, Boston, Massachusetts, USA in the year 1981. Mr. Rahman 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.



**Ms. Shusmita Anis**  
Director

Ms. Shusmita Anis completed her graduation in Fine Arts in Graphics Design from San Jose, California, USA. She was inducted as a Director of Advanced Chemical Industries Limited in 2000. In addition to her current role in the Board of ACI, she performs as a member of the Board's Audit Committee. Ms. Shusmita has been the Managing Director of ACI Formulations Limited since 2012. 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.



**Mr. Adil Husain**  
Independent Director

Mr. Adil Husain was appointed as an Independent Director of the Company in 2018. He obtained Dip. Ing (Mechanical) from Tech. High School, Stockholm, and also a Diploma in Automobile Mechanics. Mr. Husain started his career with Pakistan Oxygen Ltd. in 1969, which later became Bangladesh Oxygen Ltd. He served in Karachi (POL) and all the branches of BOL, was Marketing Manager of the Company and was Regional Manager when he left in 1984. He set up his own company, Business Consultants Ltd. representing Obayashi Corporation of Japan, and successfully completed the Meghna-Gumti Bridge. From 1987, was Executive Director of A. Kabir Ltd., exporters of Bangladesh tea to the then USSR. During this time, he was closely involved with the family tea estates, and was instrumental in the setting up of the tea factory of Jhemai Tea Estate. From 1996 to 2011 was Executive Director, Pacific Bangladesh Telecom Ltd.



**Mr. Mohammad Mostafizur Rahman**  
Company Secretary

Mohammad Mostafizur Rahman joined Advanced Chemical Industries (ACI) Limited as the Company Secretary in July 2018. Previously, he worked with HeidelbergCement Bangladesh Limited, Bata Shoe Company (Bangladesh) Limited, Square Pharma and Rang's 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. Mr. Rahman is a Fellow member of Institute of Chartered Secretaries of Bangladesh.



## Notice of the 47th Annual General Meeting

Notice is hereby given that the 47th Annual General Meeting of Advanced Chemical Industries Limited will be held on Thursday, 24 December 2020 at 11:30 am. The AGM will be held virtually using digital platform through the following link: <https://tinyurl.com/acilagm2020>

### AGENDA

- 1) To receive, consider and adopt the Audited Financial Statements for the year ended 30 June 2020 together with Reports of the Directors and Auditors thereon.
- 2) To declare dividend for the year ended 30 June 2020.
- 3) To elect/re-elect Directors and to approve the appointment of Directors.
- 4) To appoint Statutory and Compliance Auditors for the year 2020-2021 and to fix their remuneration.
- 5) To confirm re-appointment of Managing Director.

Dhaka  
2 December 2020

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. 1 December 2020, will be eligible to attend the virtual AGM and receive the dividend.
- b. Members can join the AGM using their Laptop, PC, Mobile or Tab providing their respective name, 16-digit BOID and No. of Shares. Members can also find the link easily by scanning the QR Code given.
- c. The Shareholders are requested to submit their written option to receive dividend to the Company's Share Office on or before 15 December 2020. In case of non-receipt of such option within the stipulated date, the dividend will be paid off as deemed appropriate by the Company.
- d. The Proxy Form, duly completed, must be deposited at the Share Office of the Company at 9 Motijheel Commercial Area, Dhaka-1000 at least 48 hours before the time fixed for the Meeting.
- e. The Annual Report 2019-2020 will be available in Company's website, [www.aci-bd.com](http://www.aci-bd.com)



To Join with AGM



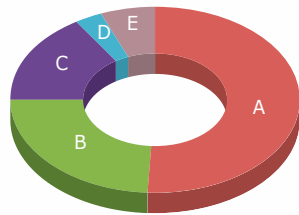
## Financial Calendar



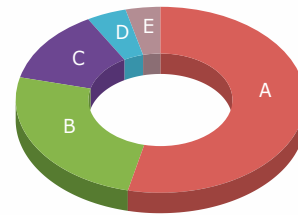


# Financial Highlights and Analysis

## ACI Limited's Turnover Contribution by Business Unit



2019-20

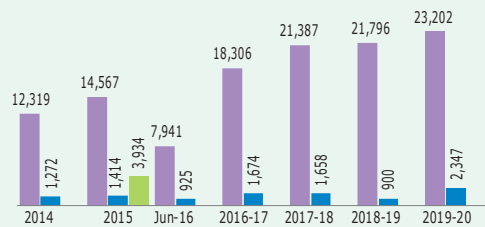


2018-19

	2019-20	2018-19
A Pharmaceuticals	51%	59%
B Consumer Brands	24%	28%
C Animal Health	16%	14%

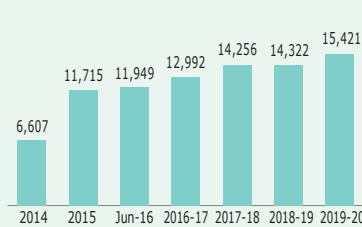
	2019-20	2018-19
D Fertilizer	3%	5%
E Seeds	6%	4%

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

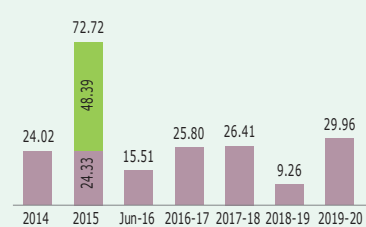


■ Net sales income (in Million) ■ Profit Before Tax (in Million)  
■ PBT With One-off gain (in Million)

### Shareowners' Equity (Taka in Million)



### Earnings Per Share (Taka)



■ EPS ■ With One-off Gain

## ACI Group's Comparative Statistics

Particulars	December 2012	December 2013	December 2014	December 2015	June 2016 (six month)	July 2016- June 2017	July 2017- June 2018	July 2018- June 2019	July 2019- June 2020
Taka in million									
Authorized capital	500	500	500	500	500	500	500	1,500	1,500
Issued & paid capital	238	286	344	398	398	438	482	499	574
Current assets	9,927	11,598	12,926	17,206	20,190	26,316	27,725	32,039	30,403
Tangible fixed assets (gross)	7,826	8,819	9,852	11,782	12,562	15,299	18,119	20,711	27,218
Shareowners' equity	3,797	3,792	4,138	9,772	9,709	10,574	10,883	9,579	7,899
Turnover (net)	21,976	22,167	25,822	31,383	17,853	47,668	56,123	63,144	69,475
Gross profit	5,640	6,598	8,051	9,840	5,663	14,104	15,866	18,318	19,484
Profit before tax	104	560	1,059	3,910	853	2,189	1,422	170	(99)
Profit after tax (equity holders)	(166)	204	573	2,878	382	1,065	517	(775)	(1,059)
Current ratio (times)	0.84	0.84	0.81	0.97	0.91	0.87	0.84	0.77	0.70
Quick ratio (times)	0.47	0.45	0.42	0.54	0.53	0.52	0.78	0.44	0.41
Return on equity (%)	(4.37)	5.37	13.85	29.45	7.88	10.07	4.75	(8.09)	(13.40)
Inventory turnover (times)	4.00	3.17	3.07	3.11	3.04	3.54	3.60	3.54	3.83
Debtors turnover (times)	6.66	6.20	6.85	6.99	6.46	6.61	5.76	5.09	5.34
Fixed assets turnover (times)	3.11	2.66	3.18	3.03	2.64	2.81	2.64	2.60	2.66
Net asset per share (Taka)	174.79	141.36	120.30	245.30	243.72	219.36	189.70	166.95	137.67
Earnings per share (Taka)	(5.82)	5.94	14.49	65.75	8.72	22.10	10.36	(13.51)	(18.45)

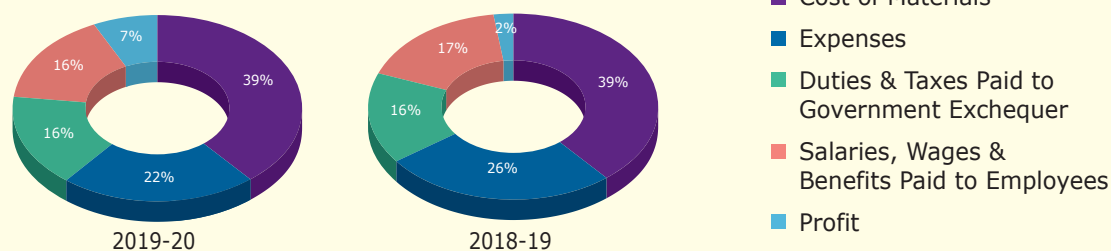
\* Ratios are annualised

## ACI Limited's Comparative Statistics

Particulars	December 2012	December 2013	December 2014	December 2015	June 2016 (six month)	July 2016- June 2017	July 2017- June 2018	July 2018- June 2019	July 2019- June 2020
Taka in million									
Authorized capital	500	500	500	500	500	500	500	1,500	1,500
Issued & paid capital	238	286	344	398	398	438	482	499	574
Current assets	8,335	9,462	9,927	10,960	12,607	17,105	23,006	27,564	29,910
Tangible fixed assets (gross)	2,975	3,423	4,323	6,057	6,233	7,455	8,825	9,358	10,103
Shareowners' equity	5,081	5,637	6,607	11,715	11,949	12,992	14,256	14,322	15,421
Turnover (net)	9,680	10,684	12,319	14,567	7,941	18,306	21,387	21,796	23,202
Gross profit	3,590	4,258	5,171	6,262	3,561	8,196	9,242	9,886	10,705
Profit before tax	737	1,014	1,272	3,934	925	1,674	1,658	900	2,347
Profit after tax	545	764	951	3,184	680	1,244	1,317	531	1,719
Dividend	238	301	398	498	-	518	571	574	516
Current ratio (times)	1.17	1.17	1.19	1.67	1.57	1.29	1.17	1.13	1.12
Quick ratio (times)	0.87	0.85	0.83	1.07	1.08	0.92	0.91	0.90	0.93
Return on equity (%)	10.73	13.56	14.38	27.17	11.37	9.57	9.24	3.71	11.15
Inventory turnover (times)	3.12	2.74	2.59	2.40	2.22	2.31	2.45	2.25	2.39
Debtors turnover (times)	7.99	7.44	8.41	8.83	7.56	6.45	5.16	4.35	5.13
Fixed assets turnover (times)	3.51	3.34	3.18	2.82	2.42	2.45	2.43	2.28	2.26
Net asset per share (Taka)	213.73	197.23	192.09	294.08	299.96	269.54	248.48	249.64	268.79
Market price per share (Taka)	141.20	171.50	389.90	561.60	455.10	516.50	347.80	274.70	204.20
Earnings per share (Taka)	19.11	22.27	24.02	72.72	15.51	25.80	26.41	9.26	29.96
Dividend per share (Taka)	10.00	10.50	11.50	12.50	-	11.82	11.85	11.50	9.00
Dividend rate (%)	100.00	105.00	115.00	125.00	-	125.00	118.50	115.00	90.00
Dividend payout ratio (%)	52.33	47.15	47.88	17.19	-	45.81	44.87	124.15	30.04
Price earnings ratio (times)	7.39	7.70	16.23	7.72	14.67	20.02	13.17	29.66	6.82
Dividend yield (%)	7.08	6.12	2.95	2.23	-	2.29	3.41	4.19	4.41
Number of employees	4,560	4,955	6,930	7,090	7,275	8,364	9,053	9,147	8,364

\* Ratios are annualised

### Analysis of Turnover (%) of ACI Limited



### Comparison of Turnover & Costs

	Taka in million			
	2019-20	%	2018-19	%
<b>Turnover (Gross)</b>	<b>26,120</b>	<b>100</b>	<b>24,263</b>	<b>100</b>
Cost of Materials	10,111	39	9,557	39
Expenses	5,759	22	6,413	26
Duties & Taxes to Government Exchequer	4,318	16	3,770	16
Salaries, Wages & Benefits paid to employees	4,214	16	3,991	17
Profit	1,719	7	531	2
	<b>26,120</b>	<b>100</b>	<b>24,263</b>	<b>100</b>



“

*ACI is going to be true to its mission of improving the quality of life of people, by adapting to their needs under this pandemic*

”

## Message from the Chairman

*Dear Shareowners,*

*Assalamu Alaikum,*

The Coronavirus pandemic has created havoc for businesses, employment and livelihood, humbling humanity and disrupting lives everywhere. The tiny virus has affected the rich and the poor, the affluent and the deprived without exception and with life-threatening consequences. As a result the economy of the world has been going through recession. Bangladesh economy has also started feeling the effect.

Our businesses have been affected in various degrees. Pharma and Agri-businesses are relatively better off than Consumer Brands and Retail Chain divisions. Your company has played a significant role in supplying sanitizers, disinfectants and medicated soaps to prevent spread of the virus. We also supplied large quantities of medicines which were helpful in strengthening immune system to combat the virus. Our recently-introduced combined harvesters helped alleviate labour shortage in the farms. Your retail chain Shwapno created a safe and hygienic environment for people to buy their essential supplies.

Our employees have been encouraged to work from home wherever possible. Our offices have maintained WHO guidelines strictly, maintaining social distancing and wearing protective gearing.

With a deep sense of gratitude and admiration we acknowledge the courage and devotion that our

employees at all levels have shown in discharging their duties with a sense of service. On behalf of all our stakeholders I thank our employees for their loyalty and dedication.

Dear Shareowners, we are passing through the most challenging time of our lives. To survive this crisis the organisation requires leadership and farsightedness. In many respects the post-pandemic scenario of marketplace, work practice and consumer behavior will be permanently altered.

ACI is going to be true to its mission of improving the quality of life of people, by adapting to their needs under this pandemic. We will adjust our business activities to support the country through the healthcare, consumer hygiene, agriculture, food processing, supply chain, transportation, packaging needs, and many more facets essential to wellbeing of the people. This will ensure our sustainability and relevance of the organization and in turn enhance shareholder value.

*Sincerely,*

**M. Anis Ud Dowla**  
Chairman, ACI Group



এই মহামারীতে প্রয়োজনীয়  
চাহিদার সাথে খাপ খাইয়ে,  
মানুষের জীবনযাপনের  
মানোন্নয়নের মাধ্যমে এসিআই  
তার লক্ষ্য বাস্তবায়ন করে চলেছে  
”

## চেয়ারম্যানের বাণী

প্রিয় শেয়ারমালিকবৃন্দ,

আসসালামু-আলাইকুম,

মহামারী করোনা ভাইরাস ব্যবসা, কর্মসংস্থান ও মানুষের জীবিকার ব্যাপক ক্ষতি সাধন করেছে। মানবতাকে থমকে দিয়ে স্বাভাবিক জীবনযাপন সর্বত্র বিঘ্নিত করেছে। ক্ষুদ্র এ ভাইরাস, ধনী-গরীব, সম্পদশালী কিংবা সুবিধাবঞ্চিত কাউকেই তার প্রাণঘাতী থাবা থেকে রেহাই দেয়নি। ফলশ্রুতিতে, সারা বিশ্বে দেখা দিয়েছে অর্থনৈতিক মন্দা। বাংলাদেশের অর্থনীতিতেও তার প্রভাব পরিলক্ষিত হচ্ছে।

আমাদের ব্যবসা বিভিন্ন মাত্রায় ক্ষতিগ্রস্ত হয়েছে। কনজুমার ব্র্যান্ড এবং রিটেইল চেইন বিভাগের তুলনায় ফার্মা ও এগ্রিবিজনেস অপেক্ষাকৃত ভালো অবস্থানে রয়েছে। আপনাদের কোম্পানী স্যানিটাইজার, জীবাণুনাশক এবং মেডিকেটেড সাবান সরবরাহের মাধ্যমে ভাইরাস বিস্তাররোধে গুরুত্বপূর্ণ ভূমিকা পালন করেছে। আমরা প্রচুর পরিমাণে ঔষধ সরবরাহ করেছি যা মানুষের রোগ প্রতিরোধ ক্ষমতাকে বৃদ্ধি করার মাধ্যমে ভাইরাস মোকাবেলায় সাহায্য করছে। সম্প্রতি সংযুক্ত আধুনিক প্রযুক্তিসম্বলিত কনসাইন্ড হারভেস্টার দেশের শ্রমঘাটতি পূরণে গুরুত্বপূর্ণ ভূমিকা পালন করেছে। আপনাদের রিটেইল চেইন ‘স্বপ্ন’ ভোক্তার নিত্য প্রয়োজনীয় পণ্য-সামগ্রী ক্রয়ের জন্য নিরাপদ ও স্বাস্থ্যসম্মত পরিবেশ নিশ্চিত করেছে।

আমাদের কর্মকর্তা-কর্মচারীবৃন্দকে যথাসম্ভব ঘরে বসে কাজ করতে উৎসাহিত করা হয়েছে। আমাদের অফিসগুলো সামাজিক দূরত্ব বজায় রাখা, সুরক্ষা আবরণ পরিধানসহ বিশ্ব স্বাস্থ্য সংস্থার নির্দেশিকাসমূহ যথাযথভাবে পালন করছে।

দায়িত্ব পালনে আমাদের সর্বস্তরের কর্মকর্তা-কর্মচারীগণ যে সাহস ও নিষ্ঠার পরিচয় দিয়েছেন- তা প্রশংসনীয় এবং আমরা গভীর কৃতজ্ঞতা প্রকাশ করছি। বিশৃঙ্খতা এবং নিষ্ঠার সাথে দায়িত্ব পালন করায় স্টেকহোল্ডারদের পক্ষ থেকে সকলের প্রতি ধন্যবাদ জ্ঞাপন করছি।

প্রিয় শেয়ারমালিকগণ, আমরা আমাদের জীবনের সবচেয়ে চ্যালেঞ্জিং সময় পার করছি। এ সংকট মোকাবেলায় প্রয়োজন সঠিক নেতৃত্ব এবং দূরদর্শিতা। মহামারী পরবর্তী সময়ে মার্কেটপ্লেস, কাজের ধরণ ও ভোক্তার আচরণে আমূল পরিবর্তন আসবে।

এই মহামারীতে প্রয়োজনীয় চাহিদার সাথে খাপ খাইয়ে, মানুষের জীবনযাপনের মানোন্নয়নের মাধ্যমে এসিআই তার লক্ষ্য বাস্তবায়ন করে চলেছে। আমরা স্বাস্থ্যসেবা, ভোক্তা স্বাস্থ্য-সুরক্ষা, কৃষি, খাদ্য প্রক্রিয়াকরণ, সাপ্লাই চেইন, পরিবহন, প্রয়োজনীয় প্যাকেজিংসহ জনগণের কল্যাণে ব্যবসায় সমন্বয় সাধনের মাধ্যমে দেশকে সহায়তা করবো, যা টেকসই উন্নয়ন, সম্পর্কের উৎকর্ষতা ও শেয়ারমালিকদের জন্য সমৃদ্ধি বয়ে আনবে।

আপনাদের বিশ্বস্ত,

এম. আনিস উদ্ দৌলা  
চেয়ারম্যান, এসিআই গ্রুপ





# Statement of Corporate Governance

In ACI Corporate Governance (CG) is a maxim that is intertwined in responsibility, compliance, transparency and finally accountability. As a part of it, ACI 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 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's confidence. In this respect the Directors of ACI 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, 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 is a compact body and meets all the criteria required under the BSEC governing guidelines. Further details about members of the Board are appended at the appropriate parts in this report.

## Composition of the Board

The Board consists of nine members from the major shareowners and business professionals. Mr. M. Anis Ud Dowla is the Chairman of the Board and Dr. Arif Dowla is the Managing Director. Of the nine Directors, seven 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 Power Point 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 authorities to the Managing Director which empowers him 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 Group 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 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. He also reviews monthly report and commentary on the sales and financial performance of business from the heads of businesses and the activities of 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 him 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, the first Company in Bangladesh to do so 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, the first Company in Bangladesh to do so 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. In addition, the Company has adopted the Ten Principles of Global Compact, an initiative taken by the Secretary General of the United Nations and adopted world-wide by big and progressive companies.

### Independent Director

In compliance with the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC), the Board of Directors of the Company includes two Independent Directors namely, Mr. Kamran Tanvirur Rahman and Mr. Adil Husain. Mr. Kamran Tanvirur Rahman also acts as the Chairman of the Audit Committee. The Independent Directors of the Company have been elected from 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 Guidelines, 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 and Head of Internal Audit and Company Secretary

Under requirements of the BSEC Governance Guidelines, 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. While Mr. Mohammad Mostafizur Rahman, a Fellow 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 Guidelines 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 Guidelines. The Company Secretary acts as the Secretary of the Committee, as required by the BSEC Guidelines. The Chief Financial Officer and Head of Internal Audit attend all meetings of the Committee regularly as special invitees.

The Committee met four times during FY 2019-2020. 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.

## Nomination and Remuneration Committee (NRC)

In compliance with the Corporate Governance Code, the Board of Directors of the Company in its meeting held on 24 January 2019 has constituted a Nomination and Remuneration Committee as a sub-committee of the Board with the following non-executives Directors:

- Mr. Kamran Tanvirur Rahman, Chairman  
Independent Director
- Mr. Golam Mainuddin, Member  
Director

Mr. Monower Ahmed of 'Monower Associates', a reputed HR Specialist is the 'Advisor' to the NRC and Mr. Mohammad Mostafizur Rahman, the Company Secretary is the 'Secretary' of the NRC. Mr. Waliur Rahman Bhuiyan, OBE expired on 19 June 2020 and thus a vacancy happened in the NRC. The same will be filled in within the stipulated period. A detailed Terms of Reference (ToR) of the NRC and Policy has also been approved by the Board.

The terms of reference of the Nomination & Remuneration Committee and Policy include, among other items, the determination of the Company's policy on unique remuneration for Executive Directors, the review, recommendation and/or approval of remuneration to Directors, the review and approval of the Company's remuneration policy, the creation of evaluation criteria for Independent Directors and the Board of Directors, identifying persons who are eligible to become Directors and who may be appointed to senior management in accordance with the criteria laid down and recommending the appointment or removal of such persons to the Board and discharging such other functions and exercising such other powers as the Board of Directors may delegate/direct from time to time. During the financial year 2019-20 one (1) meeting of the Nomination and Remuneration Committee (NRC) was conducted on 4 June 2020.

## 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.

## Governance in Subsidiaries Companies

Advanced Chemical Industries (ACI) Limited has 15 subsidiary companies and 5 joint-venture and associated companies under its corporate canopy. ACI, being the holding company, applies the same governance strategy in its subsidiaries. In that exercise, the Company has duly implemented the following as per requirements of the BSEC CG Code:

- a. Provisions relating to the composition of the Board of holding company has also been applied in the composition of the Board of the subsidiary companies;
- b. The Board Directors subsidiary companies include one Independent Director from the Board of the holding company;
- c. The minutes of the Board meetings of the subsidiary companies are placed for review at the following Board meeting of the holding company;
- d. The minutes of the respective Board meetings of the holding company duly record that the Board has also reviewed the affairs of the subsidiary companies, and
- e. The Board Audit Committee of ACI duly reviews the financial statements, in particular the investments made by its subsidiary companies.

# Report of the Audit Committee

For the year ended 30 June 2020

The Audit Committee Report presented under Condition No.5 (7) of the Corporate Governance Code as adopted on 3 June 2018 by Bangladesh Securities and Exchange Commission (BSEC) provides an insight on the functions of the Audit Committee during 2019-2020.

Audit Committee in Advanced Chemical Industries (ACI) 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 : Kamran Tanvirur Rahman,  
Independent Director  
Member : Mr. Golam Mainuddin, Director  
Member : Ms. Shusmita Anis, Director  
Secretary : Mr. Mohammad Mostafizur Rahman,  
Company Secretary

A total of 4 (Four) meetings were held during the year. Company Secretary of the Company 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 etc.;
- (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'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 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'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 2020 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 2020.
- d) Reviewed the performance of the external auditors during the year, their appointment and remuneration for the next year end recommended the same to the Board for consideration.
- e) Reviewed and ascertained that the internal control system including financial and operational controls, accounting system, and reporting structure are adequate and effective.
- f) 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.
- g) Reviewed the actions taken by the management for implementation of Audit Committee observations on issues deliberated in Audit Committee reports.
- h) 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.
- i) The Committee reviewed relevant quarterly Financial Statements during the year under review and recommended to the Board for their approval.
- j) 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.
- k) Reviewed the financial statements of the subsidiary companies.
- l) Reviewed the capital investments made by the subsidiary companies.
- m) Received, Reviewed and perused the letter from Dhaka Stock Exchange on CG compliance by the Company and duly replied in time.

**Mohammad Mostafizur Rahman**  
Secretary of the Committee

**Kamran Tanvirur Rahman**  
Chairman of the Committee

Dhaka, 9 November 2020



# Directors' Report to the Shareowners

For the year ended 30 June 2020

**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' Reports together with the audited Financial Statements of Advanced Chemical Industries (ACI) Limited for the financial year ended 30 June 2020.

## Overview

ACI Group has registered a growth of 10% in revenue over the previous year. This growth was in spite of the serious pandemic situation we encountered during the last four months of the year. This has adversely affected most of our businesses. ACI focused on the products and services that would support the people in time of this unprecedented crisis. The employees of ACI took strong personal safety measures and served our customers relentlessly during this pandemic. The frontline employees deserve a special acknowledgement for their hard work and dedication.

After a buoyant first three quarters of economic activity, situation changed dramatically in Q4 with the outbreak of the COVID-19 pandemic and lockdowns. Consequently, both domestic and international supply chains were disrupted, and the economy stalled during the quarter. Among the supply-side related indicators, Industrial Production had a large decline, led by the contraction of output in large and medium scale manufacturing industries. The pandemic-induced lockdown measures severely battered the service sector activities by causing partial or complete shutdown of tourism, transportation, logistics and hospitality industries. However, the agriculture sector maintained steady growth during this period, aided by supportive Government initiative for the Boro crop harvesting and supply chain, which largely mitigated food security risks in the country. The demand-side indicators for this quarter exhibited noticeable contractions in both domestic and external demand. There was a sharp decline in the growth of imports by 20.7% and exports by 51.5% in Q4 of FY 2019-2020 compared to the corresponding quarter of the previous year. Nonetheless, GDP of the country grew by 5.24% in FY 2019-2020 compared to 8.15% growth in FY 2018-2019.

ACI has maintained its development by keeping all its business activities engaged without any job losses and pay adjustments during the pandemic. We redoubled our efforts to stand by the people through the many facets of our businesses. There are few mentionable milestones achieved during the year. ACI Motors has successfully

contributed to the food security of the country, playing a pioneering role to supply 900 Combine Harvesters along with necessary training and technical knowledge to operate towards harvesting 170,000 acres of Boro crop during the lockdown. ACI Animal Health launched the H9N2 vaccine made by CEVA to help mitigate Bird Flu. ACI Seed entered into a partnership with Bayer Crop Science to distribute Arize Dhani Gold and ACI Fertilizer supplied 1,045 MT Organic Fertilizer which helped to increase the soil fertility.

ACI Pharmaceuticals has continued to increase the supply of 'Hexisol' over fivefold to ensure protection from spreading of COVID-19 through hands along with necessary medicines like Faviravir, Rivaban, Remcor and Veratin required for COVID-19 treatment. Consumer Brands has performed remarkably by supplying many products like Hand-Sanitizers, Savlon Antiseptics, Savlon Sanitizing spray and Hygiene Range. It ensured home delivery of Savlon to hundreds of families. Shwapno has kept the shops open and made available critical supplies of essential goods throughout the pandemic and maintained its promise of fair prices. Shwapno has made sitting arrangement for customers outside the store while they were waiting to shop. The outlets provided an excellent hygienic environment for its customers. It enhanced home delivery during the pandemic to support the people. We are pleased to express that we helped Government offices along with City Corporation to fight this pandemic by supplying world class disinfectants and sanitizers. We launched a 24/7 helpline (16509) to provide COVID-19 information, consultation and emergency services. We installed sanitizing booths in shopping malls. We supplied and donated PPEs, Masks, Protective Shields to Doctors, Nurses and Government Agencies.

ACI employees have wholeheartedly embraced the role of a front-line service provider during the pandemic. It was a testament to our mission to improve the quality of life of the people of Bangladesh through responsible application of science and technology by adapting to the needs of the people in time of crisis.





## Health Care Division

The ongoing phenomenon of COVID-19 pandemic has prompted instability in every sector across the globe. The pharmaceutical industry of Bangladesh has been no exception. Both obstacles and opportunities came hand in hand for us. ACI was well prepared to combat the unprecedented circumstances of a global pandemic and help managed the critical situation. ACI went on to become the talk of the town for many of its brands, which had been used in the prevention and management of COVID-19. Recently, Hexisol and Clean-Gel have become integral parts of life as per the “new normal” and built a legacy of trust and reliability in the consumers’ mind. Shortly after the first case of COVID-19 was identified in Bangladesh, ACI introduced technologically advanced Faviravir, Rivaban, Remcor and Veratin – all of which gained

commendable acceptance by the medical profession for the management of COVID-19 treatment.

ACI also collaborated with different government and private organization of healthcare in Bangladesh, including DGDA, DG Health, and several medical colleges and hospitals to mitigate the grave impact of this pandemic situation among the Bangladeshi people. ACI’s timely initiatives to support and better equip frontline health workers - doctors, nurses and technicians earned immense appreciation and gratitude from its stakeholders. Amidst crisis in supply of APIs and excipients sourced from overseas, ACI was also able to ensure the uninterrupted availability of lifesaving medications in these trying times.

As a result, during the COVID-19 situation (first two quarters in 2020) ACI was able to attain a growth of 10.7% against the market growth of 1.12%. Among the top 10 pharmaceuticals, ACI registered the 3rd highest growth in the 2nd quarter of 2020. In FY 2019-2020, ACI has registered a growth of 10.40% against the market growth 4.28%. ACI launched nine promising brands in diverse therapeutic areas, namely Biocal-D, Veratin, Corzil, etc. ACI Pharmaceuticals has also introduced technologically advanced brands like Cytopag and Tofara for cancer and arthritis. The brand Penfine was launched for the management of diabetes.







Export of ACI Pharmaceuticals division has continued to expand considerably, and one new export destination (Venezuela) has been added to our portfolio during this period. ACI has received Marketing Authorizations of 107 products in different countries. Our International Marketing Team is working to strengthen our presence, especially in Africa, Central America and CIS countries. Vital regulatory activities are underway in more than 20 countries spanning these three regions.

During the COVID-19 pandemic, to extend our support to help augment the quality of service of healthcare providers, our Medical Services Department (MSD) has organized live webinars securing the participation of medical professionals through various societies of Bangladesh. Society of Surgeons of Bangladesh (SOSB), Obstetrical and Gynecological Society of Bangladesh (OGSB), Bangladesh Perinatal Society (BPS), and several others. MSD has organized 1,883 Continuous Medical Education (CME) programs with the participation of medical professionals. These CMEs are organized in an endeavor to enhance better understanding and diagnosis of diseases and their treatments, and consequently improve the health of the people of our country.



ACI was well prepared to combat the unprecedented circumstances of a global pandemic and help managed the critical situation



# Consumer Brands Division

## Toiletries

ACI Consumer Brands' Toiletries business has been serving the country with a number of well-known products. Toiletries business includes the heritage brand Savlon with various sub-categories including Soap, Hand Wash, Antiseptics Liquid and Cream, Hand Sanitizer, Disinfectant Spray and Wipes. Recently, a new addition to Savlon family, 'Savlon Hand Rub', was launched that received great response from consumers. A new category of health soap 'Septex' has also been launched to meet the rising demand in the antiseptic category. Other categories like Fabric Care, Surface Care, Beauty Soap, Kitchen Care and Herbal products have achieved significant growth as well.

With the breakout of COVID-19 pandemic in Bangladesh, demand for hygiene products rose sharply. We have been successful to tackle the sudden demand surge amidst this situation by properly managing the supply chain disruption, transportation crisis and many other obstacles. We have worked to raise awareness among the mass population and promoted healthy and safe lifestyle during the pandemic. This has resulted in exponential growth in revenue as well as brand equity of Toiletries brands.

At the end of FY 2019-2020, Toiletries business of ACI Consumer Brands achieved an outstanding growth of 62%. The flagship brand Savlon closed the year with 79.8% market share in antiseptic category.

## International Brands

International Business of ACI Consumer Brands comprising of world-renowned brands like Colgate, Canderel and Equal. Colgate brand ensures a strong presence in the market as one of the significant players in the oral care category. Low Calorie Sweetener brands Canderel and Equal had a 4% growth.

## Hygiene

Hygiene business consists of Female Hygiene, Baby Hygiene, Adult Care and Protective Care categories. The business grew by 24% over last year. Freedom, the flagship brand of Sanitary Napkin, grew by 22%. Savlon Twinkle Baby Diaper and Twinkle Baby Wipes grew by 26% and 46% respectively. In October 2020, Savlon Respect Adult Diaper was launched. ACI Hygiene business is committed to a healthy Bangladesh by promoting hygienic lifestyle among the people.

## Home Care Solutions

Home Care Solution comprises products from both Pest and Non-Pest Category. ACI Aerosol delivers the benefits of the most effective insect protection to the consumers. ACI Aerosol continues to lead the Aerosol category with 90.6% market share.

In the non-pest category, Angelic Air Freshener is the pioneer in locally manufactured air fresheners upholding the leading position in the market. Angelic is now enriched with 11 refreshing fragrances satisfying the needs of different occasions. On the contrary, Vanish Toilet Cleaner has witnessed a positive growth in the market after introducing the first Citrus variant and our share has moved to 4.5% from 4%

## Electrical and Electronics

The Electrical business had a negative growth of 30%. The business was severely affected by the pandemic. We have focused on expanding the LED lights and Switch Socket products under the umbrella brand SPARKLE. ACI Consumer Electronics, had de-growth of 35%. We are distributors of the world renowned Panasonic brand.

Both these businesses have suffered tremendously during the pandemic. Many improvements are being made in these businesses supply chain, marketing, sales and distribution to have a significantly improved future.







## Paints

The business had a negative growth of 30% over last year. It did well until 2nd quarter of 2019-2020 but due to the sudden outbreak of the pandemic from late 3rd quarter there was a sharp de-growth. The paint industry was massively affected globally as well.

Despite the situation, the business has developed a few technology-driven brands to be made available next year. New software for color visualization has been introduced during this year for client's project preview to give the feel of augmented reality. Factory tinting system for performance coating has been established recently, which will enable us to support the customers.

## Salt

ACI Pure Salt successfully maintained its leadership position in the fiscal year 2019-2020 achieving 10% growth over last year despite facing a lot of obstacles. While leading the market it faced rivalry from counterfeit salt which are substandard in quality.

ACI Pure Salt is manufactured using Switzerland's true cutting-edge technology, the most advanced vacuum evaporation method that guarantees 100% pure, crystal-white, accurately iodized and free flowing edible salt. Since the latent demand of consuming vacuum salt has already been initiated and demand is increasing gradually.

## Flour

ACI Pure Flour has grown by 19% over last year. The business continues to maintain a strong market share in the retail market and provides a range of innovative products. Since inception, this company has become one of the largest flour producing companies in Bangladesh and is operating as one of the leading businesses in ACI fraternity.

The business provides high quality Atta, Maida and Suji. In addition, ACI Pure manufactures the healthy version of multigrain Atta, Brown Atta, Paratha Maida and Atta Oats Plus, attracting new health conscious customers.

## Foods

ACI Foods grew by 43% over last year. The business has strengthened its sales, marketing, operations and supply chain capabilities to deliver this result. With a strong vision to contribute to the improvement of food and nutrition for the people of Bangladesh, the business is engaged in manufacturing, marketing and distribution of rice, spices, mustard oil, noodles, beverages and bakery products.

## ACI Rice

ACI Rice has grown by 25% over last year. They have established themselves as a reputed supplier of premium quality branded rice. Through strong backward linkage, the sourcing team has connected marginal level farmers for quality paddy and has developed a win-win relationship with them. They have extended their out reach to enhance the distribution channel. ACI Rice is poised to grow in this large sector.

## Edible Oils

The Company started its journey with a vision of providing the widest solution of edible oil to the consumers. Since inception the business has introduced five types of edible oil: Rice Bran Oil, Sunflower Oil, Olive Oil, Soybean Oil and Blended Oil.

ACI Nutrilife Rice Bran Oil has positioned themselves as a premium brand and has the leading position in the category. We launched a new product called Well's Olive Oil which is one of the finest brands of Spain.





## Agribusinesses Division

### Crop Care and Public Health

The industry registered a negative growth of 8%. Crop Care business had de-growth of 5% over last year. Granular Insecticide segment grew by 6%, Herbicides by 8% and Fungicides by 30%. Sulphur portfolio suffered significantly due to 30% subsidy by the Government on Sulphur containing fertilizer. Crop Care introduced five new generation molecules this year. Last year Bangladesh witnessed one of the worst periods of adverse climatic condition. Repeated flooding and incessant rains affected almost one third of cropland. In addition, COVID-19 restricted movement of farmers, our Field Force and Dealers due to lockdown restrictions.

Flora, which is a yield booster and a plant energizer for rice, has established a strong brand image among the farmers. However, this portfolio also suffered due to natural calamity condition. ACI Crop Care has expanded its Research and Development wing with a dedicated team for conducting a large number of field trials on various target crops to expand business opportunities. During the COVID-19 pandemic our employees visited the fields with proper precautions to provide service to the farmers.

### Seed

ACI Seed has grown by 34% and achieved a turnover of BDT 1,298 Million which made ACI Seed the number one seed company amongst private seed companies in Bangladesh. ACI hybrid rice seed portfolio has achieved a 33% growth with a 32% market share, hybrid maize seed portfolio has achieved a 54% growth while vegetable seed portfolio experienced 50% growth with 5% market share.

ACI Seed started commercial marketing of Mini Shail (RABI Dhan1) HYV rice developed by ACI in association with Rajshahi University and International



Rice Research Institute (IRRI) which is the first ever released HYV variety by private sector in Bangladesh. BAU Dhan 3, ACI Seed's own developed inbred rice variety, have obtained permission from National Seed Board (NSB) for release. Two hybrid rice varieties are in pipeline for release. To develop modern rice variety suitable for Bangladeshi climate, ACI Seed business has been persistently working with IRRI and number of multinational companies to address the farmer needs. ACI Seed R&D commercialized four new varieties of vegetable seed, seven new exotic vegetable varieties were included in product line for marketing and R&D facility was also established for hybrid rice seed research in Bogra.

East-West Seed, a global leader in tropical vegetable seeds market with three and a half decades of experience in breeding, producing and delivering high-quality seeds signed an exclusive distribution agreement with ACI Seed.

A group of reputed scientists have been working at ACI's Advanced Seed Research and Biotech Centre (ASRBC) to develop genetically pure and disease resistant seeds to market. In FY2019-2020, two scientists went from IRRI to Philippines for one year on the job training to learn advance rice breeding. The business has produced 6,616 MT of seed through contract growers in Bangladesh and imported 1,933.5 MT exotic variety of seed from abroad. These new seeds will be instrumental to our theme of 'Creating Wealth for the Farmers'.

### Fertilizer

ACI Fertilizer had a negative growth of 25%. The business was adversely affected by the pandemic, leading to serious shift in demand and prices. Fertilizer



business has focus on enriched humus base organic and hormonal product lines. Market is expanding due to its impact on yield and soil health management.

During COVID-19, Business has emphasized on digital marketing for product promotion through YouTube, Facebook, Fosholi Apps and Website. In addition, the Field Force was closely connected with farmers to ensure our service. In our innovation pipeline, we have vermi-compost, tricho-compost, paclobutrazol, brassinolide and control release fertilizer (NPK + other trace element) to cater the future business potential in fertilizer.

### Animal Health and Genetics

Despite the ongoing COVID-19 pandemic and countrywide flood, ACI Animal Health has ensured 19.3% growth with 14% market share. The business is divided into areas of Poultry, Cattle, Animal Biologics, Aqua, Animal Nutrition and Feed Additives.

Vaccine, Cattle and Animal Nutrition business have contributed 35%, 23% and 27% growth respectively. Availability of high selling products by ensuring alternative suppliers, timely delivery, product order and undisrupted production facility have helped to restructure the business back to a rapid growth phase. However, protein consumption has reduced due to the news published on social media about the virus spread through chicken and egg which restricted Poultry business growth only to 11%. New technologies are being brought to rejuvenate the business. ACI is the first company to introduce Cevac New Flu H9K vaccine against H9N2 Bird Flu in Asia, which minimize the loss of farmers.

ACI Animal Genetics started its journey with the objective to increase the income of dairy farmers of

Bangladesh through application of genetic technology. The current average milk production can be increased significantly. The business has already established a state-of-the-art Animal Genetics Research and Development Centre situated at Gazipur. The management team of ACI Animal Genetics consists of experienced Livestock sector specialists. This business is poised to grow rapidly.

### Motors

ACI Motors business has been segmented into three major SBUs: 1) Farm Mechanization 2) Yamaha 3) Construction Equipment, Commercial Vehicles and Others. ACI Motors is the leading farm mechanization company in Bangladesh and provides a complete farm mechanization solution with their wide range of products and services. This includes cultivation, transplanting, irrigation, harvesting and post-harvest preservation. ACI Motors Farm mechanization unit ensured 17% growth over last year. ACI Motors' Tractor brand Sonalika has continued market leadership through excellent product and superior service commitment. This year in the Boro harvesting season, ACI Motors played a major role in solving the harvesting problem of customers by covering 170 thousand acres of land during the pandemic. Due to superior product quality and best in class after sales service, this business is projected to grow rapidly. In addition, ACI Motors started its own Agri-Machinery manufacturing factory from this year which is currently manufacturing Thresher, Hand Power Tiller and Trailers.







ACI Motors had started manufacturing of 125CC Yamaha motorcycle from October 2019, maintaining Yamaha's international standards. This has made 125CC Yamaha motorcycle price within affordable range. In 150CC segment, Yamaha is regarded as the most premium motorcycle. With this manufacturing and Complete Knock Down (CKD) setup Yamaha motorcycle had continued its growth in motorcycle market although market declined by 8%, Yamaha motorcycle registered a remarkable growth of 36%. ACI Motors had organized marketing activities throughout the year, among them were Yamaha Riding Training Academy and Yamaha Riders Club.

In Construction Equipment business, ACI Motors is dealing with world renowned construction equipment brands like Case, Kobelco and Lovol. ACI Motors has introduced Indopower Cranes during this year, which is one of the leading crane brands from India. ACI Motors is prepared to play a bigger role in the infrastructure development of the country.

ACI Motors started Commercial Vehicle business with the Global number one Light Commercial Vehicle manufacturer Foton International. Due to good product quality and service competency of ACI Motors along with standardized sales and service network throughout the country, Foton has earned a positive response from the customers. Presently, Foton is the fastest growing commercial vehicle brand in Bangladesh.

### Agrolink

ACI Agrolink exports shrimp to France, Germany, Belgium, Netherlands, Denmark and Japan. Several buyers from these countries have visited ACI Agrolink Shrimp Processing Plant in Satkhira and appreciated the location and facilities of the factory.

The business had completed construction of the factory as per international food safety compliances. They received Organic Agriculture and Forestry Certification by the Control Union of Germany, EU

Export License and British Retail Consortium (BRC) Certificate. The business has also obtained Hazard Analysis Critical Control Point (HACCP) Certificate for shrimp processing and export. This new business is poised for growth.

### Premiaflex Plastics

Premiaflex Plastics grew by 7.0% over last year. Premiaflex Plastics is specialized in manufacturing and selling Flexible Packaging products. The business enriched its portfolio by adding Lamitube and Label Stickers in its manufacturing plant.

The business placed emphasis on customer satisfaction by innovating new products for customers. It plans to use the integrated quality control system in order to develop a premium market. It allows Premiaflex to maintain a critical strategic lead in the flexible packaging industry.

### Premio Plastics

ACI Premio Plastics is a new business division of Premiaflex Plastics Limited. Its journey started in April 2018. Premio Plastics business was disrupted due to lockdown of COVID-19 and closing of plastic shops. Since launch, the business received an impressive response through its product design, variety and quality.

The business has gained 4.5% market share only within second year of business operation. There were several marketing campaigns organized to create the brand awareness which helped in market and channel partner penetration and overcame the entry barriers. The business has a strong growth prospect due to a rapidly growing and large addressable market. Furthermore, due to the changing lifestyle and earning capacity, demand for the premium plastic products and toys are increasing. Business is determined to avail the opportunity created by the changing market dynamics.





## Retail Chain Division

ACI Logistics has been strengthening its leadership position in the retail industry with a growth of 17%. Currently operating through its 144 outlets including 34 newly opened express outlets, Shwapno has been able to increase its footprint outside Dhaka and serves in 14 districts. This has led to 49% market share of the modern trade industry.

As the market leader of the retail sector, Shwapno has retained its Best Brand award status in the super store category from Kantar Millward Brown and Bangladesh Brand Forum for four consecutive years (2016, 2017, 2018 & 2019). Shwapno has been recognised Number Eighth overall brand in the country for 2019 as well as the title of "Superbrands" by Superbrands Bangladesh. Shwapno continues on its course to establish itself not only as a powerful national brand capturing the hearts of millions of consumers, but also the destination for safe and authentic products.

Shwapno has been emphasizing heavily on safety and operational efficiency during this pandemic. Employee and customer safety have been of utmost priority and proper measures have been strictly ensured in all stores and work environment. Numerous challenges

arose from supply chain management to ensure availability during the pandemic, but Shwapno was able to overcome them. Shwapno was able to elevate consumer confidence which was primarily due to the unrelenting efforts of store employees and the safety protocols they were provided. Shwapno express outlets have continued its growth and with an additional 34 new outlets. Shwapno's e-commerce platform has grown significantly.

ACI Logistics has continued venturing into additional backward integration projects by working closely with the manufacturers and farmers across the country. Last year they explored the value chain by directly buying rice paddy from the farmers. This ensured fair price as well as sustainability. It also continues to work with Global G.A.P, the leading private sector body addressing the crucial objectives of ensuring safe, sustainable agriculture worldwide. ACI Logistics has also continued working closely with farmers to improve crop traceability with the assistance of development partners. Shwapno's sourcing, procurement and quality teams have worked relentlessly to establish Shwapno as the destination for safe and authentic manufactured and imported products.





## Joint Venture Companies

### ACI Godrej Agrovet Private Limited

ACI Godrej Agrovet Private Limited (ACI-GAPL) is a 50:50 joint venture company of Advanced Chemical Industries Limited, Bangladesh and Godrej Agrovet Limited, India. ACI-GAPL is in the business of manufacturing and selling a variety of Animal feeds (Poultry, Aqua and Cattle feed) as well as Day Old Chicks (DOC). ACI-GAPL's innovative products are developed at "Nadir Godrej Centre for Animal Research and Development" and tested through many scientific field trials to deliver improved livestock yields in the areas of Poultry, Fishery and Cattle farming in a sustainable manner.

The Company's revenue grew by 45%. We have renovated our breeding farm sheds into environmental controlled sheds and consequently Parents birds' rearing capacity increased by 40%.

### Tetley ACI (Bangladesh) Limited

Tetley ACI (Bangladesh) Limited has had a good year in 2019-2020 with a better market reputation and a volume growth of 8.4% over last year. The Company continues to provide consistently high quality blend through its global tea sourcing and blending expertise.

Current projections indicate a net profit for the year 2020-2021. Management is confident to achieve the projected results by delivering growth in all segments through better brand equity, strong distribution and operational efficiencies.

### Asian Consumer Care Private Limited

The Company is a joint venture of Dabur International Limited and Advanced Chemical Industries Limited. The Company closed financial year 2019-2020 with 9% de-growth. The primary reason for de-growth is the pandemic. Ensuring robust value chain network, sustainable sales, distribution and product innovation were the major focus areas during the COVID-19 crisis.

### ACI CO-RO Bangladesh Ltd.

ACI CO-RO is a joint venture between the Bangladeshi conglomerate, ACI, and the Danish fruit juice giant, CO-RO A/S. The company is founded in 2019 with the purpose of bringing refreshment and delight to the Bangladeshi consumer through an offering of delicious fruit-based drinks and snacks under CO-RO's brand umbrella.





## Financial Results - ACI Limited

For the year ended 30 June 2020, total revenue of ACI Limited was Taka 23,202 million which was Taka 21,796 million for comparative year. The gross profit margin has increased to 46.14% in the current year from 45.36% of last comparative year due to higher proportionate sale of high margin products. In the current year, operating profit was Taka 3,221 million and profit after tax (PAT) was Taka 1,719 million resulting into Earnings per Share Taka 29.96.

## Key Operating & Financial Information at a Glance

The key operating and financial information for the year 2019-20 along with the preceding five and half years are presented below:

Figures are in million (BDT)

Particulars	July 2019- June 2020	July 2018- June 2019	July 2017- June 2018	July 2016- June 2017	June 2016 (six month)	December 2015	December 2014
Net Turnover	23,202	21,796	21,387	18,306	7,941	14,567	12,319
Gross profit	10,705	9,886	9,242	8,196	3,561	6,262	5,171
Profit before tax	2,347	900	1,658	1,674	925	3,934	1,272
Profit after tax	1,719	531	1,317	1,244	680	3,184	951
Earnings per share (Taka)	29.96	9.26	22.96	25.80	15.51	72.72	24.02
Issued & paid capital	574	499	482	438	398	398	344
Shareowners' equity	15,421	14,322	14,256	12,992	11,949	11,715	6,607
Net asset per share (Taka)	268.79	249.64	248.48	269.54	299.96	294.08	192.09
Number of employees	8,364	9,147	9,053	8,364	7,275	7,090	6,930
Total contribution to National Exchequer	4,318	3,770	3,625	3,302	1,340	2,626	2,158

## Appropriation of profit

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

Particular	2019-2020	2018-2019
Un-appropriated profit	9,214,406,357	9,256,693,115
Add: Net profit after tax	1,718,919,934	531,442,797
Total profit available for appropriation	10,933,326,291	9,788,135,912
Appropriation of profit:		
Interim dividend:		
Cash Dividend	-	-
Final Dividend Proposed:		
Cash Dividend	458,983,644	498,895,265
Stock Dividend	57,372,956	74,834,290
Less: Total dividend	516,356,600	573,729,555
Balance carried forward	10,416,969,692	9,214,406,357

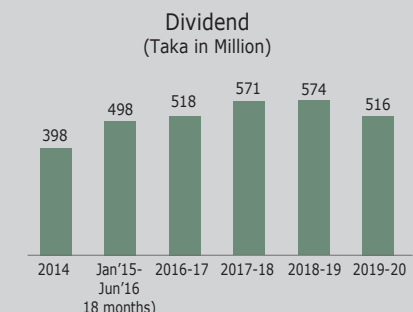
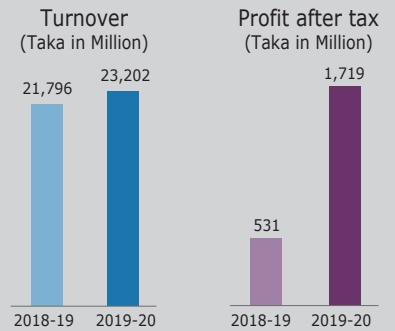
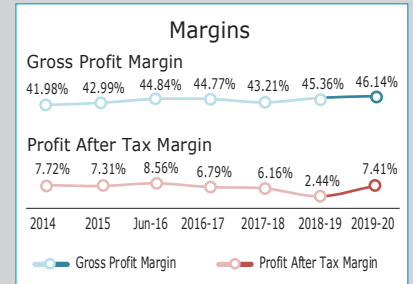
With the balance carried forward and with future ploughing back of the profit, Directors are confident that company will be able to maintain prudent dividend policy in coming years.

## Dividend

The Board of Directors is pleased to recommend cash dividend @80% i.e. Taka 8.00 per share and 10% as stock dividend for the year ended 30 June 2020 to those shareowners whose names would appear in the Share Register of Members of the Company or in the Depository list of CDBL on the Record Date which is Tuesday, 1 December 2020. No Stock Dividend was declared as interim dividend during the year.

## Contribution to the National Exchequer

For the year ended 30 June 2020, the company contributed Tk. 4,318 million to the National Exchequer in the form of corporate tax, custom duty and Value Added Tax (VAT). This is equivalent to 18.61 percent of the Company's net sales revenue for the year ended 30 June 2020.





## Cost of Goods Sold and Profit Margins

For the year ended 30 June 2020, cost of goods sold was Taka 12,497 million which was Taka 11,910 million for comparative year. Overall, the Company has been able to generate gross profit margin of 46.14% (Taka 10,705 million) during the year ended 30 June 2020 as against 45.36% (Taka 9,886 million) during comparative year. This has been due to higher proportionate sale of high margin products. Along with the growth in gross profit, the PAT percentage was 7.41% compared to 2.44% of last year.

## Financial Results - ACI Group

For the year ended 30 June 2020, consolidated revenue was Taka 69,475 million which was Taka 63,144 million for comparative year. On the other hand, the consolidated gross profit margin has decreased to 28.04% in the current year from 29.01% of last comparative year due to decrease in gross profit margin in a few of the businesses.

In the current year, the consolidated operating profit was Taka 4,331 million and profit attributable to equity holders of the company was negative Taka 1,059 million resulting into consolidated Earnings per Share negative Taka 18.45 in the current year.

## Contribution to the National Exchequer

For the year ended 30 June 2020, the Group contributed Tk. 8,592 million to the National Exchequer in the form of corporate tax, custom duty and Value Added Tax (VAT).

## Related Party Transactions

All transactions with related parties are made on a commercial basis and the basis was the principle of "Arm's Length Transaction". Details of related party transaction are disclosed in the Note - 42 of the Financial Statements.

## Disclosure on Significant Variation in Annual Financial Statements

As a stand-alone Company, ACI has maintained growth both in Revenue and Profit which is self-explanatory from the Separate Profit or Loss Account. However, at Group level, it has registered a de-growth in Consolidated Profit during the reported financial year as reflected in the Consolidated Statement of Profit or Loss and Other Comprehensive Income despite a double-digit growth in Consolidated Revenue of BDT 69,475 Mn in FY 2019-20 against BDT 63,144 Mn of FY 2018-19. During the reported financial year, the Consolidated Gross Margin has decreased to 28.04% from 29.01% due to higher

proportionate sales of low margin products leading to decrease in gross profit margin in a few of the businesses. Several businesses of the Group are adversely affected by both external and internal events e.g. increased operating expenses (depreciation) and finance cost due to pre-commercial expenses of ACI HealthCare Limited established for regulated markets, especially for USA which is waiting for approval from US FDA. Besides, significant increase of finance cost has been consistently acting as one of the major causes of lower profitability. Major reasons for hike in finance cost are incremental working capital requirement to build-up inventory and extend operating advances to support Sales growth and planned expansion of capacity and new-lines of products.

## Consolidation of Accounts

Advanced Chemical Industries Limited (ACI Limited) has 15 (fifteen) subsidiary Companies. The financial statements of the subsidiary companies have duly been consolidated with ACI Limited as per requirements of the Companies Act-1994, Bangladesh Securities and Exchange Commission's guidelines and in line with the International Accounting Standards (IAS)/IFRS adopted by Bangladesh. However, separate reports including the audited financial statements, auditors' and directors' report for all subsidiary companies are 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 - 37 of the Financial Statements.

Future: Looking ahead, in views of the pandemic uncertainties worldwide, ACI Shall adjust its business strategies in future to adapt to global realities.

## Extraordinary Gain/Loss

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

## 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 IASs or IFRSs to the Financial Statements

International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) have been followed in preparation of the financial statements.

## Internal Control

Internal Control Policies in ACI 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 9 (Nine) 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 120 of the Company's Articles of Association, Mrs. Najma Dowla and Mr. Golam Mainuddin retire by rotation at the 47th AGM 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 Director

Mr. Anisuddin Ahmed Khan has been appointed as Nominee Director of ACI Foundation on 13 August 2020 to fill the casual vacancy due to the expiry of Mr. Waliur Rahman Bhuiyan, OBE. The Board requested the shareholders to confirm the appointment at their 47th Annual General Meeting. The brief resume of Mr. Khan is available under the 'Directors Profile' of this report.

## Re-appointment of Managing Director

Dr. Arif Dowla has been re-appointed as the Managing Director of the Company for another 5 years by the Board of Directors in its meeting No. 192 held on 9 June 2020 subject to the confirmation of Shareholders in the next AGM and concern regulatory authority.

## Nomination and Remuneration Committee (NRC)

In compliance with the Corporate Governance Code, the Board of Directors of the Company in its meeting held on 24 January 2019 has constituted a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board with the following non-executive Directors:

- |                               |          |
|-------------------------------|----------|
| • Mr. Kamran Tanvirur Rahman, | Chairman |
| Independent Director          |          |
| • Mr. Golam Mainuddin,        | Member   |
| Director                      |          |

Mr. Monower Ahmed of 'Monower Associates', a reputed HR Specialist is the 'Advisor' to the NRC and Mr. Mohammad Mostafizur Rahman, the Company Secretary is the 'Secretary' of the NRC. Mr. Waliur Rahman Bhuiyan, OBE expired on 19 June 2020 and thus a vacancy happened in the NRC. The same will be filled in within the stipulated period. A detailed Terms of Reference (ToR) of the NRC and Policy has also been approved by the Board.

The terms of reference of the Nomination & Remuneration Committee and Policy include, among other items, the determination of the Company's

policy on unique remuneration for executive directors, the review, recommendation and/or approval of remuneration to directors, the review and approval of the Company's remuneration policy, the creation of evaluation criteria for independent directors and the Board of Directors, identifying persons who are eligible to become directors and who may be appointed to senior management in accordance with the criteria laid down and recommending the appointment or removal of such persons to the Board and discharging such other functions and exercising such other powers as the Board of Directors may delegate/direct from time to time. During the financial year 2019-20 one (1) meeting of the Nomination and Remuneration Committee (NRC) was conducted on 4 June 2020.

### Board Meeting & Attendance

During the financial year 2020-2021, 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.

### Remuneration to Directors

During the year, the Company has paid a total of BDT 25,500/- as Board meeting attendance fees. The remuneration of Directors has been mentioned in Note - 32 and 42 (a) of the Financial Statements.

### Shareholding Pattern

The pattern of shareholding as on 30 June 2020 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 2020. They are not eligible for reappointment as per BSEC notification. M/s. A. Wahab & Co., Chartered Accountants, expressed their interest to be appointed as auditors of the Company for the FY 2020-2021 at a fee of Tk. 10,89,000/- plus VAT. Accordingly, Board recommends the appointment to the shareholders of the Company.

## Corporate Governance Compliance Status

ACI 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. It has been the largest conglomerate in Bangladesh having multinational heritage and good corporate culture. Corporate Governance at its utmost has, therefore, long been practiced in ACI. 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 shareholders 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 2020 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)

ACI acknowledges that there is an interrelationship as well as inter-reliance between responsibility and commercial interest. The strategic objectives of the Company and social aspirations are intertwined and mutually inclusive, which could not be separated or isolated. In this context, the Board of ACI believes that good business is good development and vice versa. Accordingly, our relationship with the society at large is built on a partnership which strives to achieve common economic and social goals. Thus, CSR is a central function of ACI Group and the projects and programs under CSR are selected on the basis of their relevance to the Group business, as well as social necessities of Bangladesh. We are conscious of our responsibilities to manage a sustainable business organization and at the same time respect the social aspirations concerning us.





## The People of ACI

People are the most valuable resource of the company. During this pandemic, it was an opportunity to put our values to the test. ACI people reinforced the mission of the company to be by the side of our country during this difficult time. We had to dig deeper into our values to find courage and meaning in what we do. This suffering has, in many ways made our people stronger and more resilient.

ACI values of Transparency, Fairness, Customer Focus, Quality, Continuous Improvement and Innovation, were part of the daily reminders to overcome the challenging moments. Some activities of the Company brought us together in a special way, unlike our sports competitions or get-togethers. To support the nation during the prevailing pandemic, ACI formed 'ACI Coronavirus Supportline' to provide health information and tele-health services where ACI people voluntarily engaged themselves to manage the operation. Another instance is when we redeployed our people in different innovative projects like "Savlon Shurokkha", a "Corona Protection Audit" service. From these activities we have learnt more about the true spirit of ACI Mission and Vision.

We continued numerous training programs throughout the period. We also met online to brainstorm and develop our plans to navigate around the pandemic. We had to seek new ways to get

productive and execute our learning and human development through a variety of internet-based programs. We also realize that this is an area of exploration and innovation for ACI.

## Acknowledgements

The Board of Directors firmly believes that ACI has the necessary strengths, resources and commitment 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 resolve 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, shareowners, suppliers, customers, bankers, 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 in factories, depots, shops, offices and field for their untiring efforts. They have worked hard, against all odds, uncertainties and adversities and built a stronger ACI that can create a greater positive impact on people, planet and prosperity.

On behalf of the Board

**Dr. Arif Dowla**

Managing Director

Dhaka, 9 November 2020

**Kamran Tanvirur Rahman**

Independent Director



## শেয়ার মালিকদের নিকট পরিচালনা পর্ষদের প্রতিবেদন

৩০ শে জুন ২০২০ তারিখে সমাপ্ত অর্থবছরের জন্য

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

প্রিয় শেয়ারমালিকবৃন্দ,

আমরা অত্যন্ত আনন্দের সঙ্গে এডভান্সড কেমিক্যাল ইন্ডাস্ট্রিজ লিমিটেডের পরিচালনা পর্ষদের পক্ষ থেকে ৩০শে জুন ২০২০ তারিখে সমাপ্ত অর্থবছরের নিরীক্ষিত আর্থিক বিবরণী সমূহ ও নিরীক্ষা প্রতিবেদনসহ পরিচালক মণ্ডলীর প্রতিবেদন আপনাদের বিবেচনার জন্য উপস্থাপন করছি।

### সামগ্রিক পর্যালোচনা

এসিআই গ্রুপের আয় গত বছরের তুলনায় এবছর ১০% বৃদ্ধি পেয়েছে। গত অর্থবছরের শেষ চার মাসের ভয়াবহ করোনা মহামারী মোকাবেলা করেও আমরা এই প্রবৃদ্ধি অর্জন করতে সক্ষম হয়েছি। করোনা পরিস্থিতি আমাদের অধিকাংশ ব্যবসায়ের বিরূপ প্রভাব ফেলেছে। এই সময়ে এসিআই সেইসব পণ্য ও সেবা যেগুলো মানুষকে সহায়তা করবে সেগুলোর প্রতি মনোনিবেশ করেছিল। এসিআইয়ের কর্মীরা নিজেদের ব্যক্তিগত সুরক্ষা নিশ্চিত করে নিরলসভাবে ভোক্তাদের সেবা প্রদান করেছে। আমাদের সম্মুখসারির কর্মকর্তা-কর্মচারীগণ তাদের কঠোর পরিশ্রম এবং আত্মত্যাগের জন্য বিশেষ স্বীকৃতির দাবীদার।

বছরের প্রথম তিন প্রান্তিকের সুসম অর্থনৈতিক গতি চতুর্থ প্রান্তিকে এসে করোনা ভাইরাসের প্রাদুর্ভাব এবং লকডাউনের কারণে নাটকীয়ভাবে পরিবর্তিত হয়েছে। দেশীয় এবং বৈশ্বিক সাপ্লাই চেইন বিপর্যস্ত হওয়ায় অর্থনীতি স্থবির হয়ে পরেছিল। যোগান সম্পর্কিত সূচকগুলোর পর্যালোচনা দেখা যায়, ক্ষুদ্র এবং মাঝারি শিল্পের উৎপাদন ব্যাহত হওয়ার কারণে এই সময় সামগ্রিক শিল্প উৎপাদনের ব্যাপক অবনতি হয়েছে। মহামারীপ্রসূত লকডাউনের কারণে হোটেল, পর্যটন, পরিবহণ এবং আতিথেয়তা শিল্প আংশিক বা সম্পূর্ণভাবে বন্ধ হয়ে গিয়েছিল। এতদসত্ত্বেও, কৃষিখাত স্থিতিশীল প্রবৃদ্ধি বজায় রেখেছিল। বোরো ধান আহরণে সরকার কর্তৃক সহায়তা প্রদান এবং সুশৃঙ্খল যোগান ব্যবস্থা খাদ্য নিরাপত্তাকে ঝুঁকিমুক্ত করেছিল। চতুর্থ প্রান্তিকে আভ্যন্তরীণ এবং বৈদেশিক চাহিদা সূচক অকল্পনীয়ভাবে হ্রাস পেয়েছিল। ২০১৯-২০ অর্থবছরে চতুর্থ প্রান্তিকের আমদানি এবং রপ্তানি পূর্ববর্তী বছরের একই প্রান্তিকের তুলনায় ২০.৭% এবং ৫১.৫% কমে গিয়েছিল। তবুও, ২০১৯-২০ অর্থবছরে দেশের জিডিপি ৫.২৪% বেড়েছে, যা গত বছর ৮.১৫% ছিল।

কোন ধরনের চাকুরীচ্যুতি এবং বেতন সংকোচন ছাড়াই এসিআই গ্রুপ উন্নয়নের ধারাবাহিকতা বজায় রেখেছে। ব্যবসায়ের বিভিন্ন দিকের মাধ্যমে মানুষের পাশে দাঁড়ানোর জন্য আমাদের প্রচেষ্টাকে দৃষ্টিভঙ্গি করেছি। এ বছরে বেশ কয়েকটি উল্লেখযোগ্য মাইলফলক অর্জিত হয়েছে। এসিআই মটরস সফলভাবে দেশের খাদ্য সুরক্ষায় অবদান রেখেছে, লকডাউন চলাকালীন ১৭০,০০০ একর বোরো ধান কাটার লক্ষ্যে প্রয়োজনীয় প্রশিক্ষণ ও প্রযুক্তিগত জ্ঞানের পাশাপাশি ৯০০টি কন্সট্রাক্ট হারভেস্টার সরবরাহের ক্ষেত্রে গুরুত্বপূর্ণ ভূমিকা পালন

করেছে। বার্ড ফ্লু নিরসনে এসিআই এনিমেল হেলথ CEVA এর সহায়তায় H9N2 ভ্যাকসিন চালু করেছে। Arize Dhani Gold- এর বিপননের জন্য এসিআই সীড Bayer Crop Science- এর সাথে একটি অংশীদারিত্ব চুক্তি করেছে এবং এসিআই ফার্মিলাইজার মাটির উর্বরতা বৃদ্ধিতে সহায়তার জন্য ১,০৪৫ মে. টন. জৈব সার সরবরাহ করেছে।

কোভিড-১৯ চিকিৎসার জন্য প্রয়োজনীয় ওষুধ Faviravir, Rivaban, Remcor, Veratin এবং হাতের স্পর্শের মাধ্যমে ছড়ানো করোনা ভাইরাসকে প্রতিরোধ করার জন্য তৈরী Hexisol- এর সরবরাহকে পাঁচগুন বাড়িয়েছে এসিআই ফার্মাসিউটিক্যালস। কনজুমার ব্র্যান্ডস্ Hand Sanitizers, Savlon Antiseptics, Savlon Sanitizing এবং Hygiene Range- এর মতো অনেক পণ্য সরবরাহ করার ক্ষেত্রে তাৎপর্যপূর্ণ ভূমিকা পালন করেছে। এটি শত শত পরিবারে Savlon- এর হোম ডেলিভারি নিশ্চিত করেছে। সকলের জন্য মহামারী জুড়ে, 'স্বপ্ন'-এর আউটলেট গুলো উন্মুক্ত ছিল এবং ন্যায্যমূল্যে অতি প্রয়োজনীয় সামগ্রী সরবরাহের প্রতিশ্রুতি রক্ষা করা হয়েছিল। অপেক্ষমান ক্রেতাদের সুবিধার্থে আউটলেটের বাইরে বসার ব্যবস্থাও করেছে 'স্বপ্ন'। এছাড়াও আউটলেটগুলো গ্রাহকদের জন্য একটি স্বাস্থ্যকর পরিবেশ নিশ্চিত করেছে। গ্রাহকদের চাহিদাকে প্রাধান্য দিতে হোম ডেলিভারি সেবা উন্নত করা হয়েছে। আপনাদের অবগত করতে পেরে আনন্দিত যে, আমরা সিটি কর্পোরেশনের সহায়তায় সরকারি অফিসগুলোতে বিশ্বেশমানের Disinfectants, PPE, Sanitizer, Gloves এবং Surgical Mask সরবরাহ করেছি এবং আমরা কোভিড-১৯ সম্পর্কিত জরুরী তথ্য, পরামর্শ এবং সহায়তা প্রদানের জন্য ২৪/৭ হেল্পলাইন (১৬৫০৯) চালু করেছি। আমরা শপিং মলগুলোতে জীবাণুনাশক Booth চালু করেছি। আমরা চিকিৎসক, নার্স এবং সরকারি প্রতিষ্ঠানগুলোতে অনুদান হিসেবে PPE, Mask এবং Protective Shield সরবরাহ করেছি।

এসিআইয়ের কর্মকর্তা-কর্মচারীগণ এই মহামারীকালে সম্মুখ-সারির সেবা প্রদানকারী হিসেবে আন্তরিক ভূমিকা পালন করেছে। এটি আমাদের মিশন তথা বিজ্ঞান ও প্রযুক্তির সহায়তায় মানুষের চাহিদার অভিযোজনের মাধ্যমে জীবনযাত্রার মানোন্নয়ন নিশ্চিত করেছে।

## হেলথ কেয়ার ডিভিশন

চলমান কোভিড-১৯ মহামারী বাংলাদেশসহ বিশ্বব্যাপী প্রতিটি সেক্টরে অস্থিতিশীলতা তৈরী করেছে। বাংলাদেশের ঔষধশিল্পও এর বাইরে নয়। করোনা ভাইরাসের প্রাদুর্ভাব আমাদের জন্য প্রতিবন্ধকতা এবং সুযোগ উভয়ই এনেছে। এসিআই এই বৈশ্বিক মহামারীতে যেকোন অনাকাঙ্ক্ষিত পরিস্থিতি মোকাবেলায় সম্পূর্ণ প্রস্তুত ছিল এবং যেকোন ব্যবসায়িক সুযোগ গ্রহণে তৎপর ছিল। কোভিড-১৯ প্রতিরোধ এবং ব্যবস্থাপনার জন্য এসিআইয়ের অনেকগুলো ব্র্যান্ডের পণ্য সকলের আলোচনায় ছিল। সম্প্রতি Hexisol এবং Clean Gel মানুষের এই 'New Normal' জীবনের একটি অবিচ্ছেদ্য অংশ হয়েছে এবং ভোক্তাদের মনে বিশ্বাস এবং নির্ভরতার প্রতীকে পরিণত হয়েছে। বাংলাদেশে কোভিড-১৯ সনাক্ত হওয়ার সাথে সাথেই এসিআই প্রযুক্তিগতভাবে উন্নত Faviravir, Rivaban, Remcor এবং Veratin চালু করেছে, যা চিকিৎসকদের নিকট কোভিড-১৯ চিকিৎসা এবং ব্যবস্থাপনার জন্য গ্রহণযোগ্যতা পেয়েছে।

এসিআই বাংলাদেশের স্বাস্থ্যসেবার বিভিন্ন সরকারি বেসরকারি সংস্থা যেমন-DGDA, DG Health এবং বিভিন্ন মেডিকেল কলেজ এবং হাসপাতালের সাথে এই মহামারী পরিস্থিতি মোকাবেলায় কাজ করেছে। এসিআইয়ের সমন্বিত পদক্ষেপ সম্মুখ-সারির স্বাস্থ্যকর্মী, চিকিৎসক, নার্স, টেকনিশিয়ানদেরকে সহযোগিতা এবং প্রতিরোধমূলক সুরক্ষা সরবরাহের মাধ্যমে সকলের প্রশংসা এবং কৃতজ্ঞতা অর্জন করেছে। এই দুর্ঘটনার মাঝেও এসিআই নিরবিচ্ছিন্নভাবে API- জীবনরক্ষাকারী ওষুধ সামগ্রী সরবরাহ অব্যাহত রেখেছিল।

ফলশ্রুতিতে, এসিআই ২০২০ সালের প্রথম দুই প্রান্তিকে ১০.৭%

প্রবৃদ্ধি অর্জন করেছে, যেখানে বাজার প্রবৃদ্ধি ছিল ১.১২%। এসিআই ২০২০ সালে দ্বিতীয় প্রান্তিকে শীর্ষ ১০টি ফার্মাসিউটিক্যালসের মধ্যে তৃতীয় সর্বোচ্চ প্রবৃদ্ধি অর্জনকারী ছিল। ২০১৯-২০ অর্থবছরে এসিআই ১০.৪০% প্রবৃদ্ধি অর্জন করেছে, যেখানে বাজার প্রবৃদ্ধি ছিল ৪.২৮%। এই বছরে এসিআই থেরাপিউটিক খাতে নয়টি প্রতিশ্রুতিশীল ব্র্যান্ড চালু করেছে, যথা-Biocal-D, Veratin, Corzil ইত্যাদি। এসিআই ফার্মা, ক্যাস্পার এবং বাতের জন্য Cylopag এবং Tofara এর মতো প্রযুক্তিগতভাবে উন্নত ব্র্যান্ডও চালু করেছে। ডায়াবেটিক নিয়ন্ত্রণে Penfine ব্র্যান্ডটিও চালু করা হয়েছে।

এসিআই ফার্মাসিউটিক্যালস বিভাগ রপ্তানি প্রসার অব্যাহত রেখেছে এবং এই সময়ের মধ্যে একটি নতুন রপ্তানি গন্তব্য ভেনিজুয়েলা আমাদের পোর্টফোলিওতে যুক্ত করা হয়েছে। বিভিন্ন দেশে ১০৭টি পণ্যের বিপণনের অনুমোদন পেয়েছে। আমাদের আন্তর্জাতিক বিপণন দল বিশেষ করে আফ্রিকা, মধ্য আমেরিকা এবং CIS দেশগুলোতে আমাদের উপস্থিতি আরও জোরদার করতে কাজ করেছে। এই তিনটি অঞ্চলের ২০টিরও বেশি দেশে রেগুলেটরি কার্যক্রম চলছে।

কোভিড-১৯ মহামারী চলাকালীন, স্বাস্থ্যসেবা সরবরাহকারীদের সেবার মান বাড়ানোর জন্য, আমাদের মেডিকেল সার্ভিসেস বিভাগ (MSD) বাংলাদেশের বিভিন্ন সোসাইটির মাধ্যমে স্বাস্থ্যসেবা প্রদানকারীদের অংশগ্রহণে সরাসরি Webinar এর আয়োজন করেছে। SOSB, OGSB, BPS এবং অন্যান্যদের সহযোগিতায় ১,৮৮৩টি ধারাবাহিক CME কার্যক্রমের আয়োজন করেছে। এই CME গুলো রোগ নির্ণয় এবং চিকিৎসায় তাদের জ্ঞানকে আরোও বৃদ্ধি করার জন্য আয়োজিত হয়েছিল যা দেশের মানুষের স্বাস্থ্যসেবাকে আরও সমৃদ্ধ করবে।

## কনজুমার ব্র্যান্ডস ডিভিশন

### টয়লেট্রিজ

এসিআই কনজুমার ব্র্যান্ডের টয়লেট্রিজ ব্যবসা বেশ কয়েকটি নামী পণ্যের সাহায্যে দেশের সেবা করেছে। টয়লেট্রিজ ব্যবসায় ঐতিহ্যবাহী ব্র্যান্ড স্যাভলনের সাবান, হ্যান্ডওয়াশ, অ্যান্টিসেপটিক লিকুইড এবং ক্রিম, হ্যান্ড স্যানিটাইজার এবং ওয়াইপসসহ বিভিন্ন পণ্য অন্তর্ভুক্ত। ভোক্তা পণ্য খাতে নিজেদের উপস্থিতি আরোও সম্প্রসারিত করতে সম্প্রতি স্যাভলন পরিবারে, 'স্যাভলন হ্যান্ড রাব' নতুন ভাবে সংযোজিত হয়েছে, যা ইতোমধ্যে ভোক্তাদের মাঝে ব্যাপক সাড়া ফেলেছে। ক্রমবর্ধমান চাহিদা পূরণে সম্পূর্ণ নতুন ক্যাটাগরীর একটি স্বাস্থ্যসম্মত হেলথ সোপ 'সেপটেক্স' বাজারে এনেছে। এছাড়াও, অন্যান্য ক্যাটাগরী যেমন- ফ্যাব্রিক কেয়ার, সারফেস কেয়ার, বিউটি সোপ, কিচেন কেয়ার এবং হারবাল কেয়ার উল্লেখযোগ্য প্রবৃদ্ধি অর্জন করেছে।

বাংলাদেশের কোভিড-১৯ মহামারীর তীব্রতা বাড়ার সাথে সাথে স্বাস্থ্য সুরক্ষায় ব্যবহৃত পণ্যের চাহিদাও ব্যাপক আকারে বেড়েছে। এই

বর্ধিত চাহিদা আমরা সাপ্লাই চেইনে বিশৃঙ্খলা, পরিবহন সংকটসহ বিভিন্ন প্রতিবন্ধকতা মোকাবিলা করেও সফলভাবে পূরণ করেছি। মহামারী চলাকালীন সময়ে আমরা মানুষের মধ্যে সচেতনতা বৃদ্ধি এবং স্বাস্থ্যকর ও নিরাপদ জীবনযাপনে উদ্বুদ্ধ করেছি। যা এটি টয়লেট্রিজ ব্র্যান্ডের উল্লেখযোগ্য প্রবৃদ্ধি এবং ব্র্যান্ড ইকুইটি নিশ্চিত করেছে।

২০১৯-২০ অর্থবছরে এসিআই কনজুমার ব্র্যান্ডের টয়লেট্রিজ ব্যবসা ৬২% এর অসামান্য প্রবৃদ্ধি অর্জন করেছে। এ বছর অ্যান্টিসেপটিক ক্যাটাগরীর ফ্লাগশিপ ব্র্যান্ড স্যাভলন ৭৯.৮% মার্কেট শেয়ার অর্জন করেছে।

### ইন্টারন্যাশনাল ব্র্যান্ডস

এসিআই কনজুমার ব্র্যান্ডের ইন্টারন্যাশনাল ব্র্যান্ডস ব্যবসা আন্তর্জাতিক খ্যাতি সম্পন্ন ব্র্যান্ডস Colgate, Canderel এবং

Equal এর সাথে কাজ করছে। Colgate ব্র্যান্ড ওরাল কেয়ার বিভাগের অন্যতম গুরুত্বপূর্ণ পণ্য হিসেবে বাজারে দৃঢ় অবস্থান নিশ্চিত করেছে। এছাড়াও লো ক্যালরি সুইটনার ব্র্যান্ডস্ Canderel এবং Equal এর ৪% প্রবৃদ্ধি ছিল।

## হাইজিন

হাইজিন বিভাগে নারী স্বাস্থ্য, শিশু স্বাস্থ্য, প্রাপ্ত বয়স্ক স্বাস্থ্য এবং প্রতিরক্ষামূলক যত্ন বিভাগ অন্তর্ভুক্ত। গত বছরের তুলনায় এবছর ব্যবসায়টি ২৪% বৃদ্ধি পেয়েছে। স্যানিটারী ন্যাপকিনের ফ্লাগশিপ ব্র্যান্ড, Freedom এর ব্যবহার এবছর ২২% বৃদ্ধি পেয়েছে। Savlon Twinkle Baby Diaper এবং Twinkle Baby Wipes এর ব্যবহার যথাক্রমে ২৬% এবং ৪৬% বৃদ্ধি পেয়েছে। ২০২০ সালের অক্টোবর মাসে Savlon Respect Adult Diaper পণ্যসম্ভারে নতুন সংযোজিত হয়েছে। জনগনের মধ্যে স্বাস্থ্যকর জীবনযাত্রার প্রচলনের মাধ্যমে একটি সুস্থ বাংলাদেশ গড়তে এসিআই হাইজিন ব্যবসায় প্রতিশ্রুতিবদ্ধ।

## হোম কেয়ার সলিউশন

হোম কেয়ার সলিউশন ব্যবসায়ের দুটি ক্যাটাগরী রয়েছে - একটি কীটনাশক দমন এবং অন্যটি গার্হস্থ্য তত্ত্বাবধান। ACI Aerosol সর্বাধিক কার্যকরী কীটপতঙ্গ ঘাতক হিসেবে সুপরিচিত, এটি এসিআই কনজুমার ব্র্যান্ডের ফ্লাগশিপ ব্র্যান্ড হিসেবে ৯০.৬% মার্কেট শেয়ারের মাধ্যমে বাজার নেতৃত্ব অব্যাহত রেখেছে।

গার্হস্থ্য তত্ত্বাবধান বিভাগে, Angelic Air Freshner স্থানীয়ভাবে উৎপাদিত এয়ার ফ্রেশনারগুলির পথিকৃৎ। নানাবিধ চাহিদাকে প্রাধান্য দিতে Angelic Air Freshner এ ১১টি সঞ্জীবনী সুগন্ধি দিয়ে সমৃদ্ধ করা হয়েছে। এছাড়াও Vanish Toilet Cleaner সর্বপ্রথম Citrus Variant সমৃদ্ধ Cleaner বাজারে আনার মাধ্যমে মার্কেট শেয়ার ৪% থেকে ৪.৫% এ উন্নীত করেছে।

## ইলেকট্রিক্যাল এবং ইলেকট্রনিক্স

এ ব্যবসায় ৩০% নেতিবাচক প্রবৃদ্ধি এসেছে। করোনা মহামারীর কারণে ব্যবসায়টি ব্যাপকভাবে ক্ষতিগ্রস্ত হয়েছে। আমাদের অন্যতম পৃষ্ঠপোষক ব্র্যান্ড SPARKLE-এর অধীনে LED বাতি এবং Switch Socket পণ্যের বাজার সম্প্রসারণের লক্ষ্যে আমরা মনোনিবেশ করেছি। এসিআই কনজুমার ইলেকট্রনিক্স এর প্রবৃদ্ধি ৩৫% হ্রাস পেয়েছে। আমরা বিশ্বখ্যাত Panasonic ব্র্যান্ডের পরিবেশক।

উভয় ব্যবসায়ই এই মহামারী পরিস্থিতিতে মারাত্মকভাবে ক্ষতিগ্রস্ত হয়েছে। আগামীদিনে এই পরিস্থিতি থেকে উত্তোরণের জন্য এই ব্যবসায়গুলোর সাপ্লাই চেইন, বিপণন, বিক্রয় এবং পরিবেশনে বিশেষ গুরুত্ব আরোপ করা হয়েছে।

## পেইন্টস

গত বছর এই ব্যবসায়ে নেতিবাচক ৩০% প্রবৃদ্ধি পরিলক্ষিত হয়েছে। ২০১৯-২০২০ অর্থবছরের দ্বিতীয় প্রান্তিক পর্যন্ত ব্যবসায়ের অবস্থা ইতিবাচক ছিল, কিন্তু তৃতীয় প্রান্তিকে করোনা মহামারীর প্রাদুর্ভাব ব্যবসায় নেতিবাচক প্রবৃদ্ধি সৃষ্টি করেছে। বিশ্বব্যাপী পেইন্টস শিল্প ব্যাপকভাবে ক্ষতিগ্রস্ত হয়েছে।

এই পরিস্থিতি সত্ত্বেও ব্যবসায়টি কিছু প্রযুক্তি - উৎকর্ষিত ব্র্যান্ড আগামী বছর বাজারে আনতে যাচ্ছে। গ্রাহকদের বর্ধিত বাস্তবতার অনুভূতি দিতে রঙ্গিন Visualization সম্পন্ন নতুন সফটওয়্যার চালু করা হয়েছে। Performance Coating -এর জন্য Factory tinting system - স্থাপন করতেও কাজ করা হচ্ছে, যা আমাদের উন্নত গ্রাহকসেবা প্রদানে সহায়তা করবে।

## সল্ট

২০১৯-২০২০ অর্থবছরে নানাবিধ প্রতিবন্ধকতা সত্ত্বেও এসিআই পিওর

সল্ট ১০% প্রবৃদ্ধি অর্জনের মাধ্যমে বাজারে নেতৃত্বস্থানীয় অবস্থান বজায় রেখেছে। এ সময় নিম্নমানের নকল লবনের সাথে প্রতিদ্বন্দ্বিতার মুখোমুখি হতে হয়েছিল।

এসিআই পিওর সল্ট তৈরী হয় সুইজারল্যান্ডের True Cutting Edge প্রযুক্তি ব্যবহার করে, অত্যাধুনিক Vacuum evaporation পদ্ধতিতে ১০০% গুণগতমান নিশ্চিত করে, স্ফটিক স্বচ্ছ ও সঠিক মাত্রায় আয়োডিনযুক্ত, বরঝরে দানাদার ভোজ্য লবণ উৎপাদন করে। Vacuum লবণের চাহিদা ইতোমধ্যে পরিলক্ষিত হয়েছে এবং ধীরে ধীরে চাহিদা বৃদ্ধি পাচ্ছে। এই সুযোগটি কাজে লাগানোর জন্য এসিআই সল্ট লিমিটেড নিজেদের সক্ষমতা বৃদ্ধিতে কাজ করছে।

## ফ্লাওয়ার

এসিআই পিওর ফ্লাওয়ার গত বছর ১৯% বৃদ্ধি পেয়েছে। এটি খুচরা বাজারে দৃঢ় অবস্থান বজায় রেখেছে এবং সময়ের সাথে সাথে নতুন নতুন পণ্য পরিবেশন করে আসছে। সূচনালগ্ন থেকেই এই ব্যবসায়টি একাধারে দেশের সর্ববৃহৎ উৎপাদনকারী এবং এসিআই লিমিটেডের ব্যবসায়গুলোর মধ্যে অন্যতম।

এই ব্যবসায়টি ভোক্তাদের উন্নতমানের আটা, ময়দা ও সুজি সরবরাহ করে। এছাড়াও এটি স্বাস্থ্যসম্মত বহুবিধ শস্য সম্বলিত আটা, লাল আটা, পরোটা ময়দা ও ওটস্ সম্বলিত আটা স্বাস্থ্য সচেতন ভোক্তাদের জন্য তৈরী করে থাকে।

## ফুডস

এসিআই ফুডস ব্যবসা গত বছরের তুলনায় ৪৩% বৃদ্ধি পেয়েছে। এটি অর্জিত হয়েছে ব্যবসায়টির বিক্রয়, বিপণন, পরিচালন এবং সাপ্লাই চেইনের সক্ষমতাকে আরো জোরদার করার কারণে। বাংলাদেশের মানুষের দৈনন্দিন খাদ্য ও পুষ্টির চাহিদার মানোন্নয়নের লক্ষ্যে এই ব্যবসায় চাল, মসলা, সরিষার তেল, নুডলস্, কোমল পানীয় এবং বেকারী পণ্য উৎপাদন, বিপণন এবং পরিবেশন করে আসছে।

## এসিআই রাইস

ব্যবসায়টির প্রবৃদ্ধি গত বছরের তুলনায় ২৫% বৃদ্ধি পেয়েছে। এ ব্যবসায়টি উন্নতমানের চাল সরবরাহকারী ব্র্যান্ড হিসেবে সুপরিচিত। ব্যবসায়টির ধান সংগ্রহকারী টিম Backward Linkage এর অংশ হিসেবে ফ্যাক্টরীর আশেপাশের প্রান্তিক চাষীদের কাছ থেকে সুলভ মূল্যে উন্নত মানের ধান সংগ্রহ করে থাকে, যা গ্রামীণ অর্থনীতি এবং কোম্পানীস্বার্থ উভয়ের জন্য ফলপ্রসূ। এসিআই রাইসের সেবা কার্যক্রম Distribution Channel প্রসারিত করার মাধ্যমে ভোক্তাদের দোরগোঁড়ায় পৌঁছে গেছে। এই বৃহৎ শিল্পে এসিআই রাইস তার অবস্থান সুদৃঢ় করতে বদ্ধপরিকর।

## এডিবল অয়েলস

ভোক্তাদের নিকট ভোজ্যতেলের সমৃদ্ধ সমাহার পৌঁছে দেয়ার লক্ষ্য নিয়ে এটি যাত্রা শুরু করে। সূচনালগ্ন থেকেই এই ব্যবসায়টি ৫ ধরনের ভোজ্যতেল, রাইস ব্রান অয়েল, সানফ্লাওয়ার অয়েল, অলিভ অয়েল, সয়াবিন অয়েল এবং রেনডেড অয়েল নিয়ে কাজ করছে। আগামী দিনগুলোতে ভোক্তাদের নিকট ভোজ্যতেলের আরো সমৃদ্ধ সমাহার পৌঁছে দেয়ার জন্যে কোম্পানীটি অঙ্গীকারবদ্ধ।

এসিআই নিউট্রিলাইফ, রাইস ব্রান অয়েলের প্রতিযোগিতামূলক বাজারে প্রিমিয়াম ব্র্যান্ড হিসেবে সমাদৃত। ভোক্তাকেন্দ্রিক বিপণন প্রসারের মাধ্যমে শীর্ষস্থানীয় ব্র্যান্ড হিসেবে এসিআই এডিবল অয়েল বাজার সম্প্রসারণে কাজ করে যাচ্ছে। এসিআই এডিবল অয়েল পরিবারে নতুন সংযোজন হল Well's অলিভ অয়েল। এটি স্পেনের ঐতিহ্যবাহী অলিভ ওয়েল এর অন্যতম একটি ব্র্যান্ড।



## এগ্রিবিজনেসেস ডিভিশন

### ক্রপকেয়ার এন্ড পাবলিক হেলথ

এই শিল্পে ৮% নেতিবাচক প্রবৃদ্ধি হওয়া সত্ত্বেও, আমাদের ক্রপ কেয়ার ব্যবসা গত বছরের তুলনায় ৫% হ্রাস পেয়েছে। Granular Insecticide বিভাগে ৬%, Herbicides ৮% এবং Fungicides ৩০% বৃদ্ধি পেয়েছে। সালফারযুক্ত সারে সরকার কর্তৃক ৩০% ভর্তুকির কারণে আমাদের সালফার পোর্টফোলিওর উল্লেখযোগ্য ক্ষতি হয়েছিল। ক্রপকেয়ার এবছর ৫টি সম্পূর্ণ নতুন ধরনের মলিকিউল চালু করেছে। গতবছর বাংলাদেশ প্রতিকূল জলবায়ু পরিস্থিতির সম্মুখীন হয়েছে। বারবার বন্যা এবং অবিরাম বৃষ্টিপাতের কারণে দেশের প্রায় এক তৃতীয়াংশ ফসলি জমি ক্ষতিগ্রস্ত হয়েছে। এছাড়াও, কোভিড-১৯ সৃষ্ট লকডাউন বিধিনিষেধের কারণে আমাদের কৃষকগণ, মাঠকর্মীবৃন্দ এবং পরিবেশকগণের চলাফেরা স্থবির হয়ে পড়েছিল।

ফ্লোরা হচ্ছে একটি পরিবেশবান্ধব, শক্তি ও বৃদ্ধিবর্ধক যা ধান চাষীদের মধ্যে জনপ্রিয় ব্র্যান্ড হিসেবে পরিচিতি লাভ করেছে। তবে এই পোর্টফোলিওটিও প্রাকৃতিক দুর্যোগের কারণে ক্ষতিগ্রস্ত হয়েছে। এসিআই ক্রপকেয়ার ব্যবসা সম্প্রসারণের লক্ষ্যে নিবেদিতপ্রাণ কর্মীদের সমন্বয়ে নিজস্ব গবেষণা ও উন্নয়ন শাখা গঠন করেছে, যারা আমাদের বাছাইকৃত শস্য উৎপাদনের জন্য মাঠপর্যায়ে পরীক্ষামূলক গবেষণা করছে। কৃষকদেরকে যথাযথ সেবা দেয়ার লক্ষ্যে আমাদের কর্মীগণ কোভিড-১৯ মহামারীকালে নিজস্ব সুরক্ষা নিশ্চিত করে সর্বকর্তার সাথে ফসলি জমি পরিদর্শন করেছে।

### সীড

বাংলাদেশের বেসরকারি বীজ কোম্পানিগুলোর মধ্যে এসিআই সীড ৩৪% প্রবৃদ্ধি এবং ১,২৯৮ মিলিয়ন টাকা টার্নওভার অর্জনের মাধ্যমে গতবছর শীর্ষ কোম্পানিতে পরিণত হয়েছে। এসিআই হাইব্রিড ধান বীজ পোর্টফোলিওটি গতবছর ৩৩% প্রবৃদ্ধি এবং ৩২% মার্কেট শেয়ার, হাইব্রিড ভুট্টা বীজ পোর্টফোলিও ৫৪% প্রবৃদ্ধি এবং উজ্জ্বল বীজ পোর্টফোলিও ৫০% প্রবৃদ্ধির সাথে ৫% মার্কেট শেয়ার অর্জন করেছে।

এসিআই সীড রাজশাহী বিশ্ববিদ্যালয় এবং IRRI -এর সমন্বয়ে বাংলাদেশে বেসরকারিখাতে প্রথম উদ্ভাবিত মিনিশাইল (রবি ধান ১) বানিজ্যিক বিপণন শুরু করে, যা বাংলাদেশে বেসরকারিখাতে উদ্ভাবিত প্রথম HYV জাত। BAU ধান ৩, এসিআই সীডের নিজস্ব উদ্ভাবিত উন্নত জাতের ধান, যা National Seed Board (NSB) থেকে অনুমোদন পেয়েছে। আরো দুটি হাইব্রিড ধানের জাত অনুমোদনের জন্য অপেক্ষমান রয়েছে। বাংলাদেশী জলবায়ু উপযোগী আধুনিক ধানের জাত বিকাশের জন্য এবং কৃষকের চাহিদা মিটাতে এসিআই সীড ব্যবসা IRRI এবং বিভিন্ন বহুজাতিক কোম্পানির সাথে অবিচ্ছিন্নভাবে কাজ করে চলেছে। এসিআই সীডের নিজস্ব গবেষণা ও উন্নয়ন শাখা চারটি নতুন উজ্জ্বল বীজ বিপণনের জন্য পণ্যসম্ভারে অন্তর্ভুক্ত করেছে এবং বণ্ডুয় হাইব্রিড ধানের বীজ গবেষণার জন্য একটি R&D স্থাপন করা হয়েছে।

East West সীড, গ্রীষ্মমন্ডলীয় শাকসবজি বীজের বাজারে শীর্ষস্থানীয় একটি কোম্পানি, যা সাড়ে তিন দশকেরও বেশি সময় ধরে বীজ প্রজনন, উৎপাদন, এবং বীজ সরবরাহে অভিজ্ঞতা সম্পন্ন। এসিআই সীড East West সীডের সাথে একটি বিশেষ পরিবেশক চুক্তিতে আবদ্ধ হয়েছে। জিনগতভাবে বিশুদ্ধ নিয়োজিত এবং রোগ প্রতিরোধ

ক্ষমতা সম্পন্ন বীজ বাজারজাত করার জন্য এসিআইয়ের ASRBC -এর দক্ষ বিজ্ঞানীরা কাজ করছে।

২০১৯-২০ অর্থবছরে দুইজন বিজ্ঞানী IRRI থেকে ফিলিপাইনে একবছরের জন্য উন্নত ধানের প্রজনন সম্পর্কে জ্ঞান অর্জনের জন্য প্রশিক্ষণে গিয়েছে। ব্যবসাটি চুক্তিভিত্তিক উৎপাদকদের মাধ্যমে ৬৬১৬ মে. টন বীজ উৎপাদন করেছে এবং বিদেশ থেকে ১৯৩৩.৫ মে. টন বীজ আমদানি করেছে। এই নতুন বীজ 'কৃষকের জন্য সম্পদ তৈরী' থিমের উদ্দেশ্যে অর্জনে সহায়ক হবে।

### ফার্টিলাইজার

এসিআই ফার্টিলাইজার ব্যবসা ২৫% নেতিবাচক ফল পেয়েছে। মহামারীর কারণে ব্যবসাটির পণ্যচাহিদা ও মূল্য প্রভাবিত হয়েছিল। সার ব্যবসা হিউমাস ভিত্তিক জৈব এবং হরমোনাল পণ্য সংযোজনে মনোনিবেশ করেছে। ফলনবর্ধন এবং সুস্বাদু মাটির উর্বরতা বজায় রাখায় জৈবসারের বাজার সম্প্রসারিত হচ্ছে।

কোভিড-১৯ মহামারী চলাকালীন, ব্যবসাটি ইউটিউব, ফেসবুক, ফসলি অ্যাপস, ওয়েবসাইটের মাধ্যমে ডিজিটাল বিপণনের উপর গুরুত্ব আরোপ করেছে। ভবিষ্যতে ব্যবসার সম্প্রসারণের উদ্দেশ্যে আমাদের উদ্ভাবনী পাইপলাইনে vermi-compost, tricho-compost, paclobutrazol, brassinolide এবং control release fertilizer রয়েছে।

### অ্যানিমেল হেলথ এবং জেনেটিকস

চলমান কোভিড-১৯ মহামারী এবং দেশব্যাপী বন্যা সত্ত্বেও, এসিআই অ্যানিমেল হেলথ ১৪% মার্কেট শেয়ার এবং ১৯.৩% প্রবৃদ্ধি নিশ্চিত করেছে। এই ব্যবসায় পোল্ট্রি, গবাদি পশু, প্রাণী জৈববিদ্যা, অ্যাকুয়া এবং প্রাণীপুষ্টি এবং ফিড অন্তর্ভুক্ত।

Vaccine, Cattle এবং Animal Nutrition ব্যবসায় যথাক্রমে ৩৫%, ২৩% এবং ২৭% প্রবৃদ্ধি নিশ্চিত করেছে। সঠিক সময়ে অর্ডার এবং নিরবিচ্ছিন্ন উৎপাদন ব্যবসা নিশ্চিত করার কারণে, সর্বাধিক বিক্রিত পণ্যগুলো সহজলভ্য হওয়াতে ব্যবসাটি প্রবৃদ্ধির ধারা অব্যাহত রেখেছে। কারণে ব্যবসা আগের মতো প্রবৃদ্ধির ধারাতে ফিরছে। সামাজিক যোগাযোগ মাধ্যমে প্রকাশিত মুরগি ও ডিমের মাধ্যমে ছড়িয়ে পড়া ভাইরাসের খবরের কারণে প্রোটিনের ব্যবহার হ্রাস পেয়েছে, যা পোল্ট্রি ব্যবসায়ের বৃদ্ধি ১১% এ সীমাবদ্ধ করেছে। ব্যবসা আরো চাপা করতে নতুন প্রযুক্তি আনা হচ্ছে। এশিয়াতে এসিআই প্রথমবারের মতো H9N2 ভাইরাসের প্রতিষেধক Cevac New Flu H9K প্রবর্তন করে যা কৃষককে ক্ষতির হাত থেকে বাঁচাবে।

জেনেটিকপ্রযুক্তি প্রয়োগের মাধ্যমে বাংলাদেশের দুগ্ধচাষীদের আয় বৃদ্ধি করার লক্ষ্যে এসিআই অ্যানিমেল জেনেটিক্স যাত্রা শুরু করে। বর্তমান গড় দুগ্ধউৎপাদন উল্লেখযোগ্যভাবে বৃদ্ধি করা যেতে পারে। এ ব্যবসাটি ইতোমধ্যে গাজীপুর একটি অত্যাধুনিক প্রাণী জেনেটিক্স গবেষণা ও উন্নয়ন কেন্দ্র প্রতিষ্ঠা করেছে। এসিআই অ্যানিমেল জেনেটিক্সের পরিচালনা দল প্রাণী সম্পদ খাতের অভিজ্ঞ বিশেষজ্ঞদের নিয়ে গঠিত। এই ব্যবসাটি দ্রুত বৃদ্ধির প্রস্তুতি গ্রহণ করেছে।

## মটরস্

এ ব্যবসাটি তিনটি প্রধান SBU তে বিভক্ত- ১. ফার্ম মেকানাইজেশন, ২. ইয়ামাহা, ৩. নির্মাণ সরঞ্জাম, বাণিজ্যিক যানবাহন এবং অন্যান্য। বাংলাদেশের শীর্ষস্থানীয় ফার্ম মেকানাইজেশন কোম্পানী এসিআই মটরস্, মানসম্পন্ন পণ্য এবং বিস্তৃত পরিসেবার মাধ্যমে কৃষকদের সম্পূর্ণ ফার্ম মেকানাইজেশন সলিউশন প্রদান করে। যার মধ্যে চাষাবাদ, রোপন, সেচ, ফসল সংগ্রহ ও ফসল কাটার পরে সংরক্ষণও অন্তর্ভুক্ত। এসিআই মটরস্ ফার্ম মেকানাইজেশন ইউনিট গত বছরের তুলনায় ১৭% প্রবৃদ্ধি নিশ্চিত করেছে। এসিআই মটরস্ এর ট্রাক্টর ব্র্যান্ড 'সোনালীকা' মানসম্পন্ন পণ্য এবং উন্নত পরিসেবার প্রতিশ্রুতির মাধ্যমে বাজার নেতৃত্ব বজায় রেখেছে। এই বছর মহামারী চলাকালীন সময়ে বোরো ফসল কাটার মৌসুমে এসিআই মটরস্ ফসল কাটার সমস্যা সমাধানে প্রধান ভূমিকা পালন করেছিল এবং ১৭০ হাজার একর জমির ফসল কাটতে সাহায্য করেছিল। উন্নতমান এবং বিক্রয় পরবর্তী সেবার কারণে এই ব্যবসাটি অদূর ভবিষ্যতে আরো সম্প্রসারিত হবে। এছাড়াও, এসিআই মটরস্ এ বছর থেকে নিজস্ব কৃষিযন্ত্রপাতি উৎপাদন কারখানা স্থাপন করেছে যা বর্তমানে থ্রেসার, হ্যান্ড পাওয়ার টিলার এবং ট্রেইলার উৎপাদন করছে, এবং ভবিষ্যতে আধুনিক কৃষি যন্ত্রাংশ সংযোজন এবং উৎপাদন করবে।

এসিআই মটরস - অক্টোবর ২০১৯ থেকে ইয়ামাহার আন্তর্জাতিক মান বজায় রেখে ১২৫সিসি ইয়ামাহা মোটরসাইকেল উৎপাদন শুরু করেছে। এটি সশরী ক্রয়সীমার মধ্যে ১২৫সিসি ইয়ামাহা মোটরসাইকেল তৈরি করছে। ইয়ামাহার ১৫০সিসি সেগমেন্টকে সর্বাধিক প্রিমিয়াম মোটর সাইকেল হিসেবে বিবেচনা করা হয়। এটির উৎপাদন ও Complete Knock Down (CKD) সেটআপের মাধ্যমে বাজার ৮% নেতিবাচক হওয়া সত্ত্বেও ইয়ামাহা মোটরসাইকেল ৩৬% প্রবৃদ্ধি অর্জন করেছে। এসিআই মটরস্ সারাবছর বিপণন কার্যক্রম পরিচালনা করেছিল, এর মধ্যে ইয়ামাহা রাইডিং প্রশিক্ষণ একাডেমি এবং ইয়ামাহা রাইডার্স ক্লাব অন্যতম।

নির্মাণ সরঞ্জাম ব্যবসায়ের ক্ষেত্রে, এসিআই মোটরস্ Case, Kobelco এবং Lovol এর মতো বিশ্বখ্যাত নির্মাণ সরঞ্জাম প্রস্তুতকারক ব্র্যান্ডগুলির সাথে কাজ করছে। এছাড়াও, এসিআই মটরস্ এ বছর Indopower Crane চালু করেছে, যা ভারতের শীর্ষস্থানীয় ক্রেন ব্র্যান্ডগুলির মধ্যে অন্যতম। এসিআই মটরস্ তার নির্মাণ সরঞ্জাম বিভাগের মাধ্যমে দেশের অবকাঠামোগত উন্নয়নে অংশীদারিত্ব প্রত্যাশা করছে।

এসিআই মটরস্ বিশ্বের শীর্ষস্থানীয় হালকা বাণিজ্যিক যানবাহন প্রস্তুতকারক কোম্পানি ফোটন ইন্টারন্যাশনালের সাথে কাজ শুরু করেছে। ফোটন ভোক্তাদের কাছ থেকে খুব ইতিবাচক সাড়া পাচ্ছে। কেননা, এসিআই মটরস্ দেশব্যাপী মানসম্পন্ন পণ্য এবং বিক্রয়গোষ্ঠী সেবা প্রদানে সদা সচেষ্ট। বর্তমানে ফোটন বাংলাদেশের দ্রুত বর্ধমান বাণিজ্যিক গাড়ি ব্র্যান্ড হিসেবে অন্যতম।

## এগ্রোলিংক

এসিআই এগ্রোলিংক ফ্রান্স, জার্মানী, বেলজিয়াম, নেদারল্যান্ড, ডেনমার্ক এবং জাপানে চিংড়ি রপ্তানি করে থাকে। এই দেশগুলোর অনেক ক্রেতা সাতক্ষীরায় অবস্থিত এসিআই এগ্রোলিংকের চিংড়ি প্রক্রিয়াজাতকরণ প্ল্যান্ট পরিদর্শন করেছে এবং এটির অবস্থান এবং সুযোগ-সুবিধার প্রশংসা করেছে।

আন্তর্জাতিক খাদ্য নিরাপত্তা কমপ্ল্যুয়েন্স অনুযায়ী এই ব্যবসাটি ফ্যাক্টরি নির্মাণ সম্পন্ন করেছে। এটি Control Union of Germany কর্তৃক Organic Agriculture and Forestry Certification, EU Export License এবং British Retail Consortium (BRC) Certificate অর্জন করেছে। চিংড়ি প্রক্রিয়াজাতকরণ এবং রপ্তানীর জন্যে ব্যবসাটি Hazard Analysis Critical Control Point (HACCP) সার্টিফিকেট অর্জন করেছে। এই ব্যবসাটি আরো প্রবৃদ্ধির জন্য প্রস্তুত।

## প্রিমিয়াম ফ্লেক্স প্লাস্টিকস

গত বছরের তুলনায় প্রিমিয়াম ফ্লেক্স প্লাস্টিকস'র বিক্রয় ৭% বেড়েছে। প্রিমিয়াম ফ্লেক্স প্লাস্টিকস Flexible Packaging পণ্য উৎপাদন ও বিপণনে বিশেষ ভূমিকা পালন করেছে। এই ব্যবসা Lamitube ও Level Stickers উৎপাদনের মাধ্যমে তার পোর্টফোলিওকে আরো সমৃদ্ধ করেছে।

পণ্যে নতুনত্ব আনয়নের মাধ্যমে গ্রাহক সন্তুষ্টি অর্জনে এ ব্যবসা মনোনিবেশ করেছে। সমন্বিত মানোন্নয়নের মাধ্যমে প্রিমিয়াম মার্কেট তৈরি করার পরিকল্পনায় কাজ করে যাচ্ছে। যা প্রিমিয়াম ফ্লেক্স প্লাস্টিকসকে Flexible Packaging শিল্পে একটি গুরুত্বপূর্ণ কৌশলগত নেতৃত্ব বজায় রাখতে সাহায্য করছে।

## প্রিমিও প্লাস্টিকস

এসিআই প্রিমিও প্লাস্টিকস, প্রিমিয়াম ফ্লেক্স প্লাস্টিকস লিমিটেডের একটি নতুন ব্যবসা। যার যাত্রা ২০১৮ সালের এপ্রিলে শুরু হয়েছে। কোভিড-১৯ এর জন্য দেশব্যাপী লকডাউন এবং প্লাস্টিকপণ্য বিক্রয়কারী দোকানসমূহ বন্ধ থাকায় ব্যবসাটি ক্ষতিগ্রস্ত হয়েছে। সূচনালগ্ন থেকেই ব্যবসায়টি পণ্য নকশা, দৃষ্টিভঙ্গি এবং পরিসেবার মাধ্যমে ভোক্তাদের গ্রহণযোগ্যতা পেয়েছে।

প্রচুর প্রতিদ্বন্দ্বিতা থাকা সত্ত্বেও ৪.৫% মার্কেট শেয়ার দখল করেছে। ব্র্যান্ড সচেতনতা তৈরির জন্য কতগুলি বিপণন কার্যক্রম পরিচালনা করা হয়েছে। যা বাজারে অংশীদারিত্ব বাড়ানো ও বাজারে প্রবেশের বাঁধা কাটিয়ে উঠতে সহায়তা করেছে। দ্রুত বর্ধনশীল এবং বৃহত্তর বাজার আকার থাকার কারণে এই ব্যবসায়টির কলেবর বৃদ্ধির প্রচুর সম্ভাবনা রয়েছে। তদুপরি, জীবনযাত্রার পরিবর্তন এবং উপার্জনের সক্ষমতা বৃদ্ধির কারণে প্লাস্টিকপণ্য এবং খেলনার চাহিদা বাড়ছে। বাজারের এই পরিবর্তনশীল গতিশীলতাকে পুঁজি করে ভবিষ্যতে ব্যবসাটি আরো প্রবৃদ্ধি অর্জনে বন্ধ পরিকর।



## রিটেইল চেইন ডিভিশন

এসিআই লজিস্টিকস ১৭% প্রবৃদ্ধি অর্জনের মাধ্যমে রিটেইল চেইন শিল্পে তার নেতৃত্বকে আরো সুদৃঢ় করেছে। 'স্বপ্ন' বর্তমানে ৩৪টি নতুন 'স্বপ্ন এক্সপ্রেস' আউটলেট স্থাপনসহ মোট ১৪৪টি আউটলেটের মাধ্যমে ঢাকাসহ ১৪টি জেলায় তার পদচারণার স্বাক্ষর রেখে চলেছে। যা আধুনিক রিটেইল শিল্পে আমাদের ৪৯% মার্কেট শেয়ার অর্জনে সক্ষম করেছে।

রিটেইল চেইন বিভাগের মার্কেট লিডার হিসেবে 'স্বপ্ন' টানা চতুর্থবারের মত (২০১৬, ২০১৭, ২০১৮, ২০১৯) Kantar Millward Brown ও বাংলাদেশ ব্র্যান্ড ফোরামের বিবেচনায় 'সেরা ব্র্যান্ড' পুরস্কার জিতেছে। সুপারব্র্যান্ডস বাংলাদেশ স্বপ্নকে ২০১৯ সালের জন্য ৮ম সামগ্রিক জাতীয় ব্র্যান্ডসহ সুপারব্র্যান্ড উপাধিতে ভূষিত করেছে। শুধুমাত্র লক্ষ গ্রাহকের মনজয়ের মাধ্যমে শক্তিশালী জাতীয় ব্র্যান্ড নয়, নিরাপদ ও খাঁটি পণ্যের নির্ভরযোগ্য গন্তব্য হিসেবে 'স্বপ্ন' নিজেকে প্রতিষ্ঠা করে চলেছে।

এই মহামারী পরিস্থিতিতে 'স্বপ্ন' স্বাস্থ্য সুরক্ষা ও পরিচালন দক্ষতার উপর জোর দিয়েছে। কর্মকর্তা-কর্মচারী ও গ্রাহক নিরাপত্তায় সর্বাধিক অগ্রাধিকার দেয়া হয়েছে এবং সকল স্টোরে স্বাস্থ্যবিধি মেনে কাজের পরিবেশ নিশ্চিত করা হয়েছে। সাপ্লাই চেইনে মহামারীকালীন সময়ে পণ্য সরবরাহ নিশ্চিত করতে অনেক চ্যালেঞ্জের মুখোমুখি হওয়া

সত্ত্বেও 'স্বপ্ন' সফলতা পায়। স্টোর কর্মীদের নিরলস প্রচেষ্টায় 'স্বপ্ন' ভোক্তাদের আস্থা অর্জনে সমর্থ হয়। এই অর্থবছরে আরো ৩৪টি আউটলেট বাড়ানোসহ 'স্বপ্ন এক্সপ্রেস' তার সম্প্রসারণের ধারা অব্যাহত রেখেছে। স্বপ্ন'র নিজস্ব প্লাটফর্ম 'স্বপ্ন ই-কর্মা' সফলতার সাথে এগিয়ে চলেছে।

সারাদেশের কৃষক এবং উৎপাদনকারীদের সাথে একাত্ম হয়ে কাজ করতে এসিআই লজিস্টিকস backward integration প্রকল্পসমূহ পরিচালনা করেছে। এবছর কৃষকদের কাছ থেকে সরাসরি ধান সংগ্রহ করে ভ্যালু চেইনে সংযুক্ত করেছে। এর মাধ্যমে ন্যায্যমূল্য নিশ্চিত করার পাশাপাশি ভারসাম্য রক্ষা সম্ভব হয়েছে। বিশ্বব্যাপী নিরাপদ ও টেকসই কৃষি ক্ষেত্র নিশ্চিতকরণে গুরুত্বপূর্ণ ভূমিকা পালনকারী আন্তর্জাতিক সংস্থা, Global G.A.P এর সাথেও কাজ করে চলেছে 'স্বপ্ন'। সাপ্লাই চেইনের সকল পর্যায়ে সুরক্ষা নিশ্চিত করতে এসিআই লজিস্টিকস উন্নয়ন সহযোগীদের সহায়তায় শস্য সনাক্তকরণের উন্নতির জন্য কৃষকদের সাথে নিবিড়ভাবে কাজ করে চলেছে। স্বপ্ন'র শস্য সংগ্রহ, সরবরাহ ও মাননিয়ন্ত্রন দল, নিরাপদ ও খাঁটি, উৎপাদিত ও আমদানিকৃত পণ্যের গন্তব্যস্থল হিসেবে স্বপ্নকে প্রতিষ্ঠা করতে নিরলসভাবে কাজ করে যাচ্ছে।

## JOINT VENTURE কোম্পানী সমূহ

### এসিআই গোল্ডরেজ এগ্রোভেট প্রাইভেট লিমিটেড

এসিআই গোল্ডরেজ এগ্রোভেট প্রাইভেট লিমিটেড সম-অংশিদারীত্বের ভিত্তিতে এডভান্সড কেমিক্যাল ইন্ডাস্ট্রিজ লিমিটেড, বাংলাদেশ ও গোল্ডরেজ এগ্রোভেট প্রাইভেট লিমিটেড, ভারতের যৌথ উদ্যোগে প্রতিষ্ঠিত একটি কোম্পানী। কোম্পানীটি সব ধরনের পশু খাদ্য (পোলট্রি, একুয়া, ক্যাটল ফিড) ও একদিনবয়সী মুরগীর বাচ্চা উৎপাদন ও বিক্রয় ব্যবসার সাথে সম্পৃক্ত। 'নাদির গোল্ডরেজ সেন্টার ফর এনিমেল রিসার্চ এন্ড ডেভেলপমেন্ট' কেন্দ্রে কোম্পানীর উদ্ভাবিত পণ্য মাঠ পর্যায়ে বৈজ্ঞানিক পরীক্ষার মাধ্যমে বাজারজাত করা হয়। যার মূল লক্ষ্য হাঁস-মুরগী, মাছ ও গবাদি পশুসম্পদের টেকসই উন্নয়ন।

কোম্পানির বিক্রয় ৪৫% বৃদ্ধি পেয়েছে। ব্রিডিং ফার্ম শেডকে পরিবেশবান্ধব শেডে রূপান্তর করা হয়েছে যার ফলে মা-মুরগি প্রতিপালনের ক্ষমতা ৮০% বৃদ্ধি পেয়েছে।

### টেটেলি এসিআই (বাংলাদেশ) লিমিটেড

টেটেলি এসিআই বাংলাদেশ লিমিটেডের জন্য ২০১৯-২০২০ সালটি ছিল একটি ফলপ্রসূ বছর। এ সময় বাজার খ্যাতি বৃদ্ধির পাশাপাশি ৮.৪% প্রবৃদ্ধি অর্জিত হয়েছে। বিশ্ববাজার থেকে চা সংগ্রহ করে দক্ষতার সাথে মিশ্রণ করে উন্নতমানের চা সরবরাহ করতে সমর্থ হয়েছে।

আশা করা যায়, ২০২০-২০২১ সালে ব্যবসা আরো লাভজনক হবে। ব্রান্ড ইকুইটি, শক্তিশালী সরবরাহ ব্যবস্থা ও পরিচালন দক্ষতার মাধ্যমে কোম্পানী কাঙ্ক্ষিত প্রবৃদ্ধি অর্জনে সক্ষম হবে।

### এশিয়ান কনজুমার কেয়ার প্রাইভেট লিমিটেড

ডাবর ইন্টারন্যাশনাল লিমিটেড, ভারত এবং এডভান্সড কেমিক্যাল ইন্ডাস্ট্রিজ লিমিটেড, বাংলাদেশ এর যৌথ উদ্যোগে এশিয়ান কনজুমার কেয়ার প্রাইভেট লিঃ পরিচালিত হচ্ছে। এ অর্থ বছরে মহামারীর কারণে কোম্পানীটির প্রবৃদ্ধি ৯% হ্রাস পেয়েছে। কোভিড-১৯ সময়ে ভ্যালুচেইন নেটওয়ার্ক, স্থায়ীত্বশীল বিক্রয় ও বিপণন এবং নতুন পণ্য উদ্ভাবনে কোম্পানী মনোনিবেশ করেছে।

### এসিআই কো-রো বাংলাদেশ লিমিটেড

এসিআই কো-রো বাংলাদেশ লিমিটেড, একটি যৌথ মূলধনী কোম্পানী যা বাংলাদেশী conglomerate, এসিআই এবং ডেনিস জুস উৎপাদনকারী বৃহৎ প্রতিষ্ঠান, CO-RO A/S এর অংশিদারীত্বে গঠিত। 'কো-রো' ব্র্যান্ডের তত্ত্বাবধানে বাংলাদেশী ভোক্তাদের সতেজতা ও পরিতৃপ্তি দিতে সুস্বাদু ফলভিত্তিক পানীয় ও স্ন্যাক্স উপহার দেয়ার জন্য ২০১৯ সালে প্রতিষ্ঠানটি যাত্রা শুরু করেছে।

### আর্থিক ফলাফল - এসিআই লিমিটেড

৩০শে জুন ২০২০ সালে সমাপ্ত অর্থ বছরে এসিআই লিমিটেড এর নীট বিক্রয় ছিল ২৩,২০২ মিলিয়ন টাকা যা পূর্ববর্তী অর্থ বছরে ছিল ২১,৭৯৬ মিলিয়ন টাকা। উচ্চ মার্জিন সম্পন্ন পণ্য আনুপাতিক হারে অধিক বিক্রয়ের কারণে ২০১৯-২০২০ অর্থ বছরে গ্রস মুনাফার হার বৃদ্ধি পেয়ে ৪৬.১৪% হয়েছে যা পূর্ববর্তী অর্থ বছরে ছিল ৪৫.৩৬%। আলোচ্য অর্থ বছরে পরিচালন মুনাফা ৩,২২১ মিলিয়ন টাকা এবং কর পরবর্তী মুনাফা ১,৭১৯ মিলিয়ন টাকা যার ফলশ্রুতিতে শেয়ার প্রতি আয় ইপিএস হয়েছে ২৯.৯৬ টাকা।

### এক নজরে মুখ্য পরিচালনগত ও আর্থিক তথ্য

২০১৯-২০ অর্থ বছর সহ কোম্পানীর বিগত সাড়ে পাঁচ বছরের মুখ্য পরিচালনগত ও আর্থিক তথ্যাদি নিম্নে প্রদর্শন করা হলোঃ

মিলিয়ন টাকায়

বিবরণ	জুলাই ২০১৯ - জুন ২০২০	জুলাই ২০১৭ - জুন ২০১৮	জুলাই ২০১৭ - জুন ২০১৮	জুলাই ২০১৬ - জুন ২০১৭	জুন ২০১৬ (ছয় মাস)	ডিসেম্বর ২০১৫	ডিসেম্বর ২০১৪
নীট বিক্রয়	২৩,২০২	২১,৭৯৬	২১,৩৮৭	১৮,৩০৬	৭,৯৪১	১৪,৫৬৭	১২,৩১৯
মোট গ্রস মুনাফা	১০,৭০৫	৯,৮৮৬	৯,২৪২	৮,১৯৬	৩,৫৬১	৬,২৬২	৫,১৭১
কর পূর্ববর্তী মুনাফা	২,৩৪৭	৯২৪	১,৬৫৮	১,৬৭৪	৯২৫	৩,৯৩৪	১,২৭২
কর পরবর্তী মুনাফা	১,৭১৯	৫৪৯	১,৩১৭	১,২৪৪	৬৮০	৩,১৮৪	৯৫১
শেয়ার প্রতি আয় (টাকা)	২৯.৯৬	১১.০১	২৬.৪১	২৫.৮০	১৫.৫১	৭২.৭২	২৪.০২
ইস্যুকৃত ও পরিশোধিত মূলধন	৫৭৪	৪৯৯	৪৮২	৪৩৮	৩৯৮	৩৯৮	৩৪৪
শেয়ার মালিকদের ইকুইটি	১৫,৪২১	১৪,৩৮৪	১৪,৩০০	১২,৯৯২	১১,৯৪৯	১১,৭১৫	৬,৬০৭
শেয়ার প্রতি নীট সম্পদ (টাকা)	২৬৮.৭৯	২৮৮.৩২	২৮৬.৬২	২৬৯.৫৪	২৯৯.৯৬	২৯৪.০৮	১৯২.০৯
কর্মচারীদের সংখ্যা	৮,৩৬৪	৯,১৪৭	৯,০৫৩	৮,৩৬৪	৭,২৭৫	৭,০৯০	৬,৯৩০
জাতীয় রাজস্ব আয়ে অবদান	৪,৩১৮	৩,৭৭০	৩,৬২৫	৩,৩০২	১,৩৪০	২,৬২৬	২,১৫৮

**মুনাফা বন্টনঃ** ২০১৯-২০২০ অর্থ বছরের এর ফলাফল পর্যালোচনা, ফ্রি রিজার্ভ এবং ধারাবাহিক লভ্যাংশ নীতি অনুসরণের আলোকে পরিচালনা পর্ষদ নীট মুনাফার নিম্নলিখিত বন্টন সুপারিশ করেছেনঃ

বিষয়	২০১৯-২০২০	২০১৮-২০১৯
অবন্টিত মুনাফা	৯,২১৪,৪০৬,৩৫৭	৯,২৫৬,৬৯৩,১১৫
যোগ্য কর-পরবর্তী মুনাফা	১,৭১৮,৯১৯,৯৩৪	৫৩১,৪৪২,৭৯৭
সর্বমোট বন্টনযোগ্য মুনাফা	১০,৯৩৩,৩২৬,২৯১	৯,৭৮৮,১৩৫,৯১২
<b>মুনাফা বন্টনঃ</b>		
অন্তর্বর্তীকালীন লভ্যাংশঃ		
নগদ লভ্যাংশ	-	-
চূড়ান্ত প্রস্তাবিত লভ্যাংশঃ		
নগদ লভ্যাংশ	৪৫৮,৯৮৩,৬৪৪	৪৯৮,৮৯৫,২৬৫
স্টক লভ্যাংশ	৫৭,৩৭২,৯৫৬	৭৪,৮৩৪,২৯০
বিয়োগ্য সর্বমোট লভ্যাংশ	৫১৬,৩৫৬,৬০০	৫৭৩,৭২৯,৫৫৫
অবন্টিত মুনাফা স্থিতি	১০,৪১৬,৯৬৯,৬৯২	৯,২১৪,৪০৬,৩৫৭

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

**লভ্যাংশঃ** ৩০শে জুন ২০২০ তারিখে সমাপ্ত বছরের জন্য পরিচালনা পর্ষদ আনন্দের সাথে লভ্যাংশ হিসেবে ৮০% নগদ লভ্যাংশ (অর্থাৎ শেয়ার প্রতি ৮ টাকা) এবং ১০% স্টক লভ্যাংশ প্রদানের সুপারিশ করেছে। রেকর্ড ডেট, অর্থাৎ ১লা ডিসেম্বর ২০২০, 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 অর্থ বছরে কোম্পানীর পরিচালনা পর্ষদ অন্তর্বর্তীকালীন লভ্যাংশ হিসেবে কোন বোনাস শেয়ার বা স্টক ডিভিডেন্ড সুপারিশ করেনি।

**জাতীয় রাজস্ব আয়ে অবদানঃ** ৩০শে জুন ২০২০ তারিখে সমাপ্ত অর্থ বছরে কোম্পানী আয় কর, আবগারি শুল্ক এবং মূল্য সংযোজন কর বাবদ মোট ৪,৩১৮ মিলিয়ন টাকা জাতীয় কোষাগারে জমা দান করেছে ; যা উল্লেখিত সমাপ্ত বছরের নীট বিক্রয়লব্ধ আয়ের ১৮.৬১%।

### বিক্রিত পণ্যের ব্যয় এবং মুনাফার হার

৩০শে জুন ২০২০ তারিখে সমাপ্ত অর্থ বছরে বিক্রিত পণ্যের ব্যয় হয়েছে ১২,৪৯৭ মিলিয়ন টাকা যা পূর্ববর্তী অর্থ বছরে ছিল ১১,৯১০ মিলিয়ন টাকা। উচ্চ মার্জিন সম্বলিত পণ্যের আনুপাতিক হারে অধিক বিক্রয়ের ফলে এটা হয়েছে। এর সামগ্রিকভাবে গ্রস মুনাফার হার বৃদ্ধি পেয়ে দাঁড়িয়েছে ৪৬.১৪% (১০,৭০৫ মিলিয়ন টাকা) যা পূর্ববর্তী অর্থ বছরে ছিল ৪৫.৩৬% (৯,৮৮৬ মিলিয়ন টাকা)। উল্লেখিত অর্থ বছরে নীট মুনাফার হার ছিল ৭.৪১% যা গত বছর ২.৪৪% ছিল।

### আর্থিক ফলাফল - এসিআই গ্রুপ

৩০শে জুন ২০২০ তারিখে সমাপ্ত অর্থ বছরে কনসলিডেটেড বিক্রয় ছিল ৬৯,৪৭৫ মিলিয়ন টাকা যা পূর্ববর্তী অর্থ বছরে ছিল ৬৩,১৪৪ মিলিয়ন টাকা। পক্ষান্তরে, কনসলিডেটেড গ্রস মুনাফার হার আলোচ্য আর্থিক বছরে কমে দাঁড়ায় ২৮.০৮% যা পূর্ববর্তী বছরে ছিল ২৯.০১%। কিছু ব্যবসার গ্রস মুনাফা কমে যাওয়াই এর মূল কারণ। আলোচ্য অর্থ বছরে কনসলিডেটেড অপারেটিং মুনাফা ছিল ৪,৩৩১ মিলিয়ন টাকা এবং কর পরবর্তী কনসলিডেটেড মুনাফা ছিল ঋণাত্মক ১,০৫৯ মিলিয়ন টাকা যার ফলশ্রুতিতে কনসলিডেটেড শেয়ার প্রতি আয় ইপিএস হয়েছে ঋণাত্মক ১৮.৪৫ টাকা।

## 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-৪২-এ প্রকাশিত হয়েছে।

## বার্ষিক আর্থিক বিবরণীর মধ্যে উল্লেখযোগ্য পার্থক্য

এসিআই লিমিটেড একক ব্যবসায় বিক্রয় এবং গ্রস মুনাফা উভয় ক্ষেত্রেই প্রবৃদ্ধি অর্জন করেছে যা আলাদা লাভ ক্ষতি হিসাব থেকে লক্ষণীয়। গ্রুপ হিসেবে এসিআই এর ২০১৮-২০১৯ অর্থবছরের ৬৩.১৪৪ মিলিয়ন টাকার বিপরীতে ২০১৯-২০২০ অর্থবছরে ৬৯.৪৭৫ মিলিয়ন টাকা বিক্রয় হলেও কনসলিডেটেড মুনাফা হ্রাস পেয়েছে যা কনসলিডেটেড লাভ ক্ষতি বিবরণী থেকে প্রতীয়মান হয়। আলোচ্য বছরে কিছু ব্যবসায় নিম্ন মার্জিন সম্পন্ন পণ্য আনুপাতিক হারে বেশি বিক্রয় হওয়ায় কনসলিডেটেড গ্রস মার্জিন কমে দাঁড়ায় ২৮.০৪% যা গত অর্থ বছরে ২৯.০১% ছিল। গ্রুপের কিছু ব্যবসায় মারাত্মকভাবে অভ্যন্তরীণ ও বাহ্যিক উভয় বিভিন্ন কারণে ক্ষতিগ্রস্ত হয়েছে। পরিচালনা ব্যয় বৃদ্ধি ও বিনিয়োগ ব্যয় বৃদ্ধি পেয়েছে বানিজ্যিক উৎপাদনের অপেক্ষায় থাকা কোম্পানী এসিআই হেলথ কেয়ার লিমিটেড US মার্কেটের জন্য USA-তে FDA অনুমোদনের জন্য অপেক্ষমান। ক্রমাগত বিনিয়োগ ব্যয় বৃদ্ধি কোম্পানীর আয় হ্রাস পাবার অন্যতম কারণগুলোর একটি। বিক্রয় বৃদ্ধিকে গতিশীল, নতুন পণ্য সম্ভার নিশ্চিত করতে পণ্য মজুদ এবং পরিচালনার আগাম অর্থের যোগান বিনিয়োগ ব্যয় বৃদ্ধির কারণ সমূহের মাঝে উল্লেখযোগ্য।

## আর্থিক বিবরণীর কনসলিডেশন

এডভান্সড কেমিক্যাল ইন্ডাস্ট্রিজ লিমিটেডের ১৫ টি সাবসিডিয়ারী কোম্পানী রয়েছে। কোম্পানী আইন-১৯৯৪, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন গাইডলাইনস ও বাংলাদেশে প্রবর্তিত ইন্টারন্যাশনাল গ্র্যান্ডউনিং স্ট্যান্ডার্ডস বা আইএফআরএস অনুসারে সকল সাবসিডিয়ারী কোম্পানীর আর্থিক বিবরণী সমূহ এসিআই লিমিটেড এর আর্থিক বিবরণীর সঙ্গে একত্রিকরণ করা হয়েছে। এছাড়াও সাবসিডিয়ারী কোম্পানীগুলোর নিরীক্ষিত আর্থিক বিবরণী সমূহ নিরীক্ষা প্রতিবেদন ও পরিচালক মন্ডলীর প্রতিবেদনসহ আলাদাভাবে বার্ষিক প্রতিবেদনের নির্ধারিত স্থানে উপস্থাপন করা হয়েছে।

## সেগমেন্ট অনুযায়ী রিপোর্টিং

আর্থিক বিবরণীর নোট-৭ (II) এ সেগমেন্ট অনুযায়ী 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-৩৫ এ আর্থিক ঝুঁকি ব্যবস্থাপনা বর্ণিত হয়েছে।

ভবিষ্যৎ আগামীতে বৈশ্বিক মহামারীর অনিশ্চয়তায় এসিআইকে ব্যবসায়িক কৌশলের ক্ষেত্রে বৈশ্বিক বাস্তবতাকে বিবেচনায় নিয়ে এগোতে হবে।

## অস্বাভাবিক লাভ বা ক্ষতি

International Financial Reporting Standards (IFRSs) 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 যথার্থ প্রদর্শন

কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে কোম্পানীর স্থিতি, পরিচালনা ফলাফল, অর্থ প্রবাহ এবং ইকুইটি পরিবর্তনের একটি সত্য ও স্বচ্ছ চিত্র তুলে ধরা হয়েছে।

## হিসাবের বই রক্ষণাবেক্ষন

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

## আর্থিক হিসাবনীতি

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

## আর্থিক বিবরণী প্রস্তুতকরণে IAS ও IFRS এর প্রভাব

আর্থিক বিবরণী প্রস্তুতকরণের ক্ষেত্রে 'International Accounting Standards (IASs)' ও 'International Financial Reporting Standards (IFRSs)' অনুসরণ করা হয়েছে।

## অভ্যন্তরীণ নিয়ন্ত্রণ

কোম্পানীর সার্বিক কার্যক্ষমতা, আর্থিক প্রতিবেদনের নির্ভরযোগ্যতা এবং সুশাসন

প্রতিষ্ঠাকে বিবেচনায় রেখে এসিআই ফরমুলেশনস এর অভ্যন্তরীণ নীতিমালা প্রণীত হয়েছে। তদনুসারে, কোম্পানীর পরিচালনা পর্ষদের মতে, অভ্যন্তরীণ 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 Chief Executive Officer (CEO) এবং Chief Financial Officer (CFO) কর্তৃক বোর্ডকে প্রদত্ত প্রত্যায়নপত্র বার্ষিক প্রতিবেদনের Annexure - IV এ অন্তর্ভুক্ত করা হয়েছে।

## পরিচালনগত আলোচনা ও বিশেষণ

কোম্পানীর ব্যবস্থাপনা পরিচালক কর্তৃক স্বাক্ষরিত "পরিচালনগত আলোচনা ও বিশেষণ" 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 পরিচালকসহ নয়জন 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 ১২০ অনুচ্ছেদ অনুযায়ী জনাব মিসেস নাজমা দৌলা ও জনাব গোলাম মইন উদ্দীন আসন্ন বার্ষিক সাধারণ সভায় পর্যায়ক্রমিক ভাবে অবসর গ্রহণ করবেন। পুনর্নির্বাচিত পরিচালকদের তালিকা এবং বিবরণ এই রিপোর্টের 'পরিচালক প্রোফাইল' এ অন্তর্ভুক্ত করা হয়েছে। আসন্ন ৪৭ তম বার্ষিক সাধারণ সভায় উল্লিখিত সকল পরিচালকগণ পুনর্নির্বাচনের যোগ্য হিসেবে বিবেচিত এবং তারা পুনর্নির্বাচনের জন্য আগ্রহ প্রকাশ করেছেন। তাদের সংক্ষিপ্ত জীবন বৃত্তান্ত ও অন্যান্য তথ্যাদি এই রিপোর্টের 'পরিচালক প্রোফাইল' এ অন্তর্ভুক্ত করা হয়েছে।

## পরিচালক নিয়োগ

এসিআই ফাউন্ডেশনের নমিনী পরিচালক জনাব ওয়ালিউর রহমান ভূইয়া OBE এর মৃত্যুতে শূণ্য পদে জনাব আনিসউদ্দিন আহমেদ খানকে পর্ষদ ১৩ আগস্ট ২০২০ তারিখে পরিচালক হিসাবে নিয়োগ প্রদান করে। আসন্ন ৪৭তম বার্ষিক সাধারণ সভায় এই নিয়োগ নিশ্চিত করার জন্য শেয়ারহোল্ডারদের নিকট প্রস্তাব করেছেন।

## ব্যবস্থাপনা পরিচালকের পুনঃ নিয়োগ

পরিচালনা পর্ষদ ৯ জুন ২০২০ ইং তারিখে অনুষ্ঠিত ১৯তম পর্ষদ সভায় ড. আরিফ দৌলাকে ব্যবস্থাপনা পরিচালক হিসেবে পরবর্তী ৫ বছরের জন্য পুনঃনিয়োগ প্রদান করে যা আগামী সাধারণ সভায় শেয়ারহোল্ডার ও রেগুলেটরি কর্তৃপক্ষের নিশ্চিতকরণ সাপেক্ষে কার্যকর হবে।

## নমিনেশন ও রেমুনারেশন কমিটি

কর্পোরেট গভর্নেন্স কোডের আলোকে কোম্পানীর পরিচালনা পর্ষদ তাঁদের ২৪ জানুয়ারী ২০১৯ ইং তারিখে অনুষ্ঠিত সভায় নিম্নলিখিত সদস্যদের সমন্বয়ে "নমিনেশন ও রেমুনারেশন" কমিটি নামে একটি উপ-কমিটি গঠন করে:

- জনাব কামরান তানভীরুর রহমান, স্বতন্ত্র পরিচালক, সভাপতি
- জনাব গোলাম মইন উদ্দীন, পরিচালক, সদস্য

'মনোয়ার অ্যাসোসিয়েটস' এর জনাব মনোয়ার আহমেদ, একজন বিশিষ্ট মানবসম্পদ বিশেষজ্ঞ এই কমিটির 'উপদেষ্টা' এবং মোহাম্মদ মোস্তাফিজুর রহমান, কোম্পানী সচিব, কমিটির সচিব হিসাবে দায়িত্ব পালন করছেন। জনাব ওয়ালিউর রহমান ভূইয়া, OBE ১৯শে জুন ২০২০ইং তারিখে ইন্তেকাল করায় তার সদস্যপদ শূণ্য হয়। যথা সময়ে এই শূণ্য পদে নতুন সদস্য নিয়োগ প্রদান করা হবে। কমিটির টার্মস অফ রেফারেন্স (টিওআর) ও পলিসি পরিচালনা পর্ষদ কর্তৃক অনুমোদিত হয়েছে।

এনআরসি'র (টিওআর) ও পলিসিতে রয়েছে, নির্বাহী পরিচালকদের সম্মানীভাষা নির্ধারণে নীতি প্রণয়ন, পরিচালকদের সম্মানী প্রদানের ব্যাপারে অনুমোদন/সুপারিশ, কোম্পানীর কর্মকর্তাদের পারিশ্রমিক পর্যালোচনা ও অনুমোদন, স্বতন্ত্র পরিচালক ও পরিচালনা পর্ষদের মূল্যায়নের মানদণ্ড নির্ধারণ, পরিচালক ও সিনিয়র ম্যানেজমেন্টে নিয়োগ পাওয়ার মত ব্যক্তিদের নির্বাচন ও নিয়োগের কিংবা অপসারণের জন্য সুপারিশ করা এবং পরিচালনা পর্ষদ থেকে বিভিন্ন সময়ে যে দায়িত্ব বা ক্ষমতা প্রদান করা হয় তার আলোকে কার্য সম্পাদন করা। ২০১৯-২০ ইং অর্থবছরে এনআরসি বিগত ৪ জুন ২০২০ইং তারিখে একটি সভা পরিচালনা করে।

## পরিচালনা পর্ষদের সভা এবং উপস্থিতি

২০১৯-২০২০ অর্থবছরে পরিচালনা পর্ষদের মোট ৫টি সভা অনুষ্ঠিত হয়েছে। পরিচালকগণের উপস্থিতি সারাংশ Annexure - I এ দেখানো হয়েছে।



## পরিচালকদের সম্মানী ভাতা

২০১৯-২০২০ অর্থবছরে কোম্পানীর বোর্ড মিটিং এ উপস্থিতি ফি হিসাবে মোট ২৫,৫০০ টাকা প্রদান করা হয়েছে। পরিচালকমন্ডলীর সম্মানী ভাতা আর্থিক বিবরণীর নোট-৩২ এবং ৪২ (a) তে উল্লেখ করা হয়েছে।

## শেয়ার হোল্ডিং প্যাটার্ন

৩০শে জুন ২০২০ ইং তারিখে কোম্পানীর শেয়ার হোল্ডিং প্যাটার্ন Annexure - II এ দেখানো হয়েছে।

## ক্ষুদ্র বিনিয়োগকারীদের স্বার্থরক্ষা

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

## অডিটরদের নিয়োগ

কোম্পানীর বর্তমান অডিটর হুদা ভাসি চৌধুরী এন্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস, তাদের ২০২০ সালের ৩০শে জুন তারিখের সমাপ্ত আর্থিক বছরের নিরীক্ষা সম্পন্ন করার পর আসন্ন বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন। বিএসইসি'র প্রস্তাবের মোতাবেক তারা পুনর্নিয়োগের যোগ্য হিসেবে বিবেচিত নন। এ ওহাব এন্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস পূর্ববর্তী বছরের ন্যায় ১০,৮৯,০০০/- টাকা (মূল্য সংযোজন কর ব্যতিরেকে) সম্মানীর বিনিময়ে ২০২০-২০২১ অর্থ বছরের নিরীক্ষা কার্যক্রম সম্পন্ন করার লক্ষ্যে নিয়োগ প্রাপ্ত হতে আত্ম প্রকাশ করেছে। এ লক্ষ্যে, কোম্পানীর পরিচালনা পর্ষদ শেয়ারহোল্ডারদের নিকট তাদের নিয়োগের জন্য সুপারিশ করেন।

## কর্পোরেট গভর্নেন্স 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 ঐতিহ্যসমৃদ্ধ ব্যবসায়িক সংস্কৃতি। জন্মলগ্ন ধরে এসিআইতে কর্পোরেট গভর্নেন্স এর অনুশীলন বিরাজমান। পরিচালনা পর্ষদ ও ব্যবস্থাপকগণ কোম্পানীতে কর্পোরেট গভর্নেন্স 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 ২০২০ সালের সমাপ্ত অর্থবছরের জন্য মন্তব্যসহ কমপ্লায়েন্স রিপোর্ট কোম্পানীর পরিচালকমন্ডলীর প্রতিবেদনের Annexure - V এ অন্তর্ভুক্ত করা হয়েছে। এ ছাড়াও কর্পোরেট গভর্নেন্স কোড অনুযায়ী আল-মুক্তাদীর এ্যাসোসিয়েটস, চার্টার্ড সেক্রেটারীজ, কর্তৃক প্রত্যায়িত কমপ্লায়েন্স সার্টিফিকেট এই প্রতিবেদনের Annexure - VI এ অন্তর্ভুক্ত করা হয়েছে।

## চলমান প্রতিষ্ঠান

পরিচালনা পর্ষদ বিশ্বাস করে যে, এসিআই লিমিটেড 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)

এসিআই মনে করে দায়বদ্ধতা ও বাণিজ্যিক স্বার্থের মধ্যে এক ধরনের

পরিচালকমন্ডলীর পক্ষে



ড. আরিফ দৌলা  
ব্যবস্থাপনা পরিচালক

ঢাকা, ৯ নভেম্বর ২০২০

আন্তঃসম্পর্ক ও পারস্পরিক নির্ভরতা বিরাজমান। তেমনি কোম্পানীর কৌশলগত উদ্দেশ্য এবং সামাজিক দায়বদ্ধতা একে অপরের সাথে অঙ্গাঙ্গিভাবে জড়িত এবং অবিচ্ছিন্ন। এ প্রসঙ্গে কোম্পানীর পরিচালনা পর্ষদ বিশ্বাস করে যে, উন্নত ব্যবসাই টেকসই উন্নয়নের মূলকথা। এই মতাদর্শের ভিত্তিতে সমাজের সাথে আমাদের অংশীদারিত্বের ভিত্তিতে যে সম্পর্ক স্থাপিত হয়েছে তা অর্থনৈতিক ও সামাজিক লক্ষ্য অর্জনে সহায়তা করবে। এভাবেই সামাজিক দায়বদ্ধতা এসিআই গ্রুপের একটি কেন্দ্রীয় কার্যক্রম এবং CSR এর আওতায় গৃহীত সকল প্রজেক্ট প্রোগ্রামসমূহ গ্রুপের ব্যবসায়িক সংশ্লিষ্টতা এবং বাংলাদেশের আর্থ সামাজিকতার সাথে সম্পর্কিত। টেকসই ব্যবসা প্রতিষ্ঠান গড়ে তোলার লক্ষ্যে আমরা সামাজিক দায়বদ্ধতা ও আকাঙ্ক্ষার প্রতি শ্রদ্ধাশীল।

## এসিআই'র মানবসম্পদ

কর্মীরা কোম্পানীর সবেচেয়ে মূল্যবান সম্পদ। কোভিড-১৯ মহামারী আমাদের মূল্যবোধ পরীক্ষার সুযোগ এনে দিয়েছে। এসিআই'র কর্মীরা এই দুঃসময়ে মানুষের পাশে থেকে কোম্পানীর লক্ষ্য বাস্তবায়নে অবিচল ছিল। আমাদের মূল্যবোধ বিশ্লেষণ আমাদেরকে সাহস সঞ্চয়ে এবং চলার পথের অনুসরণীয় হিসেবে কাজ করেছে। এই দুর্ভোগ আমাদের আরো দৃঢ় ও প্রাণবন্ত করেছে।

এসিআই এর মূল্যবোধ, স্বচ্ছতা, ন্যায্যতা, গ্রাহক ফোকাস, গুণগতমান ধারাবাহিক উন্নতি এবং উদ্ভাবন- যেকোন মুহূর্তকে জয় করার জন্য প্রতিদিনের পাথেয় ছিল। ক্রীড়া প্রতিযোগিতা ও খ্রীতি সম্মিলনী যেমন আমাদের মিলন ঘটায় তেমনি কিছু কার্যক্রম বিশেষ উপায়ে আমাদের সংযুক্ত রেখেছে। চলমান মহামারীতে দেশকে সহযোগিতা করার জন্য কোম্পানি 'এসিআই করোনো ভাইরাস সার্পেট লাইন' চালু করে স্বেচ্ছাশ্রমের মাধ্যমে মানুষকে স্বাস্থ্য ও তথ্য এবং টেলি হেলথ সার্ভিস প্রদান করেছে। আমাদের আরও একটি উদ্ভাবনী প্রকল্প ছিল স্যাভলন সুরক্ষা যা ছিল একটি করোনো প্রোটেকশন নিরীক্ষা। এ সমস্ত কার্যক্রম থেকে আমরা এসিআই এর মিশন, ভিশনের প্রকৃত চেতনা সম্পর্কে আরও শিখেছি। এ সময়ে আমরা অসংখ্য প্রশিক্ষণ কার্যক্রম পরিচালনা করেছি। এই মহামারীকে ঘিরে অনলাইনে মিলিত হয়ে বুদ্ধিবৃত্তিক চিন্তার মাধ্যমে বিভিন্ন পরিকল্পনা গ্রহণ করেছি। অনলাইন ভিত্তিক বিভিন্ন কর্মসূচীর মাধ্যমে প্রশিক্ষণ ও পেশাগত উন্নয়নের মাধ্যমে কর্মকর্তা-কর্মচারীদের আরো উৎপাদনশীল করার জন্য বিভিন্ন উপায় খুঁজেছি। আমরা অনুধাবন করেছি এখনই সময় অধেষণ ও উদ্ভাবনের মাধ্যমে এসিআই'র প্রবৃদ্ধিতে সচেষ্ট হওয়ার।

## কৃতজ্ঞতা জ্ঞাপন ও স্বীকৃতি

কোম্পানীর পরিচালনা পর্ষদ দৃঢ়ভাবে বিশ্বাস করে যে, এসিআই'র রয়েছে পর্যাপ্ত শক্তি, সম্পদ ও প্রতিশ্রুতি যা কোম্পানীকে আরও উচ্চতায় পৌঁছে দিতে পারে। বহুবিধ চ্যালেঞ্জের মুখোমুখি হওয়া সত্ত্বেও কোম্পানীর ব্যবসায়িক ফলাফল পরিচালনা পর্ষদ তথা সকল কর্মীবৃন্দের দৃঢ় মনোবল এবং সংকল্পেরই ফসল। এসিআই'র সকল ব্যবসায়িক সহযোগী, শেয়ার মালিক, সরবরাহকারী, ক্রেতা, ব্যাংক ও মিডিয়া যাদের সহযোগিতা এবং অক্লান্ত পরিশ্রমের ফলে এসিআই আজকের এই পর্যায়ে এসেছে তাদের জন্য পরিচালনা পর্ষদের পক্ষ থেকে রইল আন্তরিক অভিনন্দন।

মানুষের জীবন-মান উন্নয়নে আমাদের লক্ষ্যের প্রতি তাদের এই অব্যাহত মূল্যবান সমর্থন ও সহযোগিতা আমাদের কাছে যথেষ্ট গুরুত্ব বহন করে।

পরিশেষে, এবং অত্যন্ত 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 ফলে এসিআই'কে একটি শক্তিশালী প্রতিষ্ঠান হিসেবে গড়ে তুলেছে যা জনগণের জীবন-মান উন্নয়নে নিরন্তর অবদান রেখে চলেছে।



কামরান তানভীর রহমান  
স্বতন্ত্র 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 2019-2020 are as follows:

Name	Position in Board	Meeting Held	Meeting Attended	Remarks
Mr. M. Anis Ud Dowla	Chairman	5	5	-
Ms. Shusmita Anis	Director	5	4	-
Mr. Waliur Rahman Bhuiyan	Director	5	4	Died on 19.06.2020
Mrs. Najma Dowla	Director	5	5	-
Mr. Golam Main uddin	Director	5	5	-
Mr. Kazi Sanaul Hoq	Director (ICB)	5	0	Withdrawn on 27.07.19
Mr. Abdul-Muyeed Chowdhury	Director	5	5	-
Mr. Kamran Tanvirur Rahman	Independent Director	5	5	-
Mr. Adil Husain	Independent Director	5	5	-
Dr. Arif Dowla	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 2020 are as follows:

Condition no.	Name of Shareholders	Position	No. of Shares held	% of Shares held
1(5) (xxiii) (a)	<b>Parent/Subsidiary/Associated Companies and other related parties:</b>			
	ACI Foundation	N/A	5,224,227	9.11%
1(5) (xxiii) (b)	<b>Directors:</b>			
	Mr. M. Anis Ud Dowla	Chairman	10,650,079	18.56%
	Dr. Arif Dowla	Managing Director	2,066,858	3.60%
	Mrs. Najma Dowla	Director	1,586,281	2.76%
	ACI Foundation, Represented By	N/A	5,224,227	9.11%
	Ms. Shusmita Anis	Director	714,246	1.24%
	Mr. Abdul-Muyeed Chowdhury	Director	-	-
	Mr. Waliur Rahman Bhuiyan	Director	-	-
	Mr. Golam Mainuddin	Director	-	-
	Investment Corporation of Bangladesh (ICB)	N/A	3,640,205	6.34%
	Mr. Kamran Tanvirur Rahman	Independent Director	-	-
	Mr. Adil Husain	Independent Director	-	-
	<b>Chief Executive Officer, Chief Financial officer, Company Secretary, Head of Internal Audit &amp; Compliance:</b>			
	Dr. Arif Dowla	Chief Executive Officer	2,066,858	3.60%
	Mr. Pradip Kar Chowdhury	Chief Financial Officer	-	-
	Mr. Mohammad Mostafizur Rahman	Company Secretary	-	-
	Mr. Amitava Saha	Head of Internal Audit & Compliance	-	-
1(5) (xxiii) (c)	<b>Executives (Other than Directors, CEO, CS, CFO and Head of Internal Audit &amp; Compliance):</b>			
	-	-	-	-
1(5) (xxiii) (d)	<b>Shareholders holding 10% or more voting interest in the company:</b>			
	Mr. M. Anis Ud Dowla	Chairman	10,650,079	18.56%



## 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 are 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 preceding five and half years

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

Figures in million except ratios and percentage

Particulars	July 2019 - June 2020	July 2018 - June 2019	July 2017 - June 2018	July 2016 - June 2017	June 2016 (six month)	December 2015	December 2014
Net Turnover	23,202	21,796	21,387	18,306	7,941	14,567	12,319
Gross profit	10,705	9,886	9,242	8,196	3,561	6,262	5,171
Profit before tax	2,347	900	1,658	1,674	925	3,934	1,272
Profit after tax	1,719	531	1,317	1,244	680	3,184	951
Earnings per share (Taka)	29.96	9.26	22.96	25.80	15.51	72.72	24.02
Issued & paid capital	574	499	482	438	398	398	344
Shareowners' equity	15,421	14,322	14,256	12,992	11,949	11,715	6,607
Net asset per share (Taka)	268.79	249.64	248.48	269.54	299.96	294.08	192.09
Number of employees	8,364	9,147	9,053	8,364	7,275	7,090	6,930
Total contribution to National Exchequer	4,318	3,770	3,625	3,302	1,340	2,626	2,158

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

After remaining buoyant in the first-three quarters of FY2019-20, economic activities drastically shattered, in the fourth quarter, particularly in the industry and service sectors, disrupted by an unprecedented lockdown measures to limit the outbreak of COVID-19 pandemic. During this period, industrial production dropped significantly, driven mostly by a precipitous fall in manufacturing output, while the service sector activities stalled by the partial and often complete shutdown of transportation, trade, and hospitality industries. But the agriculture sector maintained firm growth during this period, aided by supportive government initiatives. Nonetheless, the preliminary estimates by Bangladesh Bureau of Statistics (BBS) suggest that real GDP growth slid to 5.24% in FY20 from 8.15% in FY2019-20.

The headline CPI inflation (point-to-point) increased to 6.02% in Q4 of FY2019-20 from 5.48% in Q3 of FY2019-20 amid some volatility, driven by a rise in food prices that emanated mostly from pandemic-induced global and domestic supply chain disruptions. Though food inflation witnessed a notable rise during the quarter, non-food inflation moderated because of subdued demand of elastic items. Accordingly, 12-month average inflation rose to 5.65% in FY2019-20 from the target of 5.50% for FY2019-20.

During the last quarter of FY2019-20, government borrowings from the banking system increased with sliding government revenues caused by the economic fallout of the pandemic along with an uptick in net foreign asset that lead to a broad money (M2) growth of 12.64%, close to the target growth for FY2019-20. Credit growth to the private sector further moderated to 8.61% which was far below the target for FY2019-20. Interest rates in the interbank and retail markets witnessed downward movement during the last quarter because of reductions in both the repo rate and cash reserve ratio (CRR) by 50 basis points and 100 basis points, respectively. Among other indicators related to banking sector, the ratio of gross non-performing loans edged up to 9.16% in Q4 of FY2019-20 compared to the level of Q3 of FY2018-19.

Current account deficit (CAD) widened to an eight-quarter high of USD 2439 million in Q4 of FY2019-20, resulted from a sharper fall of exports than imports triggered by the pandemic. Nevertheless, the overall balance of balance of payment (BOP) witnessed a surplus of USD 3310 million during this period bolstered by record high

quarterly financial inflows (USD 5216 million). Nominal exchange rate of BDT against USD remained broadly stable owing to net purchase of USD from the foreign exchange market by Bangladesh Bank.

On the fiscal side, budget deficit rose significantly in Q4 of FY2019-20 and about 70% of deficit financing was met from domestic sources (banks and non-bank) during the last quarter.

While looking in to the Global Economy, the commodity, food and non-food, prices in the global market, especially energy prices, showed some recovery in Q4 of FY2019-20 from the pandemic driven dip in the previous quarter. Led by oil prices, energy prices rose by 15.04% in June 2020 compared to March 2020 amid phased reopening of global lockdowns. Moreover, global non-energy and food prices increased in the last quarter. Inflation in selected South Asian Countries followed a mixed trend in Q4 of FY2019-20. Inflation in Pakistan and Sri Lanka decreased to 8.6% and 6.3% in Q4 of FY2019-20 from 10.2% and 7.0% in Q3 of FY2019-20 respectively, while inflation in India increased to 6.1% in Q4 of FY2019-20 from 5.9% in Q3 of FY2019-20. Looking ahead, upside risk to headline inflation in the near term may arise from the slowdown in economic activities resulted from supply and demand disruption caused by the pandemic driven mitigation measures. Again, further inflationary pressure may create from recent crop loss due to cyclone 'Amphan' and recent prolonged flood in the northern and middle parts of the country. Moreover, policy response of the food-exporting countries regarding restrictions on food export is likely to affect food inflation in the near future.

#### 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 its operations as outlined in the financial statements. The detail explanation of risk and concerns along with the Risk Management Framework are explained in the note 37 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.

Dr. Arif Dowla  
Managing Director

## Annexure-IV

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

### DECLARATION BY CEO AND CFO

Date: 9 November 2020

The Board of Directors  
ACI Limited

Subject: **Declaration on Financial Statements for the year ended on 30 June 2020.**

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 Limited for the year ended on 30 June 2020 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 2020 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,



Dr. Arif Dowla  
Managing Director



Pradip Kar Chowdhury  
Chief Financial Officer



## Annexure-V

### Status of Compliance 2019-2020 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 NBFI;	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	Complied		



Condition No.	Title	Status		Remarks
		Complied	Not 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;	Complied		
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.	Complied		
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		
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		

Contd.



Condition No.	Title	Status		Remarks
		Complied	Not 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		
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		

Condition No.	Title	Status		Remarks
		Complied	Not 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;	Complied		
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;			Taken up with authorities for exemption
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		

Contd.



Condition No.	Title	Status		Remarks
		Complied	Not 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	Complied		
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		
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		



Condition No.	Title	Status		Remarks
		Complied	Not 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;	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;	Complied		
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).	Complied		
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	Complied		
6(2)(b)	All members of the Committee shall be non-executive directors.	Complied		

Contd.



Condition No.	Title	Status		Remarks
		Complied	Not Complied	
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board	Complied		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee	Complied		
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;	Complied		
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;	Complied		
6(2)(g)	The company secretary shall act as the secretary of the Committee.	Complied		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	Complied		
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	Complied		
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	Complied		
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			No such case in the year
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	Complied		
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	Complied		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC			No such case in the year
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);	Complied		
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;	Complied		
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	Complied		
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;	Complied		
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;	Complied		
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;	Complied		
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;	Complied		

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
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;	Complied		
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;	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;	Complied		
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;	Complied		
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; The issuer Company shall not engage its external or statutory auditors -	Complied		
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		

Contd.





## Annexure-VI

**Al-Muqtadir Associates**  
Chartered Secretaries & Consultants

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

Phones : 01730 340 340  
g-mail : muktadir@muqtadirbd.com  
e-mails : akamuqtadir@gmail.com  
VAT Reg: 19041063900  
BIN No : 000179575-0202

efforts umpteenth : প্রয়াস অস্তহীন

### Report to the Shareholders of Advanced Chemical Industries Limited (ACI) 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 **Advanced Chemicals Industries Limited** for the year ended on 30th June 2020. This Code relates to the gazette Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 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 the Corporate Governance Code. This is a scrutiny and verification and an independent audit on compliance of the conditions of Corporate Governance as well as the 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:

- The Company has complied with the conditions of Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission.
- 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.
- 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
- 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 2019-20.

**Al-Muqtadir Associates**  
Chartered Secretaries & Consultants



Dhaka, 26 November 2020

A.K.A Muqtadir FCS  
CEO & Chief Consultant



# Advanced Chemical Industries Limited

## Auditor's Report & Audited Financial Statements for the year ended 30 June 2020



# Hoda Vasi Chowdhury & Co

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT to the Shareholders of Advanced Chemical Industries Limited

#### Report on the Audit of the Consolidated and Separate Financial Statements

#### Opinion

We have audited the consolidated financial statements of Advanced Chemical Industries Limited and its subsidiaries (the "Group") as well as the separate financial statements of Advanced Chemical Industries Limited (the "Company"), which comprise the consolidated and separate statements of financial position as at 30 June 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

Key audit matters for the audit of financial statements are as under:

Key areas	Our responses
<b>Carrying value (CV) of Property, plant and equipment (PPE) and its impairment</b>	
PPE includes the Group's and the Company's long term assets, which flow economic benefits to the entities more than one year. PPE is measured at cost or revaluation less accumulated depreciation. The items of PPE excluding leased assets & under-construction assets were revalued by the professional valuer in 2015 on the basis of applicable methods including market value based method. The carrying value of PPE represents significant portion of total assets, which is amounting to Tk. 10,664 million and Tk. 26,682 million respectively for the Company and the Group at the reporting date. In other words, for both the Company and the Group, approximately 24% and 43% of total assets are represented by PPE.	<p>We have tested the design and operating effectiveness of key controls over PPE. Our audit procedures included, among others, considering the impairment risk of the assets.</p> <p>Followings are our audit procedures on the carrying value and impairment risk of PPE:</p> <ul style="list-style-type: none"> <li>• Reviewing basis of recognition, measurement and valuation of assets;</li> <li>• Observing procedures of assets acquisition, depreciation and disposal;</li> <li>• Checking ownership of the major assets;</li> <li>• Checking the Capital-Work-in-Progress (CWIP) and its transfer to PPE as well as capital expenditure commitment;</li> </ul>

**National Office :** BTMC Bhaban (6<sup>th</sup> & 7<sup>th</sup> Floor), 7-9 Karwan Bazar Commercial Area, Dhaka-1215, Bangladesh  
**Chattogram Office :** Delwar Bhaban (4th Floor), 104 Agrabad Commercial Area, Chattogram-4100, Bangladesh

<p>The carrying value of PPE is the function of depreciation charges on cost/ revaluated amount that involved estimation. Therefore, it has been considered as a significant area of auditor's judgment and requires special attention. It is a matter of consideration that the carrying value of PPE may be higher than the recoverable amount and the impairment charges thereon may not have been recognized.</p>	<ul style="list-style-type: none"> <li>• Performing due physical asset verification on sample basis at the year-end;</li> <li>• Checking estimated rates of depreciation being used and assessing its fairness;</li> <li>• Discussing with the management about the fair value of the assets and assessing independently whether the CV approximates the fair value at the reporting date;</li> <li>• Evaluating the Group's assumptions in relation to recoverable amounts of the major PPE to identify if there is any requirement of recognition of impairment; and</li> <li>• Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul> <p>Our testing did not identify any issues with regard to CV of PPE and any indicators that would trigger impairment.</p>
<p><b>Refer to the note no. 8 and 8(a) to the financial statements</b></p>	
<p><b>Investments in subsidiaries, associates and JVs of the Company and its impairment</b></p>	
<p>The Company has investments amounting to Taka 2,951 million on 30 June 2020 held at cost less impairment that represents 6.7% of the Company's total assets.</p> <p>Specifically, subsidiaries namely, ACI Logistics Limited, ACI Foods Limited, Infolytx Bangladesh Limited and ACI Chemicals Limited, ACI Agrolink Limited have been incurring continuous operating losses, negative cash flows and few key ratios were also negative at the reporting date.</p> <p>The Company has completed a Strategic Review and as a result, has decided not to charge impairment on investment. It is, therefore a matter of consideration whether the judgment of the management with regards to impairment is reasonable or not.</p>	<p>We have tested the design of control over the review of the investment impairment analysis. Our audit procedures included, among others, considering the impairment risk associated with the investments.</p> <p>Followings are our audit procedures on the carrying value and impairment risk of investments:</p> <ul style="list-style-type: none"> <li>• Comparing the carrying amount of investments with the relevant subsidiaries, associates and JVs' financial statements to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries, associates and JVs have historically been profit-making;</li> <li>• Reviewing the business projections, key ratios and operating cash flows for the loss making entities;</li> <li>• Reviewing the Management's analysis of impairment assessment;</li> <li>• Reviewing the impairment charged to Income Statement with regard to investment in ACI Logistics Limited during past years and evaluating if there is any sign of improvement of the entity's performance;</li> <li>• Discussing with the Management and focusing on the appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation;</li> <li>• Reviewing the investment where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the exceeded value of the business based on a suitable multiple of the subsidiaries' earnings or discounted cash flow analysis;</li> <li>• Checking mathematical accuracy of the model, reviewing inputs used in the determination of assumptions within the model and corroborating information obtained with reference to external market information, third-party sources where applicable;</li> </ul>



	<ul style="list-style-type: none"> <li>• Reviewing the audit reports issued by the components' auditors; and</li> <li>• Finally, considering the adequacy of the Company's disclosures against relevant accounting standards.</li> </ul> <p>Our testing did not identify any major issues with regard to investments and any indicators that would trigger impairment at the reporting date.</p>
<p><b>Refer to the note no. 10 to the financial statements</b></p>	
<p><b>Inter-company receivables</b></p>	
<p>The carrying value of the inter-company receivables of the Company was Tk. 19,147 million as at 30 June 2020 representing 43.3% of total assets of the Company. At the time of conducting our audit of the separate financial statements of the Company, we have identified the recoverable value of the Company's inter-company receivable stated at amortized cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of these inter-company receivables in accordance with IFRS 9: Financial Instruments. Therefore, it is a matter to consider whether those receivables have been misstated due to non-recognition of impairment.</p>	<p>We assessed the processes and controls put in place by the Company over inter-company transactions. Our substantive procedures in relation to the inter-company receivables comprise the followings:</p> <ul style="list-style-type: none"> <li>• Understanding and analyzing the nature and reasons for inter-company receivable transactions;</li> <li>• Studying board minutes for the approval of loans to the group entities;</li> <li>• Reviewing independently the financial capabilities of subsidiaries to meet the obligations and also, reviewing the financial statements of subsidiaries;</li> <li>• Checking the transactions between the Group entities on sample basis;</li> <li>• Obtaining confirmations from the group entities at the reporting date on the closing balances of inter-company receivable and its reconciliation whenever necessary;</li> <li>• Performing impairment test on the inter-company balances and independent review on the key indicators including trend of profitability, operating cash flows, and history of inter-company transactions etc.;</li> <li>• Recalculating interest portion on the balances of inter-company receivables and recording thereof; and</li> <li>• Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul> <p>Our testing did not identify any major issues with regard to inter-company receivables and any indicators that would trigger impairment at the reporting date.</p>
<p><b>Refer to the note no. 16 to the financial statements</b></p>	
<p><b>Short-term loan and Bank overdraft ("Loans")</b></p>	
<p>At reporting date, the position of loans remained amounting to Tk. 14,630 million and Tk. 31,720 million respectively for the Company and the Group. In other words, approximately 51% and 58% of total liabilities respectively for the Company and the Group are represented by loans.</p> <p>Evidently, the Company is using loans to operate the business and also, to acquire non-current assets. Therefore, it has been considered as key audit area.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the loans. Our audit procedures included, among others, the followings:</p> <ul style="list-style-type: none"> <li>• Understanding and reviewing the nature and types of loans;</li> <li>• Reviewing the board minutes for arrangements of the loans;</li> <li>• Obtaining the repayment schedules, loan statements and facility offer letters to review terms, debt covenants, interest rates and other conditions associated with the loans;</li> </ul>

	<ul style="list-style-type: none"> <li>• Reviewing the mortgages, major covenants, guarantees and interest rates etc. attached to the loans;</li> <li>• Recalculating the interest related to loans;</li> <li>• Checking the adjustments or repayments of loans through bank statements as per repayment schedule;</li> <li>• Checking whether there is any overdue payments and penal interests; and</li> <li>• Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul> <p>Our procedures above did not identify any issues with regard to the loans.</p>
<p><b>Refer to the note no. 24 &amp; 25 and 24(a) &amp; 25(a) to the financial statements</b></p>	
<p><b>Revenue Recognition</b></p>	
<p>At year end the Company reported total revenue of Tk. 23,202 million and the Group, as a whole, reported total revenue of Tk. 69,475 million.</p> <p>Revenue is recognized when the performance obligation is satisfied by transferring goods or services to a customer, either at a point in time or over time. Goods or services are “transferred” when the customer obtains control of it. It is a matter of consideration whether revenue may be misstated due to recognition of sales transaction before performance obligation being satisfied.</p> <p>Furthermore, revenue is measured at net of trade discounts, returns and allowances. Within a number of the Group’s business categories, the estimation of discount recognized based on sales made during the year is material and considered to be complex and judgmental. Therefore, it is a matter of concern that revenue may be misstated as a result of faulty estimations over discounts.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the followings:</p> <ul style="list-style-type: none"> <li>• Segregation of duties in invoice creation and modification;</li> <li>• Approved price list and specified terms of trade in place;</li> <li>• Authorization of credit terms to customers;</li> <li>• Timing of revenue recognition; and</li> <li>• Calculation of discounts.</li> </ul> <p>Our substantive procedures in relation to the revenue recognition comprise the followings:</p> <ul style="list-style-type: none"> <li>• Observing and evaluating whether proper segregation of duties put in place;</li> <li>• Examining samples of sales orders for evidence of proper credit approval by the appropriate personnel concerned and application controls for credit limits;</li> <li>• Comparing prices and terms on samples of sales invoices to the authorized price list and terms of trade and also, examining application controls for authorized prices and terms;</li> <li>• Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period;</li> <li>• Assessing the appropriateness of the Group’s revenue recognition accounting policies, including those relating to discounts by comparing with applicable accounting standard;</li> <li>• Testing the effectiveness of the Group’s controls over the calculation of discounts and appropriate timing of revenue recognition;</li> <li>• Critically assessing manual journals made to revenue to identify unusual or irregular items; and</li> <li>• Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul> <p>Our testing did not identify any issues with regard to revenue.</p>

<b>Refer to the note no. 30 and 30(a) to the financial statements</b>	
<b>Losses in ACI Logistics Limited and ACI Foods Limited</b>	
<p>ACI Logistics Limited and ACI Foods Limited have incurred losses from continuing operations, net of tax of Taka 1,569 million and Taka 106 million respectively during the reporting year ended 30 June 2020. Moreover, both entities have been incurring operating losses continuously for last several years and as of the reporting date, total accumulated loss stood at Taka 12,311 million and Taka 2,122 million respectively. It is, therefore a matter of consideration as the performance of those two subsidiaries are adversely affecting the overall performance of the Group at consolidation.</p>	<p>Detailed substantive tests as to the evaluation of recurring operating losses are as under:</p> <ul style="list-style-type: none"> <li>• Understanding and analyzing the nature of the businesses and operating performance of the entities;</li> <li>• Reviewing trend of the past operating losses and evaluating if the performance has shown an improvement;</li> <li>• Reviewing the achievement of business projections comparing to actual results;</li> <li>• Evaluating the Group's presumptions in relation to operational existence on the basis of continued financial support from Group level and improvement of trading conditions;</li> <li>• Discussing with the Management and focusing on the appropriateness of the projection's inputs, the key assumptions used in the projections, the reasonably possible alternative assumptions, particularly where they had the most impact on the business projections;</li> <li>• Checking mathematical accuracy of the projections, reviewing inputs used in the determination of assumptions within the projections model and corroborating information obtained with reference to external market information, third-party sources where applicable;</li> <li>• Reviewing independently the financial capabilities of the entities to meet the obligations and also, reviewing the financial statements;</li> <li>• Reviewing the auditor's reports issued by the components' auditors; and</li> <li>• Obtaining comfort letters (undertaking) for the entities from the Parent, ACI Limited on their consent, ability and willingness to extend financial support to both the loss making subsidiaries;</li> <li>• Finally, considering the adequacy of the disclosures against relevant accounting standards.</li> </ul>
<b>Refer to the note no. 6(S) to the financial statements</b>	
<b>Impact of COVID-19 on financial reporting</b>	
<p>The effects of the COVID-19 pandemic have significant global implications for economies, markets and businesses, including volatility and possible material uncertainties.</p> <p>The operations of the Company itself have been affected due to the restrictions brought about by the COVID-19 pandemic. There is an increasing probability that assertions and estimates related to reporting may be materially impacted due to impact of financial market volatility, deteriorating credit or liquidity concerns, government interventions, and disruptions in production and supply chain, among other matters.</p>	<p>Detailed substantive tests were conducted in order to mitigate the additional risks of material misstatements due to the impact of COVID-19, which are the following:</p> <ul style="list-style-type: none"> <li>• Testing the Company and Group's ability to function as a going concern by reviewing profitability, liquidity and operations;</li> <li>• Verification of property, plant and equipment and evaluating whether any external or internal indications exist which may trigger impairment;</li> <li>• Checking the movement of inventory during the year, and identifying slowing moving and obsolete inventory, to determine if impairment is mandated;</li> <li>• Checking financial assets to assess their recoverability, and analyse whether impairment is required;</li> <li>• Detailed analytical procedures on the financial statements of the Company, including but not limited to variance and common size analysis of balances;</li> </ul>

<p>COVID-19 has brought about various challenges for auditors, mainly in obtaining sufficient and appropriate audit evidence. Due to the physical restrictions in effect, evidence collected may not be sufficient and appropriate as considered in normal times. This will ultimately increase chances of material misstatements to evade applied audit procedures.</p>	<ul style="list-style-type: none"> <li>• Detailed ratio analysis of the balances in the financial statements, for both current year and the comparative; ratios analysed include but not limited to profitability, liquidity, activity and cash flow ratios, among others;</li> <li>• Evaluate the appropriateness and sufficiency of the Management's explanations for the deviations amongst balances and ratios of current year to that of the comparative;</li> <li>• Analyse the disclosures provided by the Company to rationalize the impact of COVID-19 on financial statements, and check their appropriateness and sufficiency;</li> <li>• Check that all COVID-19 impacts are accurately reflected in the financial statements, and disclosed in their entirety of magnitude to the financial statements as a whole; and</li> <li>• Scrutinize that the impacts of events after the reporting period, and ensure their true and fair reflection and disclosure in the financial statements.</li> </ul> <p>Our testing did not identify any issues with regards to impact of COVID-19 on financial reporting.</p>
<p><b>Refer to the note no. 4.3 to the financial statements</b></p>	

## Other Matter

The financial statements of twelve subsidiaries, two joint ventures and three associates as disclosed in the note 44 to these financial statements were audited by other auditors who expressed unmodified opinions on those financial statements on 30 June 2020. The Group has a wholly owned subsidiary namely, ACI HealthCare USA, Inc. in USA which were audited by Parks & Company, LLC (USA) and in addition, we being the Group auditor, reviewed independently and accepted those financial information.

## Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRSs, the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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



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

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

Dhaka, 9 November 2020

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

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

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

#### **Report on other Legal and Regulatory Requirements**

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

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of accounts as required by law have been kept by the Group and the Company so far as it appeared from our examination of these books;
- (c) the consolidated and the separate statements of financial position and statements of profit or loss and other comprehensive income along with the annexed notes 1 to 44 dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purposes of the Group's and the Company's business.



**A F Nesaruddin, FCA**  
Senior Partner  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

# Advanced Chemical Industries Limited

## Statement of Financial Position

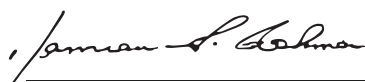
In Taka	Note	30 June 2020	30 June 2019	1 July 2018
<b>Assets</b>			Restated*	Restated*
Property, plant and equipment	8	10,664,953,300	9,891,773,622	9,239,752,048
Right-of-use assets	9	499,939,927	562,498,775	625,570,201
Investments	10	2,950,640,117	2,644,630,237	2,558,852,523
Intangible assets	11	3,785,456	267,889	420,961
Biological assets	12	10,914,869	-	-
Deferred tax assets	23	214,067,035	86,566,880	-
<b>Non-current assets</b>		14,344,300,704	13,185,737,403	12,424,595,733
Inventories	13	4,976,119,509	5,476,073,385	5,112,920,562
Trade receivables	14	3,881,479,422	5,158,495,642	4,863,502,651
Other receivables	15	374,562,251	279,084,513	831,162,716
Inter-company receivables	16	19,146,539,217	14,925,700,916	10,316,025,950
Advances, deposits and prepayments	17	743,851,475	731,639,013	801,739,976
Cash and cash equivalents	18	787,826,245	992,956,408	1,081,128,975
<b>Current assets</b>		29,910,378,119	27,563,949,877	23,006,480,830
<b>Total assets</b>		44,254,678,823	40,749,687,280	35,431,076,563
<b>Equity</b>				
Share capital	19	573,729,555	498,895,265	482,024,411
Share premium		402,310,367	402,310,367	402,310,367
Reserves	20	3,511,867,965	3,633,116,809	3,543,672,366
Retained earnings		10,933,326,291	9,788,135,912	9,827,892,042
<b>Total equity</b>		15,421,234,178	14,322,458,353	14,255,899,186
<b>Liabilities</b>				
Employee benefits	21	1,081,292,596	941,229,157	807,636,638
Long term bank loan	22	571,815,927	567,627,935	141,353,004
Lease liabilities	9	388,549,474	431,905,865	487,707,103
Deferred tax liabilities	23	-	-	106,186,444
<b>Non-current liabilities</b>		2,041,657,997	1,940,762,957	1,542,883,191
Bank overdraft	24	2,502,962,921	2,633,244,019	2,374,634,769
Loans and borrowings	25	12,134,376,165	12,827,624,558	11,340,784,233
Lease liabilities-current portion	9	141,728,247	140,011,647	97,821,625
Trade payables	26	1,497,795,622	1,199,383,457	794,002,138
Other payables	27	3,133,615,532	2,755,802,022	2,352,363,174
Inter-company payables	28	6,838,688,727	4,549,730,210	2,272,416,036
Current tax liabilities	29	542,619,434	380,670,056	400,272,211
<b>Current liabilities</b>		26,791,786,648	24,486,465,970	19,632,294,186
<b>Total liabilities</b>		28,833,444,645	26,427,228,927	21,175,177,377
<b>Total equity and liabilities</b>		44,254,678,823	40,749,687,280	35,431,076,563
<b>Net Asset Value (NAV) per share</b>		268.79	249.64	248.48

\*See Note-6.1: The Group has applied IFRS 16 using retrospective approach. Therefore, comparative information have been restated.

The annexed notes 1 to 44 form an integral part of these financial statements.



Managing Director



Director



Company Secretary



**A F Nesaruddin, FCA**  
Senior Partner  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

Dhaka, 9 November 2020



## Advanced Chemical Industries Limited

### Statement of Profit or Loss

In Taka	Note	For the year ended 30 June 2020	For the year ended 30 June 2019 Restated
Revenue	30	23,201,977,018	21,795,582,592
Cost of sales	31	(12,496,872,476)	(11,909,984,608)
<b>Gross profit</b>		<b>10,705,104,542</b>	<b>9,885,597,984</b>
Administrative, selling and distribution expenses	32	(7,966,492,864)	(8,109,022,519)
Other income/(loss)	33	482,198,559	(68,984,499)
<b>Operating profit</b>		<b>3,220,810,237</b>	<b>1,707,590,966</b>
Impairment loss on investment	10	-	(13,600,000)
Net finance costs	34	(750,563,708)	(736,290,977)
<b>Profit before contribution to WPPF</b>		<b>2,470,246,529</b>	<b>957,699,989</b>
Contribution to WPPF	27.1	(123,512,326)	(58,117,222)
<b>Profit before tax</b>		<b>2,346,734,203</b>	<b>899,582,767</b>
<b>Income tax expense</b>	35		
Current tax		(741,842,330)	(570,831,565)
Deferred tax income		114,028,061	202,691,595
		(627,814,269)	(368,139,970)
<b>Profit after tax</b>		<b>1,718,919,934</b>	<b>531,442,797</b>
<b>Earnings per share</b>	36.1		
Basic and diluted earnings per share		29.96	9.26

The annexed notes 1 to 44 form an integral part of these financial statements.

Managing Director

Director

Company Secretary

As per our report of same date.

**A F Nesaruddin, FCA**  
Senior Partner  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

Dhaka, 9 November 2020

## Advanced Chemical Industries Limited

### Statement of Profit or Loss and other Comprehensive Income

<i>In Taka</i>	Note	For the year ended 30 June 2020	For the year ended 30 June 2019
Profit after tax		1,718,919,934	Restated 531,442,797
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Change in fair value of FVOCI financial assets	20.1	(134,720,938)	99,382,714
Related tax on FVOCI financial assets		13,472,094	(9,938,271)
<b>Other comprehensive income, net of tax</b>		<b>(121,248,844)</b>	<b>89,444,443</b>
<b>Total comprehensive income</b>		<b>1,597,671,090</b>	<b>620,887,240</b>

*The annexed notes 1 to 44 form an integral part of these financial statements.*



Managing Director

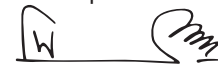


Director



Company Secretary

As per our report of same date.



**A F Nesaruddin, FCA**  
Senior Partner  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

Dhaka, 9 November 2020



# Advanced Chemical Industries Limited

## Statement of Changes in Equity



For the year ended 30 June 2020

<i>In Taka</i>	Share capital	Share premium	Capital reserve	FVOCI reserve	Revaluation reserve	Retained earnings	Total equity
<b>Balance at 1 July 2019</b>	498,895,265	402,310,367	1,671,386	555,904,475	3,075,540,948	9,788,135,912	14,322,458,354
<b>Total comprehensive income</b>							
Profit after tax	-	-	-	-	-	1,718,919,934	1,718,919,934
Other comprehensive income - net of tax	-	-	-	(121,248,844)	-	-	(121,248,844)
<b>Total comprehensive income</b>	-	-	-	(121,248,844)	-	1,718,919,934	1,597,671,090
<b>Transactions with owners of the Company</b>							
<b>Contributions and distributions</b>							
Issuance of bonus shares for the year 2018-2019	74,834,290	-	-	-	-	(74,834,290)	-
Cash dividend paid for the year 2018-2019	-	-	-	-	-	(498,895,265)	(498,895,265)
<b>Total contributions and distributions</b>	74,834,290	-	-	-	-	(573,729,555)	(498,895,265)
<b>Total transactions with owners of the Company</b>	74,834,290	-	-	-	-	(573,729,555)	(498,895,265)
<b>Transactions recognised directly in equity</b>							
Realisation of revaluation reserve	-	-	-	-	-	-	-
<b>Total transactions recognised directly in equity</b>	-	-	-	-	-	-	-
<b>Balance at 30 June 2020</b>	573,729,555	402,310,367	1,671,386	434,655,631	3,075,540,948	10,933,326,291	15,421,234,178

<i>In Taka</i>	Share capital	Share premium	Capital reserve	FVOCI reserve	Revaluation reserve	Retained earnings	Total equity
<b>Balance at 1 July 2018 as previously reported</b>	482,024,411	402,310,367	1,671,386	466,460,032	3,075,540,948	9,871,498,761	14,299,505,905
Impact of initial application of IFRS 16	-	-	-	-	-	(43,606,719)	(43,606,719)
<b>Restated Balance at 1 July 2018</b>	482,024,411	402,310,367	1,671,386	466,460,032	3,075,540,948	9,827,892,042	14,255,899,186
<b>Total comprehensive income</b>							
Profit after tax	-	-	-	-	-	531,442,797	531,442,797
Other comprehensive income - net of tax	-	-	-	89,444,443	-	-	89,444,443
<b>Restated total comprehensive income</b>	-	-	-	89,444,443	-	531,442,797	620,887,240
<b>Transactions with owners of the Company</b>							
<b>Contributions and distributions</b>							
Issuance of bonus shares for the year 2017-2018	16,870,854	-	-	-	-	(16,870,854)	-
Final dividend paid for the year 2017-2018	-	-	-	-	-	(554,328,073)	(554,328,073)
<b>Total contributions and distributions</b>	16,870,854	-	-	-	-	(571,198,927)	(554,328,073)
<b>Total transactions with owners of the Company</b>	16,870,854	-	-	-	-	(571,198,927)	(554,328,073)
<b>Transactions recognised directly in equity</b>							
Realisation of revaluation reserve	-	-	-	-	-	-	-
<b>Total transactions recognised directly in equity</b>	-	-	-	-	-	-	-
<b>Restated Balance at 30 June 2019</b>	498,895,265	402,310,367	1,671,386	555,904,475	3,075,540,948	9,788,135,912	14,322,458,354

The annexed notes 1 to 44 form an integral part of these financial statements.

## Advanced Chemical Industries Limited

### Statement of Cash Flows

<i>In Taka</i>	Note	For the year ended 30 June 2020	For the year ended 30 June 2019
			Restated
<b>Cash flows from operating activities</b>			
Cash receipts from customers and others		24,359,978,450	21,444,395,425
Cash paid to suppliers and employees		(18,511,494,596)	(18,696,683,108)
<b>Cash generated from operating activities</b>		5,848,483,854	2,747,712,317
Paid to WPPF		(72,377,861)	(64,992,971)
Interest paid		(704,190,860)	(632,523,352)
Income tax paid		(579,892,952)	(590,433,720)
		(1,356,461,673)	(1,287,950,043)
<b>Net cash (used in)/generated from operating activities*</b>	18.3	4,492,022,181	1,459,762,274
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(200,382,021)	(166,616,160)
Payments for capital work in progress		(1,089,726,837)	(1,278,367,956)
Sale proceeds from property, plant and equipment		5,554,245	121,023,887
Sale proceeds from brands		-	540,300,000
Dividend received		386,787,273	87,087,273
Investment		(440,730,818)	-
<b>Net cash (used in)/generated from investing activities</b>		(1,338,498,158)	(696,572,956)
<b>Cash flows from financing activities</b>			
Inter-company debts received/(paid)		(1,931,879,784)	(2,332,360,792)
Dividends paid		(439,397,155)	(542,640,981)
Payment for lease obligation		(168,623,769)	(148,701,460)
Short-term bank loan received/(paid)		(722,720,812)	1,486,840,325
Long-term bank loan received/(paid)		33,660,411	426,274,931
<b>Net cash (used in)/generated from financing activities</b>		(3,228,961,109)	(1,110,587,977)
Net increase/(decrease) in cash and cash equivalents		(75,437,086)	(347,398,660)
Opening cash and cash equivalents		(1,640,287,611)	(1,293,505,794)
Effect of movements in exchange rate on cash held		588,022	616,842
<b>Closing cash and cash equivalents at reporting date</b>		(1,715,136,676)	(1,640,287,611)
<b>Closing cash and cash equivalents represent:</b>			
Cash and cash equivalents	18	787,826,245	992,956,408
Bank overdraft	24	(2,502,962,921)	(2,633,244,019)
		(1,715,136,676)	(1,640,287,611)
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>		78.30	25.44

\*See Note 18.3 for reconciliation of net operating cash flow.

The annexed notes 1 to 44 form an integral part of these financial statements.



## Advanced Chemical Industries Limited

### Consolidated Statement of Financial Position

In Taka	Note	30 June 2020	30 June 2019	1 July 2018
<b>Assets</b>			Restated*	Restated*
Property, plant and equipment	8(a)	26,682,430,648	25,570,747,581	23,017,048,759
Right-of-use assets	9(a)	1,505,562,594	1,479,210,419	1,632,967,181
Equity-accounted investees	10(a).1	1,668,821,756	1,304,391,166	1,143,314,786
Other investments	10(a).2	777,345,035	848,208,350	735,339,955
Intangible assets	11(a)	115,683,193	103,177,750	118,237,964
Biological assets	12(a)	10,914,869	-	-
Deferred tax assets	23(a)	398,906,932	-	-
<b>Non-current assets</b>		31,159,665,028	29,305,735,266	26,646,908,645
Inventories	13(a)	12,545,671,650	13,560,088,685	11,792,577,831
Trade receivables	14(a)	12,212,918,829	13,827,165,973	10,963,329,914
Other receivables	15(a)	670,119,195	509,581,982	1,099,973,493
Inter-company receivables	16(a)	9,524,610	50,583,865	10,907,763
Advances, deposits and prepayments	17(a)	2,082,001,900	1,771,258,032	1,726,492,900
Cash and cash equivalents	18(a)	2,882,921,593	2,319,988,462	2,131,550,039
<b>Current assets</b>		30,403,157,777	32,038,666,999	27,724,831,940
<b>Total assets</b>		61,562,822,805	61,344,402,265	54,371,740,585
<b>Equity</b>				
Share capital		573,729,556	498,895,266	482,024,411
Share premium		402,310,367	402,310,367	402,310,367
Reserves	20(a)	4,711,254,886	4,833,537,172	4,744,427,788
Retained earnings		2,211,343,343	3,843,831,804	5,254,735,490
<b>Equity attributable to the owners of the company</b>		7,898,638,152	9,578,574,609	10,883,498,056
<b>Non-controlling interest</b>		(608,660,714)	(352,060,745)	(108,008,673)
<b>Total equity</b>		7,289,977,438	9,226,513,864	10,775,489,383
<b>Liabilities</b>				
Employee benefits	21(a)	1,367,018,271	1,178,872,434	994,107,784
Long term bank loan	22(a)	8,271,767,701	8,079,177,445	7,972,367,343
Lease liabilities	9(a)	1,180,584,553	1,203,077,745	1,361,850,591
Deferred tax liabilities	23(a)	-	74,445,704	363,601,644
<b>Non-current liabilities</b>		10,819,370,525	10,535,573,328	10,691,927,361
Bank overdraft	24(a)	4,440,893,673	4,618,176,594	4,159,153,500
Loans and borrowings	25(a)	27,288,288,273	27,263,916,795	21,933,605,080
Lease liabilities-current portion	9(a)	402,088,291	379,531,382	276,211,298
Trade payables	26(a)	4,897,372,492	4,338,090,506	2,252,947,112
Other payables	27(a)	6,089,292,847	4,699,441,016	3,924,141,882
Current tax liabilities	29(a)	335,539,266	283,158,780	358,264,970
<b>Current liabilities</b>		43,453,474,842	41,582,315,073	32,904,323,841
<b>Total liabilities</b>		54,272,845,367	52,117,888,401	43,596,251,202
<b>Total equity and liabilities</b>		61,562,822,805	61,344,402,265	54,371,740,585
<b>Consolidated Net Asset Value (NAV) per share</b>		137.67	166.95	189.70

\*See Note-6.1: The Group has applied IFRS 16 using retrospective approach. Therefore, comparative information have been restated.  
The annexed notes 1 to 44 form an integral part of these financial statements.

Managing Director

Director

Company Secretary

As per our report of same date.

**A F Nesaruddin, FCA**  
Senior Partner  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

Dhaka, 9 November 2020

## Advanced Chemical Industries Limited

### Consolidated Statement of Profit or Loss

In Taka	Note	For the year ended 30 June 2020	For the year ended 30 June 2019
			Restated
Revenue	30(a)	69,475,287,805	63,143,695,243
Cost of sales	31(a)	(49,991,773,844)	(44,826,113,310)
<b>Gross profit</b>		<b>19,483,513,961</b>	<b>18,317,581,933</b>
Administrative, selling and distribution expenses	32(a)	(15,413,733,052)	(14,843,172,576)
Other income	33(a)	261,633,957	10,037,945
<b>Operating profit</b>		<b>4,331,414,866</b>	<b>3,484,447,302</b>
Share of profit of equity accounted investees		367,008,180	161,076,381
Net finance costs	34(a)	(4,571,407,759)	(3,329,768,907)
<b>Profit before contribution to WPPF</b>		<b>127,015,287</b>	<b>315,754,776</b>
Contribution to WPPF		(225,641,786)	(146,239,765)
<b>Profit/(loss) before tax</b>		<b>(98,626,499)</b>	<b>169,515,011</b>
<b>Income tax expense</b>	35(a)		
Current tax		(1,684,241,935)	(1,386,439,405)
Deferred tax income		460,512,750	282,988,259
		(1,223,729,185)	(1,103,451,146)
<b>Loss after tax</b>		<b>(1,322,355,684)</b>	<b>(933,936,135)</b>
<b>Loss attributable to</b>			
Equity holders of the company		(1,058,758,906)	(774,906,431)
Non-controlling interests		(263,596,778)	(159,029,704)
		(1,322,355,684)	(933,936,135)
<b>Earnings per share</b>	36.1(a)		
Basic and diluted earnings per share		(18.45)	(13.51)

The annexed notes 1 to 44 form an integral part of these financial statements.



Managing Director

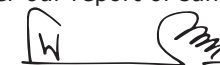


Director



Company Secretary

As per our report of same date.



**A F Nesaruddin, FCA**  
Senior Partner  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

Dhaka, 9 November 2020





## Advanced Chemical Industries Limited

### Consolidated Statement of Profit or Loss and other Comprehensive Income

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Loss after tax	(1,322,355,684)	Restated (933,936,135)
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Change in fair value of FVOCI financial assets	(135,338,387)	99,853,910
Related tax on FVOCI financial assets	13,533,839	(9,918,600)
<b>Other comprehensive income, net of tax</b>	(121,804,548)	89,935,310
<b>Items that may be reclassified subsequently to profit or loss</b>		
Foreign operations - foreign currency translation differences	(589,887)	(912,850)
	(589,887)	(912,850)
<b>Total comprehensive income</b>	(1,444,750,119)	(844,913,675)
<b>Total comprehensive income attributable to</b>		
<b>Equity holders of the Company</b>		
Loss after tax	(1,058,758,906)	(774,906,431)
Other comprehensive income	(122,282,286)	89,109,383
	(1,181,041,192)	(685,797,048)
<b>Non-controlling interests</b>		
Loss after tax	(263,596,778)	(159,029,704)
Other comprehensive income	(112,149)	(86,923)
	(263,708,927)	(159,116,627)
<b>Total comprehensive income</b>	(1,444,750,119)	(844,913,675)

The annexed notes 1 to 44 form an integral part of these financial statements.

Managing Director

Director

Company Secretary

As per our report of same date.

**A F Nesaruddin, FCA**  
Senior Partner  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

Dhaka, 9 November 2020

# Advanced Chemical Industries Limited

## Consolidated Statement of Changes in Equity



For the year ended 30 June 2020

In Taka	Attributable to owner of the Company							Total equity			
	Share capital	Share premium	Capital reserve	Translation reserve	FVOCI reserve	Revaluation reserve	Retained earnings				
Balance at 1 July 2019	498,895,266	402,310,367	1,671,386	(848,385)	554,780,649	4,277,933,521	3,843,831,804	9,606,693,640	(352,060,745)	9,226,513,863	
Adjustment on initial application of IFRS 9	-	-	-	-	-	-	-	-	-	-	
<b>Total comprehensive income</b>	-	-	-	(548,229)	(121,734,057)	-	(1,058,758,906)	(1,058,758,906)	(1,058,758,906)	(263,596,778)	(1,322,355,684)
Loss after tax	-	-	-	(548,229)	(121,734,057)	-	-	(122,282,286)	(112,149)	(122,394,435)	
Other comprehensive income - net of tax	-	-	-	(548,229)	(121,734,057)	-	-	(1,181,041,192)	(263,708,927)	(1,444,750,119)	
<b>Total comprehensive income</b>	-	-	-	(548,229)	(121,734,057)	-	(1,058,758,906)	(1,181,041,192)	(263,708,927)	(1,444,750,119)	
<b>Transactions with owners of the Company</b>											
<b>Contributions and distributions</b>											
Issuance of bonus shares for the year 2018-2019	74,834,290	-	-	-	-	-	(74,834,290)	-	-	-	
Cash dividend paid for the year 2018-2019	-	-	-	-	-	-	(498,895,265)	(498,895,265)	(73,268,633)	(572,163,898)	
Adjustment for transfer of shares in subsidiary	-	-	-	-	-	-	-	-	57,377,590	57,377,590	
Capital paid by Non-controlling interest	-	-	-	-	-	-	-	-	23,000,000	23,000,000	
<b>Total contributions and distributions</b>	74,834,290	-	-	-	-	-	(573,729,555)	(498,895,265)	7,108,958	(491,786,307)	
<b>Total transactions with owners of the Company</b>	74,834,290	-	-	-	-	-	(573,729,555)	(498,895,265)	7,108,958	(491,786,307)	
<b>Transactions recognised directly in equity</b>											
Realisation of revaluation reserve	-	-	-	-	-	-	-	-	-	-	
<b>Total transactions recognised directly in equity</b>	-	-	-	-	-	-	-	-	-	-	
<b>Balance at 30 June 2020</b>	573,729,556	402,310,367	1,671,386	(1,396,614)	433,046,592	4,277,933,521	2,211,343,343	7,926,757,183	(608,660,714)	7,289,977,438	

For the year ended 30 June 2019

In Taka	Attributable to owner of the Company							Total equity		
	Share capital	Share premium	Capital reserve	Translation reserve	FVOCI reserve	Revaluation reserve	Retained earnings			
Balance at 1 July 2018 as previously reported	482,024,411	402,310,367	1,671,386	-	464,822,880	4,277,933,521	5,451,050,122	11,079,812,687	(59,418,942)	11,020,393,745
Impact of initial application of IFRS 16	-	-	-	-	-	-	(196,314,632)	(196,314,632)	(48,589,731)	(244,904,364)
<b>Restated Balance at 1 July 2018</b>	482,024,411	402,310,367	1,671,386	-	464,822,880	4,277,933,521	5,254,735,490	10,883,498,055	(108,008,673)	10,775,489,381
Adjustment on initial application of IFRS 9	-	-	-	-	-	-	(28,119,032)	(28,119,032)	(8,879,694)	(36,998,726)
<b>Total comprehensive income</b>	-	-	-	-	-	-	(774,906,431)	(774,906,431)	(159,029,704)	(933,936,135)
Loss after tax	-	-	-	(848,385)	89,957,769	-	-	89,109,384	(86,923)	89,022,461
Other comprehensive income-net of tax	-	-	-	(848,385)	89,957,769	-	-	-	(159,116,627)	(844,913,674)
<b>Total comprehensive income</b>	-	-	-	(848,385)	89,957,769	-	(774,906,431)	(685,797,047)	(159,116,627)	(844,913,674)
<b>Transactions with owners of the Company</b>										
<b>Contributions and distributions</b>										
Issuance of bonus shares for the year 2017-2018	16,870,855	-	-	-	-	-	(16,870,855)	-	-	-
Final dividend paid for the year 2017-2018	-	-	-	-	-	-	(554,328,073)	(554,328,073)	(73,268,633)	(627,596,706)
Adjustment for first time consolidation by Subsidiary	-	-	-	-	-	-	(36,679,295)	(2,787,118)	(39,466,413)	-
<b>Total contributions and distributions</b>	16,870,855	-	-	-	-	-	(607,878,223)	(591,007,368)	(76,055,751)	(667,063,119)
<b>Total transactions with owners of the Company</b>	16,870,855	-	-	-	-	-	(607,878,223)	(591,007,368)	(76,055,751)	(667,063,119)
<b>Transactions recognised directly in equity</b>										
Realisation of revaluation reserve	-	-	-	-	-	-	-	-	-	-
<b>Total transactions recognised directly in equity</b>	-	-	-	-	-	-	-	-	-	-
<b>Restated Balance at 30 June 2019</b>	498,895,266	402,310,367	1,671,386	(848,385)	554,780,649	4,277,933,521	3,843,831,804	9,606,693,640	(352,060,745)	9,226,513,863

The annexed notes 1 to 44 form an integral part of these financial statements.



## Advanced Chemical Industries Limited

### Consolidated Statement of Cash Flows

In Taka	Note	For the year ended 30 June 2020	For the year ended 30 June 2019
			Restated
<b>Cash flows from operating activities</b>			
Cash receipts from customers and others		71,486,199,792	60,290,616,521
Cash paid to suppliers and employees		(61,002,398,905)	(57,000,282,054)
Cash generated from operating activities		10,483,800,887	3,290,334,467
Paid to WPPF		(134,609,898)	(119,177,712)
Interest paid		(3,967,539,139)	(3,182,135,372)
Income tax paid		(1,631,861,449)	(1,461,640,101)
		(5,734,010,487)	(4,762,953,185)
<b>Net cash from/(used in) operating activities*</b>	18.1 (a)	4,749,790,401	(1,472,618,718)
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(638,157,096)	(1,813,056,543)
Payments for capital work in progress		(2,032,623,525)	(1,843,882,728)
Sale proceeds from property, plant and equipment		5,554,245	121,379,762
Sale proceeds from brands		-	540,300,000
Dividend received		302,555,905	2,855,906
Investment		(350,315,711)	(3,459,956)
<b>Net cash from/(used in) investing activities</b>		(2,712,986,182)	(2,995,863,561)
<b>Cash flows from financing activities</b>			
Payment as dividend to non-controlling interest		(72,498,119)	(72,418,534)
Inter-company debts received/(paid)		41,059,255	39,676,102
Dividend paid		(439,397,155)	(542,640,981)
Payment for lease liability		(384,290,121)	(418,229,570)
Short-term bank loan received/(paid)		(23,922,468)	5,078,273,277
Long-term bank loan received/(paid)		(418,031,903)	101,208,375
<b>Net cash from/(used in) financing activities</b>		(1,297,080,510)	4,185,868,669
Net increase/(decrease) in cash and cash equivalents		739,723,709	(282,613,612)
Opening cash and cash equivalents		(2,298,188,132)	(2,027,603,461)
Effect of movements in exchange rate on cash held		492,343	443,374
Adjustment for first time consolidation by Subsidiary		-	11,585,568
<b>Cash and cash equivalents at reporting date</b>		(1,557,972,080)	(2,298,188,132)
<b>Closing balance represents</b>			
Cash and cash equivalents	18(a)	2,882,921,593	2,319,988,462
Bank overdraft	24(a)	(4,440,893,673)	(4,618,176,594)
		(1,557,972,080)	(2,298,188,132)
<b>Consolidated Net Operating Cash Flows Per Share (NOCFPS)</b>		82.79	(25.67)

\*See Note 18.1 (a) for reconciliation of consolidated net operating cash flow.

The annexed notes 1 to 44 form an integral part of these financial statements.

# Advanced Chemical Industries Limited

## Notes to the Financial Statements

as at and for the year ended 30 June 2020

### 1 Reporting entity

#### 1.1 Company profile

Advanced Chemical Industries Limited (hereinafter referred to as "ACI Limited" or "the Company") is a public limited company incorporated in Bangladesh on 24 January 1973 as ICI Bangladesh Manufacturers Limited. The registered office of the Company is at 245 Tejgaon Industrial Area, Dhaka-1208 in Bangladesh.

The consolidated financial statements of the Company as at and for the year ended 30 June 2020 comprise the Company's and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities.

The Company is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE).

#### 1.2 Nature of business

The Company is primarily involved in manufacturing of pharmaceuticals, consumer brands, animal health care products and marketing them along with fertilizer, seeds and other agricultural items.

#### 1.3 Description of subsidiaries

##### 1.3.1 ACI Formulations Limited

The company was incorporated on 29 October 1995 as a private limited company under the Companies Act 1994. It 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 principal activities of the company are manufacturing and marketing of a number of agrochemical and consumer products.

##### 1.3.2 ACI Salt Limited

The company was incorporated on 13 June 2004 as a private limited company under the Companies Act 1994. The principal activity of the company is manufacturing and marketing of edible branded salt.

##### 1.3.3 ACI Foods Limited

The company was incorporated on 14 September 2006 as a private limited company under the Companies Act 1994. The main objectives of the company are manufacturing, processing and marketing of different food items including spices and different snack items.

##### 1.3.4 ACI Pure Flour Limited

The company was incorporated on 29 August 2006 as a private limited company under the Companies Act 1994. The main objectives of the company are to carry on the business of milling, processing, packaging and marketing of wheat flour products.

##### 1.3.5 ACI Agrolink Limited

The company was incorporated on 4 July 2006 as a private limited company under the Companies Act 1994. The main objectives of the company are to carry on the business of manufacturing, formulating and packaging of pesticide, fertilizer, plant nutrient, animal food and other nutrient products.





### **1.3.6 ACI Motors Limited**

The company was incorporated on 11 December 2007 as a private limited company under the Companies Act 1994. The main objectives of the company are to carry on the business of buying, selling, importing and assembling of vehicles for both agricultural and non-agricultural use including other agricultural equipment and supplying of spare parts and providing service facilities for these vehicles and equipment.

The company has also a distribution agreement with India Yamaha Motors Private Ltd. to sell and distribute YAMAHA brand motorcycles and parts in Bangladesh. It has also an assembling plant at Rajabari, Gazipur which also started its commercial assembling from May 2019.

### **1.3.7 Creative Communication Limited**

The company was incorporated on 2 September 2007 as a private limited company under the Companies Act 1994. The principal activities of the company are managing media solutions and similar services for different clients including television commercials and other advertisement and promotion related activities.

### **1.3.8 Premiaflex Plastics Limited**

The company was incorporated on 11 June 2007 as a private limited company under the Companies Act 1994. The main objectives of the company are to carry out the business of manufacturing and marketing of plastic products, flexible printing and other ancillary business associated with plastic and flexible printing. The company commenced its commercial production from 1 December 2008.

It has a Consumer Plastics production plant that started commercial production from July 2017 with a promise in mind to deliver premium quality plastic made products for its customers.

### **1.3.9 ACI Logistics Limited**

The company was incorporated on 29 April 2008 as a private limited company under the Companies Act 1994. The main objective of the company is to set-up nationwide retail outlets in order to facilitate the improvement in goods marketing efficiency and to provide a modern self service shopping option to customers.

### **1.3.10 ACI Edible Oils Limited**

The company was incorporated on 13 December 2010 as a private limited company under the Companies Act 1994. The main objective of the company is to carry out the business as manufacturing as well as trading of all kinds of crude and refined edible oils, edible fats, food grade chemicals, cleansing materials, preservatives and other allied food products.

### **1.3.11 ACI HealthCare Limited**

The company was incorporated on 18 February 2013 as a public limited company under the Companies Act 1994. The principal activities of the company are to be manufacturing and marketing of pharmaceutical products for regulated markets.

### **1.3.12 ACI Chemicals Limited**

The company was incorporated on 26 November 2013 as a private limited company under the Companies Act 1994. The main objective of the company is to represent foreign and local principals and market and promote their products and process and engage in the service of indenting on their behalf.

### **1.3.13 ACI Biotech Limited**

The company was incorporated in Bangladesh on 22 November 2016 as a private limited company under the Companies Act 1994. The principal activities of the company are to carry out the business of manufacturing and marketing of Biosimilar pharmaceutical products. Currently the production facility is under construction process.

### 1.3.14 Infolytx Bangladesh Limited

Infolytx Bangladesh Limited is a private limited company incorporated on 23 July 2015 under the Companies Act 1994 being a 60% owned subsidiary of ACI Limited incorporated in Bangladesh having its registered office situated at 245, Tejgaon I/A, Dhaka. The main objective of the company is to develop computer software focusing on leading edge technologies with an aim of varied range of offerings.

### 1.3.15 ACI Marine and Riverine Technologies Limited

ACI Marine and Riverine Technologies Limited is a private limited company incorporated on 19 December 2019 under the Companies Act 1994 being a 77% owned subsidiary of ACI Limited incorporated in Bangladesh having its registered office situated at 245, Tejgaon I/A, Dhaka. The main objective of the company is to carry on all or any of the business of shipping, ship engineering, and other related area.

## 2 Basis of accounting

### 2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

### 2.2 Date of authorisation

The audited consolidated financial statements as well as separate financial statements for the year ended 30 June 2020 were authorised by the Board of Directors on 9 November 2020 for publication.

### 2.3 Basis of measurement

The financial statements have been prepared on 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 presentational currency

These financial statements are presented in Bangladesh Taka (Taka/TK/BDT), which is both functional and presentation currency of the Company. The amounts in these financial statements have been rounded off to the nearest Taka, unless stated 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 financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

### 4.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

Note 6C	Basis of consolidation
Note 6N	Leases



## 4.2 Assumptions and estimation uncertainties

(i) Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 30 June 2020 is included in the following notes:

Note 6L, 8 and 8(a)	Property, plant and equipment
Note 6K, 13 and 13(a)	Inventories
Note 6O, 14 and 14(a)	Trade receivables
Note 6O, 15 and 15(a)	Other receivables
Note 6O, 16 and 16(a)	Intercompany receivables
Note 6F, 21 and 21(a)	Employee benefits
Note 6H, 23 and 23(a)	Deferred tax liabilities
Note 6H, 29 and 29(a)	Provision for tax
Note 38	Commitments
Note 6T and 38	Contingencies
Note 6C and 10(a)	Acquisition of subsidiary
Note 6N	Leases

(ii) *Measurement of fair values:*

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.

## 4.3 Impact of Covid-19

During the financial year, on 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID 19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures, businesses and economic activities of the country are affected.

However, considering the facts and circumstances, management believes that there is no material uncertainty or possibility of impairment of assets which may cast doubt on the Group's ability to continue as a going concern in the foreseeable future.

## 5 Reporting period

The financial period of the Company covers one year from 1 July 2019 to 30 June 2020 and is being following consistently.

Financial period of one associate is:

Asian Consumer Care (Pvt.) Limited                      From 1 April to 31 March

For the purpose of consolidation, additional financial information of the associate was prepared as of 30 June 2020 to enable the Group to consolidate the financial result of the associates. However, the figures involved in the aforesaid associate company up to 30 June 2020 from the end of their accounting year was insignificant.

## 6 Significant accounting policies

The accounting policies set out below have been applied consistently 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 from contracts with customers
- E Foreign currency transactions
- F Employee benefits
- G Finance income and finance costs
- H Income tax
- I Biological assets
- J Investment
- K Inventories
- L Property, plant and equipment
- M Intangible assets and goodwill
- N Leases
- O Financial instruments
- P Share capital
- Q Provisions
- R Impairment
- 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 Application of new standards

### 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 realised 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 ACI Limited. ACI Limited controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries have been included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by ACI Limited.

### *(ii) Non-controlling interests*

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

### *(iii) Interests in equity-accounted investees*

The ACI Limited's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which ACI Limited has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which ACI Limited has joint control, whereby ACI Limited has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint ventures are accounted for using the equity method. They are initially recognised at cost.

### *(iv) Loss of control*

When ACI Limited loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of the equity. 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.

### *(v) 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. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of ACI Limited's interest in the investee. Unrealised losses, if any, are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

## D Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The following table provide information about the nature and timing of the satisfaction of performance obligations in contracts with customers:

Type of product or service	Revenue recognition under IFRS 15
Sale of goods or services	<p>Revenue is recognized when or as a performance obligation is satisfied by transferring a good or service to a customer, either at a point in time or over time. A good or service is 'transferred' when or as the customer obtains control of it. Customers obtain control of goods at point of delivery or over time.</p> <p>The entity assesses whether it transfers control over time by following prescribed criteria for satisfying performance obligation. If none of the criteria is met then the entity recognizes revenue at point of time at which it transfers control of the goods to the customer.</p> <p>Revenue is measured net of value added tax, trade discount, returns and allowances (if any). In case of cash delivery, revenue is recognised when delivery is made and cash is received by the Group.</p>

## E Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rate prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing at the date of statement of financial position. Foreign currency differences are generally recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transactions.

## 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 plan (provident fund)

The Group operates a recognised provident fund scheme where employees contribute 8% of their basic salary with equal contribution by the Group. The provident fund is considered as defined contribution plan being managed by a Board of Trustees.

### (iii) Defined benefit plan (gratuity)

The Group operates an unfunded gratuity scheme, provision in respect of which is made annually covering all permanent eligible employees. The Employees' Gratuity Fund is being considered as defined benefit plan.

Defined benefit plan is a retirement benefit plan under which amounts to be paid as retirement benefits are determined by reference to employees' earnings and 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 as on 30 June 2020 by independent actuarial valuer to assess the adequacy of the liabilities provided for the schemes, which concluded that the provision kept for gratuity scheme is sufficient.

### (iv) Workers' profit participation fund

The Group 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; and
- 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/liabilities are offset if certain criteria are met. It is measured using tax rates enacted or substantively enacted at the reporting period. The applicable tax rate for ACI Limited is currently 25%.

### *(ii) Deferred tax*

Deferred tax asset or liability 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;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will
- taxable temporary differences arising on the initial recognition of goodwill.

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

The Group's existing accounting policy for uncertain income tax treatments is consistent with the requirements in IFRIC 23 Uncertainty over Income Tax Treatments, which became effective on 1 January 2019.

## **I Biological assets**

Biological assets are measured at fair value less cost to sell with any changes therein recognised in profit and loss.

## **J Investment**

In the separate financial statements of ACI Limited, investment in subsidiaries, associates and joint ventures has been carried at cost as per IAS 27: *Separate Financial Statements*. All other investments have been categorised in accordance with IFRS 9.

## **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.

Allowance for inventory is periodically recognised mainly on the basis of failure in quality control testing, net realisable value, non compliance testing, near to expiry etc. 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 but the relative risk has been transferred till to the date of reporting. 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. The items of property, plant and equipment were revalued in the year 2004, 2007, 2010 and 2015 by the firm of professional valuers on the basis of applicable methods including market value based method, premised on the accompanying narrative information and valuation methodology. When revalued assets are disposed of, the amounts included in the revaluation surplus are transferred to retained earnings.

Cost includes expenditure that is directly attributable to the acquisition of asset. The cost of self constructed asset includes the cost of material, direct labour and any other costs directly attributable to bringing the assets to the working condition for their intended use.

### (ii) Subsequent costs

Subsequent to initial recognition, cost of replacing part 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 expenses are charged in statement of profit or loss as they are incurred.

### (iii) Depreciation

All items of property, plant and equipment have been depreciated on straight line basis. Depreciation begins when an asset become available for use. Depreciation is charged at the rates varying from 2.5% to 20% depending on the estimated useful lives of assets. No depreciation is charged for land and capital work-in-progress. The Group follows this policy consistently from past years.

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

The estimated useful lives for the current and comparative of initially recognised property, plant and equipment period/years are as follows:

<i>In years</i>	30 June 2020	30 June 2019
Building	20 - 40	20 - 40
Plant and machinery	2 - 15	2 - 10
Furniture and fixture	5 - 10	5 - 10
Electrical and other appliances	2 - 10	2 - 10
Office machinery	2 - 15	2 - 15
Motor vehicles	2 - 5	2 - 5

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. No significant adjustment in respect of items of property, plant and equipment was done in the reporting 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 IAS - 23, Borrowing cost. The capitalisation of such borrowing costs ceases when the asset is ready for intended use.

### (v) Capital work in progress

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 the year and these are stated at cost.

### (vi) Impairment

The carrying amount of the entity's 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.





*(vii) Retirement and disposals*

An asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposals. Gains and 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**

*(i) Recognition and measurement*

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in the profit or loss as incurred.

Development activities involve a plan or design for the production of new and substantially improved products and process. Development expenditures, on an individual project, are recognised as an intangible asset when the Group can demonstrate all of the following:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) its intention to complete the intangible asset and use or sell it;
- (c) its ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development;

Other development expenditures are recognised in profit and loss as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. During the period of development, the asset is tested for impairment annually.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

*(ii) Amortisation*

Amortisation is charged in profit or loss on a straight line basis over the estimated useful lives of intangible assets other than goodwill. Amortisation on additions are charged from the month of acquisition. Amortisation is charged at the rates of 10% to 20% depending on the estimated useful lives of assets and no amortisation is charged in the year of disposal.

The estimated useful life for the current intangible asset is as follows:

In years	30 June 2020	30 June 2019
Software	5 - 10	5 - 10

Amortisation methods, useful lives and residual values are reviewed at each reporting date.

*(iii) Retirement and disposals*

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognised in profit or loss.

*(iv) Goodwill*

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

(v) *Software*

Software, acquired by the Group and have finite useful life, are measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates.

**N Leases**

Leases are recognised as right-of-use assets and corresponding liabilities at the inception of a contract and measured in accordance with IFRS 16. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

At the commencement date, lease liabilities are measured at an amount equal to the present value of the lease payments for the underlying right-of-use assets during the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Company's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost.

Payments associated with all short-term leases (with a lease term of 12 months or less) and certain leases of all low-value assets are recognised on a straight-line basis as an expense in profit or loss.

**O Financial instruments**

Non-derivative financial instruments comprise investments in shares and term deposit, trade receivables, other receivables, intercompany receivables, cash and cash equivalents, trade payables, other payables, intercompany payables, 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 recognised initially on the date at which the Company 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.

The Group's financial assets comprise trade and other receivables, investment in shares and term deposit and cash and cash equivalents.

*Trade, other and intercompany receivables*

Trade, other and intercompany receivables are initially recognised at the transaction price. These assets are subsequently measured at amortised cost using the effective interest method less allowance for impairment loss of receivables using expected credit loss model.

*Investment in shares-other than the investment in subsidiaries, associates and joint ventures*

Investment in shares are equity instruments that are designated at the date of initial application of IFRS 9 as FVOCI (original classification under IAS 39 was available-for-sale). Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

*Investment in term deposit*

The Group has the positive intent and ability to hold term deposit to collect contractual cash flows, and as such financial assets are classified as amortised cost (original classification under IAS 39 was held to maturity).

*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.



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

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 and interest - bearing borrowings.

##### *Trade payables*

Trade payables are recognised at fair value.

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method less any impairment losses.

#### *(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 legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## **P Share capital**

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

## **Q Provisions**

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, 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.

## **R 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
- observable data indicating that there is measurable decrease in expected cash flows from a company of financial assets.

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 using expected credit loss model as prescribed in IFRS 9. Impairment loss is recognised in profit or loss and reflected in an allowance account.

*(ii) Non-financial assets*

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

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

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

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

## S Going concern

The Group has adequate resources to continue in operation for the foreseeable future. For this reason the management continues 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.

During the period/year under review, following two of the subsidiaries of ACI Limited have following results and financial position:

### **ACI Logistics Limited**

	As at/For the year ended	As at/For the year ended
	30 June 2020	30 June 2019
<i>In Taka</i>		
Loss after tax	1,569,388,172	1,577,633,452
Accumulated loss	12,311,804,522	10,524,907,489
Current liabilities exceeds current assets	10,482,103,637	8,133,070,628
Paid up capital	360,000,000	360,000,000
Dues to banks and financial lease company	6,182,185,419	6,876,022,624

Furhter details have been available in the separate financial statements of ACI Logistics Limited.

### **ACI Foods Limited**

	As at/For the year ended	As at/For the year ended
	30 June 2020	30 June 2019
<i>In Taka</i>		
Loss after tax	106,987,123	301,355,680
Accumulated loss	2,122,483,357	2,015,496,234
Current liabilities exceeds current assets	2,773,328,541	2,575,829,485
Paid up capital	287,000,000	287,000,000
Dues to banks and financial lease company	424,171,538	432,535,331





The management is, however, confident that the above companies will continue in operational existence for a foreseeable future on the basis of continued support from the parent Company, ACI Limited and the Group's banks and its shareholders. The management is also confident that the companies will improve their trading conditions as well.

In view of the continued support and assurance from the Group and major shareholders, management believes that it is appropriate to prepare these financial statements on a going concern basis.

## **T Contingencies**

### *Contingent liability*

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

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

### *Contingent asset*

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

## **U Statement of cash flows**

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

## **V Earnings per share (EPS)**

The ACI Limited and the Group presents its 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 ACI Limited/Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

This has been shown on the face of profit or loss and computation of EPS is stated in note 36.

## **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 Application of new standards**

### **i) Initial application of new standards**

The Group initially applied IFRS 16 from 1 July 2019.

#### *(a) IFRS 16 Leases*

IFRS 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 IFRS replaced the existing guidance in IAS 17 Leases. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. The Group has applied IFRS 16 using retrospective approach. Therefore, comparative information have been restated.

## 6.1 Changes in accounting policies

The Group has applied IFRS 16 which has become initially applicable for the Group from 1 July 2019. As a result, the Group has changed its accounting policies for rent contracts. The Group has applied IFRS 16 using retrospective approach. Therefore, comparative information have been restated and a third Statement of Financial Position as at the beginning of the preceding period has been presented as per the requirements of paragraph 40A of IAS 1.

The following table summarises the impacts of adopting IFRS 16 on the Group's consolidated financial statements:

### i. Consolidated statement of financial position

#### 1 July 2018

	Impact of initial application of IFRS 16		
	As previously reported	Adjustments	As restated
Right-of-use assets	-	1,632,967,181	1,632,967,181
Advances, deposits and prepayments	1,981,691,836	(255,198,936)	1,726,492,900
Retained earnings	5,451,050,122	(196,314,632)	5,254,735,490
Non-controlling interest	(59,418,942)	(48,589,731)	(108,008,673)
Deferred tax liabilities	378,990,924	(15,389,280)	363,601,644
Lease liabilities	-	1,638,061,889	1,638,061,889

#### 30 June 2019

	Impact of initial application of IFRS 16		
	As previously reported	Adjustments	As restated
Right-of-use assets (for lease contracts)	-	1,479,210,419	1,479,210,419
Advances, deposits and prepayments	1,972,831,314	(201,573,282)	1,771,258,032
Retained earnings	4,073,015,333	(229,183,529)	3,843,831,804
Non-controlling interest	(298,384,844)	(53,675,902)	(352,060,745)
Deferred tax liabilities	96,558,264	(22,112,560)	74,445,704
Lease liabilities	-	1,582,609,127	1,582,609,127

### ii. Consolidated statement of profit or loss

For the year ended 30 June 2019

	Impact of initial application of IFRS 16		
	As previously reported	Adjustments	As restated
Administrative, selling and distribution expenses	14,992,731,691	(149,559,115)	14,843,172,576
Net finance costs	3,135,531,445	194,237,462	3,329,768,907
Income tax expense	1,110,174,426	(6,723,280)	1,103,451,146

### iii. Consolidated statement of cash flows

For the year ended 30 June 2019

	Impact of initial application of IFRS 16		
	As previously reported	Adjustments	As restated
Net cash from/(used in) operating activities	(1,890,848,288)	418,229,570	(1,472,618,718)
Net cash from financing activities	4,604,098,239	(418,229,570)	4,185,868,669



## 7 Operating segments

### (i) Basis for segmentation

The Group has the following strategic business units, which are its reportable segments. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies.

Reportable segments	Operations
1. Pharmaceuticals	Buying, manufacturing, marketing and selling of pharmaceutical and health care products in home and abroad.
2. Animal Health	Buying, manufacturing, distributing and selling of veterinary and fisheries products.
3. Consumer Brands	Buying, manufacturing, marketing and selling of consumer products.
4. Crop Care and Public Health	Buying, manufacturing, marketing and selling of crop protection items.
5. Motors	Buying and selling of agricultural equipment.
6. Pure Flour	Buying, milling, processing, packaging, marketing and selling of wheat flour products.
7. Retail Chain	Facilitating modern self-service shopping option to customers.
8. Salt	Buying, manufacturing, marketing and selling of vacuum evaporated free flow iodised salt.
9. Foods	Buying, manufacturing, processing, marketing and selling of food items including spices and snack items.
10. Premiaflex Plastics	Buying, manufacturing, processing, marketing and selling of plastic products.
11. HealthCare	Buying, manufacturing, processing, marketing and selling of pharmaceutical products for regulated markets, especially for USA.

Operating results of all segments are regularly reviewed by the Group's managing director to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Other operations include the manufacture and distribution of edible oil, managing media solutions, the formulation and packaging of pesticide, fertilizer, seeds, livestock, fisheries and other plant nutrients, and the manufacture and distribution of paints and herbal products. None of these segments met the quantitative thresholds for reportable segments for the year ended on 30 June 2020. Inter-segment pricing is determined on an arm's length basis.

## (ii) Information about reportable segments

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

**For the year ended 30 June 2020**

In Taka	Reportable segments											Unallocated/ Elimination	Total	
	Pharmaceuticals	Animal Health	Consumer Brands	Crop Care and Public Health	Motors	Pure Flour	Retail Chain	Salt	Foods	Premiaflex Plastics	HealthCare			Total reportable segments
External revenue	11,761,464,286	3,644,230,956	5,364,072,343	2,615,685,217	13,140,921,157	5,041,188,209	11,529,882,434	2,039,845,671	5,025,783,089	3,901,409,814	2,059,918,065	66,124,401,242	3,350,886,563	69,475,287,805
Intra-segment revenue	-	-	681,389,540	-	7,465,478	41,696,193	33,564,864	63,846,606	132,910,084	429,555,376	-	1,390,428,141	121,665,883	1,512,094,024
<b>Segment revenue</b>	11,761,464,286	3,644,230,956	6,045,461,883	2,615,685,217	13,148,386,635	5,082,884,402	11,563,447,298	2,103,692,277	5,158,693,173	4,330,965,190	2,059,918,065	67,514,829,382	3,472,552,446	70,987,381,828
Depreciation and amortisation	329,311,716	29,980,432	80,984,501	33,685,752	63,114,692	33,719,892	214,349,094	51,121,488	63,973,362	255,160,959	283,956,291	1,439,358,180	113,962,693	1,553,320,873
Operating expenses	5,228,248,091	894,803,463	1,785,248,770	574,063,091	1,779,770,659	262,739,509	2,200,034,189	267,948,416	443,759,498	426,615,805	1,143,415,482	15,006,646,972	407,086,081	15,413,733,052
Finance costs/(income)	157,470,000	221,150,000	222,950,000	180,424,960	503,379,955	(59,003,965)	1,437,508,321	(46,163,685)	370,647,466	513,158,999	785,080,038	4,286,602,088	284,805,671	4,571,407,759
<b>Segment profit/(loss) before tax</b>	2,149,173,959	130,856,166	(604,421,712)	169,397,919	1,215,787,654	247,501,475	(1,482,316,083)	333,138,762	(47,006,328)	(460,368,443)	(2,070,485,942)	(418,742,573)	320,116,073	(98,626,499)
<b>Segment assets</b>	9,773,635,037	2,244,884,945	5,167,265,832	2,810,475,552	12,187,543,246	1,843,553,481	3,508,327,583	2,490,899,627	2,407,970,765	5,808,492,987	9,640,106,676	57,883,155,730	3,679,667,075	61,562,822,805
<b>Segment liabilities</b>	4,692,046,614	819,562,190	1,473,492,058	1,966,168,576	9,083,288,250	711,620,294	15,460,132,101	1,223,638,642	4,203,135,996	5,206,289,058	11,496,978,754	56,336,352,533	(2,063,507,166)	54,272,845,367

**For the year ended 30 June 2019**

In Taka	Reportable segments											Unallocated/ Elimination	Total	
	Pharmaceuticals	Animal Health	Consumer Brands	Crop Care and Public Health	Motors	Pure Flour	Retail Chain	Salt	Foods	Premiaflex Plastics	HealthCare			Total reportable segments
External revenue	10,622,701,890	3,054,717,684	5,913,905,988	2,762,064,532	11,214,889,257	4,261,816,375	9,884,099,740	1,898,513,398	3,795,271,077	3,461,432,527	2,975,336,935	59,844,749,402	3,298,945,840	63,143,695,243
Intra-segment revenue	-	-	849,970,582	-	12,237,051	26,282,357	21,855,392	16,146,462	81,111,269	314,846,187	-	1,322,449,300	227,872,685	1,550,321,985
<b>Segment revenue</b>	10,622,701,890	3,054,717,684	6,763,876,570	2,762,064,532	11,227,126,308	4,288,098,732	9,905,955,132	1,914,659,860	3,876,382,346	3,776,278,713	2,975,336,935	61,167,198,702	3,526,818,525	64,694,017,227
Depreciation and amortisation	316,692,195	36,164,681	74,837,919	34,062,151	37,383,335	30,406,970	247,384,435	52,034,707	52,590,050	173,681,099	57,008,805	1,112,246,347	101,693,961	1,213,940,308
Operating expenses	4,910,454,500	806,941,342	2,247,414,394	658,673,883	1,482,526,792	256,886,509	2,193,131,072	238,926,199	505,943,311	364,819,374	839,490,594	14,505,207,971	337,964,605	14,843,172,576
Finance costs/(income)	120,640,000	196,870,000	298,190,000	190,944,323	354,863,324	(34,522,891)	1,212,622,098	(23,105,210)	356,687,350	289,808,098	50,681,411	3,013,678,503	316,090,404	3,329,768,907
<b>Segment profit/(loss) before tax</b>	1,876,981,408	(33,624,793)	(1,002,309,220)	157,493,563	1,231,599,843	92,576,764	(1,507,695,000)	153,456,731	(298,376,068)	(161,266,177)	(356,874,369)	151,962,682	17,552,329	169,515,011
<b>Segment assets</b>	8,383,392,573	2,796,935,449	7,201,201,862	2,832,907,413	10,460,118,068	1,656,125,705	2,747,724,586	1,888,582,760	2,100,724,014	5,399,395,434	9,114,524,363	54,581,632,227	6,762,770,038	61,344,402,265
<b>Segment liabilities</b>	3,732,834,349	915,038,859	1,227,059,844	1,785,614,747	8,166,657,700	679,375,129	12,912,632,076	837,499,304	3,788,902,122	4,319,008,756	9,127,806,154	47,492,429,041	4,625,459,360	52,117,888,401



## 8. Property, plant and equipment

<i>In Taka</i>	Land	Building	Plant and Machinery	Furniture and fixture	Electrical and other appliances	Office machinery	Motor Vehicles	Leased assets	Under construction	Total
<b>Cost</b>										
Balance at 1 July 2018	2,199,230,265	587,410,530	1,567,276,849	241,157,292	232,195,711	87,575,528	859,041,453	10,642,993	1,364,934,576	7,149,465,197
Additions	92,582,929	-	11,089,872	7,443,771	20,069,341	21,922,558	13,507,688	-	1,308,367,956	1,474,984,115
Transfers	-	29,964,981	318,347,351	128,000	-	-	-	-	(348,440,332)	-
Disposals	-	-	(239,784)	-	-	-	(802,855)	-	(330,610,903)	(331,653,542)
<b>Balance at 30 June 2019</b>	<b>2,291,813,194</b>	<b>617,375,511</b>	<b>1,896,474,288</b>	<b>248,729,063</b>	<b>252,265,052</b>	<b>109,498,086</b>	<b>871,746,286</b>	<b>10,642,993</b>	<b>1,994,251,297</b>	<b>8,292,795,770</b>
Balance at 1 July 2019	2,291,813,194	617,375,511	1,896,474,288	248,729,063	252,265,052	109,498,086	871,746,286	10,642,993	1,994,251,297	8,292,795,770
Additions	128,981,624	188,109	13,048,578	1,093,831	20,563,946	9,534,132	26,971,801	-	1,084,097,686	1,284,479,707
Transfers	-	207,427,765	50,304,077	4,489,194	292,606,831	-	-	-	(554,827,867)	-
Disposals	-	-	-	-	-	(87,475)	(10,277,449)	-	-	(10,364,924)
<b>Balance at 30 June 2020</b>	<b>2,420,794,818</b>	<b>824,991,385</b>	<b>1,959,826,943</b>	<b>254,312,088</b>	<b>565,435,829</b>	<b>118,944,743</b>	<b>888,440,638</b>	<b>10,642,993</b>	<b>2,523,521,116</b>	<b>9,566,910,553</b>
<b>Revaluation</b>										
Balance at 1 July 2018	2,990,460,043	41,585,353	27,081,028	533,003	260,473	(34,846)	679	-	-	3,059,885,733
Disposals	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>2,990,460,043</b>	<b>41,585,353</b>	<b>27,081,028</b>	<b>533,003</b>	<b>260,473</b>	<b>(34,846)</b>	<b>679</b>	<b>-</b>	<b>-</b>	<b>3,059,885,733</b>
Balance at 1 July 2019	2,990,460,043	41,585,353	27,081,028	533,003	260,473	(34,846)	679	-	-	3,059,885,733
Disposals	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>2,990,460,043</b>	<b>41,585,353</b>	<b>27,081,028</b>	<b>533,003</b>	<b>260,473</b>	<b>(34,846)</b>	<b>679</b>	<b>-</b>	<b>-</b>	<b>3,059,885,733</b>

<i>In Taka</i>	Land	Building	Plant and Machinery	Furniture and fixture	Electrical and other appliances	Office machinery	Motor Vehicles	Leased assets	Under construction	Total
<b>Accumulated depreciation- Cost</b>										
Balance at 1 July 2018	-	36,913,537	445,647,470	58,844,954	53,328,731	38,239,060	306,546,561	10,642,993	-	950,163,306
Depreciation	-	16,042,156	222,608,113	26,136,424	28,385,156	17,761,530	175,463,458	-	-	486,396,837
Disposals	-	-	(149,865)	-	-	-	(538,369)	-	-	(688,234)
Adjustment	-	461,365	62,304	-	-	-	50,262	-	-	573,931
<b>Balance at 30 June 2019</b>	-	53,417,058	668,168,022	84,981,378	81,713,886	56,000,590	481,521,912	10,642,993	-	1,436,445,839
Balance at 1 July 2019	-	53,417,058	668,168,022	84,981,378	81,713,886	56,000,590	481,521,912	10,642,993	-	1,436,445,839
Depreciation	-	20,100,902	231,200,990	26,553,238	45,157,486	19,195,226	160,688,945	-	-	502,896,787
Disposals	-	-	-	-	-	(69,353)	(7,280,178)	-	-	(7,349,531)
Adjustment	-	503,817	13,536	-	-	-	-	-	-	517,353
<b>Balance at 30 June 2020</b>	-	74,021,777	899,382,548	111,534,616	126,871,372	75,126,463	634,930,679	10,642,993	-	1,932,510,448

<i>In Taka</i>	Land	Building	Plant and Machinery	Furniture and fixture	Electrical and other appliances	Office machinery	Motor Vehicles	Leased assets	Under construction	Total
<b>Accumulated depreciation- Revaluation</b>										
Balance at 1 July 2018	-	3,565,326	15,245,136	393,874	265,624	(34,513)	129	-	-	19,435,576
Depreciation	-	1,434,860	3,446,216	142,398	28,079	217	-	-	-	5,051,770
Adjustment	-	(25,304)	-	-	-	-	-	-	-	(25,304)
<b>Balance at 30 June 2019</b>	-	4,974,882	18,691,352	536,272	293,704	(34,296)	129	-	-	24,462,043
Balance at 1 July 2019	-	4,974,882	18,691,352	536,272	293,704	(34,296)	129	-	-	24,462,043
Depreciation	-	1,434,864	3,397,448	14,384	340	-	-	-	-	4,847,036
Adjustment	-	(25,308)	48,768	-	-	-	-	-	-	23,460
<b>Balance at 30 June 2020</b>	-	6,384,438	22,137,568	550,656	294,044	(34,296)	129	-	-	29,332,539
<b>Carrying amounts</b>										
At 1 July 2018	5,189,690,308	588,517,020	1,133,465,271	182,451,467	178,861,829	49,336,135	552,495,442	-	1,364,934,576	9,239,752,048
At 30 June 2019	5,282,273,237	600,568,924	1,236,695,942	163,744,416	170,517,935	53,496,946	390,224,924	-	1,994,251,297	9,891,773,622
<b>At 30 June 2020</b>	5,411,254,861	786,170,523	1,065,387,855	142,759,819	438,530,886	43,817,730	253,510,509	-	2,523,521,116	10,664,953,300

### 8(a) Consolidated property, plant and equipment

<i>In Taka</i>	Land	Building	Plant and Machinery	Furniture and fixture	Electrical and other appliances	Office machinery	Motor Vehicles	Leased assets	Under construction	Total
<b>Cost</b>										
Balance at 1 July 2018	3,171,917,163	1,630,181,817	4,420,277,061	1,157,939,182	648,350,104	771,342,349	1,233,360,951	55,089,077	7,693,032,505	20,781,490,208
Additions	74,082,117	8,972,766	75,653,953	25,002,753	33,936,705	42,146,787	69,029,556	-	3,765,978,522	4,094,803,158
Transfers/adjustments	219,337,964	202,389,208	1,685,735,383	32,678,587	39,652,112	56,367,071	3,212,540	-	(2,239,372,865)	-
Disposals	-	-	(239,784)	-	-	(439,853)	(2,391,997)	-	(330,610,903)	(333,682,537)
<b>Balance at 30 June 2019</b>	<b>3,465,337,244</b>	<b>1,841,543,791</b>	<b>6,181,426,612</b>	<b>1,215,620,521</b>	<b>721,938,921</b>	<b>869,416,354</b>	<b>1,303,211,050</b>	<b>55,089,077</b>	<b>8,889,027,258</b>	<b>24,542,610,829</b>
Balance at 1 July 2019	3,465,337,244	1,841,543,791	6,181,426,612	1,215,620,521	721,938,921	869,416,354	1,303,211,050	55,089,077	8,889,027,258	24,542,610,829
Additions	226,528,584	9,569,932	20,817,235	27,286,006	27,411,427	22,016,722	42,880,971	-	2,364,241,216	2,740,752,094
Transfers/adjustments	179,586,501	3,506,506,767	2,187,988,678	98,452,242	346,396,556	48,090,121	11,103,087	(44,446,084)	(6,216,189,033)	117,488,835
Disposals	-	-	-	(952,191)	-	(87,475)	(10,277,449)	-	-	(11,317,115)
<b>Balance at 30 June 2020</b>	<b>3,871,452,329</b>	<b>5,357,620,490</b>	<b>8,390,232,525</b>	<b>1,340,406,579</b>	<b>1,095,746,904</b>	<b>939,435,722</b>	<b>1,346,917,660</b>	<b>10,642,993</b>	<b>5,037,079,441</b>	<b>27,389,534,644</b>

<i>In Taka</i>	Land	Building	Plant and Machinery	Furniture and fixture	Electrical and other appliances	Office machinery	Motor Vehicles	Leased assets	Under construction	Total
<b>Revaluation</b>										
Balance at 1 July 2018	4,916,954,004	92,607,599	40,396,112	3,184,225	3,801,216	502,163	137	-	-	5,057,445,456
Disposals	-	-	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>4,916,954,004</b>	<b>92,607,599</b>	<b>40,396,112</b>	<b>3,184,225</b>	<b>3,801,216</b>	<b>502,163</b>	<b>137</b>	<b>-</b>	<b>-</b>	<b>5,057,445,456</b>
Balance at 1 July 2019	4,916,954,004	92,607,599	40,396,112	3,184,225	3,801,216	502,163	137	-	-	5,057,445,456
Disposals	-	-	-	-	-	-	-	-	-	-
Transfers/adjustments	(179,263,790)	(6,917,582)	(390,659)	(2,575,331)	(2,292,694)	(103,717)	-	-	-	(191,543,773)
<b>Balance at 30 June 2020</b>	<b>4,737,690,214</b>	<b>85,690,017</b>	<b>40,005,453</b>	<b>608,894</b>	<b>1,508,522</b>	<b>398,446</b>	<b>137</b>	<b>-</b>	<b>-</b>	<b>4,865,901,683</b>

<i>In Taka</i>	Land	Building	Plant and Machinery	Furniture and fixture	Electrical and other appliances	Office machinery	Motor Vehicles	Leased assets	Under construction	Total
<b>Accumulated depreciation- Cost</b>										
Balance at 1 July 2018	-	102,213,119	1,000,076,353	592,371,717	229,475,000	378,964,596	448,206,720	43,718,516	-	2,795,026,021
Depreciation	-	47,585,525	560,149,206	144,426,089	78,046,926	118,356,324	251,053,953	-	-	1,199,618,024
Disposals	-	-	(149,865)	-	(100)	(105,439)	(1,291,393)	-	-	(1,546,797)
Adjustment	-	461,365	62,304	-	-	-	50,262	-	-	573,931
<b>Balance at 30 June 2019</b>	-	150,260,009	1,560,137,998	736,797,806	307,521,826	497,215,481	698,019,542	43,718,516	-	3,993,671,177
Balance at 1 July 2019	-	150,260,009	1,560,137,998	736,797,806	307,521,826	497,215,481	698,019,542	43,718,516	-	3,993,671,177
Depreciation	-	134,157,605	820,170,840	134,803,423	99,611,036	114,893,598	237,457,768	-	-	1,541,094,270
Disposals	-	-	-	-	-	(69,353)	(7,280,178)	-	-	(7,349,531)
Adjustment	-	780,249	(3,416,242)	3,003,144	2,683,742	19,737,751	11,173,484	(33,075,523)	-	886,605
<b>Balance at 30 June 2020</b>	-	285,197,862	2,376,892,595	874,604,373	409,816,604	631,777,477	939,370,616	10,642,993	-	5,528,302,522
<b>Accumulated depreciation- Revaluation</b>										
Balance at 1 July 2018	-	6,588,680	18,857,006	482,974	688,595	243,503	127	-	-	26,860,885
Depreciation	-	3,000,719	5,431,674	160,140	155,911	53,502	-	-	-	8,801,946
Disposals	-	-	-	-	-	-	-	-	-	-
Adjustment	-	(25,304)	-	-	-	-	-	-	-	(25,304)
<b>Balance at 30 June 2019</b>	-	9,564,095	24,288,680	643,114	844,506	297,005	127	-	-	35,637,527
Balance at 1 July 2019	-	9,564,095	24,288,680	643,114	844,506	297,005	127	-	-	35,637,527
Depreciation	-	2,657,217	5,138,784	27,784	133,531	55,333	-	-	-	8,012,649
Disposals	-	-	-	-	-	-	-	-	-	-
Adjustment	-	(301,739)	1,517,475	(73,814)	(103,419)	14,478	-	-	-	1,052,981
<b>Balance at 30 June 2020</b>	-	11,919,573	30,944,939	597,084	874,618	366,816	127	-	-	44,703,157
<b>Carrying amounts</b>										
At 1 July 2018	8,088,871,167	1,613,987,618	3,441,739,814	568,268,716	421,987,725	392,636,413	785,154,240	11,370,561	7,693,032,505	23,017,048,759
At 30 June 2019	8,382,291,248	1,774,327,287	4,637,396,046	481,363,826	417,373,805	372,406,031	605,191,518	11,370,561	8,889,027,258	25,570,747,581
<b>At 30 June 2020</b>	8,609,142,543	5,146,193,072	6,022,400,444	465,814,015	686,564,204	307,689,875	407,547,054	-	5,037,079,441	26,682,430,648





## 9 Leases

The Group has rent agreements for depots, warehouses, outlets, and other uses for the business. Rent agreements having non-cancellable (either by agreement or in substance) tenor of 12 months or more have been charged through right of use assets. Short term rent agreements have been charged directly as expense. Information about such leases for which the Group is a lessee is presented below:

### i. Right-of-use assets

<i>In Taka</i>	30 June 2020	30 June 2019
Right-of-use assets	499,939,927	562,498,775
Additions during the year	126,983,978	109,663,585

### ii. Lease liabilities

<i>In Taka</i>	30 June 2020	30 June 2019
Non-current portion of lease liabilities	388,549,474	431,905,865
Current portion of lease liabilities	141,728,247	140,011,647
	530,277,721	571,917,512

### iii. Reconciliation of rent expense

<i>In Taka</i>	Note	30 June 2020	30 June 2019
<b>Amount recognised in profit or loss</b>			
Charge on right-of-use rent agreements	32	189,542,826	172,735,011
Interest on lease liabilities	34	65,882,764	70,689,052
Expense for short term rents	32	57,402,432	41,224,895
<b>Amount recognised in profit or loss under IFRS 16</b>		312,828,022	284,648,958
<b>Rent paid (excluding IFRS 16 adjustment)</b>		305,459,995	260,615,407

## 9(a) Consolidated leases

### i. Right-of-use assets

<i>In Taka</i>	30 June 2020	30 June 2019
Right-of-use assets	1,505,562,594	1,479,210,419

### ii. Lease liabilities

<i>In Taka</i>	30 June 2020	30 June 2019
Non-current portion of lease liabilities	1,180,584,553	1,203,077,745
Current portion of lease liabilities	402,088,291	379,531,382
	1,582,672,844	1,582,609,127

## 10. Investments

### i) Investment in shares

	30 June 2020		30 June 2019		
	Number of shares	Face value per share Taka	Called and paid up capital per share Taka	Share-holding %	Value Taka
<b>Investment in Subsidiaries</b>					
ACI Formulations Limited	24,066,105	10	10	53.48	66,872,823
ACI Salt Limited	233,000	1,000	1,000	77.67	155,000,000
ACI Foods Limited	2,850,000	100	100	95.00	285,000,000
ACI Pure Flour Limited	380,000	100	100	95.00	38,000,000
ACI Agrolink Limited	288,180	100	100	90.00	28,818,000
Creative Communication Limited	6,000	100	100	60.00	600,000
ACI Motors Limited	6,500,000	100	100	65.00	650,000
Premiaflex Plastics Limited	261,945	1,000	1,000	87.32	229,945,000
ACI Logistics Limited	273,600	1,000	1,000	76.00	273,600,000
ACI Healthcare Limited	46,469,000	10	10	92.94	464,690,000
ACI Edible Oils Limited	850,000	10	10	85.00	8,500,000
ACI Chemicals Limited	1,500,006	10	10	75.00	15,000,060
Infolytx Bangladesh Limited	600	100	100	60.00	100,060,000
ACI Biotech Limited	800,000	10	10	80.00	8,000,000
ACI Marine and Riverine Technologies Limited	7,700,000	10	10	77.00	77,000,000
					1,751,735,883
<b>Investment in Joint Ventures</b>					
ACI Godrej Agrovet (Pvt.) Limited	1,850,000	100	100	50.00	185,000,000
Tetley ACI (Bangladesh) Limited	2,500,000	100	100	50.00	325,000,000
					510,000,000
<b>Investment in Associates</b>					
Asian Consumer Care (Pvt.) Limited	8,480,187	10	10	24.00	115,205,895
ACI CO-RO Bangladesh Ltd	499,000	100	100	49.99	262,122,410
Computer Technology Limited	200	100	100	40.00	20,000
Stochastic Logic Limited	2,000	100	100	20.00	200,000
					377,548,305
<b>Investment in others</b>					
Mutual Trust Bank Limited	21,214,386	10	10	3.33	511,266,701
Central Depository Bangladesh Limited	1,142,362	10	10	0.58	3,138,890
					514,405,591
<b>ii) Other investment</b>					
Term deposit and others					70,550,338
					70,550,338
Investment impairment provision					3,224,240,117
					(273,600,000)
<b>Total investment</b>					2,950,640,117
					115,425,895
					645,987,639
					3,138,890
					649,126,529
					3,916,930
					3,916,930
					2,918,230,237
					(273,600,000)
					2,644,630,237

Investment impairment provision is kept on investment in ACI Logistics Limited as it has been loss making since its inception, which led management to make this impairment provision.



## 10(a) Consolidated investments

### 10(a).1 Equity-accounted investees

<i>In Taka</i>	30 June 2020	30 June 2019
<b>Investment valued under equity method</b>		
ACI Godrej Agrovet (Pvt.) Limited	1,142,907,207	1,075,236,349
Tetley ACI (Bangladesh) Limited	(11,605,510)	(42,581,603)
Asian Consumer Care (Pvt.) Limited	279,489,768	271,706,635
ACI CO-RO Bangladesh Ltd	257,656,082	-
Stochastic Logic Limited	374,209	29,785
	<b>1,668,821,756</b>	<b>1,304,391,166</b>

### 10(a).2 Other investments

<i>In Taka</i>	30 June 2020	30 June 2019
<b>Investment valued at fair value</b>		
Mutual Trust Bank Limited	511,266,701	645,987,639
Investment Corporation of Bangladesh	671,675	671,675
Titas Gas Transmission and Distribution Company Limited	1,635,300	1,635,300
	<b>513,573,676</b>	<b>648,294,614</b>
<b>Investment not measured at fair value</b>		
Central Depository Bangladesh Limited	3,138,890	3,138,890
Computer Technology Limited	20,000	20,000
Term deposits and others	260,612,469	196,754,846
	<b>263,771,359</b>	<b>199,913,736</b>
	<b>777,345,035</b>	<b>848,208,350</b>

**11** Intangible assets represent software used for the operation of ACI Limited.

### 11(a) Consolidated intangible assets

<i>In Taka</i>	Product Development	Software	Goodwill	Total
<b>Cost</b>				
Balance at 1 July 2018	63,775,908	94,809,098	12,382,918	170,967,924
Additions	-	1,275,372	-	1,275,372
<b>Balance at 30 June 2019</b>	<b>63,775,908</b>	<b>96,084,470</b>	<b>12,382,918</b>	<b>172,243,296</b>
Balance at 1 July 2019	63,775,908	96,084,470	12,382,918	172,243,296
Additions	-	31,508,381	-	31,508,381
<b>Balance at 30 June 2020</b>	<b>63,775,908</b>	<b>127,592,852</b>	<b>12,382,918</b>	<b>203,751,678</b>
<b>Accumulated amortisation- Cost</b>				
Balance at 1 July 2018	11,185,883	34,308,951	7,235,126	52,729,960
Amortisation	8,423,088	7,912,499	-	16,335,586
<b>Balance at 30 June 2019</b>	<b>19,608,971</b>	<b>42,221,450</b>	<b>7,235,126</b>	<b>69,065,546</b>
Balance at 1 July 2019	19,608,971	42,221,450	7,235,126	69,065,546
Amortisation	6,377,591	12,625,347	-	19,002,938
<b>Balance at 30 June 2020</b>	<b>25,986,562</b>	<b>54,846,797</b>	<b>7,235,126</b>	<b>88,068,484</b>
<b>Carrying amounts</b>				
At 1 July 2018	52,590,025	60,500,147	5,147,792	118,237,964
At 30 June 2019	44,166,938	53,863,020	5,147,792	103,177,750
<b>At 30 June 2020</b>	<b>37,789,347</b>	<b>72,746,055</b>	<b>5,147,792</b>	<b>115,683,193</b>

During the year no external or internal indication was found which may trigger impairment of intangible assets.

## 12 Biological assets

<i>In Taka</i>	30 June 2020	30 June 2019
Opening balance	-	-
Purchase during the year	9,977,215	-
Disposal during the year	(167,063)	-
Changes in fair value less costs to sell	1,104,717	-
	10,914,869	-

Biological assets of the company consists breeding bulls.

### 12(a) Consolidated Biological assets

<i>In Taka</i>	30 June 2020	30 June 2019
Opening balance	-	-
Purchase during the year	9,977,215	-
Disposal during the year	(167,063)	-
Changes in fair value less costs to sell	1,104,717	-
	10,914,869	-

## 13 Inventories

<i>In Taka</i>	30 June 2020	30 June 2019
Raw materials	1,524,250,712	1,484,624,582
Packing materials	531,723,670	391,494,744
Work in process	206,514,622	239,376,846
Finished goods	2,555,272,538	3,393,364,172
Goods in transit	533,456,702	350,786,149
Stores and spares	69,401,677	52,889,789
Allowance for inventories	(444,500,412)	(436,462,897)
	4,976,119,509	5,476,073,385

As the Company deals in large number of items which vary in units, item-wise quantity statement of inventories could not be given.

### 13(a) Consolidated inventories

<i>In Taka</i>	30 June 2020	30 June 2019
Raw materials	3,315,790,117	3,458,797,659
Packing materials	585,904,747	664,576,760
Work in process	345,348,458	376,935,365
Finished goods	7,649,100,333	8,641,540,393
Goods in transit	1,112,551,159	777,284,602
Stores and spares	205,310,780	146,636,626
Allowance for inventories	(668,333,945)	(505,682,720)
	12,545,671,650	13,560,088,685

## 14 Trade receivables

<i>In Taka</i>	30 June 2020			30 June 2019
	Dues over 6 months	Dues below 6 months	Total	Total
Pharmaceuticals	86,624,273	446,607,518	533,231,791	421,838,534
Animal health	58,006,793	463,616,766	521,623,559	595,792,854
Consumer brands	2,384,909,895	164,229,210	2,549,139,105	3,724,256,611
Seeds	270,060,850	189,248,788	459,309,638	356,704,912
Fertilizer	129,197,553	160,099,858	289,297,411	419,852,044
Cropex	113,460,418	-	113,460,418	113,460,418
Others	-	-	-	-
	3,042,259,782	1,423,802,140	4,466,061,922	5,631,905,373
Allowance for impairment loss			(584,582,500)	(473,409,731)
			3,881,479,422	5,158,495,642

As the Company deals with large number of parties, party-wise trade receivables could not be given and hence business wise breakdown has been disclosed.



#### 14(a) Consolidated trade receivables

<i>In Taka</i>	30 June 2020			30 June 2019
	Dues over 6 months	Dues below 6 months	Total	Total
ACI Limited	3,042,259,782	1,423,802,140	4,466,061,922	5,631,905,373
ACI Formulations Limited	424,051,989	1,328,227,853	1,752,279,842	1,861,263,656
ACI Logistics Limited	84,863,016	21,215,754	106,078,770	102,358,349
ACI Salt Limited	2,216,368	26,342,581	28,558,949	32,855,673
ACI Foods Limited	95,581,351	201,945,067	297,526,418	399,834,216
ACI Pure Flour Limited	31,311,828	113,431,492	144,743,320	162,709,994
Premiaflex Plastics Limited	154,737,323	1,112,628,045	1,267,365,367	1,113,665,416
ACI Motors Limited	649,117,882	3,775,189,365	4,424,307,247	3,833,065,845
Creative Communication Limited	115,448,733	34,176,265	149,624,998	163,684,963
ACI Agrolink Limited	73,452,650	89,775,461	163,228,111	133,279,995
ACI Edible Oils Limited	9,369,058	4,379,933	13,748,991	49,608,247
ACI Chemicals Limited	14,220,744	5,783,916	20,004,660	21,038,322
ACI HealthCare Limited	-	485,122,433	485,122,433	1,351,994,932
Infolytx Bangladesh Limited	-	11,745,000	11,745,000	9,210,000
Consolidating elimination	-	(130,185,960)	(130,185,960)	(236,805,661)
	4,696,630,723	8,503,579,345	13,200,210,068	14,629,669,321
Allowance for impairment loss			(987,291,239)	(802,503,348)
			12,212,918,829	13,827,165,973

#### 15 Other receivables

<i>In Taka</i>	30 June 2020			30 June 2019
	Dues over 6 months	Dues below 6 months	Total	Total
Les Laboratories Servier	-	39,908,167	39,908,167	-
Transcom Distribution Limited	-	23,888,800	23,888,800	26,078,152
Receivables from other entities	135,960,756	174,804,528	310,765,284	253,006,361
	135,960,756	238,601,495	374,562,251	279,084,513

#### 15(a) Consolidated other receivables

<i>In Taka</i>	30 June 2020	30 June 2019
Debts due over six months	290,765,427	277,520,260
Debts due below six months	379,353,768	232,061,722
	670,119,195	509,581,982

#### 16 Inter-company receivables

<i>In Taka</i>	30 June 2020			30 June 2019
	Dues over 6 months	Dues below 6 months	Total	Total
ACI Formulations Limited	-	865,637,246	865,637,246	1,153,733,564
Computer Technology Limited	30,000	-	30,000	30,000
Tetley ACI (Bangladesh) Limited	-	545,998	545,998	39,929,904
Asian Consumer Care (Pvt.) Limited	7,893,516	-	7,893,516	7,893,516
ACI Godrej Agrovet (Pvt.) Limited	888,598	50,000	938,598	879,726
ACI Foods Limited	-	2,883,554,015	2,883,554,015	2,829,892,759
ACI Agrolink Limited	358,827,611	274,218,059	633,045,670	395,147,712
Stochastic Logic Limited	-	116,498	116,498	1,850,719
Premiaflex Plastics Limited	-	2,463,633,553	2,463,633,553	1,830,156,920
Creative Communication Limited	-	3,009,426	3,009,426	20,002,128
ACI Chemicals Limited	137,644,859	50,549,352	188,194,211	133,914,749
Infolytx Bangladesh Limited	275,394,918	59,978,891	335,373,809	211,090,121
ACI Logistics Limited	3,721,336,781	2,516,945,199	6,238,281,980	4,334,972,843
ACI Healthcare Limited	3,466,837,167	1,270,852,134	4,737,689,301	3,483,485,631
ACI Biotech Limited	342,330,021	446,265,375	788,595,396	482,720,624
	8,311,183,471	10,835,355,746	19,146,539,217	14,925,700,916

Inter-company receivable is operated under normal course of business maintaining a common policy of charging interest to ensure efficient fund management and optimise effective borrowing cost at group level following the group's policy on fund utilisation and management to maximise interest of the shareholders.



## 16(a) Consolidated inter-company receivables

In Taka	30 June 2020			30 June 2019
	Dues over 6 months	Dues below 6 months	Total	Total
Tetley ACI (Bangladesh) Limited	-	545,998	545,998	39,929,904
Asian Consumer Care (Pvt.) Limited	7,893,516	-	7,893,516	7,893,516
Computer Technology Limited	30,000	-	30,000	30,000
ACI Godrej Agrovat (Pvt.) Limited	888,598	50,000	938,598	879,726
Stochastic Logic Limited	-	116,498	116,498	1,850,719
	8,812,114	712,496	9,524,610	50,583,865

## 17 Advances, deposits and prepayments

In Taka	Note	30 June 2020	30 June 2019
<b>Advances</b>			
Staff		28,009,159	28,432,029
Suppliers, C&F agents and others		162,828,224	193,430,777
Rent		22,234,920	41,373,866
Bank guarantee margin		44,683,926	12,686,246
VAT current account		240,320,128	232,543,691
		498,076,357	508,466,609
<b>Deposits</b>			
Deposits for utilities		130,435,418	118,774,878
Tender deposits		85,490,017	72,333,595
		215,925,435	191,108,473
<b>Prepayments</b>			
Prepaid expenses		29,849,683	32,063,931
		743,851,475	731,639,013

## 17(a) Consolidated advances, deposits and prepayments

In Taka	30 June 2020	30 June 2019
<b>Advances</b>		
Staff	29,350,595	71,066,954
Suppliers and others	826,446,476	397,599,570
Rent	146,932,845	168,687,406
Bank guarantee margin and L/C margin	76,327,133	53,390,303
VAT current account	371,963,201	553,944,004
Advance for capital expenditure	9,240,679	8,578,485
	1,460,260,929	1,253,266,721
<b>Deposits</b>		
Deposits for utilities	257,835,759	232,270,520
Tender deposits	130,734,952	94,691,117
	388,570,711	326,961,637
<b>Prepayments</b>		
Prepaid expenses	233,170,260	191,029,674
	2,082,001,900	1,771,258,032

## 18 Cash and cash equivalents

In Taka	Note	30 June 2020	30 June 2019
Cash in hand		38,231,419	36,832,430
Collection in hand	18.1	192,855,786	173,366,210
Cash at banks	18.2	556,739,040	782,757,768
<b>Cash and cash equivalents in the statement of financial position</b>		787,826,245	992,956,408
Bank overdrafts	24	(2,502,962,921)	(2,633,244,019)
<b>Cash and cash equivalents in the statement of cash flows</b>		(1,715,136,676)	(1,640,287,611)

**18.1** This represents cash in hand at depots which was collected against cash sales and collection instruments that were received against credit sale at the end of the reporting period.



## 18.2 Cash at banks

<i>In Taka</i>	30 June 2020	30 June 2019
AB Bank Limited	79,924,802	119,128,369
Agrani Bank Limited	12,157,671	35,471,600
Al-Arafah Islami Bank Limited	2,362,845	1,920
National Bank Limited	680	-
Bank Asia Limited	11,551,780	1,261,777
BRAC Bank Limited	12,603,504	124,286,586
Commercial Bank of Ceylon Plc	80,334,529	47,455,999
Dhaka Bank Limited	4,380,712	58,790
Dutch-Bangla Bank Limited	420,515	10,374,234
Eastern Bank Limited	9,009,602	9,318,911
Janata Bank Limited	23,299,818	12,941,993
Mercantile Bank Limited	12,927,452	5,446,177
Midland Bank Limited	5,056	1,654,750
Mutual Trust Bank Limited	751,238	229
NRB Bank Limited	293,989	192
ONE Bank Limited	11,050,408	8,781,800
Prime Bank Limited	15,462,357	74,237,915
Pubali Bank Limited	56,741,310	90,592,215
Sonali Bank Limited	18,364,741	57,468,938
Standard Chartered Bank	101,615,856	93,830,021
The City Bank Limited	3,099,590	10,869,110
The Hongkong and Shanghai Banking Corporation Limited	98,223,053	78,649,008
Trust Bank Limited	760	3,100
United Commercial Bank Limited	-	654,206
Uttara Bank Limited	1,507,245	269,928
Meghna Bank Limited	649,527	-
	556,739,040	782,757,768

## 18.3 Reconciliation of net operating cash flow

<i>In Taka</i>	30 June 2020	30 June 2019
Profit after tax	1,718,919,934	531,442,797
<i>Adjustment for:</i>		
- Depreciation and amortisation	508,544,653	491,601,679
- Impairment provision	-	13,600,000
- Gain/loss on asset disposal	(2,538,853)	180,610,903
- Bad debt loss and inventory provision	119,210,284	310,367,944
- Net finance cost	750,563,708	736,290,977
- Income tax expense	627,814,269	368,139,970
- Contribution to WPPF	123,512,326	58,117,222
- IFRS 16 and other adjustments	163,097,749	102,045,959
<i>Changes in:</i>		
- Inventories	491,916,361	(519,395,357)
- Trade and other receivables	683,579,310	(524,427,507)
- Advances, deposits and prepayments	1,338,568	95,527,622
- Trade and other payables & employment benefits	662,525,544	903,790,108
<b>Cash generated from operating activities</b>	<b>5,848,483,854</b>	<b>2,747,712,317</b>
Paid to WPPF	(72,377,861)	(64,992,971)
Interest paid	(704,190,860)	(632,523,352)
Income tax paid	(579,892,952)	(590,433,720)
<b>Net cash from operating activities</b>	<b>4,492,022,181</b>	<b>1,459,762,274</b>

### 18(a) Consolidated cash and cash equivalents

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Cash in hand		73,760,981	68,473,940
Collection in hand		626,231,010	808,252,812
Cash at banks		2,182,929,602	1,443,261,711
<b>Cash and cash equivalents in the consolidated statement of financial position</b>		<b>2,882,921,593</b>	<b>2,319,988,462</b>
Bank overdrafts	24(a)	(4,440,893,673)	(4,618,176,594)
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>		<b>(1,557,972,080)</b>	<b>(2,298,188,132)</b>

### 18.1(a) Reconciliation of Consolidated net operating cash flow

<i>In Taka</i>	30 June 2020	30 June 2019
Loss after tax	(1,322,355,684)	(933,936,135)
<i>Adjustment for:</i>		
- Depreciation and amortisation	1,553,320,873	1,213,940,308
- Bad debt loss and inventory provision	347,439,116	475,063,108
- Share of profit of equity accounted investees	(367,008,180)	(161,076,381)
- Net finance cost	4,571,407,759	3,329,768,907
- Tax expense	1,223,729,185	1,103,451,146
- Contribution to WPPF	225,641,786	146,239,765
- Gain/loss on asset disposal	(2,680,617)	180,610,903
- IFRS 16 and other adjustments	407,540,816	268,670,455
<i>Changes in:</i>		
- Inventories	851,765,809	(1,962,349,992)
- Trade and other receivables	1,268,922,039	(3,093,968,516)
- Advances, deposits and prepayments	(310,743,868)	8,860,522
- Trade and other payables & employment benefits	2,036,821,853	2,715,060,379
<b>Cash generated from operating activities</b>	<b>10,483,800,888</b>	<b>3,290,334,467</b>
Paid to WPPF	(134,609,898)	(119,177,712)
Interest paid	(3,967,539,139)	(3,182,135,372)
Income tax paid	(1,631,861,449)	(1,461,640,101)
<b>Net cash from operating activities</b>	<b>4,749,790,401</b>	<b>(1,472,618,718)</b>

## 19 Share capital

<i>In Taka</i>	30 June 2020	30 June 2019
In issue at the opening	498,895,265	482,024,411
Bonus share issued	74,834,290	16,870,854
<b>In issue at reporting date- fully paid</b>	<b>573,729,555</b>	<b>498,895,265</b>
Authorised - par value Tk. 10	1,500,000,000	1,500,000,000

### Number and percentage of shareholdings:

	Number of shares		Percentage of shareholding	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Directors & sponsors	20,241,691	22,940,936	35.28%	45.98%
Institutions	23,270,739	14,849,665	40.56%	29.77%
General shareholders	13,860,525	12,098,925	24.16%	24.25%
	<b>57,372,955</b>	<b>49,889,526</b>	<b>100.00%</b>	<b>100.00%</b>

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

Number of shareholdings	Number of shareholders		Number of shares		Percentage of shareholdings of total number of shares	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Less than 500	11,413	11,515	1,502,184	1,439,706	2.62%	2.89%
501 - 5,000	3,014	2,705	4,169,446	3,707,280	7.27%	7.43%
5,001 - 10,000	187	182	1,298,185	1,254,333	2.26%	2.51%
10,001 - 20,000	123	100	1,690,455	1,347,204	2.95%	2.70%
20,001 - 30,000	37	38	918,046	933,937	1.60%	1.87%
30,001 - 40,000	24	16	823,153	559,161	1.43%	1.12%
40,001 - 50,000	12	11	543,034	506,858	0.95%	1.02%
50,001 - 100,000	25	23	1,797,447	1,626,587	3.13%	3.26%
100,001 - 1,000,000	27	25	9,079,962	7,965,468	15.83%	15.97%
Over - 1,000,000	11	9	35,551,043	30,548,992	61.96%	61.23%
	<b>14,873</b>	<b>14,624</b>	<b>57,372,955</b>	<b>49,889,526</b>	<b>100.00%</b>	<b>100.00%</b>

## 20 Reserves

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Capital reserve		1,671,386	1,671,386
Revaluation reserve		3,075,540,948	3,075,540,948
FVOCI reserve	20.1	434,655,631	555,904,475
		<b>3,511,867,965</b>	<b>3,633,116,809</b>

### 20.1 FVOCI reserve

	Number of shares held	Market value of shares	Cost of investment	Movement in fair value	Changes in fair value of financial assets	Fair value reserve as at reporting date
		<i>In Taka</i>	<i>In Taka</i>	<i>In Taka</i>	<i>In Taka</i>	<i>In Taka</i>
30 June 2019	19,112,060	645,987,639	28,316,000	617,671,639	99,382,714	555,904,475
<b>30 June 2020</b>	<b>21,214,386</b>	<b>511,266,701</b>	<b>28,316,000</b>	<b>482,950,701</b>	<b>(134,720,938)</b>	<b>434,655,631</b>

This available for sale reserve is for investment in shares of Mutual Trust Bank Limited.

### 20(a) Consolidated reserves

<i>In Taka</i>	30 June 2020	30 June 2019
Capital reserve	1,671,386	1,671,386
Translation reserve	(1,396,614)	(848,385)
Revaluation reserve	4,277,933,521	4,277,933,521
FVOCI reserve	433,046,593	554,780,650
	<b>4,711,254,886</b>	<b>4,833,537,172</b>

## 21 Employee benefits

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Staff gratuity provision	21.1	932,887,197	798,775,062
Other long term employee benefits		148,005,399	142,054,095
Employees group insurance fund		400,000	400,000
		<b>1,081,292,596</b>	<b>941,229,157</b>

### 21.1 Staff gratuity provision

<i>In Taka</i>	30 June 2020	30 June 2019
Opening balance	798,775,062	798,775,062
Provision made during the year	167,347,594	25,041,537
Paid during the year	(33,235,459)	(25,041,537)
Closing balance	<b>932,887,197</b>	<b>798,775,062</b>

### 21(a) Consolidated employee benefits

<i>In Taka</i>	30 June 2020	30 June 2019
Staff gratuity provision	1,152,626,201	1,025,318,428
Other long term employee benefits	213,992,070	153,154,006
Employees group insurance fund	400,000	400,000
	<b>1,367,018,271</b>	<b>1,178,872,434</b>





## 22 Long term bank loans

<i>In Taka</i>	30 June 2020	30 June 2019
Dhaka Bank Limited	79,510,805	34,385,288
Dutch-Bangla Bank Limited	450,510,791	446,839,240
Eastern Bank Limited	41,794,331	86,403,407
	571,815,927	567,627,935

### 22(a) Consolidated long term bank loans

<i>In Taka</i>	30 June 2020	30 June 2019
Bank Asia Limited	197,837,482	252,171,470
Brac Bank Limited	582,263,081	736,611,456
Dhaka Bank Limited	1,392,870,584	635,983,831
Dutch-Bangla Bank Limited	1,689,677,624	1,290,620,583
Eastern Bank Limited	94,641,852	342,946,976
Jamuna Bank Limited	144,950,656	193,675,472
Mercantile Bank Limited	1,024,925,485	1,093,232,433
Midland Bank Limited	275,157,494	25,042,908
National Bank Limited	1,071,383,650	1,276,130,676
Prime Bank Limited	1,288,076,671	1,309,920,248
Pubali Bank Limited	220,977,456	353,622,469
The City Bank Limited	5,654,707	33,274,986
Trust Bank Limited	273,684,180	501,941,783
United Commercial Bank Limited	9,666,779	34,002,155
	8,271,767,701	8,079,177,445

## 23 Deferred tax liabilities/(assets)

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Opening balance		(86,566,880)	106,186,444
Deferred tax (income)/expense recognised through profit or loss	35	(114,028,061)	(202,691,595)
Deferred tax (income)/expense recognised for FVOCI financial assets	20.1	(13,472,094)	9,938,271
<b>Closing balance</b>		<b>(214,067,035)</b>	<b>(86,566,880)</b>

### Details of deferred tax liabilities/(assets)

<i>In Taka</i>	Carrying amount on reporting date	Tax base	Taxable/(deductible) temporary difference	Deferred tax liabilities/(assets)
<b>At 30 June 2020</b>				
Property, plant and equipment (other than land and under construction)	2,730,177,323	1,995,297,635	734,879,688	183,719,922
Land	5,411,254,861	-	5,411,254,861	135,196,467
Provision for inventories	(444,500,412)	-	(444,500,412)	(111,125,103)
Provision for trade receivables	(584,582,500)	-	(584,582,500)	(146,145,625)
Investment impairment provision	(273,600,000)	-	(273,600,000)	(68,400,000)
Provision for gratuity	(932,887,197)	-	(932,887,197)	(233,221,799)
FVOCI reserve	482,950,701	-	482,950,701	48,295,070
Temporary difference for IFRS 16: Lease	(89,543,869)	-	(89,543,869)	(22,385,967)
<b>Taxable temporary differences</b>	<b>6,299,268,907</b>	<b>1,995,297,635</b>	<b>4,303,971,272</b>	<b>(214,067,035)</b>

<i>In Taka</i>	Carrying amount on reporting date	Tax base	Taxable/ (deductible) temporary difference	Deferred tax liabilities/ (assets)
<b>At 30 June 2019</b>				
Property, plant and equipment (other than land and under construction)	2,615,249,088	1,684,947,601	930,301,487	232,575,372
Land	5,282,273,237	-	5,282,273,237	135,196,467
Provision for inventories	(436,462,897)	-	(436,462,897)	(109,115,724)
Provision for trade receivables	(473,409,731)	-	(473,409,731)	(118,352,433)
Investment impairment provision	(273,600,000)	-	(273,600,000)	(68,400,000)
Provision for gratuity	(798,775,062)	-	(798,775,062)	(199,693,766)
Available for sale reserve	617,671,639	-	617,671,639	61,767,164
Temporary difference for IFRS 16: Lease	(82,175,843)	-	(82,175,843)	(20,543,961)
<b>Taxable temporary differences</b>	<b>6,450,770,431</b>	<b>1,684,947,601</b>	<b>4,765,822,830</b>	<b>(86,566,880)</b>

Applicable tax rate for:

Land	3% - 4%
FVOCI/Available for sale reserve	10%
Other than land and available for sale reserve	25%

### 23(a) Consolidated deferred tax liabilities/(assets)

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Opening balance		74,445,704	363,601,644
Deferred tax (income)/expense recognised through profit or loss		(460,512,750)	(282,988,259)
Deferred tax expense recognised for FVOCI financial assets through OCI		(13,533,839)	9,918,600
Adjustments		693,953	(16,086,281)
<b>Balance at reporting date</b>		<b>(398,906,932)</b>	<b>74,445,704</b>

### 24 Bank overdraft

<i>In Taka</i>	30 June 2020	30 June 2019
Agrani Bank Limited	927,605,293	992,640,499
Bank Alfalah Limited	120,349,528	115,270,092
BRAC Bank Limited	37,488,267	32,441,014
Commercial Bank of Ceylon Plc.	27,105,209	18,138,330
Dutch Bangla Bank Limited	99,007,440	60,881,568
Eastern Bank Limited	30,900,125	30,788,940
Mercantile Bank Limited	166,388,716	180,176,787
National Credit and Commerce Bank Limited	250,271,385	247,704,670
Meghna Bank Limited	1,438,632	-
NRB Bank Limited	44,305,809	42,091,679
ONE Bank Limited	80,212,154	97,840,249
Prime Bank Limited	65,356,162	128,513,760
Standard Chartered Bank	-	29,382,809
The City Bank Limited	190,251,177	195,940,324
The Hongkong and Shanghai Banking Corporation Limited	-	37,215,998
The Premier Bank Limited	408,421,636	394,589,136
United Commercial Bank Limited	50,481,641	29,628,164
Jamuna Bank Limited	680,205	-
	<b>2,502,962,921</b>	<b>2,633,244,019</b>



## 24(a) Consolidated bank overdraft

<i>In Taka</i>	30 June 2020	30 June 2019
Agrani Bank Limited	927,605,293	992,640,499
Bank Alfalah Limited	120,349,528	115,270,092
Bank Asia Limited	146,293,830	107,686,879
BRAC Bank Limited	60,712,276	44,271,468
Commercial Bank of Ceylon Plc.	47,933,888	37,423,700
Dutch Bangla Bank Limited	233,436,994	231,245,911
Eastern Bank Limited	61,038,127	61,278,396
The Hongkong and Shanghai Banking Corporation Limited	(1,148,751)	46,582,240
Trust Bank Limited	195,296,559	176,950,085
Mercantile Bank Limited	166,388,716	180,176,787
Midland Bank Limited	143,414,277	149,035,898
National Bank Limited	144,273,731	140,559,997
National Credit and Commerce Bank Limited	250,271,385	247,704,670
NRB Bank Limited	44,305,809	42,091,679
ONE Bank Limited	182,285,832	194,141,580
Prime Bank Limited	222,168,057	314,861,389
Pubali Bank Limited	386,054,317	450,839,867
Standard Chartered Bank	41,545,877	43,432,795
The City Bank Limited	203,158,319	215,595,019
The Premier Bank Limited	408,421,636	394,589,136
United Commercial Bank Limited	253,635,335	230,842,742
Jamuna Bank Limited	202,014,006	200,955,764
Meghna Bank Limited	1,438,632	-
	4,440,893,673	4,618,176,594

## 25 Loans and borrowings - short term

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Short term loan	25.1	11,906,970,943	12,629,691,755
Current portion of long term loan	25.2	227,405,222	197,932,803
		12,134,376,165	12,827,624,558

### 25.1 Short term loan

<i>In Taka</i>	30 June 2020	30 June 2019
Meghna Bank Limited	4,314,240	-
Al-Arafah Islami Bank Limited	1,000,000,000	-
Bank Asia Limited	555,776,317	994,731,460
Bank Alfalah Limited	214,699,081	217,627,148
BRAC Bank Limited	697,586,613	1,070,339,952
Commercial Bank of Ceylon Plc	1,230,025,002	1,058,229,971
Dhaka Bank Limited	947,938,272	1,074,855,725
Dutch Bangla Bank Limited	391,629,012	557,048,784
Eastern Bank Limited	-	293,559,840
The Hongkong and Shanghai Banking Corporation Limited	-	429,666,662
Jamuna Bank Limited	547,599,735	1,240,688,854
NRB Bank Limited	810,000,000	238,956,515
ONE Bank Limited	200,000,000	200,000,000
Prime Bank Limited	374,700,040	752,581,769
Pubali Bank Limited	834,458,037	1,536,872,755
Standard Chartered Bank	161,543,492	217,867,886
The City Bank Limited	2,232,775,244	2,246,667,330
IPDC Finance Limited	500,000,000	-
United Commercial Bank Limited	403,925,858	-
Uttara Bank Limited	800,000,000	499,997,104
	11,906,970,943	12,629,691,755

## 25.2 Current portion of long term loan

<i>In Taka</i>	30 June 2020	30 June 2019
Dhaka Bank Limited	34,439,849	6,102,010
Dutch Bangla Bank Limited	148,310,473	147,130,068
Eastern Bank Limited	44,654,900	44,700,725
	227,405,222	197,932,803

ACI Limited has following facility arrangements with banks as at 30 June 2020:

<i>In Taka</i>	Overdraft limits	Short-term facilities limits	Long-term loan limits	Revolving Trust Receipt Limit/ Letter of credit	Bank guarantee
Agrani Bank Limited	1,000,000,000	-	-	500,000,000	10,000,000
Bank Alfalah Limited	120,000,000	200,000,000	-	320,000,000	-
Bank Asia Limited	-	-	-	850,000,000	100,000,000
BRAC Bank limited	60,000,000	600,000,000	-	1,350,000,000	30,000,000
Commercial Bank of Ceylon Plc.	30,000,000	700,000,000	-	1,000,000,000	-
Dhaka Bank Limited	-	800,000,000	250,000,000	800,000,000	10,000,000
Dutch Bangla Bank Limited	150,000,000	-	600,000,000	600,000,000	20,000,000
Eastern Bank Limited	40,000,000	-	101,350,000	-	14,450,000
HSBC	50,000,000	400,000,000	-	500,000,000	5,000,000
Jamuna Bank Limited	-	750,000,000	-	750,000,000	10,000,000
Mercantile Bank Limited	200,000,000	500,000,000	-	1,500,000,000	10,000,000
NCC Bank Limited	250,000,000	-	-	-	-
NRB Bank Limited	50,000,000	200,000,000	-	200,000,000	-
ONE Bank Limited	100,000,000	200,000,000	-	100,000,000	-
Premier Bank Limited	400,000,000	-	-	750,000,000	-
Prime Bank Limited	260,000,000	850,000,000	-	2,000,000,000	50,000,000
Pubali Bank Limited	500,000,000	1,500,000,000	-	600,000,000	210,000,000
Standard Chartered Bank	80,000,000	300,000,000	-	320,500,000	224,500,000
The City Bank Limited	200,000,000	1,950,000,000	-	3,000,000,000	10,000,000
Trust Bank Limited	-	-	-	250,000,000	-
United Commercial Bank Ltd	50,000,000	500,000,000	-	500,000,000	10,000,000
Uttara Bank Limited	-	800,000,000	-	-	-
Meghna Bank Limited	20,000,000	800,000,000	-	1,900,000,000	20,000,000
Al-Arafah Islami Bank Limited	-	1,000,000,000	-	-	-
IPDC Finance Limited	-	500,000,000	-	-	-
Midland Bank Limited	-	610,000,000	-	-	-

### Securities for the facilities mentioned above are as below:

- Demand promissory notes for BDT 20,225.00 million.
- Registered hypothecation over inventories and accounts receivables on pari-passu basis for BDT 14,585.00 million.
- Registered hypothecation over plant and machinery on pari-passu basis for BDT 2,885.00 million.
- Corporate guarantee issued to Agrani Bank Ltd. by ACI Formulations Ltd, ACI Pure Flour Ltd. and ACI Salt Ltd. & Premiaflex Plastics Ltd.
- Corporate guarantee issued to One Bank Limited by ACI Salt Limited & ACI Motors Ltd.
- Corporate guarantee issued to Premier Bank Limited by ACI Salt Limited.
- Corporate guarantee issued to Dutch Bangla Bank Limited by ACI Salt Limited, ACI Foods Ltd., ACI Motors Limited and Premiaflex Plastics Ltd. & Neem Laboratories Ltd.
- Corporate guarantee issued to Uttara Bank Limited by ACI Salt Limited.
- Post dated Cheque BDT 15,810.00 million to Agrani Bank Ltd, Bank Asia Ltd, BRAC Bank Ltd, Dhaka Bank Ltd, DBBL, Jamuna Bank Ltd, Mercantile Bank Ltd, NRB Bank Ltd, NCC Bank Ltd, Prime Bank Ltd, Pubali Bank Ltd, UCBL, Meghna Bank Ltd. & AIBL.

## 25(a) Consolidated loans and borrowings - short term

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Short term loan	25(a).1	22,822,007,267	22,842,587,452
Current portion of long term loan	25(a).2	4,466,281,007	4,421,329,343
		27,288,288,273	27,263,916,795



### 25(a).1 Consolidated short term loan

<i>In Taka</i>	30 June 2020	30 June 2019
Premier Bank Limited	359,648,957	-
Meghna Bank Limited	4,314,240	-
Bank Alfalah Limited	214,699,081	217,627,148
Bank Asia Limited	2,378,527,499	2,604,384,154
BRAC Bank Limited	771,862,415	1,901,756,378
Commercial Bank of Ceylon Plc.	2,054,418,596	1,666,963,232
Dhaka Bank Limited	1,048,009,872	1,095,246,068
Dutch Bangla Bank Limited	995,529,553	1,075,594,221
Eastern Bank Limited	872,885	1,377,353,704
Al-Arafah Islami Bank Limited	1,000,000,000	-
The Hongkong and Shanghai Banking Corporation Limited	-	462,178,384
Jamuna Bank Limited	551,576,652	1,240,942,428
Mercantile Bank Limited	2,031,511,804	1,541,605,915
Midland Bank Limited	97,955,957	318,812,602
National Bank Limited	153,410,906	159,189,966
NRB Bank Limited	889,079,169	238,956,515
ONE Bank Limited	303,042,063	301,254,853
Prime Bank Limited	1,483,093,279	2,228,117,972
Pubali Bank Limited	1,615,270,944	1,583,735,755
Standard Chartered Bank	237,441,492	219,851,974
The City Bank Limited	3,080,347,863	2,965,419,288
Trust Bank Limited	774,267,183	354,036,042
United Commercial Bank Limited	403,925,858	-
Uttara Bank Limited	800,000,000	499,997,104
IPDC Finance Limited	500,000,000	-
Loans and borrowings of foreign subsidiary	1,073,200,998	789,563,748
	22,822,007,267	22,842,587,452

### 25(a).2 Consolidated current portion of long term loan

<i>In Taka</i>	30 June 2020	30 June 2019
Brac Bank Limited	535,152,881	423,638,412
Bank Asia Limited	650,359,563	684,298,232
Dhaka Bank Limited	96,980,757	281,257,855
Dutch Bangla Bank Limited	816,050,430	684,964,388
Eastern Bank Limited	289,568,511	720,165,314
Jamuna Bank Limited	106,907,974	94,340,821
Mercantile Bank Limited	657,812,489	427,763,583
Midland Bank Limited	185,877,017	70,295,252
National Bank Limited	269,343,199	198,780,691
Prime Bank Limited	442,209,790	497,756,840
Pubali Bank Limited	136,113,840	21,889,517
The City Bank Limited	28,666,222	26,063,026
Trust Bank Limited	221,524,159	264,292,731
United Commercial Bank Limited	29,714,174	25,822,681
	4,466,281,007	4,421,329,343

### 26 Trade payables

<i>In Taka</i>	30 June 2020	30 June 2019
Payable to suppliers	1,497,795,622	1,199,383,457
	1,497,795,622	1,199,383,457

Trade payable consists of balances owing to large number of suppliers and thus supplier-wise detailed break up has not been given.



## 26(a) Consolidated trade payables

<i>In Taka</i>	30 June 2020	30 June 2019
ACI Limited	1,497,795,622	1,199,383,457
ACI Formulations Limited	119,962,071	97,424,467
ACI Logistics Limited	1,476,733,199	1,323,982,892
ACI Salt Limited	80,027,746	15,729,991
ACI Foods Limited	582,572,823	336,070,769
ACI Pure Flour Limited	240,985,881	125,724,847
Premiaflex Plastics Limited	114,362,861	41,897,160
ACI Motors Limited	64,119,082	25,899,951
ACI Agrolink Limited	11,431,057	5,166,500
ACI Edible Oils Limited	23,188,341	28,312,580
ACI HealthCare Limited	816,379,769	1,375,303,553
Consolidating elimination	(130,185,960)	(236,805,661)
	4,897,372,492	4,338,090,506

## 27 Other payables

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Accruals		1,689,212,376	1,400,207,366
Advance from customers		140,664,279	35,498,058
Security money received from customers		75,840,906	139,694,521
Workers' profit participation fund	27.1	608,199,565	510,692,251
Unpaid dividend		160,950,794	101,452,684
Tax and VAT deducted at source		113,636,950	53,685,882
Employees welfare fund		262,053,505	274,233,779
Les Laboratoires Servier		-	24,157,849
Rights share deposit to be refunded		563,723	563,723
Family day fund		4,836,517	4,315,000
Non-management staff provident fund		6,816,876	6,426,409
Unclaimed refund warrant - Zero Coupon Bonds		3,647,450	3,647,450
Payable for redemption of Zero Coupon Bonds		20,403,480	20,403,169
Management staff provident fund		20,894,390	22,371,364
Advertisement and promotional funds		17,735,713	17,735,713
Development funds		8,159,008	140,716,804
		3,133,615,532	2,755,802,022

### 27.1 Workers' profit participation fund

<i>In Taka</i>	30 June 2020	30 June 2019
Opening balance	510,692,251	484,489,427
Addition during the year	123,512,326	58,117,222
Interest accrued during the year	46,372,848	33,078,573
Paid during the year	(72,377,861)	(64,992,971)
Closing balance	608,199,565	510,692,251



## 27(a) Consolidated other payables

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Accruals		3,819,442,853	2,890,064,278
Advance from customers		565,443,519	204,393,375
Security money received from customers		127,569,775	202,426,782
Workers' profit participation fund	27(a).1	796,687,072	652,019,207
Unpaid dividend		173,531,474	113,262,851
Management staff provident fund		20,894,390	22,371,364
Tax and VAT deducted at source		233,834,210	106,079,995
Employees welfare fund		282,585,407	290,522,693
Les Laboratories Servier		-	24,157,849
Rights share deposit to be refunded		563,723	563,723
Family day fund		4,836,517	4,315,000
Non-management staff provident fund		6,816,876	6,426,409
Unclaimed refund warrant - Zero Coupon Bonds		3,647,450	3,647,450
Payable for redemption of Zero Coupon Bonds		20,403,480	20,403,169
Creditors for capital expenditure		7,141,381	334,355
Advertisement and promotional funds		17,735,713	17,735,713
Development funds		8,159,008	140,716,804
		<b>6,089,292,847</b>	<b>4,699,441,016</b>

### 27(a).1 Workers' profit participation fund

<i>In Taka</i>	30 June 2020	30 June 2019
Opening balance	652,019,207	587,939,806
Addition during the year	225,641,786	146,239,765
Interest accrued during the year	53,635,977	37,017,348
Paid during the year	(134,609,898)	(119,177,712)
<b>Balance at reporting date</b>	<b>796,687,072</b>	<b>652,019,207</b>

## 28 Inter-company payable

<i>In Taka</i>	30 June 2020	30 June 2019
ACI Salt Limited	1,294,345,923	692,844,122
ACI Marine and Riverine Technologies Limited	12,186,583	-
ACI Edible Oils Limited	55,020,873	10,286,264
ACI Motors Limited	4,923,968,028	3,313,311,509
ACI Pure Flour Limited	553,167,320	533,288,315
	<b>6,838,688,727</b>	<b>4,549,730,210</b>

## 29 Current tax liabilities

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Opening balance		1,754,033,737	1,183,202,172
Provision made during the year		741,842,330	427,230,876
Transfer from deferred tax expense		-	143,600,688
Adjustment against completion of tax assessment		-	-
		<b>2,495,876,067</b>	<b>1,754,033,737</b>
Advance income tax paid	29.1	(1,953,256,633)	(1,373,363,681)
<b>Closing balance</b>		<b>542,619,434</b>	<b>380,670,056</b>

### 29.1 Advance income tax

<i>In Taka</i>	30 June 2020	30 June 2019
Opening balance	1,373,363,681	782,929,961
Paid during the year	579,892,952	590,433,720
Adjustment against completion of tax assessment	-	-
Closing balance	1,953,256,633	1,373,363,681

### 29(a) Consolidated current tax liabilities

<i>In Taka</i>	30 June 2020	30 June 2019
Opening balance	3,993,902,253	2,810,007,478
Provision made during the year	1,684,241,935	1,386,439,405
Adjustment against completion of tax assessment	-	(202,544,630)
	5,678,144,188	3,993,902,253
Advance income tax paid	(5,342,604,922)	(3,710,743,473)
Closing balance	335,539,266	283,158,780

The group has chosen to present advance income tax paid offsetting against current tax liabilities as it is permitted by IAS 1. Presentation of comparative figures has been rearranged accordingly.

### 30 Revenue

<i>In Taka</i>	Note	For the year ended 30 June 2020	For the year ended 30 June 2019
Pharmaceuticals	30.1	11,761,464,286	10,622,701,890
Animal Health		3,644,230,956	3,054,717,684
Consumer brands		5,638,144,438	6,097,732,226
Seeds (Local)		510,958,118	475,631,836
Seeds (Import)		786,685,459	493,978,190
Fertilizer		792,798,889	1,050,820,766
Animal Genetics and others		67,694,872	-
		23,201,977,018	21,795,582,592

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Local sales	22,902,382,302	21,560,583,712
Export sales	299,594,716	234,998,880
	23,201,977,018	21,795,582,592

### 30.1 Pharmaceuticals

Pharmaceuticals turnover includes sales of the following in units:

	Quantity	For the year ended 30 June 2020	For the year ended 30 June 2019
Tablets	Pcs	28,133,847	25,093,999
Capsules	Pcs	6,919,805	6,574,690
Injection	Pcs	4,097,509	4,307,440
Bottled products	Pcs	41,002,144	35,572,004
Creams	Pcs	11,134,340	9,876,762
Inhaler	Pcs	1,274,466	1,483,653
Others	Pcs	481,720	611,607

### 30(a) Consolidated revenue

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Gross sales	70,987,381,828	64,694,017,227
Inter-company sales	(1,512,094,024)	(1,550,321,985)
	69,475,287,805	63,143,695,243

### 31 Cost of sales

In Taka	For the year ended	
	30 June 2020	30 June 2019
Opening stock of finished goods	3,393,364,172	3,377,709,254
Cost of goods manufactured	7,441,074,756	7,008,275,262
Finished goods purchased	4,217,706,085	4,917,364,264
Cost of finished goods available for sale	15,052,145,013	15,303,348,780
Stock of finished goods as at reporting date	(2,555,272,537)	(3,393,364,172)
	12,496,872,476	11,909,984,608

### Business wise breakup of cost of sales

In Taka	Note	For the year ended 30 June 2020						For the year ended 30 June 2019	
		Pharmaceuticals	Consumer brands	Animal Health	Seeds	Fertilizer	Animal Genetics and others	Total	Total
Opening stock of finished goods		470,947,259	1,105,110,258	1,200,165,051	557,882,076	59,259,528	-	3,393,364,172	3,377,709,254
Cost of goods manufactured	31.1	4,650,892,320	1,953,627,068	108,051,104	119,011,532	588,887,987	20,604,745	7,441,074,756	7,008,275,262
Finished goods purchased		36,288	1,686,799,592	1,616,779,640	879,483,105	-	34,607,460	4,217,706,085	4,917,364,264
Cost of finished goods available for sale		5,121,875,867	4,745,536,918	2,924,995,795	1,556,376,713	648,147,515	55,212,205	15,052,145,013	15,303,348,780
Closing stock of finished goods		(579,276,492)	(717,761,539)	(637,741,920)	(547,376,614)	(52,383,863)	(20,732,109)	(2,555,272,537)	(3,393,364,172)
Inter-business adjustment		(398,678,186)	295,155,418	103,522,768	-	-	-	-	-
		4,143,921,189	4,322,930,797	2,390,776,643	1,009,000,099	595,763,652	34,480,096	12,496,872,476	11,909,984,608

### 31.1 Cost of goods manufactured

In Taka	Note	For the year ended 30 June 2020						For the year ended 30 June 2019	
		Pharmaceuticals	Consumer brands	Animal Health	Seeds	Fertilizer	Animal Genetics and others	Total	Total
Cost of materials consumed	31.1.1	3,499,849,963	1,408,442,781	361,537,890	50,940,584	566,605,541	-	5,887,376,759	5,545,266,316
Manufacturing expenses	32	904,324,709	224,510,320	112,050,622	87,872,622	25,001,598	19,822,928	1,373,582,799	1,198,495,628
Quality control and development expenses	32	239,998,044	140,184	3,500	-	-	-	240,141,728	225,465,473
Cost of samples, product bonus and stock write-off		7,009,602	320,533,783	(370,622,216)	(47,872,588)	(2,719,152)	781,817	(92,888,754)	85,345,712
Cost of production		4,651,182,318	1,953,627,068	102,969,796	90,940,618	588,887,987	20,604,745	7,408,212,532	7,054,573,129
Opening work in process		118,588,142	-	13,868,726	106,919,978	-	-	239,376,846	193,078,979
Closing work in process		(118,878,140)	-	(8,787,418)	(78,849,064)	-	-	(206,514,622)	(239,376,846)
		(289,998)	-	5,081,308	28,070,914	-	-	32,862,224	(46,297,867)
		4,650,892,320	1,953,627,068	108,051,104	119,011,532	588,887,987	20,604,745	7,441,074,756	7,008,275,262

### 31.1.1 Cost of materials consumed

<i>In Taka</i>	For the year ended 30 June 2020					For the year ended 30 June 2019	
	Pharmaceuticals	Consumer brands	Animal Health	Seeds	Fertilizer	Animal Genetics and others	Total
Raw and packing materials							
Opening stock	1,012,282,413	467,292,869	272,230,641	34,662,089	89,651,314	-	1,477,535,039
Purchase	3,618,185,124	1,384,386,097	477,550,773	49,580,403	537,529,419	-	5,943,850,603
Closing stock	(1,130,617,574)	(443,236,185)	(388,243,524)	(33,301,908)	(60,575,192)	-	(1,876,119,326)
	3,499,849,963	1,408,442,781	361,537,890	50,940,584	566,605,541	-	5,545,266,316

### 31(a) Consolidated cost of sales

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Opening stock	13,147,583,866	11,272,403,859
Purchase	45,199,289,643	43,783,295,242
Manufacturing expenses	3,547,474,023	2,917,998,075
Closing stock	(11,902,573,689)	(13,147,583,866)
	49,991,773,844	44,826,113,310



### 32 Administrative, selling and distribution expenses

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
(a) Administrative expenses	446,611,166	536,861,411
(b) Distribution expenses	905,992,601	856,127,016
(c) Selling expenses	6,613,889,097	6,716,034,091
	7,966,492,864	8,109,022,519

#### Allocation of expenses:

<i>In Taka</i>	For the year ended 30 June 2020					For the year ended 30 June 2019	
	Administrative expenses	Distribution expenses	Manufacturing expenses	QC and development expenses	Selling expenses	Total	Total
Salary and wages	315,213,685	279,951,238	538,196,638	147,620,800	2,932,543,397	4,213,525,757	3,991,078,461
Traveling and conveyance	6,897,059	152,810,318	8,413,959	637,248	539,498,313	708,256,897	672,034,049
Service charge, rates and fees	4,764,929	2,154,483	178,265,661	-	33,307,029	218,492,103	128,396,796
Expense for short term rents	233,069	10,178,246	15,459,988	-	31,531,129	57,402,432	41,224,895
Charge on right-of-use rent agreements	3,313,341	38,583,782	34,523,536	-	113,122,167	189,542,826	172,735,011
Repairs and maintenance	9,728,670	12,908,645	123,637,335	10,833,229	9,714,805	166,822,684	167,319,668
Fuel and power	12,813,707	94,889,533	152,291,072	7,759,672	41,100,144	308,854,128	281,442,898
Postage and telecommunication	8,863,958	5,616,135	3,015,264	1,102,414	62,344,244	80,942,015	77,007,232
Printing and stationary	5,949,380	25,138,673	6,075,270	838,477	160,321,161	198,322,960	68,805,451
Publicity and advertisement	13,961,363	-	225,971	-	858,427,086	872,614,420	1,139,558,153
Business promotion	3,146,041	-	-	-	159,430,333	162,576,374	530,592,309
Conference expenses	-	-	-	-	92,187,875	92,187,875	34,721,606
Clinical, customer and field demonstration expenses	-	-	-	-	545,304,787	545,304,787	425,417,173
Sample expenses	-	-	-	-	102,928,986	102,928,986	101,994,227
Warranty expenses	-	-	-	-	24,927,900	24,927,900	29,533,789
Publications and literatures	351,226	-	19,920	980	130,722,821	131,094,947	201,650,772
Entertainment	4,059,400	13,637,451	2,392,293	61,744	29,138,298	49,289,186	30,469,333
Vehicle maintenance	4,190,832	27,914,667	1,519,871	349,767	35,680,942	69,656,079	107,400,597
Bad debt expenses	-	-	-	-	112,878,294	112,878,294	154,743,308
Carriage and handling	-	181,298,945	15,692,130	14,100	163,735,280	360,740,454	389,901,675
Legal and professional charges	8,448,677	23,361	-	-	5,811,171	14,283,209	24,038,284
Audit fees	1,089,000	-	-	-	-	1,089,000	990,000
Insurance	2,196,836	14,072,805	14,604,292	437,462	13,304,777	44,616,171	43,737,761
Directors' fees	97,000	-	-	-	-	97,000	16,500
Bank charges	1,081	2,318,080	-	-	8,034,448	10,353,609	10,865,544
Sundry expenses	634,675	282,695	1,200	-	918,570	918,570	390,825
Product development expenses	-	-	84,192	5,020,681	43,642,346	48,747,219	53,377,022
Training expenses	1,798,105	228,986	46,334	22,907	21,751,735	23,848,067	19,502,847
Depreciation	25,895,376	43,981,974	262,055,193	29,179,748	146,631,532	507,743,823	491,448,607
Amortisation	153,072	-	647,758	-	-	800,830	153,072
Lab chemical and apparatus	-	-	15,348,716	35,848,904	3,435,592	54,633,212	32,366,616
Meeting expenses	8,349,685	2,585	1,340	3,080	102,811,521	111,168,211	58,342,504
Export expenses	-	-	-	-	36,442,473	36,442,473	15,184,331
ISO/TQM related expenses	-	-	718,865	410,516	-	1,129,381	2,445,401
Market research expenses	-	-	-	-	51,768,511	51,768,511	26,322,198
Corporate Social Responsibility expenses	4,461,000	-	346,000	-	1,410,000	6,217,000	7,774,704
	446,611,166	905,992,601	1,373,582,799	240,141,728	6,613,889,097	9,580,217,391	9,532,983,619

### 32(a) Consolidated administrative, selling and distribution expenses

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Administrative expenses	2,804,992,318	2,577,485,473
Distribution expenses	1,812,762,539	1,587,217,816
Selling expenses	10,795,978,195	10,678,469,288
	15,413,733,052	14,843,172,576

### 33 Other income/(loss)

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Service charges	16,575,795	15,046,206
Dividend income	386,787,273	87,087,273
Rental income	1,482,250	1,500,301
Gain/(loss) on sale of fixed assets	2,538,853	(179,946,422)
Capital gain on transfer of shares	57,327,590	-
Gain (loss) on biological assets	1,104,717	-
Gain/(loss) from foreign currency transactions	3,284,345	(737,186)
Proceeds from scrap sale	9,444,112	7,150,380
Miscellaneous income	3,653,625	914,949
	482,198,559	(68,984,499)

### 33(a) Consolidated other income/(loss)

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Service charges	16,575,795	21,786,090
Dividend received	2,855,905	2,855,906
Rental income	41,274,217	42,048,769
Gain/(loss) on sale of fixed assets	2,680,617	(179,643,305)
Gain (loss) on biological assets	1,104,717	-
Gain/(loss) from foreign currency transactions	(1,233,618)	(2,189,807)
Proceeds from scrap sale	64,736,317	36,324,584
Commission income	3,534,535	14,577,411
Miscellaneous income	130,105,472	74,278,298
	261,633,957	10,037,945

### 34 Net finance costs

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Bank loan interest (net of interest income)	631,490,561	611,845,681
Employee welfare fund	453,242	9,016,191
Interest on lease liabilities	65,882,764	70,689,052
Security deposits	5,632,092	11,067,311
Workers' profit participation fund	46,372,848	33,078,573
Other funds/borrowings	732,201	594,169
	750,563,708	736,290,977



### 34(a) Consolidated net finance costs

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
<b>Current tax expense</b>		
Bank loan interest	4,389,634,357	3,081,775,201
Employee welfare fund	453,242	9,016,191
Interest on lease liabilities	128,583,019	194,237,462
Security deposits	5,632,092	11,067,311
Workers' profit participation fund	46,372,848	33,078,573
Other funds/borrowings	732,201	594,169
	<b>4,571,407,759</b>	<b>3,329,768,907</b>

### 35 Income tax expense

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
<b>Current tax expense</b>		
Provision made during the year	741,842,330	427,230,876
Transfer from deferred tax expense	-	143,600,688
	<b>741,842,330</b>	<b>570,831,565</b>
<b>Deferred tax expense/(income)</b>		
Temporary differences	(114,028,061)	(59,090,907)
Transferred to current tax expense	-	(143,600,688)
	<b>(114,028,061)</b>	<b>(202,691,595)</b>
<b>Income tax expense</b>	<b>627,814,269</b>	<b>368,139,970</b>

#### 35.1 Reconciliation of effective tax rate

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Regular tax rate of the company	25.00%	25.00%
Effect of exemption and reduced rates	-1.24%	-1.13%
Effect of minimum tax, disallowances and others	7.85%	23.62%
Effect of deferred tax on temporary differences	-4.86%	-6.57%
Effective tax rate	<b>26.75%</b>	<b>40.92%</b>

### 35(a) Consolidated income tax expense

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
<b>Current tax expense</b>		
Provision made during the year	1,684,241,935	1,386,439,405
<b>Deferred tax expense/(income)</b>		
Change in deferred tax liabilities	(460,512,750)	(282,988,259)
<b>Consolidated income tax expense</b>	<b>1,223,729,185</b>	<b>1,103,451,146</b>

### 36 Calculation of EPS, NAV per share, NOCF per share

#### 36.1 Earnings per share

The calculation of basic earnings per share based on profit of the Company 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 2020	For the year ended 30 June 2019
Profit of the Company (Taka)	1,718,919,934	531,442,797
Opening ordinary shares (Number)	49,889,527	48,202,441
Impact of bonus share issue - 2017-2018 (Number)	-	1,687,085
Impact of bonus share issue - 2018 - 2019 (Number)	7,483,429	7,483,429
Weighted average number of ordinary shares at reporting date (Number)	57,372,956	57,372,956
<b>Earnings per share (Taka)</b>	<b>29.96</b>	<b>9.26</b>

#### 36.2 Diluted earnings per share

As there was no scope for dilution of shares, no diluted EPS was required to be calculated for the year ended 30 June 2020.

#### 36.1(a) Consolidated earnings per share

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

<i>In Taka/Number</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Profit/(loss) attributable to equity holders of the Company (Taka)	(1,058,758,906)	(774,906,431)
Weighted average number of ordinary shares at reporting date (Number)	57,372,956	57,372,956
<b>Earnings per share (Taka)</b>	<b>(18.45)</b>	<b>(13.51)</b>

#### 36.3 NAV per share and NOCF per share

<i>In Taka/Number</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Net asset attributable to equity holders of the Company (Taka)	15,421,234,178	14,322,458,353
Net cash flows from operating activities (Taka)	4,492,022,181	1,459,762,274
Weighted average number of ordinary shares at reporting date (Number)	57,372,956	57,372,956
<b>Net Asset Value (NAV) per share</b>	<b>268.79</b>	<b>249.64</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	<b>78.30</b>	<b>25.44</b>

#### 36.3(a) Consolidated NAV per share and Consolidated NOCF per share

<i>In Taka/Number</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Consolidated net asset attributable to equity holders of the Company (Taka)	7,898,638,152	9,578,574,609
Consolidated net cash flows from operating activities (Taka)	4,749,790,401	(1,472,618,718)
Weighted average number of ordinary shares at reporting date (Number)	57,372,956	57,372,956
<b>Consolidated Net Asset Value (NAV) per share</b>	<b>137.67</b>	<b>166.95</b>
<b>Consolidated Net Operating Cash Flows Per Share (NOCFPS)</b>	<b>82.79</b>	<b>(25.67)</b>



### 37 Financial risk management

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

- Credit risk (see 37(ii))
- Liquidity risk (see 37(iii))
- Market risk (see 37(iv))

#### (i) Risk management framework

The Group'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 these risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adhere 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.

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 each financial asset in the statement of financial position.

#### (a) Exposure to credit risk

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

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Trade receivables*	14(a)	13,072,640,293	14,427,242,539
Other receivables	15(a)	670,119,195	509,581,982
Inter-company receivables	16(a)	9,524,610	50,583,865
Deposits	17(a)	388,570,711	326,961,637
Cash and cash equivalents	18(a)	2,882,921,593	2,319,988,462
		17,023,776,402	17,634,358,485

\* Trade receivables is net off of security money mentioned in Note 27(a)

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

<i>In Taka</i>	30 June 2020	30 June 2019
Domestic	12,975,159,515	14,343,591,339
Foreign	225,050,553	286,077,982
	13,200,210,068	14,629,669,321

#### (b) Impairment

The ageing of trade receivables was as follows:

<i>In Taka</i>	30 June 2020	30 June 2019
Dues below 6 months	8,503,579,345	9,897,773,418
Dues over 6 months	4,696,630,723	4,731,895,903
	13,200,210,068	14,629,669,321

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

<i>In Taka</i>	30 June 2020	30 June 2019
Opening balance	802,503,348	522,279,379
Impairment loss recognised during the year	184,787,891	280,223,969
Closing balance	987,291,239	802,503,348



### (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 Group's reputation.

The Group aims to maintain the level of its cash and cash equivalents and other investments at amounts in excess of expected cash outflows on financial liabilities. The 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.

#### 30 June 2020

In Taka	Note	Carrying amount	Contractual cash flows		
			Total	12 months or less	More than 12 months
<b>Non-derivative financial liabilities</b>					
Employee benefits	21(a)	1,367,018,271	1,367,018,271	-	1,367,018,271
Long term bank loan	22(a)	8,271,767,701	8,271,767,701	-	8,271,767,701
Bank overdraft	24(a)	4,440,893,673	4,440,893,673	4,440,893,673	-
Loans and borrowings	25(a)	27,288,288,273	27,288,288,273	27,288,288,273	-
Lease liabilities	9(a)	1,582,672,844	1,582,672,844	402,088,291	1,180,584,553
Trade payable	26(a)	4,897,372,492	4,897,372,492	4,897,372,492	-
Other payable	27(a)	6,089,292,847	6,089,292,847	6,089,292,847	-
		53,937,306,101	53,937,306,101	43,117,935,576	10,819,370,525
<b>Derivative financial liabilities</b>					
		-	-	-	-
		53,937,306,101	53,937,306,101	43,117,935,576	10,819,370,525

#### 30 June 2019

In Taka	Note	Carrying amount	Contractual cash flows		
			Total	12 months or less	More than 12 months
<b>Non-derivative financial liabilities</b>					
Employee benefits	21(a)	1,178,872,434	1,178,872,434	-	1,178,872,434
Long term bank loan	22(a)	8,079,177,445	8,079,177,445	-	8,079,177,445
Bank overdraft	24(a)	4,618,176,594	4,618,176,594	4,618,176,594	-
Loans and borrowings	25(a)	27,263,916,795	27,263,916,795	27,263,916,795	-
Lease liabilities	9(a)	1,582,609,127	1,582,609,127	379,531,382	1,203,077,745
Trade payable	26(a)	4,338,090,506	4,338,090,506	4,338,090,506	-
Other payable	27(a)	4,699,441,016	4,699,441,016	4,699,441,016	-
		51,760,283,917	51,760,283,917	41,299,156,293	10,461,127,624
<b>Derivative financial liabilities</b>					
		-	-	-	-
		51,760,283,917	51,760,283,917	41,299,156,293	10,461,127,624



(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 Group'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 Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the respective functional currency of the Group. The functional currency of the Group is Bangladesh Taka (Taka/TK/BDT).

**Exposure to currency risk**

The Group's exposure to foreign currency risk arising from foreign currency denominated assets/(liabilities) as at the date of consolidated statement of financial position was as follows:

<i>In USD</i>	30 June 2020	30 June 2019
Trade receivables	2,649,212	2,625,093
Other receivables	678,924	306,020
Cash and cash equivalents	1,430,437	2,283,809
Trade payables	(1,430,437)	(1,213,749)
Loans and borrowings	(67,611,381)	(39,320,348)
<b>Net exposure</b>	<b>(64,283,245)</b>	<b>(35,319,175)</b>
<i>In EUR</i>	30 June 2020	30 June 2019
Trade receivables	-	-
Other receivables	473,156	394,422
Cash and cash equivalents	2,209	2,210
Trade payables	(560,515)	(246,138)
Loans and borrowings	(1,046,502)	(1,793,253)
<b>Net exposure</b>	<b>(1,131,653)</b>	<b>(1,642,759)</b>
<i>In GBP</i>	30 June 2020	30 June 2019
Trade receivables	-	-
Other receivables	-	-
Cash and cash equivalents	1,430	1,431
Trade payables	(2,741)	-
Loans and borrowings	-	(59,230)
<b>Net exposure</b>	<b>(1,311)</b>	<b>(57,798)</b>
<i>In CHF</i>	30 June 2020	30 June 2019
Trade receivables	-	-
Other receivables	-	-
Cash and cash equivalents	-	-
Trade payables	-	-
Loans and borrowings	(21,379)	(1,185,628)
<b>Net exposure</b>	<b>(21,379)</b>	<b>(1,185,628)</b>
<i>In JPY</i>	30 June 2020	30 June 2019
Trade receivables	-	-
Other receivables	-	-
Cash and cash equivalents	-	-
Trade payables	-	-
Loans and borrowings	-	(7,663,000)
<b>Net exposure</b>	<b>-</b>	<b>(7,663,000)</b>

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

<i>In Taka</i>	Average rate		Year-end rate	
	For the year ended	For the year ended	As at	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
USD	84.73	84.13	84.95	84.50
EUR	97.54	97.48	97.72	97.36
GBP	107.82	109.68	106.96	108.67
CHF	88.99	86.25	90.25	87.74
JPY	0.80	0.78	0.80	0.79

### **Sensitivity analysis**

A reasonably possible strengthening (weakening) of foreign currency against functional currency at reporting date 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>In Taka</i>	Profit/(loss)		Equity, net of tax increase/(decrease)	
	Strengthening	Weakening	Strengthening	Weakening
<b>30 June 2020</b>				
USD (5% movement)	272,319,897	(272,319,897)	272,319,897	(272,319,897)
EUR (5% movement)	5,518,928	(5,518,928)	5,518,928	(5,518,928)
GBP (5% movement)	7,067	(7,067)	7,067	(7,067)
CHF (5% movement)	95,130	(95,130)	95,130	(95,130)
JPY (5% movement)	-	-	-	-
<b>30 June 2019</b>				
USD (5% movement)	148,561,282	(148,561,282)	148,561,282	(148,561,282)
EUR (5% movement)	8,006,754	(8,006,754)	8,006,754	(8,006,754)
GBP (5% movement)	316,953	(316,953)	316,953	(316,953)
CHF (5% movement)	5,112,847	(5,112,847)	5,112,847	(5,112,847)
JPY (5% movement)	298,052	(298,052)	298,052	(298,052)

### **b) Interest rate risk**

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. At present the Group has no borrowings which is subject to significant interest rate risk.

#### **Exposure to interest rate risk**

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

<i>In Taka</i>	Note	30 June 2020	30 June 2019
<b>Fixed rate instruments</b>			
Financial assets			
Term deposit	10(a).2	260,612,469	196,754,846
Financial liabilities			
Bank overdraft	24(a)	4,440,893,673	4,618,176,594
Loans and borrowings	25(a)	21,513,296,242	23,708,008,344
<b>Variable rate instruments</b>			
Financial liabilities			
Offshore loan	25(a)	5,774,992,031	3,555,908,451

## 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 of the Group, 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 2020**

In Taka	Note	Investment valued at cost	Fair value- hedging instruments	Carrying amount				Fair value				
				Mandatorily at FVTPL	Financial Assets at Amortised cost	FVOCI-equity instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>												
Investment valued at fair value	10(a),2	-	-	-	-	513,573,676	-	513,573,676	513,573,676	-	-	513,573,676
<b>Financial assets not measured at fair value</b>												
Other Investments	10(a),2	3,158,890	-	-	-	-	260,612,469	-	-	263,771,359	-	-
Trade receivables	14(a)	-	-	-	-	-	12,212,918,829	-	-	12,212,918,829	-	-
Other receivables	15(a)	-	-	-	-	-	670,119,195	-	-	670,119,195	-	-
Inter-company receivables	16(a)	-	-	-	-	-	9,524,610	-	-	9,524,610	-	-
Tender deposits	17(a)	-	-	-	-	-	130,734,952	-	-	130,734,952	-	-
Cash at banks	18(a)	-	-	-	-	-	2,182,929,602	-	-	2,182,929,602	-	-
		-	-	-	-	-	15,466,839,657	-	-	15,469,998,547	-	-
<b>Financial liabilities measured at fair value</b>												
<b>Financial liabilities not measured at fair value</b>												
Employee benefits	21(a)	-	-	-	-	-	-	1,367,018,271	-	1,367,018,271	-	-
Short term interest bearing loans	25(a),1	-	-	-	-	-	-	22,822,007,267	-	22,822,007,267	-	-
Long term interest bearing loans	22(a), 25(a),2	-	-	-	-	-	-	12,738,048,708	-	12,738,048,708	-	-
Lease liabilities	9(a)	-	-	-	-	-	-	1,582,672,844	-	1,582,672,844	-	-
Trade payables	26(a)	-	-	-	-	-	-	4,897,372,492	-	4,897,372,492	-	-
Other payables	27(a)	-	-	-	-	-	-	6,089,292,847	-	6,089,292,847	-	-
Bank overdraft	24(a)	-	-	-	-	-	-	4,440,893,673	-	4,440,893,673	-	-
		-	-	-	-	-	-	53,937,306,102	-	53,937,306,102	-	-

### 30 June 2019

In Taka	Note	Carrying amount					Fair value						
		Investment valued at cost	Fair value-hedging instruments	Mandatorily at FVTPL	Financial Assets at Amortised cost	FVOCI-equity instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
<b>Financial assets measured at fair value</b>													
Investment valued at fair value	10(a),2	-	-	-	-	648,294,614	-	648,294,614	648,294,614	-	-	-	648,294,614
<b>Financial assets not measured at fair value</b>													
Other Investments	10(a),2	3,158,890	-	-	196,754,846	-	-	199,913,736	-	-	-	-	-
Trade receivables	14(a)	-	-	-	13,827,165,973	-	-	13,827,165,973	-	-	-	-	-
Other receivables	15(a)	-	-	-	509,581,982	-	-	509,581,982	-	-	-	-	-
Inter-company receivables	16(a)	-	-	-	50,583,865	-	-	50,583,865	-	-	-	-	-
Tender deposits	17(a)	-	-	-	94,691,117	-	-	94,691,117	-	-	-	-	-
Cash at banks	18(a)	-	-	-	1,443,261,711	-	-	1,443,261,711	-	-	-	-	-
		3,158,890	-	-	16,122,039,494	-	-	16,125,198,384	-	-	-	-	-
<b>Financial liabilities measured at fair value</b>													
<b>Financial liabilities not measured at fair value</b>													
Employee benefits	21(a)	-	-	-	-	-	-	1,178,872,434	1,178,872,434	-	-	-	-
Short term interest bearing loans	25(a),1	-	-	-	-	-	-	22,842,587,452	22,842,587,452	-	-	-	-
Long term interest bearing loans	22(a), 25(a),2	-	-	-	-	-	-	12,500,506,788	12,500,506,788	-	-	-	-
Lease liabilities	9(a)	-	-	-	-	-	-	1,582,609,127	1,582,609,127	-	-	-	-
Trade payables	26(a)	-	-	-	-	-	-	4,338,090,506	4,338,090,506	-	-	-	-
Other payables	27(a)	-	-	-	-	-	-	4,699,441,016	4,699,441,016	-	-	-	-
Bank overdraft	24(a)	-	-	-	-	-	-	4,618,176,594	4,618,176,594	-	-	-	-
		-	-	-	-	-	-	51,760,283,917	51,760,283,917	-	-	-	-





## 38 Commitments

### 38.1 Capital expenditure

<i>In Taka</i>	30 June 2020	30 June 2019
Approved but not contracted for	1,338,203,366	62,505,677

Above amount represents capital expenditure approved but not contracted for and also, capital expenditure contracted but yet to be accounted for.

## 39 Contingencies

<i>In Taka</i>	30 June 2020	30 June 2019
<b>Shipping Guarantee</b>		
Standard Chartered Bank	191,544	4,044,176
Eastern Bank Limited	11,121,409	43,934,138
	11,312,953	47,978,315
<b>Bank Guarantee</b>		
Brac Bank Limited	3,888,878	3,888,878
Prime Bank Limited	14,087,900	14,829,789
Bank Asia Limited	23,014,236	4,785,270
Pubali Bank Limited	39,144,044	45,400,000
Dutch Bangla Bank Limited	13,450,000	-
The City Bank Limited	1,001,854	-
	94,586,912	68,903,936

In addition, ACI Limited and its subsidiaries issued Corporate Guarantee in favor of each other to meet the funding procedures of different Banks. However, management believes that the possibility of any outflow in settlement of these Corporate Guarantee is remote.

## 40 Payments made in foreign currencies

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Raw materials and packing materials	3,533,139,909	2,970,638,349
Finished goods	2,328,896,197	2,012,219,693
	5,862,036,106	4,982,858,042

## 41 Production capacity

	Capacity in units pack per 8hr/month		Utilisation	
	For the year ended 30 June 2020	For the year ended 30 June 2019	For the year ended 30 June 2020	For the year ended 30 June 2019
	Pharmaceuticals	6,000,000	5,500,000	131.19%
Consumer Brand	800,000	600,000	130.77%	151.43%
Animal Health	300,000	300,000	84.06%	123.53%

## 42 Related parties

### a) Transactions with key management personnel

#### (i) Loans to directors

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

#### (ii) Key management personnel compensation

Key management personnel compensation comprised the following:

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Salary	45,782,104	45,789,460
Benefit	13,533,192	12,589,924
	59,315,296	58,379,384

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

**(b) Other related party transactions of ACI Limited:**

	Transactions during the period / year						Balance outstanding at reporting date	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	30 June 2020	30 June 2019	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2019	30 June 2020	30 June 2019	
<i>In Taka</i>								
	(Purchase)/Revenue	Working capital (paid)/collected				Receivable/(Payable)		
<b>Subsidiaries:</b>								
ACI Formulations Limited	-	-	288,096,318	(1,615,416,041)		865,637,246	1,153,733,564	
ACI Salt Limited	(36,456,945)	(10,672,170)	565,044,856	422,068,105	(1,294,345,923)	(692,844,122)		
ACI Chemicals Limited	-	-	(54,279,462)	(50,767,823)		188,194,211	133,914,749	
ACI Biotech Limited	-	-	(305,874,772)	(266,800,506)		788,595,396	482,720,624	
ACI Pure Flour Limited	(388,449)	(130,000)	19,490,556	250,612,120	(553,167,320)	(533,288,315)		
ACI Foods Limited	(10,836,673)	(1,622,600)	(64,497,929)	(135,507,386)		2,883,554,015	2,829,892,759	
ACI Marine and Riverine Technologies Limited	-	-	12,186,583	-		(12,186,583)	-	
ACI Agrolink Limited	-	(980,000)	(237,897,958)	(150,364,750)		633,045,670	395,147,712	
Creative Communication Limited	(27,883,232)	(32,599,928)	(10,890,530)	(65,119,836)		3,009,426	20,002,128	
ACI Motors Limited	(4,314,478)	(972,304)	1,606,342,041	2,272,374,842	(4,923,968,028)	(3,313,311,509)		
Premiaflex Plastics Limited	(131,079,152)	(85,523,958)	(764,555,785)	(1,101,719,513)		2,463,633,553	1,830,156,920	
ACI Logistics Limited	(33,564,864)	(27,882,685)	(1,668,765,499)	(534,339,042)		6,238,281,980	4,334,972,843	
	268,108,502	147,935,476	-	-		-	-	
ACI Edible Oils Limited	(7,574,512)	(2,115,526)	52,309,121	(203,199,585)		(55,020,873)	(10,286,264)	
Computer Technology Limited	-	-	-	-		30,000	30,000	
ACI Healthcare Limited	-	-	(1,254,203,670)	(1,025,108,333)		4,737,689,301	3,483,485,631	
Infolytx Bangladesh Limited	-	-	(124,283,688)	(99,729,586)		335,373,809	211,090,121	
<b>Joint Venturers:</b>								
Tetley ACI (Bangladesh) Limited	-	-	39,383,906	(39,023,711)		545,998	39,929,904	
ACI Godrej Agrovet (Pvt.) Limited	-	-	(58,872)	-		938,598	879,726	
<b>Associates:</b>								
Stochastic Logic Limited	-	-	1,734,221	(652,391)		116,498	1,850,719	
Asian Consumer Care (Pvt.) Limited	-	-	-	-		7,893,516	7,893,516	



## 43 Other disclosures

### 43.1 Number of employees

The number of regular employees of ACI Limited receiving remuneration of Tk. 36,000 or above per annum at reporting date was as follows:

	30 June 2020	30 June 2019
Number of employees	8,364	9,147

### 43.2 Comparatives

Previous year's figures have been rearranged, whenever considered necessary to conform to the current year's presentation. Specifically, the Company has segregated/rearranged classification of expenses in accordance with their nature.

### 43.3 Subsequent events

The Board of Directors in their meeting held on 09 November 2020 have recommended cash dividend @80% per share of Taka 10 each aggregating to Taka 458,983,644 and stock dividend @10% aggregating to Taka 57,372,956 for the year ended 30 June 2020 subject to approval of the shareholders in the Annual General Meeting scheduled to be held on 24 December 2020.

The financial statements for the year ended 30 June 2020 do not include the effect of these dividends 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.

## 44 Name of auditors of the group companies

Sl.	Name of the company	Status	Name of auditors
1	ACI Formulations Limited	Subsidiary	Hoda Vasi Chowdhury & Co.
2	ACI Salt Limited	Subsidiary	Hoda Vasi Chowdhury & Co.
3	ACI Logistics Limited	Subsidiary	Rahman Rahman Huq
4	ACI HealthCare Limited	Subsidiary	Rahman Rahman Huq
5	ACI Godrej Agrovvet (Pvt.) Limited	Joint venture	Rahman Rahman Huq
6	Tetley ACI (Bangladesh) Limited	Joint venture	Rahman Rahman Huq
7	ACI CO-RO Bangladesh Limited	Associate	Rahman Rahman Huq
8	ACI Foods Limited	Subsidiary	M. J. Abedin & co.
9	ACI Pure Flour Limited	Subsidiary	M. J. Abedin & co.
10	Creative Communication Limited	Subsidiary	Ashraful Haque Nabi & Co.
11	ACI Motors Limited	Subsidiary	Ashraful Haque Nabi & Co.
12	ACI Edible Oils Limited	Subsidiary	Ashraful Haque Nabi & Co.
13	ACI Chemicals Limited	Subsidiary	Ashraful Haque Nabi & Co.
14	Infolytx Bangladesh Limited	Subsidiary	Ashraful Haque Nabi & Co.
15	ACI Biotech Limited	Subsidiary	Ashraful Haque Nabi & Co.
16	Premiaflex Plastics Limited	Subsidiary	Shiraz Khan Basak & Co.
17	ACI Agrolink Limited	Subsidiary	Shiraz Khan Basak & Co.
18	ACI Marine and Riverine Technologies Limited	Subsidiary	Shiraz Khan Basak & Co.
19	Stochastic Logic Limited	Associate	Shiraz Khan Basak & Co.
20	Asian Consumer Care (Pvt.) Limited	Associate	Howladar Yunus & Co.
21	Computer Technology Limited	Associate	-



# Advanced Chemical Industries Limited

## Reports of the Directors and Audited Financial Statements of the Subsidiary Companies for the year ended 30 June 2020



# ACI Formulations Limited

## Directors' Report

The Directors are pleased to present herewith the Directors' and Auditors' Report together with the audited Financial Statements of ACI Formulations Ltd. for the financial year ended 30 June 2020.

With diminishing arable land and ever growing population to feed, the economic prosperity of Bangladesh requires improvement of agricultural productivity through extensive and judicious use of Crop Care products and services. Also, with 15% contribution to the National GDP and almost 50% population getting employed, the Agriculture sector's development is of paramount importance.

Last year Bangladesh witnessed one of the worst periods of adverse climatic condition. The major rivers Jamuna & Tista recorded highest levels of flood in the last 100 years, river Padma also flooded. Repeated flooding and incessant rains at regular intervals affected almost one third of cropland particularly in the Northern districts causing serious damage to paddy and vegetables cultivation. Finally cyclone Amphan left behind a trail of destruction in the coastal areas.

To add to the agony, COVID-19 restricted movement of farmers, our Field Force and Dealers due to lock down restrictions besides adversely impacting transportation and import of Crop Care raw materials causing price increase and stock out of certain products thereof.

Further, unremunerative paddy prices led to reduction in acreages during Aman season besides impacting usage of pesticides for crop protection.

While the Industry registered 8% degrowth, our Crop Care Business shown degrowth by 5% over last year. In Granular Insecticides segment we grew by 6% and in Herbicides segment we grew by 8%. Further due to minimal stocks of Fungicides in the market because of bad season during the previous year, aggressive placement strategies and liquidation initiatives, Crop Care grew at 30% in Fungicides segment during last year.

Sulphur portfolio suffered significantly due to lack of infestation and dramatic shift in sales to Fertilizer complexes containing Sulphur because of 30% subsidy provided by the Government.

Flora, is a bio-friendly plant energizer, flowering stimulant and yield booster. Flora is having strong brand image amongst the farmers. However, this portfolio also suffered due to natural calamity condition. We have more than 1000 demonstration plots throughout the country to exhibit to the farmers the benefits of using Flora in improving the yield particularly in Rice. The improvement in yield after using Flora had been recorded in the presence of officials of Department of Agricultural Extension (DAE).

Crop Care introduced five unique and new generation solutions which will contribute to the productivity of agriculture.

We are collaborating with two internationally renowned chemical companies of Japan and India. Besides the collaboration with the Multinational companies, we have started working on several projects under the cooperation of USAID and other NGOs to disseminate the agricultural knowledge and facilitate the farmers to increase their productivity.

The business has strengthened its Sales team and taken steps to be more effective. Sales Promotional Officers are directly working with farmers providing Crop Care solutions in the field through Farmers' Trainings.



During the year, Fall Armyworm had become a concern for the whole country. A massive campaign was arranged to make the farmers aware of this serious issue and was successfully controlled through appropriate recommendations. Even during the COVID-19 pandemic situation, our employees have been continuously visiting the fields and advising the farmers in an apt manner on farm solutions besides precautions to be taken for safeguarding from COVID-19. Hence, our Marketing and Field Forces are worthy to be appreciated for their hard work, dedication and initiative.

ACI Crop Care has expanded its Research and Development wing with a dedicated team for conducting a large number of field trials on various target crops to expand business opportunities from existing molecules as well as new molecules. Sizeable number of demos have been conducted last year to exhibit the product efficacy to the farmers. Trials with the new molecules are being undertaken to explore their potentiality besides standardizing the optimal dosage.

ACI Crop Care has been focusing to bring in new generation of cost effective molecules, disseminate knowledge to the farming community for enhancement of productivity, create strong dealer network to ensure prompt service in its pursuit of excellence in its line of activities.

Our Paints Division in association with global partner AkzoNobel took an ambitious budget for the year of 2019-20 but could not perform due to some uncontrollable variables. During the first six month we had to give high focus on credit management and reduced credit by 30%. Competitors were too aggressive in pricing and also pushed their economy brands in where products were absent. They also took market dominating ATL and BTL activities, where we were very conservative.

We could not do well during second quarter because COVID-19 pandemic situation. Construction industry was highly affected and the paint industry recorded a massive negative growth of 25%. Supply chain was disrupted and supply was seriously hampered.

During the pandemic we however arranged training program on different techno- commercial modules by outside trainers to enrich their knowledge and skills. Economy brands will be launched soon.

We have implemented error free digital construction loyalty scheme which will enable to strengthen BTL activities. New software for color visualization has been introduced for client's project preview to give the feel of augmented reality. We are also working with Akzonobel to set up factory tinting system for performance coating which will enable us to deliver customized products within the shortest possible of time. Initiative has been taken to reduce operating expense. The business value chain being improved to enrich the top-line and bottom-line.

Home Care Solution comprises of products from both Pest & Non-pest Category. ACI Aerosol delivers the benefits of the most effective insect killing solution to the consumers. As the flagship brand of ACI Consumer Brands, it continues leading the Aerosol category with 90.5% market share. On the contrary, ACI Mosquito Coil, once a leading brand, has been losing its market share to illegal brands and unauthorized dosage coil manufacturers. Branded coils used to dominate the market with more than 70% share. However, the situation has been reversed now and the market share of branded coils has become less than 25% as opposed to more than 75% share of unauthorized and illegal coil brands.



In the non pest category, Angelic Air Freshener is the pioneer in locally manufactured air fresheners upholding the leading position in the market. Angelic is now enriched with 11 refreshing fragrances satisfying the needs of different occasions. On the contrary, Vanish Toilet Cleaner has witnessed a positive growth in the market after introducing the first Citrus variant and our share has moved to 4.5% from 4%.

ACI Formulations Factory located in Gazipur on a span of 42 acres of land is fully compliant with the laws governing Safety, Health and Environment. The factory has kept its technological advancement in line with the global developments and has additional space to accommodate many new business tie ups. Our state-of-the-art Effluent Treatment Plant processes all liquid toxic waste materials to make them benign. Efficient Incinerators helps to break down the harmful solid materials at high temperature to make them harmless. The factory continues to get high rating for its technological excellence from the foreign associates.

We had an opportunity to purchase 13 bighas of land adjacent to our factory. This will enable us many activities where factory segregation is required.

Corona virus has taken its tolls of our employees as Gazipur has been one of the severely affected areas. Our search for contract manufacturing has not made much progress because of the pandemic. We hope business will resume and we will recover from the setback soon.

### Key Operating & Financial Information at a Glance

The key operating and financial information for the year 2019-20 along with the preceding five and half years are presented below:

Figures are in million (BDT)

Particulars	July 2019- June 2020	July 2018- June 2019	July 2017- June 2018	July 2016- June 2017	January 2016- June 2016 (six month)	December 2015	December 2014
Net Turnover	3,422	4,025	4,127	3,629	1,625	3,006	2,908
Gross profit	1,065	1,211	1,027	1,108	477	800	739
Profit before tax	126	180	163	357	127	313	260
Profit after tax	92	128	115	261	90	235	188
Earnings per share (Taka)	2.05	2.83	2.56	5.81	2.01	5.23	4.17
Issued & paid capital	450	450	450	450	450	450	450
Shareowners' equity	2,407	2,472	2,502	2,455	2,283	2,350	1,806
Net asset per share (Taka)	53.48	54.93	55.59	54.55	50.74	52.23	40.12
Number of employees	1,113	1,361	1,785	1,679	1,489	1,459	1,149
Total contribution to National Exchequer	244	522	669	564	256	387	246

## Financial Results

For the year ended 30 June 2020, total revenue of ACI Formulations Limited was Taka 3,422 million, resulting into 14.98% lower revenue over comparative year FY 2018-19. The main reason was sharp drop in toll manufacturing portfolio. Due to huge presence of unauthorized and illegal coils, the market share of branded coils shrank significantly during the year. As a result S.C. Johnson & Son, Inc., the brand owner of coil, placed no order for coil production. Moreover, due to COVID-19 impact, revenue from paint business was also lower from FY 2018-19. However, despite having lower revenue growth, gross profit margin has increased to 31.12% in FY 2019-20 from 30.08% of FY 2018-2019 due to higher proportionate sales of high-margin products and favorable purchase variance in Crop Care business in FY 2019-20 over FY 2018-19. On the other hand, financing cost was lower by Taka 9 million, mainly due to efficient working capital management in FY 2019-20 over FY 2018-19. In the current year, profit before tax (PBT) was Taka 126 million and profit after tax (PAT) was Taka 92 million resulting into Earnings per Share Taka 2.05.

## 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:

<i>Particular</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
<i>Un-appropriated profit</i>	727,896,037	757,880,523
<i>Add: Net profit after tax</i>	92,452,191	127,515,514
<i>Add: Realization of revaluation reserve</i>	-	-
<i>Total profit available for appropriation</i>	820,348,228	885,396,037
<i>Appropriation of profit:</i>		
<i>Final Dividend Proposed:</i>		
<i>Cash Dividend</i>	90,000,000	157,500,000
<i>Total dividend</i>	90,000,000	157,500,000
<b><i>Balance carried forward</i></b>	730,348,228	727,896,037

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 @ 20% on face value of Tk. 10 per share (i.e. Taka 2 per share) for the year ended 30 June 2020 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 01 December 2020. No Stock Dividend was declared as interim dividend during the year.

### Contribution to the National Exchequer

For the year ended 30 June 2020, the company contributed Taka 244 million to the National Exchequer in the form of corporate tax, custom duty and Value Added Tax (VAT). This is equivalent to 6.89% of the Company's gross sales revenue for the year 2019-20.

### Cost of Goods Sold and Profit Margins

For the year ended 30 June 2020, cost of goods sold was Taka 2,357 million (68.88% of net revenue) which was Taka 2,815 million (69.92% of net revenue) during the FY 2018-19, resulting a marginal decrease of 1.04% cost due to favorable material cost variance and changes of product mix over FY 2018-19. This has resulted to increase gross profit margin of 31.12% (Taka 1,065 million) during the year ended 30 June 2020 as against 30.08% (Taka 1,211 million) of the FY 2018-19. Higher gross profit margin, coupled with controlled operating cost led to register PAT 2.7% in FY 2019-20.

On behalf of the Board

**Shusmita Anis**

Managing Director

Dhaka, 28 October 2020

**Abdul-Muyeed Chowdhury**

Director

# Hoda Vasi Chowdhury & Co

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT to the Shareholders of ACI Formulations Limited

#### Report on the Audit of the Consolidated and Separate Financial Statements

#### Opinion

We have audited the consolidated financial statements of ACI Formulations Limited and its subsidiaries (the "Group") as well as the separate financial statements of ACI Formulations Limited (the "Company"), which comprise the consolidated and separate statements of financial position as at 30 June 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

Key audit matters for the audit of financial statements are as under:

Key audit area	Our responses
<b>Carrying value (CV) of Property, plant and equipment (PPE) and its impairment</b>	
<p>PPE includes the Group's and the Company's long-term assets, which flow economic benefits to the entities more than one year. PPE is measured at cost or revaluation less accumulated depreciation and accumulated impairment loss. The items of PPE excluding under construction assets were revalued by a professional valuer in 2015 on the basis of applicable methods including market value-based method. The carrying value of PPE represents significant portion of total assets, which is amounting to Tk. 190.3 crore for the Company and Tk. 190.4 crore for the Group at the reporting date. In other words, for both the Company and the Group, approximately 35% of total assets are represented by PPE.</p>	<p>We have tested the design and operating effectiveness of key controls over PPE. Our audit procedures included, among others, considering the impairment risk of the assets.</p> <p>Followings are our audit procedures on the carrying value and impairment risk of PPE:</p> <ul style="list-style-type: none"> <li>• Reviewing basis of recognition, measurement and valuation of assets;</li> <li>• Observing procedures of assets acquisition, depreciation and disposal;</li> <li>• Checking ownership of the major assets;</li> <li>• Checking the Capital-Work-in-Progress (CWIP) and its transfer to PPE as well as capital expenditure commitment;</li> </ul>

**National Office :** BTMC Bhaban (6<sup>th</sup> & 7<sup>th</sup> Floor), 7-9 Karwan Bazar Commercial Area, Dhaka-1215, Bangladesh  
**Chattogram Office :** Delwar Bhaban (4th Floor), 104 Agrabad Commercial Area, Chattogram-4100, Bangladesh



<p>The carrying value of PPE is the function of depreciation charges on cost/revaluated that involved estimation. Therefore, it has been considered as a significant area of auditor's judgment and requires special attention. It is a matter to consider that the carrying value of PPE may be higher than the recoverable amount and the impairment charges thereon may not have been recognised.</p>	<ul style="list-style-type: none"> <li>• Performing due physical asset verification on sample basis at the year-end;</li> <li>• Checking estimated rates of depreciation being used and assessed its fairness;</li> <li>• Discussing with the management about the fair value of the assets and assessing independently whether the CV approximates the fair value at the reporting date;</li> <li>• Evaluating the Group's assumptions in relation to recoverable amounts of the major PPE to identify if there is any requirement of recognition of impairment; and</li> <li>• Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul> <p>Our testing did not identify any issues with regard to CV of PPE and any indicators that would trigger impairment.</p>
<p><b>Refer to the note no. 8 and 8(a) of the financial statements.</b></p>	
<p><b>Inventory valuation</b></p>	
<p>At year end the Company and the Group as a whole reported inventory of Tk. 127 crore – approximately 23% of total assets – of goods held in depots, central warehouse and factories. Inventories are carried at lower of cost and net realizable value.</p> <p>The Group provides provision for obsolescence or slow-moving based on age analysis of inventories. This methodology relies upon assumptions made in determining appropriate provisioning amount to inventory balances. Therefore, it has been considered as key area of auditor's judgment and, thereby requiring special attention.</p>	<p>We obtained a detailed understanding and evaluated the design and implementation of controls that the Group has established in relation to inventory valuation.</p> <p>We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of inventory provisions.</p> <p>Our substantive procedures in relation to the inventory comprise the followings:</p> <ul style="list-style-type: none"> <li>• Evaluating the design and implementation of key inventory controls operating across the Group including Distribution Centres, Warehouses and Branches on sample basis;</li> <li>• Attending inventory counts at the year-end and reconciling the results of counting to the inventory listings to test the completeness of data;</li> <li>• Critically assessing the Group's inventory provisioning policy, with specific consideration given to aged inventory as well as stock turnover calculations, including the impact of seasonality;</li> <li>• Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of inventories and comparing to the associated provision to assess whether inventory provisions are complete; and</li> <li>• Reviewing the historical accuracy of inventory provision and the level of inventory write-offs during the year.</li> </ul> <p>Our procedures above did not identify any issues with regard to inventory.</p>
<p><b>Refer to the note no. 12 and 12(a) of the financial statements.</b></p>	
<p><b>Inter-company balances</b></p>	
<p>The carrying value of the inter-company receivables and payables of the Company was at Tk. 2.5 crore and Tk. 86.4 crore as at 30 June 2020 representing 0.46% of total assets and 27.8% of total liabilities of the Company, respectively.</p>	<p>We assessed the processes and controls put in place by the Company over inter-company transactions. Our substantive procedures in relation to the inter-company balances comprise the followings:</p>

<p>At the time of conducting our audit of the separate financial statements of the Company, we have identified the recoverable value of the Company's inter-company receivable stated at amortized cost.</p> <p>We have also assessed the Company's ability to repay inter-company payables, through detailed analysis of the Company's income and cash generating abilities.</p> <p>Management has conducted impairment assessment and calculated recoverable value of these inter-company receivables, and reimbursement capability of the inter-company payables in accordance with IFRS 9: Financial Instruments. Therefore, it is a matter to consider whether those receivables and payables have been misstated due to non-recognition of impairment or inability to repay.</p>	<ul style="list-style-type: none"> <li>• Understanding and analyzing the nature and reasons for inter-company transactions;</li> <li>• Studying board minutes for the approval of loans to the group entities;</li> <li>• Reviewing independently the financial capabilities of the subsidiary to meet the obligations and also, reviewing the financial statements of subsidiary;</li> <li>• Reviewing independently the financial capabilities of the Company to meet the obligations, and through review of the financial statements of the Company;</li> <li>• Checking the transactions between the Group entities on sample basis;</li> <li>• Obtaining confirmations from the group entities at the reporting date on the closing balances of inter-company transaction and its reconciliation whenever necessary;</li> <li>• Performing impairment test on the inter-company receivable balances and review of the key indicators including trend of profitability, operating cash flows, and history of inter-company transactions etc.;</li> <li>• Checking subsequent payment of inter-company loans, its ability to meet its inter-company obligations;</li> <li>• Recalculating interest portion on the balances of inter-company transactions and recording thereof; and</li> <li>• Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul> <p>Our testing did not identify any major issues with regard to inter-company balances and any indicators that would trigger impairment or adjustment at the reporting date.</p>
<p><b>Refer to the note no. 15 and 25 of the financial statements.</b></p>	
<p><b>Loan and borrowings and Bank overdraft ("Loan")</b></p>	
<p>At reporting date, the position of Loan outstanding was Tk. 170.4 crore for both the Company and the Group. In other words, approximately 55% of total liabilities are represented by loans for both the Company and Group.</p> <p>Evidently, the Company is using loan to operate the business and also, to acquire non-current assets. Loan, therefore, has been considered as key audit area.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the loans.</p> <p>Our audit procedures included, among others, the followings:</p> <ul style="list-style-type: none"> <li>• Understanding and reviewing the nature or types of loans;</li> <li>• Reviewing the board meeting minutes on arrangements of the loans;</li> <li>• Obtaining the repayment schedules, loan statements and facility offer letters to review terms, debt covenants, interest rates and other conditions associated with the loans;</li> <li>• Recalculating the interest related to loans;</li> <li>• Checking the adjustments or repayments of loans through bank statements as per repayment schedule;</li> <li>• Observing whether there is any overdue payment relevant to loans; and</li> <li>• Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul> <p>Our procedures above did not identify any issues with regard to loans.</p>

**Refer to the note no. 21, 22 and 22(a) of the financial statements.**

**Revenue Recognition**

At year end the Company and the Group both reported total revenue of Tk. 342 crore.

Revenue is recognised when the performance obligation is satisfied by transferring the goods or services to a customer, either at a point in time or over time. Goods or services are “transferred” when the customer obtains control of it. It is a matter of concern that revenue may be misstated due to recognition of sales transaction before performance obligation being satisfied.

Furthermore, revenue is measured at net of trade discounts, returns and allowances. Within a number of the Group’s markets, the estimation of discount recognised based on sales made during the year is material and considered to be complex and judgmental. Therefore, there is a matter of consideration that revenue may be misstated as a result of faulty estimations over discounts.

We have tested the design and operating effectiveness of key controls focusing on the followings:

- Segregation of duties in invoice creation and modification;
- Approved price list and specified terms of trade in place;
- Authorization of credit terms to customers;
- Timing of revenue recognition; and
- Calculation of discounts.

Our substantive procedures in relation to the revenue recognition comprises the followings:

- Observing and evaluating whether proper segregation of duties put in place;
- Examining samples of sales orders for evidence of proper credit approval by the appropriate personnel concerned and application controls for credit limits;
- Comparing prices and terms on samples of sales invoices to the authorized price list and terms of trade and also, examining application controls for authorized prices and terms;
- Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognised in the correct period;
- Assessing the appropriateness of the Group’s revenue recognition accounting policies, including those relating to discounts by comparison with applicable accounting standard;
- Testing the effectiveness of the Group’s controls over the calculation of discounts and appropriate timing of revenue recognition;
- Critically assessing manual journals made to revenue to identify unusual or irregular items; and
- Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.

Our testing did not identify any issues with regard to revenue.

**Refer to the note no. 27 and 27(a) of the financial statements.**

**Impact of COVID-19 on financial reporting**

The effects of the COVID-19 pandemic have significant global implications for economies, markets and businesses, including volatility and possible material uncertainties.

The operations of the Company itself has been affected due to the restrictions brought about by the COVID-19 pandemic. There is an increasing probability that assertions and estimates related to reporting maybe materially impacted due to impact of financial market volatility, deteriorating credit or liquidity concerns, government interventions, and disruptions in production and supply chain, among other matters.

COVID-19 has brought about various challenges for auditors, mainly in obtaining sufficient and appropriate audit evidence. Due to the physical restrictions in effect, evidence collected may not be sufficient and appropriate as considered in normal times. This will ultimately increase chances of material misstatements to evade applied audit procedures.

Detailed substantive tests were conducted in order to mitigate the additional risks of material misstatements due to the impact of COVID-19, which are the following:

- Testing the Company and Group's ability to function as a going concern by reviewing profitability, liquidity and operations;
- Verification of property, plant and equipment and evaluating whether any external or internal indications exist which may trigger impairment;
- Checking the movement of inventory during the year, and identifying slowing moving and obsolete inventory, to determine if impairment is mandated;
- Checking financial assets to assess their recoverability, and analyse whether impairment is required;
- Detailed analytical procedures on the financial statements of the Company, including but not limited to variance and common size analysis of balances;
- Detailed ratio analysis of the balances in the financial statements, for both current year and the comparative; ratios analysed include but not limited to profitability, liquidity, activity and cash flow ratios, among others;
- Evaluate the appropriateness and sufficiency of the Management's explanations for the deviations amongst balances and ratios of current year to that of the comparative;
- Analyse the disclosures provided by the Company to rationalize the impact of COVID-19 on financial statements, and check their appropriateness and sufficiency;
- Check that all COVID-19 impacts are accurately reflected in the financial statements, and disclosed in their entirety of magnitude to the financial statements as a whole; and
- Scrutinize that the impacts of events after the reporting period, and ensure their true and fair reflection and disclosure in the financial statements.

Our testing did not identify any issues with regards to impact of COVID-19 on financial reporting.

**Refer to the note no. 38.3 of the financial statements.**

### **Other Matter**

The Group comprises the parent, ACI Formulations Limited, and its subsidiary namely Neem Laboratories (Pvt.) Ltd. The financial statements of subsidiary have been audited by Shiraz Khan Basak & Co., Chartered Accountants. The auditor of subsidiary has expressed an unmodified opinion on the financial statements on 30 June 2020.

### **Other Information**

Management is responsible for the other information. The other information comprises all of the information in the Annual Report but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRSs, the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group and the Company audit. We remain solely responsible for our audit opinion.

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

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


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

### Report on other Legal and Regulatory Requirements

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

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Group and the Company so far as it appeared from our examination of these books;
- c) the consolidated and the separate statements of financial position and statements of profit or loss and other comprehensive income along with the annexed notes 1 to 39 dealt with by the report are in agreement with the books of account, and
- d) the expenditure incurred was for the purposes of the Group's and the Company's business.

Dhaka, 28 October 2020

  
**A F Nesaruddin, FCA**  
Senior Partner  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants



## ACI Formulations Limited

### Statement of Financial Position

In Taka	30 June 2020	30 June 2019	1st July 2018
<b>Assets</b>		Restated*	Restated*
Property, plant and equipment	1,902,607,959	1,944,656,528	1,793,502,725
Right of use assets	12,117,850	21,371,262	11,783,812
Investments	39,765,927	39,742,772	37,096,077
<b>Non-current assets</b>	1,954,491,736	2,005,770,562	1,842,382,614
Inventories	1,270,805,156	1,625,582,683	1,610,648,618
Trade receivables	1,574,240,361	1,713,472,029	1,350,154,816
Other receivables	40,677,696	41,728,563	27,351,264
Inter-company receivables	25,404,390	22,983,074	516,615,689
Advances, deposits and prepayments	79,424,510	79,814,120	92,822,350
Current tax assets	323,894,080	228,768,771	134,548,790
Cash and cash equivalents	248,676,354	297,708,034	262,039,838
<b>Current assets</b>	3,563,122,547	4,010,057,274	3,994,181,365
<b>Total assets</b>	5,517,614,283	6,015,827,836	5,836,563,979
<b>Equity</b>			
Share Capital	450,000,000	450,000,000	450,000,000
Revaluation reserve	1,136,392,931	1,136,392,931	1,136,392,931
Retained earnings	820,348,228	885,396,037	915,380,523
<b>Total equity</b>	2,406,741,159	2,471,788,968	2,501,773,454
<b>Liabilities</b>			
Employee benefits	48,492,100	43,494,776	39,179,275
Lease liability	4,385,837	10,999,132	8,811,619
Deferred tax liabilities	24,686,212	48,918,292	59,324,164
<b>Non-current liabilities</b>	77,564,149	103,412,200	107,315,058
Bank overdrafts	76,793,453	128,758,666	163,497,501
Loans and borrowings	1,626,971,532	1,822,161,341	2,738,695,818
Lease liability- current portion	6,613,294	6,355,202	1,702,599
Trade payables	118,584,013	89,050,954	126,995,956
Other payables	340,242,198	248,013,100	196,583,593
Inter-company payables	864,104,485	1,146,287,405	-
<b>Current liabilities</b>	3,033,308,975	3,440,626,668	3,227,475,467
<b>Total liabilities</b>	3,110,873,124	3,544,038,868	3,334,790,525
<b>Total equity and liabilities</b>	5,517,614,283	6,015,827,836	5,836,563,979
<b>Net asset value (NAV) per share</b>	53.48	54.93	55.59

\*See Note-6.1: The Group has applied IFRS 16 using retrospective approach. Therefore, comparative information have been restated.

Managing Director

Director

Company Secretary

As per our report of same date.

**A F Nesaruddin, FCA**  
Senior Partner  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

Dhaka, 28 October 2020

## ACI Formulations Limited

### Statement of Profit or Loss and other Comprehensive Income

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019 Restated
Revenue	3,422,446,474	4,025,285,890
Cost of sales	(2,357,284,560)	(2,814,616,591)
<b>Gross profit</b>	<b>1,065,161,914</b>	<b>1,210,669,299</b>
Other income	4,668,779	5,109,758
Administrative, selling and distribution expenses	(719,940,721)	(798,955,841)
<b>Operating profit</b>	<b>349,889,972</b>	<b>416,823,216</b>
<b>Finance costs, net</b>	<b>(217,715,145)</b>	<b>(227,010,584)</b>
<b>Profit before contribution to WPPF</b>	<b>132,174,827</b>	<b>189,812,632</b>
Contribution to WPPF	(6,608,741)	(9,553,187)
<b>Profit before tax</b>	<b>125,566,086</b>	<b>180,259,445</b>
<b>Income tax expense</b>		
Current tax	(57,345,975)	(63,149,803)
Deferred tax income/(expense)	24,232,080	10,405,872
	(33,113,895)	(52,743,931)
<b>Profit after tax</b>	<b>92,452,191</b>	<b>127,515,514</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>92,452,191</b>	<b>127,515,514</b>
<b>Earnings per share</b>		
Basic earnings per share	2.05	2.83



Managing Director

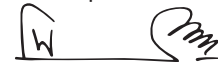


Director



Company Secretary

As per our report of same date.



**A F Nesaruddin, FCA**  
Senior Partner  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

Dhaka, 28 October 2020



## ACI Formulations Limited

# Statement of Changes in Equity

### For the year ended 30 June 2020

<i>In Taka</i>	Share capital	Revaluation reserve	Retained earnings	Total
<b>Balance at 1 July 2019</b>	450,000,000	1,136,392,931	885,396,037	2,471,788,968
<b>Total comprehensive income</b>				
Profit after tax	-	-	92,452,191	92,452,191
Other comprehensive income net of tax	-	-	-	-
<b>Total comprehensive income</b>	-	-	92,452,191	92,452,191
<b>Transactions with owners of the company</b>				
<b>Contributions and distributions</b>				
Final dividend paid for the year 2018-19	-	-	(157,500,000)	(157,500,000)
<b>Total transactions with owners of the company</b>	-	-	(157,500,000)	(157,500,000)
<b>Transactions recognised directly in equity</b>				
Realisation of revaluation surplus	-	-	-	-
<b>Total transactions recognised directly in equity</b>	-	-	-	-
<b>Balance at 30 June 2020</b>	450,000,000	1,136,392,931	820,348,228	2,406,741,159

### For the year ended 30 June 2019

<i>In Taka</i>	Share capital	Revaluation reserve	Retained earnings	Total
<b>Balance at 1 July 2018 as previously reported</b>	450,000,000	1,136,392,931	915,939,875	2,502,332,806
Impact of initial application of IFRS 16	-	-	(559,352)	(559,352)
<b>Restated balance at 1 July 2018</b>	450,000,000	1,136,392,931	915,380,523	2,501,773,454
<b>Total comprehensive income</b>				
Profit after tax	-	-	127,515,514	127,515,514
Other comprehensive income net of tax	-	-	-	-
<b>Total comprehensive income</b>	-	-	127,515,514	127,515,514
<b>Transactions with owners of the company</b>				
<b>Contributions and distributions</b>				
Final dividend paid for the year 2017-18	-	-	(157,500,000)	(157,500,000)
<b>Total transactions with owners of the company</b>	-	-	(157,500,000)	(157,500,000)
<b>Transactions recognised directly in equity</b>				
Realisation of revaluation surplus	-	-	-	-
<b>Total transactions recognised directly in equity</b>	-	-	-	-
<b>Restated balance at 30 June 2019</b>	450,000,000	1,136,392,931	885,396,037	2,471,788,968

## ACI Formulations Limited

### Statement of Cash Flows

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
		Restated
<b>Cash flows from operating activities</b>		
Cash receipts from customers and others	3,530,247,009	3,634,301,498
Cash paid to suppliers and employees	(2,486,366,330)	(3,481,837,482)
Cash (used in)/generated from operating activities	1,043,880,679	152,464,016
Paid to WPPF	(9,553,187)	(8,594,760)
Interest paid	(213,472,156)	(256,724,357)
Income tax paid	(152,471,284)	(157,369,784)
	(375,496,627)	(422,688,901)
<b>Net cash (used in)/from operating activities</b>	668,384,052	(270,224,885)
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(23,622,434)	(218,972,841)
Investment	(23,155)	(2,646,695)
<b>Net cash (used in)/from investing activities</b>	(23,645,589)	(221,619,536)
<b>Cash flows from financing activities</b>		
Inter-company debts received/(paid)	(283,636,486)	1,639,920,020
Proceeds from loans and borrowings	(195,189,810)	(916,534,477)
Payment for lease obligation	(6,355,203)	(4,652,452)
Dividends paid	(156,729,487)	(156,649,902)
<b>Net cash (used in)/from financing activities</b>	(641,910,986)	562,083,189
<b>Net increase/(decrease) in cash and cash equivalents</b>	2,827,477	70,238,768
Opening cash and cash equivalents	168,949,368	98,542,337
Effect of foreign exchange rate changes	106,056	168,263
<b>Cash and cash equivalents at reporting date</b>	171,882,901	168,949,368
<b>Closing balance represents</b>		
Cash and cash equivalents	248,676,354	297,708,034
Bank overdraft	(76,793,453)	(128,758,666)
	171,882,901	168,949,368
<b>Net operating cash flows per share (NOCFPS)</b>	14.85	(6.00)





## ACI Formulations Limited

# Consolidated Statement of Financial Position

In Taka	30 June 2020	30 June 2019	1st July 2018
<b>Assets</b>		Restated*	Restated*
Property, plant and equipment	1,903,985,541	1,946,404,129	1,795,746,344
Right of use assets	12,117,850	21,371,262	11,783,812
Investments	35,817,593	35,794,438	33,147,743
Intangible assets	5,147,792	5,147,792	5,147,792
<b>Non-current assets</b>	1,957,068,776	2,008,717,621	1,845,825,691
Inventories	1,270,805,156	1,641,860,723	1,629,233,566
Trade receivables	1,575,245,535	1,718,346,712	1,360,567,380
Other receivables	40,619,138	41,673,512	26,004,265
Inter-company receivable	17,862,732	3,658,384	490,417,631
Advances, deposits and prepayments	80,121,123	81,588,072	94,351,225
Current tax assets	323,757,710	228,725,226	134,123,783
Cash and cash equivalents	249,368,841	298,654,227	262,105,286
<b>Current assets</b>	3,557,780,235	4,014,506,856	3,996,803,136
<b>Total assets</b>	5,514,849,011	6,023,224,477	5,842,628,827
<b>Equity</b>			
Share Capital	450,000,000	450,000,000	450,000,000
Revaluation reserve	1,136,392,931	1,136,392,931	1,136,392,931
Retained earnings	815,586,163	880,352,574	908,469,896
<b>Equity attributable to the owners of the Company</b>	2,401,979,094	2,466,745,505	2,494,862,827
<b>Non controlling interest</b>	(121,672)	(127,415)	(165,520)
<b>Total equity</b>	2,401,857,422	2,466,618,090	2,494,697,307
<b>Liabilities</b>			
Employee benefits	48,492,100	43,494,776	39,179,275
Lease liability	4,385,837	10,999,132	8,811,619
Deferred tax liabilities	24,594,529	48,621,243	58,340,262
<b>Non-current liabilities</b>	77,472,466	103,115,151	106,331,156
Bank overdrafts	76,793,453	128,758,666	163,497,501
Loans and borrowings	1,626,971,532	1,825,021,499	2,746,378,692
Lease liability-current portion	6,613,294	6,355,202	1,702,599
Trade payables	119,962,073	97,424,470	132,432,664
Other payables	341,074,286	249,643,994	197,588,908
Inter-company payables	864,104,485	1,146,287,405	-
<b>Current liabilities</b>	3,035,519,123	3,453,491,236	3,241,600,364
<b>Total liabilities</b>	3,112,991,589	3,556,606,387	3,347,931,520
<b>Total equity and liabilities</b>	5,514,849,011	6,023,224,477	5,842,628,827
<b>Net Asset Value (NAV) per share</b>	53.38	54.82	55.44

\*See Note-6.1: The Group has applied IFRS 16 using retrospective approach. Therefore, comparative information have been restated.

Managing Director

Director

Company Secretary

As per our report of same date.

**A F Nesaruddin, FCA**  
Senior Partner  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

Dhaka, 28 October 2020

# ACI Formulations Limited

## Consolidated Statement of Profit or Loss and other Comprehensive Income

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019 Restated
Revenue	3,424,043,566	4,052,370,211
Cost of sales	(2,357,284,558)	(2,837,236,215)
<b>Gross profit</b>	<b>1,066,759,008</b>	<b>1,215,133,996</b>
Other income	4,668,779	5,109,758
Administrative, selling and distribution expenses	(720,517,624)	(800,354,334)
<b>Operating profit</b>	<b>350,910,163</b>	<b>419,889,420</b>
<b>Finance costs, net</b>	<b>(218,083,120)</b>	<b>(227,322,160)</b>
<b>Profit before contribution to WPPF</b>	<b>132,827,043</b>	<b>192,567,260</b>
Contribution to WPPF	(6,608,741)	(9,553,187)
<b>Profit before tax</b>	<b>126,218,302</b>	<b>183,014,073</b>
<b>Income tax expense:</b>		
Current tax	(57,505,684)	(63,312,309)
Deferred tax income/(expense)	24,026,714	9,719,019
	(33,478,970)	(53,593,290)
<b>Profit after tax</b>	<b>92,739,332</b>	<b>129,420,783</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>92,739,332</b>	<b>129,420,783</b>
<b>Profit attributable to:</b>		
Owners of the Company	92,733,589	129,382,678
Non-controlling interest	5,743	38,105
	92,739,332	129,420,783
<b>Earnings per share</b>		
Basic earnings per share	2.06	2.88



Managing Director

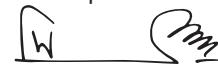


Director



Company Secretary

As per our report of same date.



**A F Nesaruddin, FCA**  
Senior Partner  
Hoda Vasi Chowdhury & Co.  
Chartered Accountants

Dhaka, 28 October 2020



# ACI Formulations Limited

## Consolidated Statement of Changes in Equity

**For the year ended 30 June 2020**

<i>In Taka</i>	Attributable to owner of the Company				Non-controlling interests	Total equity
	Share capital	Revaluation reserve	Retained earnings	Total		
<b>Balance as at 1 July 2019</b>	450,000,000	1,136,392,931	880,352,574	2,466,745,505	(127,415)	2,466,618,090
<b>Total comprehensive income</b>						
Profit after tax	-	-	92,733,589	92,733,589	5,743	92,739,332
Other comprehensive income net of tax	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	92,733,589	92,733,589	5,743	92,739,332
<b>Transactions with owners of the company</b>						
<b>Contributions and distributions</b>						
Final dividend paid for the year 2018-19	-	-	(157,500,000)	(157,500,000)	-	(157,500,000)
<b>Changes in ownership interests</b>						
Adjustment of strike off of subsidiaries	-	-	-	-	-	-
<b>Total transactions with owners of the company</b>	-	-	(157,500,000)	(157,500,000)	-	(157,500,000)
<b>Transactions recognised directly in equity</b>						
Realisation of revaluation surplus	-	-	-	-	-	-
<b>Total transactions recognised directly in equity</b>	-	-	-	-	-	-
<b>Balance as at 30 June 2020</b>	450,000,000	1,136,392,931	815,586,163	2,401,979,094	(121,672)	2,401,857,422

**For the year ended 30 June 2019**

<i>In Taka</i>	Attributable to owner of the Company				Non-controlling interests	Total equity
	Share capital	Revaluation reserve	Retained earnings	Total		
<b>Balance at 1 July 2018 as previously reported</b>	450,000,000	1,136,392,931	909,029,248	2,495,422,179	(165,520)	2,495,256,659
Impact of initial application of IFRS 16	-	-	(559,352)	(559,352)	-	(559,352)
<b>Restated Balance at 1 July 2018</b>	450,000,000	1,136,392,931	908,469,896	2,494,862,827	(165,520)	2,494,697,307
<b>Total comprehensive income</b>						
Profit after tax	-	-	129,382,678	129,382,678	38,105	129,420,783
Other comprehensive income net of tax	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	129,382,678	129,382,678	38,105	129,420,783
<b>Transactions with owners of the company</b>						
<b>Contributions and distributions</b>						
Final dividend paid for the year 2017-18	-	-	(157,500,000)	(157,500,000)	-	(157,500,000)
<b>Changes in ownership interests</b>						
Adjustment of strike off of subsidiaries	-	-	-	-	-	-
<b>Total transactions with owners of the company</b>	-	-	(157,500,000)	(157,500,000)	-	(157,500,000)
<b>Transactions recognised directly in equity</b>						
Realisation of revaluation surplus	-	-	-	-	-	-
<b>Total transactions recognised directly in equity</b>	-	-	-	-	-	-
<b>Balance at 30 June 2019</b>	450,000,000	1,136,392,931	880,352,574	2,466,745,505	(127,415)	2,466,618,090

## ACI Formulations Limited

# Consolidated Statement of Cash Flows

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019 Restated
<b>Cash flows from operating activities</b>		
Cash receipts from customers	3,535,713,609	3,666,923,700
Cash paid to suppliers and employees	(2,506,277,549)	(3,507,900,678)
Cash (used in)/generated from operating activities	1,029,436,060	159,023,022
Payment for WPPF	(9,553,187)	(8,594,760)
Interest paid	(213,840,131)	(257,035,934)
Income tax paid	(152,538,168)	(157,913,752)
	(375,931,486)	(423,544,446)
<b>Net cash (used in)/from operating activities</b>	<b>653,504,574</b>	<b>(264,521,424)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(23,622,435)	(218,972,841)
Investment	(23,155)	(2,646,695)
<b>Net cash (used in)/from investing activities</b>	<b>(23,645,590)</b>	<b>(221,619,536)</b>
<b>Cash flows from financing activities</b>		
Inter-company debts received/(paid)	(266,150,555)	1,639,920,020
Proceeds from loans and borrowings	(198,049,968)	(921,357,193)
Payment for lease obligation	(6,355,203)	(4,652,452)
Dividends paid	(156,729,487)	(156,649,902)
<b>Net cash (used in)/from financing activities</b>	<b>(627,285,213)</b>	<b>557,260,473</b>
Net increase/(decrease) in cash and cash equivalents	2,573,771	71,119,513
Opening Cash and cash equivalents	169,895,561	98,607,785
Effect of foreign exchange rate changes	106,056	168,263
<b>Closing cash and cash equivalents at reporting date</b>	<b>172,575,388</b>	<b>169,895,561</b>
<b>Closing balance represents</b>		
Cash and cash equivalents	249,368,841	298,654,227
Bank overdraft	(76,793,453)	(128,758,666)
	172,575,388	169,895,561
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	<b>14.52</b>	<b>(5.88)</b>



## ACI Logistics Limited Directors' Report

ACI Logistics Limited (The Company), a private company limited by shares, was incorporated with the Registrar of Joint Stock Companies, Dhaka 2008. It is best known for its brand of most popular retail superstores, "Shwapno", which currently operates through its 144 outlets including 34 newly opened express outlets. This has allowed Shwapno to increase its footprint outside Dhaka and currently serves in 14 districts. This has allowed Shwapno to strengthen its leadership position with a 49% market share. Having established itself as a Super Brand as well as the top 10 brands in the country, it currently serves more than 45,000 customers daily. Shwapno focused heavily on safety and operational efficiency, especially during the pandemic. It faced numerous challenges but was able to overcome and achieved record-breaking sales in May. With the expansion of more outlets, Shwapno Express now serves more than 12,000 customers daily. Shwapno's e-commerce platform has also been at an all-time high, in terms of growth, and now serves more than 28,000 customers each month. ACI Logistics continues to work with Global G.A.P to ensure safe, sustainable agriculture. It has also started to get more involved in the value chain by buying directly from farmers to ensure a fair price as well as sustainability. Shwapno has retained its Best Brand award status in the super store category by Kantar Millward brown and Bangladesh Brand Forum for four consecutive years (2016, 2017, 2018 & 2019). Shwapno has been awarded No. 8 overall brand in the country for 2019 as well as "Superbrands" by Superbrands Bangladesh. With these achievements and many more recognition, Shwapno continues on its course to establish itself not only as a powerful national brand capturing the hearts of millions of consumers, but also the destination for safe and authentic products.

The operating results of the Company for the year ended on 30 June 2020 are as follows:

### Key Financial Results

	<u>Taka</u>
Revenue	11,563,447,298
Gross Profit/(Loss)	2,120,010,866
Operating Profit/(Loss)	(44,807,766)
Profit/(Loss) Before Tax	(1,482,316,081)
Profit/(Loss) After Tax	(1,569,388,170)

On behalf of the Board

**Dr. Arif Dowla**

Managing Director

**Kamran Tanvirur Rahman**

Director

Dhaka, 2 November 2020





**Rahman Rahman Huq**  
Chartered Accountants  
9 & 5 Mohakhali C/A  
Dhaka 1212  
Bangladesh

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# Independent Auditor's Report to the Shareholders of **ACI Logistics Limited**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of ACI Logistics Limited ("the Company"), which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 38(N) in the financial statements, which indicates that the Company incurred a net loss of Taka 1,569 million during the year ended 30 June 2020 and, as of that date, the Company's current liabilities exceeded its total assets by Taka 8,833 million. As stated in Note 38(N), these events or conditions, along with the other matters as set forth in Note 38(N), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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.

Rahman Rahman Huq, a partnership firm registered in Bangladesh and a member firm of the KPMG network of independent member firms affiliated with KPMG International cooperative ("KPMG International"), a Swiss entity.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

### **Independent Auditor's Report (continued)**

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, we also report the following:

- a) 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;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dhaka, 2 November 2020



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**Rahman Rahman Huq**  
Chartered Accountants  
**KPMG in Bangladesh**



## ACI Logistics Limited

### Statement of Financial Position

In Taka	30 June 2020	30 June 2019	1 July 2018
		Restated*	Restated*
<b>Assets</b>			
Property, plant and equipment	512,327,024	694,498,788	821,727,923
Capital work in progress	22,680,171	26,651,760	73,689,000
Intangible assets	36,457,988	43,390,471	51,149,898
Right-of-use assets	882,329,590	851,018,306	970,909,102
Investments in FDR	155,029,184	143,772,565	133,550,126
Advances, deposits and prepayments	40,334,040	40,334,040	40,334,040
<b>Non-current assets</b>	1,649,157,997	1,799,665,930	2,091,360,089
Inventories	1,507,388,765	1,330,711,065	1,297,218,750
Trade and other receivables	64,876,425	63,121,979	61,867,054
Advances, deposits and prepayments	137,391,567	124,417,497	143,631,267
Cash and cash equivalents	149,512,819	167,039,274	124,266,142
<b>Current assets</b>	1,859,169,576	1,685,289,815	1,626,983,213
<b>Total assets</b>	3,508,327,573	3,484,955,745	3,718,343,302
<b>Equity</b>			
Share capital	360,000,000	360,000,000	360,000,000
Accumulated loss	(12,311,804,524)	(10,742,416,354)	(9,146,626,490)
<b>Total equity</b>	(11,951,804,524)	(10,382,416,354)	(8,786,626,490)
<b>Liabilities</b>			
Loans and borrowings	2,311,074,348	3,046,243,463	4,053,742,337
Employee benefits	90,201,190	75,519,701	61,240,148
Lease liabilities	717,583,341	720,946,768	841,650,231
<b>Non-current liabilities</b>	3,118,858,879	3,842,709,932	4,956,632,716
Loans and borrowings	2,721,768,840	2,686,523,074	1,387,683,317
Bank overdraft	1,149,342,228	1,143,256,088	958,032,607
Lease liabilities	216,263,744	232,939,182	180,211,550
Trade and other payables	1,788,812,928	1,473,519,287	1,244,396,234
Inter-company borrowings	6,238,281,980	4,334,972,843	3,680,581,010
Current tax liabilities	226,803,498	153,451,693	97,432,358
<b>Current liabilities</b>	12,341,273,218	10,024,662,167	7,548,337,076
<b>Total liabilities</b>	15,460,132,097	13,867,372,099	12,504,969,792
<b>Total equity and liabilities</b>	3,508,327,573	3,484,955,745	3,718,343,302

\*The Company has initially applied IFRS 16 using retrospective approach. Therefore, comparative information have been restated.

Managing Director

Director

Company Secretary

As per our report of same date.

**Rahman Rahman Huq**  
Chartered Accountants  
KPMG in Bangladesh

Dhaka, 2 November 2020

## ACI Logistics Limited

### Statement of Profit or Loss and other Comprehensive Income

In Taka	For the year ended	
	30 June 2020	30 June 2019
		Restated*
Revenue	11,563,447,298	9,905,955,132
Cost of sales	(9,443,436,432)	(8,055,273,913)
Gross profit	2,120,010,866	1,850,681,219
Other income	35,215,560	47,376,951
Operating expenses	(2,200,034,192)	(2,093,304,028)
<b>Operating loss</b>	<b>(44,807,766)</b>	<b>(195,245,858)</b>
Finance income	12,805,035	12,417,345
Finance costs	(1,450,313,350)	(1,343,022,899)
<b>Net finance costs</b>	<b>(1,437,508,315)</b>	<b>(1,330,605,554)</b>
<b>Loss before tax</b>	<b>(1,482,316,081)</b>	<b>(1,525,851,412)</b>
Income tax expense	(87,072,089)	(69,938,452)
<b>Loss for the year</b>	<b>(1,569,388,170)</b>	<b>(1,595,789,864)</b>
Other comprehensive income for the year	-	-
<b>Total comprehensive loss for the year</b>	<b>(1,569,388,170)</b>	<b>(1,595,789,864)</b>



Managing Director



Director



Company Secretary

As per our report of same date.



**Rahman Rahman Huq**  
Chartered Accountants  
**KPMG in Bangladesh**

Dhaka, 2 November 2020





## ACI Logistics Limited

# Statement of Changes in Equity

<i>In Taka</i>	<b>For the year ended 30 June 2020</b>		
	Share capital	Accumulated loss	Total equity
Balance at 1 July 2018, as previously reported	360,000,000	(8,947,274,038)	(8,587,274,038)
Adjustment on initial application of IFRS 16, net of tax	-	(199,352,452)	(199,352,452)
<b>Restated balance at 1 July 2018</b>	<b>360,000,000</b>	<b>(9,146,626,490)</b>	<b>(8,786,626,490)</b>
<b>Total comprehensive loss for the year (restated)</b>			
Loss for the year	-	(1,595,789,864)	(1,595,789,864)
Other comprehensive income for the year	-	-	-
<b>Total comprehensive loss for the year (restated)</b>	<b>-</b>	<b>(1,595,789,864)</b>	<b>(1,595,789,864)</b>
<b>Restated balance at 30 June 2019</b>	<b>360,000,000</b>	<b>(10,742,416,354)</b>	<b>(10,382,416,354)</b>
<b>Balance at 1 July 2019</b>	<b>360,000,000</b>	<b>(10,742,416,354)</b>	<b>(10,382,416,354)</b>
<b>Total comprehensive loss for the year</b>			
Loss for the year	-	(1,569,388,170)	(1,569,388,170)
Other comprehensive income for the year	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(1,569,388,170)</b>	<b>(1,569,388,170)</b>
<b>Balance at 30 June 2020</b>	<b>360,000,000</b>	<b>(12,311,804,524)</b>	<b>(11,951,804,524)</b>

## ACI Logistics Limited

### Statement of Cash Flows

<i>In Taka</i>	For the year ended	
	30 June 2020	30 June 2019
		Restated*
<b>Cash flows from operating activities</b>		
Cash receipts from customers	11,596,766,648	9,901,034,901
Cash paid to suppliers and employees	(11,157,253,651)	(9,387,735,380)
<b>Cash generated from operating activities</b>	439,512,997	513,299,521
Interest paid	(1,356,924,650)	(1,324,914,268)
Interest paid for lease liabilities	(93,388,700)	(117,983,456)
Income tax paid	(13,720,284)	(13,919,117)
<b>Net cash used in operating activities</b>	(1,024,520,637)	(943,517,320)
<b>Cash flows from investing activities</b>		
Acquisition of capital work in progress	(21,826,247)	(65,358,635)
Proceeds from disposal of property, plant and equipment	694,752	-
<b>Net cash used in investing activities</b>	(21,131,495)	(65,358,635)
<b>Cash flows from financing activities</b>		
Proceeds from inter-company borrowings	5,413,336,288	9,081,227,067
Repayment of inter-company borrowings	(3,510,027,151)	(8,426,835,234)
Proceeds from/(repayment of) loans and borrowings	(699,923,349)	392,245,323
Payment for principal portion of lease liabilities	(181,346,251)	(180,211,550)
<b>Net cash generated from financing activities</b>	1,022,039,537	866,425,606
<b>Net decrease in cash and cash equivalents</b>	(23,612,595)	(142,450,349)
Cash and cash equivalents at the beginning	(976,216,814)	(833,766,465)
<b>Cash and cash equivalents at 30 June</b>	(999,829,409)	(976,216,814)



## ACI Pure Flour Limited Directors' Report

ACI Pure Flour Limited (APFL), a private company limited by shares, is a subsidiary of Advanced Chemical Industries (ACI) Limited having 95% shareholding in the company and one of the most successful businesses within ACI conglomerate.

It continues to maintain a strong market share in the retail market and provides a range of innovative products time to time. Since inception, this company has become one of the largest flour producing companies in Bangladesh and is operating as one of the leading businesses in ACI fraternity. The first factory of APFL was built utilizing approximately 7 acres of land in Dewli, Chourapara, Narayanganj, based on state-of-the-art European technology. With the continuous enhancement and to meet with the excessive demand PFL was able to exceed full production capacity of the Narayanganj factory and thus took lease of a factory in Chittagong with an infrastructure based on the most modern technology in early 2016 and successfully operating till now.

This company is diligent in coming up with innovative product lines to satisfy their customers' need. ACI Pure secures the market share of Atta with continuous innovation in developing new products to satisfy the growing need and also the steep growth in Suji keeping the promise of purity for a healthier choice of baby food. Apart from the basic Atta, Maida, Suji, the company supplies specialized products like Multigrain Atta, Brown Atta, Parata Maida in the brand name ACI Nutrilife. ACI Nutrilife has brought the Third Generation healthy Atta-Atta Oats Plus, with target group of consumers. ACI Pure Pulse, another successful venture of APFL is an establish brand in the industry by this time with a prominent market share.

The operating results of the Company for the year ended on 30 June 2020 are as follow:

### Key Financial Results

	<u>Taka</u>
Revenue	5,082,884,402
Gross Profit/(Loss)	464,428,294
Operating Profit/(Loss)	201,523,904
Profit/(Loss) Before Tax	247,501,475
Profit/(Loss) After Tax	155,182,611

On behalf of the Board

**Syed Alamgir**

Managing Director

**Kamran Tanvirur Rahman**

Director

Dhaka, 10 October 2020

## Independent Auditors' Report to the Shareholders of ACI Pure Flour Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of ACI Pure Flour Limited, which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of cash flow and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

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

#### Other Information

Management is responsible for the other information. The other information comprises all of the information in the *Directors' Report to the Shareholders* other than the financial statements and our auditors' report thereon.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards 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.

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994, we report the following:

- a) 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;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dhaka, 10 October 2020



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M. J. Abedin & CO  
Chartered Accountants



# ACI Pure Flour Limited

## Statement of Financial Position

as at 30 June 2020

<i>In Taka</i>	30 June 2020	30 June 2019
<b>Assets</b>		
Property, plant and equipment	554,149,781	546,971,011
Capital work-in-progress	75,866,816	-
<b>Non-current assets</b>	630,016,597	546,971,011
Inventories	431,565,030	188,188,926
Trade receivables	133,023,443	150,990,117
Other receivables	956,235	4,307,517
Inter-company receivables	553,684,708	550,281,163
Advances, deposits and prepayments	33,607,414	32,873,892
Cash and bank balances	60,700,054	182,513,079
<b>Current assets</b>	1,213,536,884	1,109,154,694
<b>Total assets</b>	1,843,553,481	1,656,125,705
<b>Equity</b>		
Share capital	40,000,000	40,000,000
Revaluation Surplus	218,270,676	218,270,676
Retained earnings	873,662,511	718,479,900
<b>Total equity</b>	1,131,933,187	976,750,576
<b>Liabilities</b>		
Employment benefits	23,298,493	20,721,182
Deferred tax liabilities	51,509,800	55,728,401
<b>Non-current liabilities</b>	74,808,293	76,449,583
Bank overdraft	42,302,937	76,438,796
Short term loan	107,329,500	145,816,438
Trade payables	240,985,881	125,724,847
Other payables	158,830,838	189,037,178
Inter-company payables	22,426,705	-
Liability for Current tax	64,936,140	65,908,287
<b>Current liabilities</b>	636,812,001	602,925,546
<b>Total liabilities</b>	711,620,294	679,375,129
<b>Total equity and liabilities</b>	1,843,553,481	1,656,125,705

Managing Director

Director

Company Secretary

As per our separate report of even date annexed.

M. J. Abedin & CO  
Chartered Accountants

Dhaka, 10 October 2020

ACI Pure Flour Limited  
**Statement of Profit or Loss and Other Comprehensive Income**  
 For the year ended 30 June 2020

<i>In Taka</i>	For 01 July 2019 to 30 June 2020	For 01 July 2018 to 30 June 2019
Revenue	5,082,884,402	4,288,098,732
Cost of sales	(4,618,456,108)	(3,971,228,765)
<b>Gross profit</b>	464,428,294	316,869,968
Administrative, selling and distribution expenses	(262,739,509)	(256,886,509)
Other income/(loss)	(164,881)	2,942,876
<b>Operating profit</b>	201,523,904	62,926,334
Finance income/(expenses)	59,003,965	34,522,891
<b>Profit before contribution to WPPF</b>	260,527,869	97,449,225
Contribution to WPPF	(13,026,393)	(4,872,461)
<b>Profit before tax</b>	247,501,475	92,576,764
<b>Income tax expenses:</b>		
Current tax	(96,537,465)	(46,334,827)
Deferred tax (expenses)/income	4,218,601	4,331,683
	(92,318,864)	(42,003,144)
<b>Profit after tax</b>	155,182,611	50,573,620
<b>Total comprehensive income</b>	155,182,611	50,573,620



Managing Director



Director



Company Secretary

As per our separate report of even date annexed.



M. J. Abedin & CO  
Chartered Accountants

Dhaka, 10 October 2020



## ACI Pure Flour Limited Statement of Changes in Equity

For the year ended 30 June 2020

	Share capital Taka	Retained Earnings Taka	Revaluation Surplus Taka	Total Taka
<b>Balance as at 01 July 2019</b>	40,000,000	718,479,900	218,270,676	976,750,576
Net profit after tax for the year	-	155,182,611	-	155,182,611
Total other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	155,182,611	-	155,182,611
<b>Balance at 30 June 2020</b>	<u>40,000,000</u>	<u>873,662,511</u>	<u>218,270,676</u>	<u>1,131,933,187</u>
<b>Balance as at 01 July 2018</b>	40,000,000	667,906,280	218,270,676	926,176,956
Profit after tax for the year	-	50,573,620	-	50,573,620
Total other comprehensive income	-	-	-	-
<b>Balance at 30 June 2019</b>	<u>40,000,000</u>	<u>718,479,900</u>	<u>218,270,676</u>	<u>976,750,576</u>

# ACI Pure Flour Limited

## Statement of Cash Flows

For the year ended 30 June 2020

<i>In Taka</i>	For 01 July 2019 to 30 June 2020	For 01 July 2018 to 30 June 2019
<b>A Cash flows from operating activities</b>		
Cash received from customers	5,100,851,076	4,320,600,592
Cash received from other income	3,886,631	4,653,534
	<u>5,104,737,707</u>	<u>4,325,254,126</u>
Cash received/(paid) from/(for) :		
Purchase of inventories and for production	(4,715,464,536)	(3,798,634,117)
Operating expenses	(299,960,733)	(262,824,313)
Other receivables	3,351,282	(2,436,558)
Workers profit participation fund	(4,872,461)	(7,582,870)
Advance, deposits and prepayments	(733,522)	25,137,156
	<u>(5,017,679,970)</u>	<u>(4,046,340,702)</u>
Cash generated from operations	87,057,738	278,913,424
Finance income	59,003,965	34,522,891
Income tax paid	(97,509,612)	(62,108,437)
	<u>(38,505,647)</u>	<u>(27,585,546)</u>
<b>Net cash from operating activities</b>	<u>48,552,091</u>	<u>251,327,876</u>
<b>B Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(40,898,662)	(17,475,451)
Payment for capital work in progress	(75,866,816)	-
Sale proceeds from property, plant and equipment	-	338,051
<b>Net cash from/(used in) investing activities</b>	<u>(116,765,478)</u>	<u>(17,137,400)</u>
<b>C Cash flows from financing activities</b>		
Short term bank loan received/(paid)	(38,486,938)	(58,715,689)
Intercompany debts(paid)/received	19,023,160	(76,367,545)
<b>Net cash from/(used in) financing activities</b>	<u>(19,463,778)</u>	<u>(135,083,234)</u>
<b>D Net cash flow from all activities (A+B+C)</b>	(87,677,166)	99,107,242
<b>E Cash and bank balances at the beginning of the year</b>	106,074,283	6,967,041
<b>F Cash and bank balances at reporting date</b>	<u>18,397,117</u>	<u>106,074,283</u>
<b>Closing Balance represents :</b>		
Cash in hand and at bank	60,700,054	182,513,079
Bank overdraft	(42,302,937)	(76,438,796)
	<u>18,397,117</u>	<u>106,074,283</u>





## ACI Foods Limited Directors' Report

ACI Foods Limited (The Company) was enlisted in 2006 with the Registrar of Joint Stock Companies of Bangladesh as a subsidiary of Advanced Chemical Industries Limited. ACI holds 95% shares in the Company. With vision to contribute in improvement of food and nutrition for the people of Bangladesh, the Company in manufacturing, marketing and distribution of staple food rice, spices, mustard oil, noodles, beverages and bakery products.

The Company introduced rice business in 2016 by setting up a rice mill at Mahadevpur, Naogaon with endeavor of offering brands to provide trustworthy product experience of authentic and premium quality rice. Rice unit made a fabulous performance by business progression through presenting customers new varieties along with retaining growth of formerly introduced ones in the diversified product basket. Banglamoti and Boiled Katari are two such additions to existing portfolio of Minicate, Paizam, Atash, Guti, Zirashail, Pariza, Nazirshail, Kataribhog, Chinigura, non-boiled rice production capacity is doubled and added new leased facility of parboiled rice at Shantahar, Bogura under contract. As backward linkage, the sourcing team connected marginal level farmers in near vicinity of the factories for quality paddy and contributed to the rural economy through ensuring best price both for the grower and for the Company. ACI Rice extended their services to reach the doorsteps of customers through diversification of distribution channels. Thus the trust of people of the country on ACI Pure has become stronger with impactful progress of ACI Rice in the largest staple food industry.

In the operating results, ACI Rice grew by 24.6% with topline of BDT 2,129 million over previous year and made significant contribution in bottom line that was 559% higher than former year.

The operating results of the Company for the year ended on 30 June 2020 are as follow:

### Key Financial Results

	Taka
Revenue	5,158,693,173
Gross Profit/(Loss)	761,040,745
Operating Profit/(Loss)	323,641,139
Profit/(Loss) Before Tax	(47,006,327)
Profit/(Loss) After Tax	(106,987,123)

On behalf of the Board

**Syed Alamgir**

Managing Director

**Kamran Tanvirur Rahman**

Director

Dhaka, 10 October 2020

## Independent Auditors' Report to the Shareholders of **ACI Foods Limited**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of ACI Foods Limited, which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of cash flow and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

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

#### Material Uncertainty Related to Going Concern

We draw attention to note- 1.4.13 (a) to the financial statements which describe the uncertainty related to the company's ability to continue as a going concern and our report is not modified in respect of the matter.

#### Other Information

Management is responsible for the other information. The other information comprises all of the information in the *Directors' Report to the Shareholders* other than the financial statements and our auditors' report thereon.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards 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.

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994, we report the following:

- a) 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;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dhaka, 10 October 2020



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M. J. Abedin & CO  
Chartered Accountants



ACI Foods Limited  
**Statement of Financial Position**  
as at 30 June 2020

<i>In Taka</i>	30 June 2020	30 June 2019
<b>Assets</b>		
Property, plant and equipment	784,465,733	810,042,115
Capital work-in-progress	99,780,342	30,246,272
Deferred tax asset	105,286,455	104,087,613
<b>Non-current assets</b>	<b>989,532,529</b>	<b>944,375,999</b>
Inventories	831,426,777	530,615,066
Trade receivables	254,807,397	366,889,487
Other receivables	62,926,026	67,468,889
Advances, deposits and prepayments	162,944,882	90,426,798
Inter-company receivable	1,425,159	2,229,838
Cash and cash equivalents	91,907,995	85,717,937
<b>Current assets</b>	<b>1,405,438,235</b>	<b>1,143,348,014</b>
<b>Total assets</b>	<b>2,394,970,764</b>	<b>2,087,724,013</b>
<b>Equity</b>		
Share capital	287,000,000	287,000,000
Revaluation surplus	27,318,125	27,318,125
Retained earnings	(2,122,483,357)	(2,015,496,234)
<b>Total equity</b>	<b>(1,808,165,232)</b>	<b>(1,701,178,109)</b>
<b>Liabilities</b>		
Long term bank loan	23,936,235	69,724,624
Employee benefits	432,984	-
<b>Non-current liabilities</b>	<b>24,369,219</b>	<b>69,724,624</b>
Bank overdraft	111,575,107	151,872,382
Short term bank loan	234,024,181	163,226,127
Long term bank loan-current portion	54,636,014	47,712,198
Trade payables	582,572,823	336,070,769
Other payables	226,043,032	122,408,967
Inter-company liabilities	2,880,342,875	2,829,643,574
Liability for current tax	89,572,743	68,243,482
<b>Current liabilities</b>	<b>4,178,766,777</b>	<b>3,719,177,499</b>
<b>Total liabilities</b>	<b>4,203,135,996</b>	<b>3,788,902,123</b>
<b>Total equity and liabilities</b>	<b>2,394,970,764</b>	<b>2,087,724,013</b>

Managing Director

Director

Company Secretary

As per our separate report of even date annexed.

M. J. Abedin & CO  
Chartered Accountants

Dhaka, 10 October 2020



# ACI Foods Limited

## Statement Profit or Loss and other Comprehensive Income

For the year ended 30 June 2020

<i>In Taka</i>	30 June 2020	30 June 2019
Revenue	5,158,693,173	3,876,382,346
Cost of sales	(4,397,652,429)	(3,335,409,420)
<b>Gross profit</b>	761,040,745	540,972,926
Administration, selling and distribution expenses	(443,759,498)	(505,943,311)
Other income	6,359,891	23,281,668
<b>Operating profit</b>	323,641,139	58,311,283
Finance cost	(370,647,466)	(356,687,350)
<b>Profit/(loss) before tax</b>	(47,006,327)	(298,376,067)
<b>Income tax expenses</b>		
Current tax expenses	(61,179,637)	(30,040,790)
Deferred tax income	1,198,841	27,061,176
	(59,980,796)	(2,979,614)
<b>Net Loss after tax</b>	(106,987,123)	(301,355,680)



Managing Director



Director



Company Secretary

As per our separate report of even date annexed.



M. J. Abedin & CO  
Chartered Accountants

Dhaka, 10 October 2020



# ACI Foods Limited

## Statement of Changes in Equity

For the year ended 30 June 2020

### For the year ended 30 June 2020

<i>In Taka</i>	Share Capital	Revaluation Surplus	Retained earnings	Total equity
Balance on 01 July 2019	287,000,000	27,318,125	(2,015,496,234)	(1,701,178,109)
Loss after tax	-	-	(106,987,123)	(106,987,123)
<b>Balance at 30 June 2020</b>	<b>287,000,000</b>	<b>27,318,125</b>	<b>(2,122,483,357)</b>	<b>(1,808,165,232)</b>

### For the year ended 30 June 2019

<i>In Taka</i>	Share Capital	Revaluation reserve	Retained earnings	Total equity
Balance on 01 July 2018	287,000,000	27,318,125	(1,714,140,554)	(1,399,822,429)
Issue of right shares	-	-	-	-
Loss after tax	-	-	(301,355,680)	(301,355,680)
<b>Balance at 30 June 2019</b>	<b>287,000,000</b>	<b>27,318,125</b>	<b>(2,015,496,234)</b>	<b>(1,701,178,109)</b>

# ACI Foods Limited

## Statement of Cash Flows

For the year ended 30 June 2020

<i>In Taka</i>	30 June 2020	30 June 2019
<b>Cash flows from operating activities</b>		
Cash received from customers	5,270,775,263	3,950,758,822
Cash receipts from other income	6,778,410	15,350,317
	5,277,553,673	3,966,109,139
<b>Cash received/(paid) from/(for) :</b>		
Purchase of inventory	(4,392,075,185)	(3,112,954,354)
Other receivables	4,542,863	(5,194,380)
Operating expenses	(335,605,986)	(486,387,101)
Advances, deposits and prepayments	(72,518,084)	(46,064,390)
	(4,795,656,393)	(3,650,600,224)
<b>Cash generated from operations</b>	481,897,283	315,508,915
Financing cost	(370,647,466)	(356,687,350)
Income tax	(39,850,376)	(4,955,619)
	(410,497,841)	(361,642,969)
<b>Net cash from/(used in) operating activities</b>	71,399,442	(46,134,053)
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(13,062,777)	(18,205,138)
Payment for capital work-in-progress	(94,868,273)	(5,819,194)
Advance payment for capital expenditure	-	-
<b>Net cash from/(used in) investing activities</b>	(107,931,050)	(24,024,332)
<b>Cash flows from financing activities</b>		
Inter-company debts (paid)/received	51,503,980	132,963,645
Issue of right shares	-	-
Short term loan (paid)/received	70,798,054	(5,229,758)
Long term loan (paid)/received	(38,864,573)	(43,693,692)
<b>Net cash from/(used in) financing activities</b>	83,437,462	84,040,195
Net cash increase/(decrease) in cash and cash equivalents	46,905,852	13,881,810
Opening Cash and cash equivalent	(66,154,445)	(81,129,253)
Effects of Exchanges Rate Changes on Cash and Cash Equivalents	(418,519)	1,092,998
<b>Cash and cash equivalent at reporting date</b>	(19,667,112)	(66,154,445)
<b>Closing balance represents</b>		
Cash and cash equivalent	91,907,995	85,717,937
Bank overdraft	(111,575,107)	(151,872,382)
	(19,667,112)	(66,154,445)



## ACI Salt Limited Directors' Report

In 2004, ACI Salt Limited was incorporated as a private company limited by shares with the Registrar of Joint Stock Companies, Dhaka, under the Companies Act 1994. Advanced Chemical Industries Limited is the holding company and owns 77.67 percent of the Company's stock. ACI Pure Salt has succeeded in redefining Bangladesh's salt industry. By introducing the finest quality iodized edible salt and educating customers to differentiate between ordinary salt and 100 percent pure salt, ACI has brought a revolutionary shift in the industry. This has resulted in a behavioral change in consumers and the number of vacuum salt users is increasing day by day. ACI PURE Salt, as industry leader, feels responsible for continuing to contribute to the advanced possibilities of life. However, the Company aims to introduce more innovation while widening its product range.

ACI PURE Salt continues to bring in innovative practices in the salt market with its creative packaging and product development. ACI PURE Salt always gives priority to consumers' best interests. It has expanded its product varieties in recent years to provide broader options for consumers. ACI PURE Salt is certified by the ISO 9001:2015 for its quality management system. This is a testament to the dedication of the ACI PURE Salt brand to ensure safety and regulatory requirements.

It became no. 1 choice and for the eighth time in a row, it won the best brand award in Salt category. It was also listed as the country's 14th best brand among all categories. ACI Pure Salt has been awarded as the Superbrand 2018 based on top-of-mind recognition, brand legacy, consistent execution of commitment, consumer loyalty and social perception of validity and quality.

The operating results of the Company for the year ended on 30 June 2020 are as follow:

### Key Financial Results

	<u>Taka</u>
Revenue	2,103,692,277
Gross Profit/(Loss)	563,932,961
Operating Profit/(Loss)	304,508,696
Profit/(Loss) Before Tax	333,138,761
Profit/(Loss) After Tax	216,177,529

On behalf of the Board

**Syed Alamgir**  
Managing Director

**Kamran Tanvirur Rahman**  
Director

Dhaka, 22 October 2020

# Hoda Vasi Chowdhury & Co

## Chartered Accountants

### Independent Auditors' Report to the Shareholders of **ACI Salt Limited**

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of ACI Salt Limited (the "Company"), which comprise the statements of financial position as at 30 June 2020, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

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

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

**National Office :** BTMC Bhaban (6<sup>th</sup> & 7<sup>th</sup> Floor), 7-9 Karwan Bazar Commercial Area, Dhaka-1215, Bangladesh  
**Chattogram Office :** Delwar Bhaban (4th Floor), 104 Agrabad Commercial Area, Chattogram-4100, Bangladesh



### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


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

### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994, 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 purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books; and
- c) the statements of financial position and statements of profit or loss and other comprehensive income along with the annexed notes 1 to 34 dealt with by the report are in agreement with the books of account.

Dhaka, 22 October 2020



Hoda Vasi Chowdhury & Co  
Chartered Accountants



ACI Salt Limited  
**Statement of Financial Position**  
as at 30 June 2020

	30 June 2020 Taka	30 June 2019 Taka
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	755,803,598	801,162,458
Capital work-in-progress	202,928,094	33,630,666
Long term investment	-	13,438,262
	958,731,692	848,231,386
<b>Current assets</b>		
Inventories	180,581,241	278,904,232
Trade receivables	26,831,711	31,557,871
Other receivables	1,068,037	8,018,443
Advances, deposits and prepayments	19,404,009	17,671,943
Inter-company receivables	1,294,345,916	692,844,122
Cash and cash equivalents	9,937,021	11,354,763
	1,532,167,935	1,040,351,374
<b>Total assets</b>	2,490,899,627	1,888,582,760
<b>Equity and Liabilities</b>		
<b>Shareholders' equity</b>		
Share capital	300,000,000	300,000,000
Revaluation surplus	142,447,883	142,447,883
Retained earnings	824,813,102	608,635,573
	1,267,260,985	1,051,083,456
<b>Non-current liabilities</b>		
Employee benefit	33,161,578	25,739,862
Deferred tax liability	135,751,748	136,777,710
Long-term loan	6,729,564	-
	175,642,890	162,517,572
<b>Current liabilities</b>		
Bank overdrafts	153,445,921	90,740,616
Short-term loan	489,971,546	358,767,550
Trade payables	80,027,746	15,729,991
Other payables	238,172,039	151,253,467
Current tax liability	86,378,500	58,490,108
<b>Total current liabilities</b>	1,047,995,752	674,981,732
<b>Total liabilities</b>	1,223,638,642	837,499,304
<b>Total equity and liabilities</b>	2,490,899,627	1,888,582,760

Managing Director

Director

Company Secretary

Auditors' report to the shareholders  
See annexed report of date

Hoda Vasi Chowdhury & Co  
Chartered Accountants

Dhaka, 22 October 2020

ACI Salt Limited  
**Statement of Profit or Loss and other Comprehensive Income**  
 For the year ended 30 June 2020

	For the year ended on	
	30 June 2020	30 June 2019
	Taka	Taka
Revenue	2,103,692,277	1,914,659,860
Cost of sales	(1,539,759,316)	(1,545,267,438)
<b>Gross profit</b>	563,932,961	369,392,422
Administrative, selling and distribution expenses	(267,948,416)	(238,926,199)
Other income	8,524,151	7,961,968
<b>Operating profit</b>	304,508,696	138,428,191
Financing (income)/expense	46,163,685	23,105,210
Profit before contribution to WPPF	350,672,381	161,533,401
Contribution to WPPF	(17,533,619)	(8,076,670)
<b>Profit before tax</b>	333,138,761	153,456,730
<b>Income tax expenses</b>		
Current tax	(117,987,194)	(77,269,413)
Deferred tax (expense)/income	1,025,962	18,258,829
	(116,961,232)	(59,010,584)
<b>Net profit after tax</b>	216,177,529	94,446,145
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income</b>	216,177,529	94,446,145



Managing Director

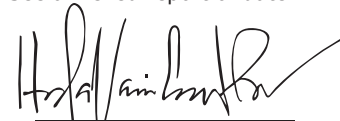


Director



Company Secretary

Auditors' report to the shareholders  
See annexed report of date



Hoda Vasi Chowdhury & Co  
Chartered Accountants

Dhaka, 22 October 2020



## ACI Salt Limited

# Statement of Changes in Equity

For the year ended 30 June 2020

Particulars	Share capital	Revaluation reserve	Retained earnings	Total equity
	Taka	Taka	Taka	Taka
<b>Balance as at 01 July 2018</b>	300,000,000	142,447,883	514,189,428	956,637,311
Profit after tax	-	-	94,446,145	94,446,145
<b>Balance as at 30 June 2019</b>	300,000,000	142,447,883	608,635,573	1,051,083,456
<b>Balance as at 01 July 2019</b>	300,000,000	142,447,883	608,635,573	1,051,083,456
Profit after tax	-	-	216,177,529	216,177,529
<b>Balance as at 30 June 2020</b>	300,000,000	142,447,883	824,813,102	1,267,260,985



# ACI Salt Limited

## Statement of Cash Flows

For the year ended 30 June 2020

	For the year ended on	
	30 June 2020	30 June 2019
	Taka	Taka
<b>A Cash flows from operating activities</b>		
Cash received from customers	2,108,418,437	1,926,238,004
Cash received from other income	271,445	213,040
	<u>2,108,689,882</u>	<u>1,926,451,044</u>
Cash (paid)/received (for)/from:		
Purchase of inventories	(1,326,405,584)	(1,522,819,812)
Operating expenses	(182,358,291)	(178,023,199)
Workers' profit participation fund	(8,394,953)	(10,522,818)
Advances, deposits and prepayments	13,471,045	(5,439,299)
	<u>(1,503,687,783)</u>	<u>(1,716,805,128)</u>
Cash generated from operating activities	605,002,099	209,645,916
Financing (income)/expense	46,163,685	23,105,210
Income tax	(90,098,801)	(66,879,642)
	<u>(43,935,117)</u>	<u>(43,774,433)</u>
<i>Net cash from operating activities</i>	<u>561,066,982</u>	<u>165,871,483</u>
<b>B Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5,762,629)	(116,195)
Long term investment	13,438,262	(818,262)
Cash paid for capital work-in-progress	(169,297,428)	(33,630,666)
<i>Net cash (used) in investing activities</i>	<u>(161,621,795)</u>	<u>(34,565,122)</u>
<b>C Cash flows from financing activities</b>		
Received/(paid) of short term loan	131,203,996	255,480,195
Received/(paid) of long term loan	6,729,564	-
Inter-company debt (Paid)/received	(601,501,793)	(432,740,275)
<i>Net cash (used) in financing activities</i>	<u>(463,568,233)</u>	<u>(177,260,080)</u>
<b>D Net cash flows (A+B+C)</b>	(64,123,046)	(45,953,720)
<b>E Opening Cash and cash equivalents</b>	(79,385,853)	(33,432,133)
<b>F Closing Cash and cash equivalents (D+E)</b>	<u>(143,508,899)</u>	<u>(79,385,853)</u>
<b>Closing balance represents:</b>		
Cash and cash equivalents	9,937,021	11,354,763
Bank overdrafts	(153,445,921)	(90,740,616)
	<u>(143,508,899)</u>	<u>(79,385,853)</u>



# ACI Motors Limited

## Directors' Report

ACI Motors Limited (The Company) is a private company limited by shares incorporated in 2007 with the Registrar of Joint Stock Companies, Dhaka, as a subsidiary of Advanced Chemical Industries (ACI) Limited. ACI holds 65% share in the Company. The business of the Company has been segmented into three major SBUs: 1) Farm Mechanization 2) Yamaha 3) Construction Equipment, Commercial Vehicles and Others.

ACI Motors, the leading farm mechanization company in Bangladesh provides a complete farm mechanization solution with their wide range of products and services which covers all the farm mechanization requirements of a farmer starting from cultivation, transplanting, irrigation, harvesting and post-harvest preservation. In FY2019-20, ACI Motors Farm mechanization unit ensured 17% growth over last year. ACI Motors' Tractor brand Sonalika has continued market leadership through excellent product and superior service commitment. ACI Motors has introduced a new power tiller (R28) which has 28 blades having more than 30% cultivation efficiency than all other power tillers currently available in the market. This year in the Boro harvesting season, ACI Motors played a major role in solving the harvesting problem of customers during the COVID-19. Also government provided 50% subsidy on the harvesters. Due to the superior product quality and best after sales service; this business is projecting huge expansion in near future. Also ACI Motors started its own Agri-Machinery manufacturing factory from this year which is currently manufacturing Thresher, Hand Power Tiller & Trailers and in future modern Agri-machineries will be assembled & manufactured in this facility.

ACI Motors had started manufacturing of 125CC Yamaha motorcycle from October 2019 with maintaining Yamaha international standard. This has made 125CC Yamaha motorcycle price within affordable range. In 150CC segment, Yamaha is regarded as the most premium motorcycle. With this manufacturing & Complete Knock Down (CKD) setup Yamaha motorcycle had continued its growth in motorcycle market. Though market was negative in FY2019-20 financial year by -8% whereas Yamaha motorcycle had significantly made growth of 36% with additional 2% gain of market share. Motorcycle industry market was negative growth due to COVID-19 issue from March 2020 to June 2020; but ACI Motors had taken all kind of precaution at showroom with safety measure to take first mover initiative which create awareness among customer that motorcycle can be alternative and safe transport for them to keep social distancing. ACI Motors has also introduced Yamaha Musical instruments in July 2019 to promote the music among the young generation as well as to provide best instruments to the musicians in Bangladesh. It has operated Yamaha Music School jointly with EMK Center Dhaka. However, during pandemic, the music training is given using online platform.

In Construction Equipment business, ACI Motors is dealing with world renowned construction equipment brands like Case, Kobelco & Lovol. Along with, ACI Motors has introduced Indopower cranes this year; which is one of the leading crane brands from India. ACI Motors created its footstep in more mega projects this year like Matarbari Power Plant, Rampal Power Plant etc. ACI Motors is expecting to be a part of the infrastructure development of the country through the construction equipment segment.

ACI Motors started Commercial Vehicle business with the Global number one Light Commercial Vehicle manufacturer Foton International. Due to good product quality and service competency of ACI Motors; along with standardized sales and service network throughout the country and Foton is getting very positive response from the customers. Now Foton is the fastest growing commercial vehicle brand in Bangladesh. This business is expecting to flourish in the coming days.

ACI Motors is approaching for sustainable growth with its quality products backed up with superior service commitment and customer centric activities.

The operating results of the Company for the year ended on 30 June 2020 are as follows:

### Key Financial Results

	Taka
Revenue	13,148,386,635
Gross Profit/(Loss)	3,463,258,995
Operating Profit/(Loss)	1,783,156,433
Profit/(Loss) before tax	1,215,787,654
Profit/(Loss) after tax	813,015,626

On behalf of the Board

**Dr. A.K.M Farey Zul Haque Ansarey**  
Managing Director

**Kamran Tanvirur Rahman**  
Director

Dhaka, 5 October 2020

আশরাফ্ উল হক নবী এন্ড কোঃ

ASHRAFUL HAQUE NABI & CO.  
Chartered Accountants

Dilara Tower (3<sup>rd</sup> Floor), 4F.  
77 Bir Uttam CR Data Road  
Hatirpul, Dhaka-1205  
Tel: 44611751  
Email: minhaz@ashrafulhaquenabi.com  
ashrafulnabi@yahoo.com

## Independent Auditors' Report to the Shareholders of ACI Motors Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of ACI Motors Limited. ("The Company") which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of "ACI Motors Limited." as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs 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.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

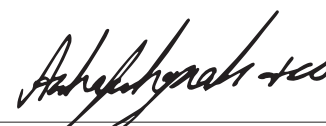
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, we also report the following:

- 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 law have been kept by the organization so far as it appeared from our examination of those books; and
- c) The statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.

Dhaka, 5 October 2020



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Ashraf Haque Nabi & Co.  
Chartered Accountants



## ACI Motors Limited

### Statement of Financial Position

In Taka	30 June 2020	30 June 2019	1 July 2018
<b>Assets</b>		Restated*	Restated*
Property, plant and equipment	612,384,247	464,863,312	210,464,006
Capital work in progress	159,041,786	138,832,836	65,496,792
Right-of-use assets	52,904,195	44,322,075	24,704,065
Deferred tax assets	-	13,639,855	17,345,644
<b>Non-current assets</b>	<b>824,330,228</b>	<b>661,658,078</b>	<b>318,010,507</b>
Inventories	1,543,208,906	2,019,858,110	1,823,245,204
Trade receivables	4,388,327,072	3,796,646,284	3,105,056,428
Other receivables	61,129,918	58,429,839	75,710,589
Inter-company receivables	4,925,011,607	3,313,311,509	1,039,964,362
Advances, deposits and prepayments	191,376,744	379,609,991	302,321,364
Cash and cash equivalents	254,158,771	267,834,591	462,595,903
<b>Current assets</b>	<b>11,363,213,018</b>	<b>9,835,690,324</b>	<b>6,808,893,850</b>
<b>Total assets</b>	<b>12,187,543,246</b>	<b>10,497,348,402</b>	<b>7,126,904,357</b>
<b>Equity</b>			
Share capital	1,000,000,000	1,000,000	1,000,000
Retained earnings	2,104,254,996	2,290,239,371	1,503,187,668
<b>Total equity</b>	<b>3,104,254,996</b>	<b>2,291,239,371</b>	<b>1,504,187,668</b>
<b>Liabilities</b>			
Long term loans	1,233,530,682	1,474,228,204	584,838,737
Lease liability	35,380,204	30,895,459	17,957,655
Employee benefit	47,447,080	37,316,746	30,499,896
Deferred tax liability	1,160,188	-	-
<b>Non-current liabilities</b>	<b>1,317,518,154</b>	<b>1,542,440,409</b>	<b>633,296,288</b>
Bank overdraft	177,994,399	197,706,688	240,892,290
Loans & borrowings	6,163,344,800	5,597,316,312	3,985,903,110
Lease liability-current portion	16,987,644	8,555,873	2,199,506
Trade payables	64,119,082	25,899,951	24,267,278
Other payables	1,199,614,006	629,609,613	583,700,056
Current tax liability	143,710,165	204,580,185	152,458,160
<b>Current liabilities</b>	<b>7,765,770,096</b>	<b>6,663,668,622</b>	<b>4,989,420,400</b>
<b>Total liabilities</b>	<b>9,083,288,250</b>	<b>8,206,109,031</b>	<b>5,622,716,688</b>
<b>Total equity and liabilities</b>	<b>12,187,543,246</b>	<b>10,497,348,402</b>	<b>7,126,904,357</b>

\*See Note-3.14: The Company has applied IFRS 16 using retrospective approach. Therefore, comparative information have been restated.

Managing Director

Director

Company Secretary

As per our report of same date.

Ashraful Haque Nabi & Co.  
Chartered Accountants

Dhaka, 5 October 2020



## ACI Motors Limited

### Statement of Profit or Loss

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
		Restated
Revenue	13,148,386,635	11,227,126,308
Cost of sales	(9,685,127,640)	(8,150,125,040)
<b>Gross profit</b>	<b>3,463,258,995</b>	<b>3,077,001,268</b>
Administrative, selling and distribution expenses	(1,779,770,659)	(1,480,448,822)
Other income	99,668,097	56,809,736
<b>Operating profit</b>	<b>1,783,156,433</b>	<b>1,653,362,181</b>
Financing costs	(503,379,955)	(358,178,565)
<b>Profit before contribution to WPPF &amp; tax</b>	<b>1,279,776,478</b>	<b>1,295,183,616</b>
Contribution to WPPF	(63,988,824)	(64,821,044)
<b>Profit before tax</b>	<b>1,215,787,654</b>	<b>1,230,362,572</b>
<b>Income tax expenses :</b>		
Current tax	(387,971,985)	(439,605,081)
Deferred tax income/(expense)	(14,800,043)	(3,705,789)
	(402,772,028)	(443,310,870)
<b>Profit after tax</b>	<b>813,015,626</b>	<b>787,051,703</b>



Managing Director




Director



Company Secretary

As per our report of same date.



Ashraf Haque Nabi & Co.  
Chartered Accountants

Dhaka, 5 October 2020



## ACI Motors Limited

# Statement of Changes in Equity

	For the year ended 30 June 2020		
<i>In Taka</i>	Share capital	Retained earnings	Total Equity
<b>Balance as at 01 July 2019</b>	1,000,000	2,290,239,371	2,291,239,371
Profit/(Loss) after tax	-	813,015,626	813,015,626
Issuance of bonus share	999,000,000	(999,000,000)	-
<b>Balance as at 30 June 2020</b>	<b>1,000,000,000</b>	<b>2,104,254,996</b>	<b>3,104,254,996</b>

	For the year ended 30 June 2019		
<i>In Taka</i>	Share Capital	Retained Earnings	Total Equity
<b>Balance at 1 July 2018 as previously reported</b>	1,000,000	1,504,573,509	1,505,573,509
Impact of initial application of IFRS 16	-	(1,385,840)	(1,385,840)
<b>Restated Balance at 1 July 2018</b>	<b>1,000,000</b>	<b>1,503,187,668</b>	<b>1,504,187,668</b>
Profit/(Loss) after tax	-	787,051,703	787,051,703
<b>Balance as at 30 June 2019</b>	<b>1,000,000</b>	<b>2,290,239,371</b>	<b>2,291,239,371</b>

## ACI Motors Limited

### Statement of Cash Flows

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
		Restated
<b>Cash flows from operating activities</b>		
Cash received from customers	12,556,705,847	10,535,536,452
Cash received from other income	96,968,017	74,091,912
<b>Cash (used in)/generated from operating activities</b>	<b>12,653,673,864</b>	<b>10,609,628,364</b>
Payment for purchase	(9,144,583,226)	(8,342,128,451)
Payment for operating expenses	(1,271,099,549)	(1,448,120,092)
Payment for WPPF	(39,411,436)	(20,103,430)
Payments for advances, deposits and prepayments	189,888,580	(78,849,738)
	<b>(10,265,205,631)</b>	<b>(9,889,201,711)</b>
<b>Cash used in operation</b>	<b>2,388,468,233</b>	<b>720,426,653</b>
Interest paid	(727,349,753)	(343,252,436)
Income tax paid	(448,842,006)	(387,483,056)
	<b>(1,176,191,759)</b>	<b>(730,735,492)</b>
<b>Net cash (used in)/from operating activities</b>	<b>1,212,276,474</b>	<b>(10,308,839)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(210,635,627)	(290,972,578)
Payment for capital work in progress	(20,208,950)	(73,336,044)
Sales proceed from property, plant and equipment	-	22,825
<b>Net cash from (used in)/from investing activities</b>	<b>(230,844,577)</b>	<b>(364,285,798)</b>
<b>Cash flows from financing activities</b>		
Inter-company debts received/(paid)	(1,289,353,649)	(2,273,347,147)
Short term loan received/(paid)	425,536,229	1,151,282,718
Payment for lease liability	(11,372,745)	(4,436,596)
Long term loan and other liability received/(paid)	(100,205,262)	1,349,519,952
<b>Net cash (used in)/from financing activities</b>	<b>(975,395,427)</b>	<b>223,018,927</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,036,470</b>	<b>(151,575,710)</b>
<b>Opening cash and cash equivalents</b>	<b>70,127,903</b>	<b>221,703,613</b>
<b>Cash and cash equivalents at reporting date</b>	<b>76,164,373</b>	<b>70,127,903</b>
<b>Closing balance represents</b>		
Cash and cash equivalents	254,158,771	267,834,591
Bank overdraft	(177,994,399)	(197,706,688)
	<b>76,164,373</b>	<b>70,127,903</b>



## Creative Communication Limited

### Directors' Report

Creative Communication Limited (The Company) is a private company limited by shares incorporated in 2007 with the Registrar of Joint Stock Companies, Dhaka. Being the parent company, Advanced Chemical Industries (ACI) Limited has 60% equity participation in the Company. It is an integrated communication house staffed by dedicated and pragmatic specialists working as a team. As a forward-thinking marketing and advertising firm, Creative Communication Limited is a solid partner at both strategic and tactical levels and has developed several partnerships with the most state-of-the-art players in numerous fields.

The principal business of the Company is to provide result-oriented advertisement, public relations and complete corporate communication solutions and has long experience in handling outdoors, events and project management along with strong rapport in the electronic and press media.

The operating results of the Company for the year ended 30 June 2020 are as follows:

<b>Key Financial Results</b>	<u>Taka</u>
Revenue	50,855,394
Gross Profit/(Loss)	6,546,378
Operating Profit/(Loss)	4,391,360
Profit/(Loss) before tax	3,806,434
Profit/(Loss) after tax	879,124

On behalf of the Board

**Bilkis Mansoor**

Director

**Kamran Tanvirur Rahman**

Director

Dhaka, 1 October 2020

আশরাফ্ উল হক নবী এন্ড কোঃ

ASHRAFUL HAQUE NABI & CO.  
Chartered Accountants

Dilara Tower (3<sup>rd</sup> Floor), 4F.  
77 Bir Uttam CR Data Road  
Hatirpul, Dhaka-1205  
Tel: 44611751  
Email: minhaz@ashrafulhaquenabi.com  
ashrafulnabi@yahoo.com

## Independent Auditors' Report to the Shareholders of Creative Communication Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Creative Communication Limited ("The Company") which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of "Creative Communication Limited" as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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



- Evaluate the overall presentation, structure and content of the financial statement, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, we also report the following:

- 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 law have been kept by the organization so far as it appeared from our examination of those books; and
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.

Dhaka, 1 October 2020



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Ashraf Haque Nabi & Co.  
Chartered Accountants



## Creative Communication Limited

### Statement of Financial Position

<i>In Taka</i>	30 June 2020	30 June 2019
<b>Assets</b>		
Property, plant and equipment	796,621	833,170
Deferred tax assets	158,840	186,466
<b>Non-current assets</b>	955,461	1,019,636
Trade receivables	149,624,998	163,684,963
Other receivables	2,371,520	2,371,519
Advances, deposits and prepayments	512,701	612,577
Cash and cash equivalents	140,138	54,998
<b>Current assets</b>	152,649,356	166,724,057
<b>Total assets</b>	153,604,817	167,743,693
<b>Equity</b>		
Share capital	1,000,000	1,000,000
Retained earnings	120,125,451	119,246,327
<b>Total equity</b>	121,125,451	120,246,327
<b>Liabilities</b>		
Long term employee benefit	9,509,976	8,466,155
<b>Non-current liabilities</b>	9,509,976	8,466,155
Bank overdraft	1,934,152	3,040,828
Other payables	9,429,151	4,672,649
Inter-company payables	3,009,426	20,002,128
Current tax liabilities	8,596,662	11,315,606
<b>Current liabilities</b>	22,969,390	39,031,211
<b>Total liabilities</b>	32,479,366	47,497,366
<b>Total equity and liabilities</b>	153,604,817	167,743,693

Director

Director

Company Secretary

As per our report of same date.

Ashraful Haque Nabi & Co.  
Chartered Accountants

Date, 1 October 2020

## Creative Communication Limited

### Statement of Profit or Loss

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Revenue	50,855,394	75,426,394
Cost of service	(44,309,016)	(52,000,290)
<b>Gross profit</b>	<b>6,546,378</b>	<b>23,426,104</b>
Administrative and selling expenses	(2,180,018)	(2,360,242)
Other income	25,000	-
Financing income/(cost)	(584,926)	195,606
<b>Profit before tax</b>	<b>3,806,434</b>	<b>21,261,468</b>
Income tax expense:		
Current tax	(2,899,684)	(10,755,118)
Deferred tax income/(expense)	(27,626)	(32,055)
	(2,927,310)	(10,787,173)
<b>Profit after tax</b>	<b>879,124</b>	<b>10,474,295</b>
<b>Total Comprehensive Income</b>	<b>879,124</b>	<b>10,474,295</b>



Director



Director



Company Secretary

As per our report of same date.



Ashraful Haque Nabi & Co.  
Chartered Accountants

Date, 1 October 2020



## Creative Communication Limited

### Statement of Changes in Equity

<i>In Taka</i>	Share capital	Retained earnings	Total Equity
<b>Balance at 1 July 2019</b>	1,000,000	119,246,327	120,246,327
<b>Total comprehensive income</b>			
Profit after tax	-	879,124	879,124
Other comprehensive income - net of tax	-	-	-
<b>Total comprehensive income</b>	-	879,124	879,124
<b>Balance at 30 June 2020</b>	1,000,000	120,125,451	121,125,451
<b>Balance at 1 July 2018</b>	1,000,000	108,772,032	109,772,032
<b>Total comprehensive income</b>			
Profit after tax	-	10,474,295	10,474,295
Other comprehensive income - net of tax	-	-	-
<b>Total comprehensive income</b>	-	10,474,295	10,474,295
<b>Balance at 30 Jun 2019</b>	1,000,000	119,246,327	120,246,327

## Creative Communication Limited

### Statement of Cash Flows

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
<b>Cash flows from operating activities</b>		
Cash received from customers	64,940,359	23,862,431
	64,940,359	23,862,431
Cash received/(paid) from/(for):		
Operating expenses	(40,470,479)	(48,292,356)
Advances, deposits and prepayments	99,876	1,255,995
	(40,370,603)	(47,036,361)
Cash generated from operations	24,569,756	(23,173,930)
Finance income/(Cost)	(584,926)	195,606
Income tax paid	(5,618,628)	(6,767,136)
	(6,203,554)	(6,571,530)
<b>Net cash from operating activities</b>	18,366,202	(29,745,460)
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(181,684)	(26,786)
<b>Net cash (used) in investing activities</b>	(181,684)	(26,786)
<b>Cash flows from financing activities</b>		
Inter-company debts received/(paid)	(16,992,702)	32,519,908
<b>Net cash (used)/from financing activities</b>	(16,992,702)	32,519,908
Net increase in cash and cash equivalents	1,191,816	2,747,662
Cash and cash equivalents at 1 July	(2,985,830)	(5,733,492)
<b>Cash and cash equivalents at 30 June</b>	(1,794,014)	(2,985,830)
<b>Closing balance represents</b>		
Cash and cash equivalents	140,138	54,998
Bank overdraft	(1,934,152)	(3,040,828)
	(1,794,014)	(2,985,830)



# Premiaflex Plastics Limited

## Directors' Report

Premiaflex Plastics Limited (The Company) is a private company limited by shares, incorporated in 2007 with the Registrar of Joint Stock Companies, Dhaka and governed by the Companies Act, 1994. Being the parent company, Advanced Chemical Industries (ACI) Limited holds 87.32% shares of the Company. The company Contains two business divisions: Premiaflex Plastics (Flexible Packaging products manufacturer) and ACI Premio Plastics (premium category consumer plastic products manufacturer).

Premiaflex Plastics is specialized in manufacturing and selling Flexible Packaging products. It diversified its portfolio from the previous fiscal year by adding Lamitube and Label Stickers in its manufacturing plant. Securing the best use of the new flexographic printing technology and the fresh Lamitube & Sticker product range was a major challenge during the pandemic. Notwithstanding the challenges, during this year Premiaflex has grown by 7%. The lockdown situation resulted from the pandemic of COVID-19 and limited use of new product lines contributed to this marginal growth.

Premiaflex Plastics is a B2B Business with a strong emphasis on customer loyalty through the use of good quality raw materials and the increasing development of new products for customers. It has a state-of-the-art quality management system. The Company intended to use this leverage to create a niche market for niche and affluent customers. The Company is concentrating more on multinational and large reputed customers. This will enable the Company to make full use of its resources and ensure increased profitability.

With these and several other initiatives under consideration during the year, Premiaflex Plastics was able to capture substantial market share of 16% while retaining a decisive competitive edge in the flexible packaging industry. Furthermore, in Bangladesh Food Processing Industry is expanding, hence the demand for quality packaging. Business is aiming to tap this demand through its quality products.

ACI Premio Plastics, another business division of Premiaflex Plastics Limited. Its Journey started in 2018. Premio Plastics business grew by 49% over last year. Since launching, ACI Premio Plastics has received an impressive response from the market it operates with premium category of consumer plastic products. The consumer has appreciated its product design, product outlook and services.

Apart from the competition among the trades ACI Premio Plastics has won the love and trust of the consumers. Despite huge competition, it has gained a significant 4.5% market share within just second year of its business operation. There were several marketing campaigns to create the brand awareness which helped the trade penetration and overcome the entry barriers. Furthermore, due to the changing lifestyle and earning capacity, demand for the premium plastic products and toys are increasing. Business is determined to address this changing market dynamics through future investment. In the year of FY19-20, 4 new product categories and 19 products have been added to the portfolio by own sourcing and third-party tolling.

The operating results of the Company for the year ended 30 June 2020 are as follows:

### Key Financial Results

	Taka
Revenue	4,330,965,190
Gross Profit/(Loss)	459,822,299
Operating Profit/(Loss)	52,790,556
Profit/(Loss) before tax	(460,368,443)
Profit/(Loss) after tax	(477,627,143)

On behalf of the Board

**Dr. A.K.M Fareyzul Haque Ansarey**  
Managing Director

**Kamran Tanvirur Rahman**  
Director

Dhaka, 1 October 2020





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

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86, Bir Uttam C.R. Datta Road  
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01922-117370, 01757-941837  
E-mail : shirazkhanbasak@yahoo.com

## Independent Auditors' Report to the Shareholders of **Premiaflex Plastics Limited**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Premiaflex Plastics Limited ("the Company") which comprise statement of financial position as at 30th June, 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 30th June, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

#### Basis for Opinion

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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.

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

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



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CHARTERED ACCOUNTANTS  
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01922-117370, 01757-941837  
E-mail : shirazkhanbasak@yahoo.com

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these (consolidated) financial statements.

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

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



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01922-117370, 01757-941837  
E-mail : shirazkhanbasak@yahoo.com

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, we also report the following:

- a) 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;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts and returns;
- d) The expenditure incurred was for the purpose of the Company's business.

Dhaka, 1 October 2020

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Shiraz Khan Basak & CO.  
Chartered Accountant



## Premiaflex Plastics Limited

### Statement of Financial Position

In Taka	30 June 2020	30 June 2019
<b>Assets</b>		
Property, plant and equipment	2,667,771,337	2,812,569,921
Right-of-use assets	58,271,033	-
Investments	1,522,328	2,139,778
Deferred tax assets	18,237,753	-
<b>Non-current assets</b>	<b>2,745,802,451</b>	<b>2,814,709,699</b>
Inventories	1,091,736,365	1,187,959,517
Trade receivables	1,201,662,525	1,069,261,042
Advances, deposits and prepayments	210,957,396	178,477,291
Current tax assets	525,341,462	445,587,408
Cash and cash equivalents	32,992,788	149,033,853
<b>Current assets</b>	<b>3,062,690,536</b>	<b>3,030,319,112</b>
<b>Total assets</b>	<b>5,808,492,987</b>	<b>5,845,028,810</b>
<b>Equity</b>		
Share capital	300,000,000	300,000,000
Reserves	285,021,937	285,577,642
Retained earnings	17,181,992	494,809,135
<b>Total equity</b>	<b>602,203,929</b>	<b>1,080,386,777</b>
<b>Liabilities</b>		
Long term bank loan	654,008,216	687,487,182
Lease liabilities	34,685,697	-
Deferred tax liabilities	-	71,601,884
Employee benefit	20,665,085	14,829,688
<b>Non-current liabilities</b>	<b>709,358,998</b>	<b>773,918,754</b>
Bank overdraft	222,852,153	192,950,197
Loans and borrowings	1,616,014,423	1,873,572,962
Lease liabilities-current portion	20,495,363	-
Trade payables	114,362,861	41,942,975
Other Payables	59,571,707	52,100,226
Inter-company payables	2,463,633,553	1,830,156,920
<b>Current liabilities</b>	<b>4,496,930,060</b>	<b>3,990,723,279</b>
<b>Total liabilities</b>	<b>5,206,289,058</b>	<b>4,764,642,033</b>
<b>Total equity and liabilities</b>	<b>5,808,492,987</b>	<b>5,845,028,810</b>

Managing Director

Director

Company Secretary

As per our report of same date.

Shiraz Khan Basak & CO.  
Chartered Accountants

Dhaka, 1 October 2020

## Premiaflex Plastics Limited

### Statement of Profit or Loss and other Comprehensive Income

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Revenue	4,330,965,190	3,776,278,713
Cost of sales	(3,871,142,891)	(3,302,080,790)
<b>Gross profit</b>	459,822,299	474,197,923
Administrative, selling and distribution expenses	(426,615,805)	(364,819,374)
Other income	19,584,062	19,163,372
<b>Operating profit</b>	52,790,556	128,541,921
Financing cost	(513,158,999)	(289,808,098)
<b>Profit before contribution to WPPF</b>	(460,368,443)	(161,266,177)
Contribution to WPPF	-	-
<b>Profit before tax</b>	(460,368,443)	(161,266,177)
<b>Income tax expenses</b>	(17,258,701)	(52,367,840)
Current tax	(107,036,593)	(63,867,814)
Deferred tax income/(expenses)	89,777,893	11,499,975
<b>Profit after tax</b>	(477,627,143)	(213,634,017)
<b>Other comprehensive income</b>		
Change in fair value of financial assets	(617,450)	(196,562)
Related tax on FVOCI of financial assets	61,745	19,656
<b>Other comprehensive income, net of tax</b>	(555,705)	(176,906)
<b>Total comprehensive income</b>	(478,182,848)	(213,810,923)
<b>Basic earnings per share</b>	(1,592.09)	(712.11)



Managing Director



Director



Company Secretary

As per our report of same date.



Shiraz Khan Basak & CO.  
Chartered Accountants

Dhaka, 1 October 2020



## Premiaflex Plastics Limited

# Statement of Changes in Equity

### For the year ended 30 June 2020

<i>In Taka</i>	Share capital	FVOCI reserve	Revaluation reserve	Retained earnings	Total equity
Balance as at 1 July 2019	300,000,000	(1,286,956)	286,864,598	494,809,135	1,080,386,777
<b>Total comprehensive income</b>					
Profit after tax	-	-	-	(477,627,143)	(477,627,143)
Other comprehensive income - net of tax	-	(555,705)	-	-	(555,705)
<b>Total comprehensive income</b>	-	(555,705)	-	(477,627,143)	(478,182,848)
Contributions by and distributions to owners of the Company:					
Total contribution by and distribution to owners of the company	-	-	-	-	-
<b>Balance as at 30 June 2020</b>	300,000,000	(1,842,661)	286,864,598	17,181,992	602,203,928

### For the year ended 30 June 2019

<i>In Taka</i>	Share capital	FVOCI reserve	Revaluation reserve	Retained earnings	Total equity
Balance as at 1 July 2018	300,000,000	(1,110,050)	286,864,598	708,443,152	1,294,197,699
Total comprehensive income					
Profit after tax	-	-	-	(213,634,017)	(213,634,017)
Other comprehensive income - net of tax	-	(176,906)	-	-	(176,906)
<b>Total comprehensive income</b>	-	(176,906)	-	(213,634,017)	(213,810,923)
Contributions by and distributions to owners of the Company:					
Total contribution by and distribution to owners of the company	-	-	-	-	-
<b>Balance as at 30 June 2019</b>	300,000,000	(1,286,956)	286,864,598	494,809,135	1,080,386,777



## Premiaflex Plastics Limited

### Statement of Cash Flows

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
<b>Cash flows from operating activities</b>		
Cash received from customers	4,177,265,238	3,486,561,233
Cash received from other income	19,584,062	19,163,372
	4,196,849,301	3,505,724,605
Cash received/(paid) from/(for):		
Purchase of inventory	(3,404,012,786)	(3,563,625,290)
Operating expenses	(393,128,957)	(343,084,127)
Other payables	7,471,482	22,165,184
Payment for WPPF	-	(7,380,863)
Advances, deposits and prepayments	(39,772,694)	(41,245,811)
	(3,829,442,955)	(3,933,170,907)
Cash generated from operations	367,406,345	(427,446,302)
Finance cost	(508,219,188)	(289,808,098)
Income tax paid	(186,790,648)	(162,658,799)
	(695,009,836)	(452,466,897)
<b>Net cash from operating activities</b>	(327,603,491)	(879,913,199)
<b>Cash flows from investing activities</b>		
Acquisitions of property, plant and equipment	(78,627,318)	(962,905,444)
Payments for capital-work-in-progress	(65,559,190)	283,585,751
<b>Net cash (used) in investing activities</b>	(144,186,508)	(679,319,694)
<b>Cash flows from financing activities</b>		
Inter-company debt received/(Paid)	633,476,633	1,016,195,555
Payment for lease obligation	(16,592,153)	-
Short term bank loan received/(paid)	(254,605,009)	31,251,245
Long term bank loan received/(paid)	(36,432,495)	598,285,579
<b>Net cash (used)/from financing activities</b>	325,846,976	1,645,732,379
Net increase/(decrease) in cash and cash equivalents	(145,943,023)	86,499,486
Opening cash and cash equivalents	(43,916,343)	(130,415,829)
<b>Closing cash and cash equivalents</b>	(189,859,366)	(43,916,343)
<b>Closing Balance represents:</b>		
Cash and cash equivalents	32,992,788	149,033,853
Bank overdraft	(222,852,154)	(192,950,196)
	(189,859,366)	(43,916,343)



# ACI Agrolink Limited

## Directors' Report

ACI Agrolink Limited (The Company) is a subsidiary of Advanced Chemical Industries (ACI) having 90% equity participation in the Company. The Company was incorporated in 2006 as ACI Agrochemical Limited and later renamed in September 2015 with an aim to establish forward and backward linkage for farmers and agro value addition industry.

ACI Agrolink Limited has embarked into a new agro-processing endeavor by establishing an export-oriented shrimp processing business with a state-of-the-art shrimp processing factory. With this venture the business will explore the ultimate opportunity in the blue economy.

Starting its operation commercially in October 2019, ACI Agrolink's Shrimp has stretched its operation throughout the entire Europe and some of the Asian countries as well. Since then the business exported 44 containers in volume 380.26 MT which is worth USD 3.48 Mn equivalent to BDT 293.24 Mn during FY2019-20. Shrimp was exported in France, Germany, Belgium, Netherlands, Denmark and Japan.

ACI Agrolink Amian shrimp has already been adopted extensive response from the buyers as well as keen interest from the government through subsidy program. Being part of the most reputed group in food industry, the business has already gained attention from large number of international buyers from Germany, France, Belgium, Netherlands, Korea, Japan and many other countries. Several buyers from these countries have visited ACI Agrolink Shrimp Processing Plant in Satkhira and highly appreciated the location of the factory and factory environment and facilities.

Due to the pandemic ambience worldwide, the business has passed through enormous challenges in the last couple of months in the early 2020. Cancellation of the orders were most compelling evidence. There was countrywide lockdown started from March 12, 2020 in the most part of the Europe. All the businesses including restaurants were closed. The business experienced cancellation of two orders from France owing to the COVID-19 pandemic.

Installation of IQF freezer machine has added a new dimension to the business. Agrolink business has commissioned IQF (Individually Quick-Frozen) and Cook facility in their processing factory. Production with the IQF machine has been started from the first week of Mar'20. It has also made its first IQF product in April 2020 and exported to Germany. The business achieved the govt. license for the IQF and cook line. New value-added products can be produced.

The business has completed construction of the factory as per international food safety compliances. All the necessary licenses from Bangladesh Government and other regulatory authorities have made ACI Agrolink Amian shrimp even more feasible to the industry. Organic agriculture and forestry Certification by the Control Union of Germany has been added with the HACCP and BRC Certificate. The business has received EU export license in the month of September 2019 after rigorous inspection from EU nominated authorities and also received prestigious British Retail Consortium (BRC) Certificate along with Hazard Analysis Critical Control Point (HACCP) Certificate for shrimp processing and export. ACI Agrolink has completed Organic Certification from Natureland and EU Organic in order to export certified organic shrimps in high value market.

As the processing plant is in remote area, the business has provisioned proper training arrangement for the scientists and graduates working in the shrimp factory.

The operating results of the Company for the year ended on 30 June 2020 are as follows:

### Key Financial Results

	Taka
Revenue	293,400,144
Gross Profit/(Loss)	1,031,495
Operating Profit/(Loss)	(6,996,605)
Profit/(Loss) before tax	(64,348,471)
Profit/(Loss) after tax	(62,064,154)

On behalf of the Board

**Dr. A.K.M Fareyzul Haque Ansarey**  
Managing Director

**Kamran Tanvirur Rahman**  
Director

Dhaka, 1 October 2020



**SHIRAZ KHAN BASAK & CO.**  
CHARTERED ACCOUNTANTS  
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**R. K. TOWER** (Level-10)  
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01922-117370, 01757-941837  
E-mail : shirazkhanbasak@yahoo.com

## Independent Auditor's Report to the Shareholders of **ACI Agrolink Limited**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of ACI Agrolink Limited ("the Company"), which comprise Statement of financial position as at 30th June 2020, and the statement of Profit or Loss and Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30th June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

#### Basis for Opinion

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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.



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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these (consolidated) financial statements.

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

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



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, we also report the following:

- a) 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;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts and returns;
- d) The expenditure incurred was for the purpose of the Company's business.

Dhaka, 1 October 2020

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Shiraz Khan Basak & CO.  
Chartered Accountant



## ACI Agrolink Limited

### Statement of Financial Position

In Taka	30 June 2020	30 June 2019
<b>Assets</b>		
Property, plant and equipment	244,769,884	206,306,160
Deferred tax assets	4,103,761	718,739
<b>Non-current assets</b>	<b>248,873,644</b>	<b>207,024,899</b>
Inventories	98,539,345	10,882,897
Trade receivable	163,228,111	133,279,995
Other receivable	20,819,267	-
Advances, deposits and prepayments	5,042,225	10,620,474
Cash and cash equivalents	25,936,884	16,205,814
<b>Current assets</b>	<b>313,565,831</b>	<b>170,989,180</b>
<b>Total assets</b>	<b>562,439,476</b>	<b>378,014,079</b>
<b>Equity</b>		
Share capital	32,020,000	32,020,000
Retained earnings	(120,501,610)	(58,437,457)
<b>Total equity</b>	<b>(88,481,610)</b>	<b>(26,417,457)</b>
<b>Liabilities</b>		
Inter-company payables	633,045,670	395,147,712
Trade payables	11,431,057	5,166,500
Other payables	6,437,152	4,044,325
Current tax liability	7,207	72,999
<b>Current liabilities</b>	<b>650,921,086</b>	<b>404,431,536</b>
<b>Total liabilities</b>	<b>650,921,086</b>	<b>404,431,536</b>
<b>Total equity and liabilities</b>	<b>562,439,476</b>	<b>378,014,079</b>

Managing Director

Director

Company Secretary

As per our report of same date.

Shiraz Khan Basak & CO.  
Chartered Accountants

Dhaka, 1 October 2020



## ACI Agrolink Limited

### Statement of Profit or Loss and other Comprehensive Income

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Revenue	293,400,144	2,898,000
Cost of sales	(292,368,649)	(2,672,920)
<b>Gross profit</b>	1,031,495	225,080
Administrative, selling and distribution expenses	(34,909,387)	(16,773,298)
Other income	26,881,287	34,500
<b>Operating profit</b>	(6,996,605)	(16,513,718)
Financing cost	(57,351,866)	(16,282,283)
<b>Profit before income tax</b>	(64,348,471)	(32,796,001)
<b>Income tax expenses</b>		
Current tax expenses	(1,100,704)	(19,600)
Deferred tax income/(expenses)	3,385,021	(1,738,037)
	2,284,318	(1,757,637)
<b>Profit after tax</b>	(62,064,154)	(34,553,637)



Managing Director



Director



Company Secretary

As per our report of same date.



Shiraz Khan Basak & CO.  
Chartered Accountants

Dhaka, 1 October 2020



## ACI Agrolink Limited

# Statement of Changes in Equity

### For the year ended 30 June 2020

<i>In Taka</i>	Share capital	Retained earnings	Total equity
<b>Balance as at 01 July 2019</b>	32,020,000	(58,437,457)	(26,417,457)
Net profit after tax	-	(62,064,154)	(62,064,154)
Total other comprehensive income	-	-	-
<b>Total comprehensive income</b>	-	(62,064,154)	(62,064,154)
<b>Balance as at 30 June 2020</b>	32,020,000	(120,501,610)	(88,481,610)

### For the year ended 30 June 2019

<i>In Taka</i>	Share capital	Retained earnings	Total equity
<b>Balance as at 01 July 2018</b>	32,020,000	(23,883,819)	8,136,181
Net profit after tax	-	(34,553,637)	(34,553,637)
Total other comprehensive income	-	-	-
<b>Total comprehensive income</b>	-	(34,553,637)	(34,553,637)
<b>Balance as at 30 June 2019</b>	32,020,000	(58,437,457)	(26,417,457)

## ACI Agrolink Limited

### Statement of Cash Flows

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
<b>Cash flows from operating activities</b>		
Cash receipts from customers	263,452,029	10,451,747
Cash receipts from other income	6,062,020	34,500
	269,514,049	10,486,247
Cash received/(paid) from/(for):		
Purchase of inventory	(363,889,718)	(8,801,631)
Operating expenses	(34,206,795)	(16,089,298)
Receipts from/(payments to) other payables	2,392,827	1,403,757
Advances, deposits and prepayments	5,578,250	(2,268,687)
	(390,125,437)	(25,755,859)
Cash generated from operations	(120,611,388)	(15,269,613)
Financing cost	(57,351,866)	(16,282,283)
Income tax paid	(1,166,496)	(4,373,062)
	(58,518,362)	(20,655,345)
<b>Net cash from/(used in) operating activities</b>	(179,129,750)	(35,924,958)
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,512,627)	(6,166,695)
Payments for capital-work-in-progress	(47,524,511)	(102,898,801)
<b>Net cash used in investing activities</b>	(49,037,138)	(109,065,496)
<b>Cash flows from financing activities</b>		
Inter-company received/(Paid)	237,897,958	149,384,750
<b>Net cash flows provided by financing activities</b>	237,897,958	149,384,750
Net increase/(decrease) in cash and cash equivalents	9,731,070	4,394,296
Opening cash and cash equivalents	16,205,814	11,811,518
Closing cash and cash equivalents	25,936,884	16,205,814
<b>Closing Balance represents:</b>		
Cash and cash equivalents	25,936,884	16,205,814



## ACI Edible Oils Limited Directors' Report

ACI Edible Oils Limited (AEOL), subsidiary of Advanced Chemical Industries (ACI) was established in 2010 and registered with the Registrar of Joint Stock Companies, Dhaka, having 85% ownership in ACI. The Company started its journey with a vision of providing the widest solution of edible oil to the consumers. Since inception the Company has introduced five types of edible oil: Rice Bran Oil, Sunflower Oil, Olive Oil, Soybean Oil and Blended Oil and there will be more in the upcoming days to cater the consumers from all walks of life.

AEOL is currently operating two factories, one for Rice Bran Oil in Naogaon to fulfill the increasing demand of the brand ACI Nutrilife and another one of Soybean Oil at Narayangonj to step into the largest category of edible oil. The factories are running through strict quality control system following a very smooth, efficient and successful operation model.

ACI Nutrilife Rice Bran Oil has positioned as premium brand over the years and it is upholding the leading position in Bangladesh among their competitors. The brand is focused on constructing consumer centric activities with significant brand and marketing spend with a vision to expand the market and to reach at consumers' door step. To strengthen the business further Le Blanc Premium Sunflower Oil was introduced and already captured a significant mind share of the consumer for its superior quality and packaging. AEOL has also introduced Blended Oil which of a kind in this category. The newest member in AEOL business was Well's Olive oil. The brand is one of the finest brands of Spain from the oldest and the biggest manufacturer of Olive oil.

ACI Edible Oil continues to come up with new ways to improve through streamlining its production process, distribution channel and introduces new products time to time when required. Efficient and innovative marketing activities have made the brands powerful and profitable. AEOL could not do well in terms of top line in the last fiscal year as there were few hiccups in the industry but managed to keep significant growth in bottom line which was our primary objective.

The operating results of the Company for the year ended on 30 June 2020 are as follows:

### Key Financial Results

	<u>Taka</u>
Revenue	524,652,544
Gross Profit/(Loss)	53,206,326
Operating Profit/(Loss)	17,218,394
Profit/(Loss) Before Tax	18,441,696
Profit/(Loss) After Tax	15,186,287

On behalf of the Board

**Syed Alamgir**  
Managing Director

**Kamran Tanvirur Rahman**  
Director

Dhaka, 1 October 2020

আশরাফ্ উল হক নবী এন্ড কোঃ

**ASHRAFUL HAQUE NABI & CO.**  
Chartered Accountants

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## Independent Auditors' Report to the Shareholders of **ACI Edible Oils Limited**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of ACI Edible Oils Limited ("The Company") which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of "ACI Edible Oils Limited" as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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



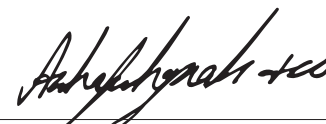
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, we also report the following:

- 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 law have been kept by the organization so far as it appeared from our examination of those books; and
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.

Dhaka, 1 October 2020



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Ashraf Haque Nabi & Co.  
Chartered Accountants



## ACI Edible Oils Limited

### Statement of Financial Position

In Taka	30 June 2020	30 June 2019
<b>Assets</b>		
Property, plant and equipment	26,751,934	28,930,530
CWIP	2,176,336	43,306
Deferred tax assets	252,736	-
<b>Non-current assets</b>	<b>29,181,006</b>	<b>28,973,836</b>
Inventories	42,316,825	47,842,953
Trade receivables	11,115,430	48,280,262
Advances, deposits and prepayments	5,892,993	12,848,490
Inter-company receivables	77,447,577	10,286,263
Cash and cash equivalents	2,457,671	14,777,323
<b>Current assets</b>	<b>139,230,496</b>	<b>134,035,291</b>
<b>Total assets</b>	<b>168,411,502</b>	<b>163,009,127</b>
<b>Equity</b>		
Share capital	10,000,000	10,000,000
Retained earnings	71,968,287	56,782,000
<b>Total Equity</b>	<b>81,968,287</b>	<b>66,782,000</b>
<b>Liabilities</b>		
Deferred tax liabilities	-	1,146,722
<b>Non-current liabilities</b>	<b>-</b>	<b>1,146,722</b>
Bank Overdraft	1,536,387	-
Loan & borrowings	31,354,116	5,147,556
Trade payables	23,188,341	28,312,580
Other payables	24,350,399	39,436,598
Inter-company payables	1,425,159	18,524,473
Current tax liability	4,588,814	3,659,198
<b>Current liabilities</b>	<b>86,443,215</b>	<b>95,080,405</b>
<b>Total equity and liabilities</b>	<b>168,411,502</b>	<b>163,009,127</b>

Managing Director

Director

Company Secretary

As per our report of same date.

Ashraful Haque Nabi & Co.  
Chartered Accountants

Dhaka, 1 October 2020

## ACI Edible Oils Limited

### Statement of Profit or Loss

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Revenue	524,652,544	768,776,387
Cost of goods sold	(471,446,219)	(715,684,984)
<b>Gross profit</b>	53,206,326	53,091,403
Administrative, Selling and Distribution expenses	(36,094,983)	(38,076,507)
Other Income	107,052	10,403
<b>Operating profit</b>	17,218,394	15,025,299
Finance Income/(expenses)	2,193,917	958,300
<b>Profit before contribution to WPPF</b>	19,412,311	15,983,599
Contribution to WPPF	(970,616)	(799,180)
<b>Profit before tax</b>	18,441,696	15,184,419
<b>Income tax expenses:</b>		
Current tax expenses	(4,654,867)	(2,903,350)
Deferred tax (expense)/Income	1,399,458	244,400
	(3,255,409)	(2,658,950)
<b>Profit after tax</b>	15,186,287	12,525,469
Other comprehensive income	-	-
<b>Total comprehensive income</b>	15,186,287	12,525,469



Managing Director

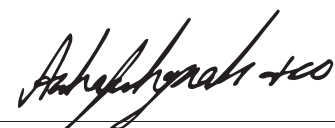


Director



Company Secretary

As per our report of same date.



Ashraful Haque Nabi & Co.  
Chartered Accountants

Dhaka, 1 October 2020



## ACI Edible Oils Limited Statement of Changes in Equity

<i>In Taka</i>	Share capital	Retained earnings	Total equity
<b>Balance at 01 July 2019</b>	10,000,000	56,782,000	66,782,000
<b>Total comprehensive income</b>			
Profit after tax	-	15,186,287	15,186,287
Total other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	15,186,287	15,186,287
<b>Balance at 30 June 2020</b>	10,000,000	71,968,287	81,968,287

<i>In Taka</i>	Share capital	Retained earnings	Total equity
<b>Balance at 01 July 2018</b>	10,000,000	44,256,531	54,256,531
<b>Total comprehensive income</b>			
Profit after tax	-	12,525,469	12,525,469
Total other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	12,525,469	12,525,469
<b>Balance at 30 June 2019</b>	10,000,000	56,782,000	66,782,000

## ACI Edible Oils Limited

### Statement of Cash Flows

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
<b>A. Cash flows from operating activities</b>		
Cash received from customers	561,924,428	738,341,971
Cash received/(paid) from/(for) :		
Purchase of Inventories	(468,317,055)	(725,742,305)
Operating expenses	(52,151,798)	(22,240,248)
Other receivable	-	-
Advance, deposits and prepayments	6,955,497	(10,738,602)
	(513,513,356)	(758,721,155)
Cash generated from/(used in) operations	48,411,072	(20,379,184)
Contribution to WPPF	-	-
Finance income	2,193,917	958,300
Income tax paid	(3,725,251)	(1,315,733)
	(1,531,334)	(357,433)
<b>Net Cash generated from/(used in) operations</b>	46,879,738	(20,736,617)
<b>B. Cash flows from investing activities</b>		
Payment for capital work in progress	(2,133,030)	(43,306)
Acquisition of Property, Plant & equipment	(548,679)	(4,531,758)
<b>Net Cash used in investing activities</b>	(2,681,709)	(4,575,064)
<b>C. Cash flows from financing activities</b>		
Inter-company debts(paid) received	(84,260,628)	30,930,436
Short term loan received/(paid)	26,206,560	2,689,592
<b>Net cash (used)/from financing activities</b>	(58,054,068)	33,620,028
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	(13,856,039)	8,308,347
Opening cash and cash equivalents	14,777,323	6,468,976
<b>Cash and cash equivalents at reporting date</b>	921,284	14,777,323
<b>Closing balance represents :</b>		
Cash and cash equivalents	2,457,671	14,777,323
Bank overdrafts	(1,536,387)	-
	921,284	14,777,323



## ACI HealthCare Limited Directors' Report

ACI HealthCare Limited (The Company) was incorporated with the Registrar of Joint Stock Companies, Dhaka in 2013 as a public company limited by shares and is governed by the Companies Act 1994. Being the parent company, Advanced Chemical Industries (ACI) Limited has 92.94% ownership in the Company.

ACI HealthCare Limited, was initiated with an objective to manufacturing and marketing pharmaceutical products for regulated markets, especially for USA. The Company may withal manufacture for local market. With this aim, a state-of-the-art pharmaceutical factory of the Company is being built in full compliance with US FDA designation at its own land at mouza- Tripurdi, Sonargaon, Narayanganj.

The operating results of the Company for the year ended 30 June 2020 are as follows:

### Key Financial Results

	<u>Taka</u>
Revenue	2,059,918,065
Gross Profit/(Loss)	(161,815,778)
Operating Profit/(Loss)	(1,285,405,904)
Profit/(Loss) before tax	(2,070,485,941)
Profit/(Loss) after tax	(1,843,000,400)

On behalf of the Board

**M Mohibuz Zaman**  
Managing Director

**Pradip Kar Chowdhury**  
Director

Dhaka, 22 October 2020





**Rahman Rahman Huq**  
Chartered Accountants  
9 & 5 Mohakhali C/A  
Dhaka 1212  
Bangladesh

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# Independent Auditor's Report to the Shareholders of **ACI HealthCare Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of ACI HealthCare Limited and its subsidiary (together referred to as the "Group") as well as the separate financial statements of ACI HealthCare Limited ("the Company"), which comprise the consolidated and separate statement of financial position as at 30 June 2020, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw attention to Note 35S to the financial statements where management explains the Group will continue in operational existence for the foreseeable future in spite of having net current liabilities and accumulated losses as at the reporting date by virtue of support from the parent company Advanced Chemical Industries Limited and improved trading conditions. Our opinion is not modified in respect of this matter.

Rahman Rahman Huq, a partnership firm registered in Bangladesh and a member firm of the KPMG network of independent member firms affiliated with KPMG International cooperative ("KPMG International"), a Swiss entity.

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

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

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

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

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Group so far as it appeared from our examination of these books; and
- c) the consolidated and separate statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns.

Dhaka, 22 October 2020



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Rahman Rahman Huq  
Chartered Accountants



## ACI HealthCare Limited

### Consolidated and Separate Statement of Financial Position

In BDT	Consolidated		Separate	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
<b>Assets</b>				
Property, plant and equipment	5,559,770,136	924,968,800	5,547,550,223	922,848,460
Intangible assets	70,291,956	54,371,598	70,291,956	54,371,598
Capital work-in-progress	1,063,401,970	5,733,264,089	1,063,401,970	5,733,264,089
Investment in subsidiary	-	-	8,495	8,450
Deferred tax assets	269,816,617	33,953,071	123,251,705	33,953,071
<b>Non-current assets</b>	6,963,280,678	6,746,557,558	6,804,504,349	6,744,445,668
Inventory	554,592,536	844,172,666	-	-
Accounts receivable	485,122,433	1,351,994,932	-	-
Other receivable	50,344,550	4,834,343	40,818,827	-
Inter company receivable	-	-	50,629,094	55,871,096
Advances, deposits and prepayments	446,822,375	67,783,644	75,629,747	54,408,224
Investment in FDR	1,070,000,000	-	1,070,000,000	-
Cash and cash equivalents	69,944,109	133,134,292	8,366,896	6,879,716
<b>Current assets</b>	2,676,826,003	2,401,919,877	1,245,444,564	117,159,036
<b>Total assets</b>	9,640,106,681	9,148,477,435	8,049,948,913	6,861,604,704
<b>Equity</b>				
Share capital	500,000,000	500,000,000	500,000,000	500,000,000
Retained earnings	(2,355,369,342)	(512,368,942)	(1,938,800,368)	(526,448,356)
Currency translation reserve	(1,502,736)	(912,849)	-	-
<b>Total equity</b>	(1,856,872,078)	(13,281,791)	(1,438,800,368)	(26,448,356)
<b>Liabilities</b>				
Long term bank loan (non-current portion)	3,470,672,725	2,347,614,518	3,470,672,725	2,347,614,518
Employment benefits	12,517,189	11,555,167	12,517,189	11,555,167
<b>Non-current liabilities</b>	3,483,189,914	2,359,169,685	3,483,189,914	2,359,169,685
Long term bank loan (current portion)	994,033,258	806,847,805	994,033,258	806,847,805
Short term loan	1,110,486,982	812,338,659	37,285,984	22,774,911
Accounts payable	816,379,769	1,375,303,552	-	-
Other payables and accruals	350,759,223	317,803,595	232,102,017	213,609,947
Inter company payables	4,737,689,301	3,483,485,631	4,737,697,796	3,483,494,081
Current tax liability	4,440,312	6,810,299	4,440,312	2,156,630
<b>Current liabilities</b>	8,013,788,845	6,802,589,541	6,005,559,367	4,528,883,374
<b>Total liabilities</b>	11,496,978,759	9,161,759,227	9,488,749,281	6,888,053,060
<b>Total equity and liabilities</b>	9,640,106,681	9,148,477,435	8,049,948,913	6,861,604,704

Managing Director

Director

Company Secretary

As per our report of same date.

Rahman Rahman Huq  
Chartered Accountants

Dhaka, 22 October 2020

## ACI HealthCare Limited

### Consolidated and Separate Statement of Profit or Loss and other Comprehensive Income

In BDT	For the year ended			
	Consolidated		Separate	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Revenue	2,059,918,065	2,975,336,935	-	-
Cost of sales	(2,221,733,843)	(2,442,601,879)	-	-
<b>Gross profit</b>	(161,815,778)	532,735,056	-	-
Other income/(expenses)	19,825,356	-	19,176,483	-
Selling and distribution expenses	(129,336,502)	(123,941,670)	-	-
General and administrative expenses	(1,014,078,980)	(715,548,925)	(812,459,536)	(434,338,918)
<b>Operating loss</b>	(1,285,405,904)	(306,755,538)	(793,283,053)	(434,338,918)
Net finance income/(expense)	(785,080,037)	(50,118,831)	(700,848,535)	3,044,012
<b>Loss before tax</b>	(2,070,485,941)	(356,874,369)	(1,494,131,588)	(431,294,905)
Income tax income/(expense)	227,485,542	8,300,265	81,779,577	29,174,975
<b>Loss after tax</b>	(1,843,000,400)	(348,574,104)	(1,412,352,012)	(402,119,931)
Other comprehensive income/(loss)	(589,887)	(912,849)	-	-
<b>Total comprehensive income/(loss)</b>	(1,843,590,287)	(349,486,953)	(1,412,352,012)	(402,119,931)



Managing Director



Director



Company Secretary

As per our report of same date.



Rahman Rahman Huq  
Chartered Accountants

Dhaka, 22 October 2020



# ACI HealthCare Limited

## Consolidated Statement of Changes in Equity

<b>For the year ended 30 June 2020</b>				
<i>In BDT</i>	Share capital	Translation reserve	Retained earnings	Total equity
<b>Balance at 1 July 2019</b>	500,000,000	(912,849)	(512,368,942)	(13,281,791)
Profit/(loss) for the year	-	-	(1,843,000,400)	(1,843,000,400)
Other comprehensive income/(loss)	-	(589,887)	-	(589,887)
<b>Total comprehensive income/(loss)</b>	-	(589,887)	(1,843,000,400)	(1,843,590,287)
<b>Balance at 30 June 2020</b>	500,000,000	(1,502,736)	(2,355,369,342)	(1,856,872,078)

<b>For the year ended 30 June 2019</b>				
<i>In BDT</i>	Share capital	Translation reserve	Retained earnings	Total equity
Balance at 1 July 2018	500,000,000	(819,479)	(163,794,838)	335,385,683
Profit/(loss) for the year	-	-	(348,574,104)	(348,574,104)
Other comprehensive income/(loss)	-	(93,370)	-	(93,370)
Total comprehensive income/(loss)	-	(93,370)	(348,574,104)	(348,667,474)
Balance at 30 June 2019	500,000,000	(912,849)	(512,368,942)	(13,281,791)

## Separate Statement of Changes in Equity

<b>For the year ended 30 June 2020</b>				
<i>In BDT</i>	Share capital	Translation reserve	Retained earnings	Total equity
<b>Balance at 1 July 2019</b>	500,000,000	-	(526,448,356)	(26,448,356)
Profit/(loss) for the year	-	-	(1,412,352,012)	(1,412,352,012)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income/(loss)</b>	-	-	(1,412,352,012)	(1,412,352,012)
<b>Balance at 30 June 2020</b>	500,000,000	-	(1,938,800,368)	(1,438,800,368)

<b>For the year ended 30 June 2019</b>				
<i>In BDT</i>	Share capital	Translation reserve	Retained earnings	Total equity
<b>Balance at 1 July 2018</b>	500,000,000	-	(124,328,425)	375,671,575
Profit/(loss) for the year	-	-	(402,119,931)	(402,119,931)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income/(loss)</b>	-	-	(402,119,931)	(402,119,931)
<b>Balance at 30 June 2019</b>	500,000,000	-	(526,448,356)	(26,448,356)



## ACI HealthCare Limited

### Consolidated and Separate Statement of Cash Flows

<i>In BDT</i>	For the year ended			
	Consolidated		Separate	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
<b>Cash flows from operating activities</b>				
Receipts from customers	2,933,301,806	2,075,864,137	-	-
Receipts from other sources	(35,576,826)	7,382,776	(35,576,826)	7,382,776
Payment to employees, suppliers and service providers	(3,802,918,559)	(2,726,293,972)	(547,842,825)	(342,534,904)
Income tax paid	(11,164,313)	(1,831,781)	(5,235,376)	(1,737,275)
<b>Net cash (used in)/generated from operating activities</b>	<b>(916,357,892)</b>	<b>(644,878,840)</b>	<b>(588,655,027)</b>	<b>(336,889,403)</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(39,162,197)	(14,200,175)	(27,189,984)	(12,600,871)
Cash paid for capital work-in-progress	(236,914,926)	(429,579,427)	(236,914,926)	(429,579,428)
Investment in FDR	(1,070,000,000)	-	(1,070,000,000)	-
<b>Net cash used in investing activities</b>	<b>(1,346,077,124)</b>	<b>(443,779,602)</b>	<b>(1,334,104,910)</b>	<b>(442,180,299)</b>
<b>Cash flows from financing activities</b>				
Proceeds from inter company borrowings	1,249,598,853	691,575,270	1,254,203,715	696,901,934
Proceeds from short term bank loan	293,943,545	1,100,613,197	14,511,072	669,594,054
Proceeds from long term bank loan	1,310,243,660	-	1,310,243,660	-
Repayment of long term bank loan	(654,711,330)	(583,971,975)	(654,711,330)	(583,971,975)
<b>Net cash generated from financing activities</b>	<b>2,199,074,728</b>	<b>1,208,216,492</b>	<b>1,924,247,117</b>	<b>782,524,013</b>
Net increase in cash and cash equivalents	(63,360,288)	119,558,050	1,487,180	3,454,311
Adjustment for foreign exchange translation	170,105	(1,434,731)	-	-
Opening cash and cash equivalents	133,134,292	15,010,973	6,879,716	3,425,405
<b>Cash and cash equivalents at reporting date</b>	<b>69,944,109</b>	<b>133,134,292</b>	<b>8,366,896</b>	<b>6,879,716</b>



## ACI Chemicals Limited Directors' Report

ACI Chemicals Limited was incorporated in 2013 under the Companies Act, 1994 as a Private Limited Company and started its operation from June 2014. Advanced Chemical Industries (ACI) Limited holds 75% ownership of the Company.

The vision of the Company is to become a leading sourcing agent and to provide value added supply chain solution to industrial and chemical sectors of Bangladesh. The major focusing areas are textile, leather, paint, food, plastic, pharmaceuticals and personal care industries. The Company has agreement with some reputed global companies to work as their sole/exclusive agent and distributor.

The operating results of the Company for the year ended on 30 June 2020 are as follow:

### Key Financial Results

	<u>Taka</u>
Revenue	20,061,183
Gross Profit/(Loss)	(23,830,245)
Operating Profit/(Loss)	(40,555,042)
Profit/(Loss) Before Tax	(58,669,221)
Profit/(Loss) After Tax	(61,073,793)

On behalf of the Board

**M. Anis Ud Dowla**  
Managing Director

**Kamran Tanvirur Rahman**  
Director

Dhaka, 1 October 2020

আশরাফ্ উল হক নবী এন্ড কোঃ

**ASHRAFUL HAQUE NABI & CO.**  
Chartered Accountants

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## Independent Auditors' Report to the Shareholders of **ACI Chemicals Limited**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of ACI Chemicals Limited ("The Company") which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of "ACI Chemicals Limited." as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

- Evaluate the overall presentation, structure and content of the financial statement, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, we also report the following:

- 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 law have been kept by the organization so far as it appeared from our examination of those books; and
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.

Dhaka, 1 October 2020



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Ashraf Haque Nabi & Co.  
Chartered Accountants



## ACI Chemicals Limited

### Statement of Financial Position

<i>In Taka</i>	30 June 2020	30 June 2019
<b>Assets</b>		
Property, plant and equipment	777,335	1,011,871
<b>Non-current assets</b>	777,335	1,011,871
Inventories	15,227,829	8,752,835
Trade receivables	12,875,287	21,038,323
Advances, deposits and prepayments	896,833	1,267,301
Cash and cash equivalents	375,910	50,143
<b>Current assets</b>	29,375,858	31,108,601
<b>Total assets</b>	30,153,193	32,120,472
<b>Equity</b>		
Share capital	20,000,100	20,000,100
Retained earnings	(184,816,722)	(123,742,929)
<b>Total equity</b>	(164,816,622)	(103,742,829)
Bank Overdraft	154,874	168,314
Other payables	967,715	1,326,222
Short term bank loan	3,976,917	253,574
Inter-company payables	188,194,212	133,914,751
Provision for tax	1,676,097	200,440
<b>Current liabilities</b>	194,969,815	135,863,301
<b>Total equity and liabilities</b>	30,153,193	32,120,472

Managing Director

Director

Company Secretary

As per our report of same date.

Ashraful Haque Nabi & Co.  
Chartered Accountants

Dhaka, 1 October 2020



## ACI Chemicals Limited

### Statement of Profit or Loss

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Revenue	20,061,183	27,583,117
Cost of sales	(43,891,428)	(56,907,160)
<b>Gross profit</b>	<b>(23,830,245)</b>	<b>(29,324,043)</b>
Administrative & selling expenses	(16,724,797)	(4,258,899)
<b>Operating Profit (loss)</b>	<b>(40,555,042)</b>	<b>(33,582,942)</b>
Other income/(loss)	-	-
Finance cost	(18,114,179)	(12,066,619)
<b>Profit/(loss) before tax</b>	<b>(58,669,221)</b>	<b>(45,649,561)</b>
Income tax expense:		
Current tax	(2,404,571)	(1,103,930)
	(2,404,571)	(1,103,930)
<b>Profit after tax</b>	<b>(61,073,793)</b>	<b>(46,753,491)</b>
<b>Total Comprehensive Income</b>	<b>(61,073,793)</b>	<b>(46,753,491)</b>



Managing Director

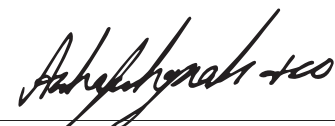


Director



Company Secretary

As per our report of same date.



Ashraf Haque Nabi & Co.  
Chartered Accountants

Dhaka, 1 October 2020



## ACI Chemicals Limited

### Statement of Changes in Equity

<i>In Taka</i>	Share capital	Retained earnings	Total equity
<b>Balance at 1 July 2019</b>	20,000,100	(123,742,929)	(103,742,829)
Issue of share capital			
<b>Total comprehensive income</b>			
Profit after tax	-	(61,073,793)	(61,073,793)
Total other comprehensive income - net of tax	-	-	-
<b>Total comprehensive income</b>	-	(61,073,793)	(61,073,793)
<b>Balance at 30 June 2020</b>	20,000,100	(184,816,722)	(164,816,622)
<b>Balance at 1 July 2018</b>	20,000,100	(76,989,439)	(56,989,339)
Issue of share capital			
<b>Total comprehensive income</b>			
Profit after tax	-	(46,753,491)	(46,753,491)
Total other comprehensive income - net of tax	-	-	-
<b>Total comprehensive income</b>	-	(46,753,491)	(46,753,491)
<b>Balance at 30 June 2019</b>	20,000,100	(123,742,929)	(103,742,829)

## ACI Chemicals Limited

### Statement of Cash Flows

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
<b>Cash flows from operating activities</b>		
Cash received from customers	28,224,218	21,121,086
	28,224,218	21,121,086
Cash received/(paid) from/(for):		
Operating expenses	(60,675,484)	(45,283,295)
Purchase of inventory	(6,474,994)	(11,713,126)
Advances, deposits and prepayments	370,468	(905,460)
	(66,780,010)	(57,901,881)
Cash generated from operations	(38,555,792)	(36,780,795)
Financing costs	(18,114,179)	(12,066,619)
Income Tax	(928,915)	(1,000,247)
	(19,043,094)	(13,066,866)
<b>Net cash from operating activities</b>	(57,598,885)	(49,847,661)
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(64,715)	(176,211)
<b>Net cash (used) in investing activities</b>	(64,715)	(176,211)
<b>Cash flows from financing activities</b>		
Inter-company debts received/(paid)	54,279,461	50,767,826
Short term bank loan (paid)/received	3,723,343	(2,033,098)
<b>Net cash (used)/from financing activities</b>	58,002,804	48,734,728
Net increase in cash and cash equivalents	339,204	(1,289,144)
Cash and cash equivalents at 1 July	(118,171)	1,170,973
<b>Cash and cash equivalents at 30 June</b>	221,033	(118,171)
<b>Closing balance represents</b>		
Cash and cash equivalents	375,910	50,143
Bank overdraft	(154,874)	(168,314)
	221,036	(118,171)



# INFOLYTX Bangladesh Limited

## Directors' Report

INFOLYTX Bangladesh Limited was incorporated with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh in 2015 as a private Company limited by shares and governed by the Companies Act 1994. The Company has been formed under a joint venture effort of Advanced Chemical Industries (ACI) Limited and Odysseus Global, LLC, Delaware, USA, with a view to establish an IT Company of international standards. ACI Limited holds 60% ownership in the Company. The principal activities of the Company are to promote the advancement of software development and to work closely with international clients in the ICT area with a view to enabling the Bangladesh software and information technology industry to reach global pre-eminence.

The Company in FY2019-20 focused on building its offerings around three key Artificial Intelligence and Machine Learning technologies serving the healthcare and retail industries. During FY2020-21 these solutions will be deployed at client sites from where INFOLYTX expects to gain additional feedback so that it can improve and deepen its market penetration. Furthermore, INFOLYTX teams will continue to work on leading-edge custom development projects opportunistically.

Operationally, during the COVID-19 pandemic INFOLYTX kept all staff productive despite having them work from home. The focus in FY2020-21 is to increase revenues so as to reach sustainability while keeping costs under control.

This year will likely be an important year for INFOLYTX as the focus shifts to building its sales and marketing capabilities. All of us are excited to be a part of this journey!

The operating results of the Company for the year ended on 30 June 2020 are as follow:

### Key Financial Results

	<u>Taka</u>
Revenue	2,535,000
Gross Profit/(Loss)	2,535,000
Operating Profit/(Loss)	(108,483,554)
Profit/(Loss) before tax	(132,241,046)
Profit/(Loss) after tax	(139,364,632)

On behalf of the Board

**Badrul Husain**  
Managing Director

**Dr. Arif Dowla**  
Director

Dhaka, 1 October 2020

আশরাফ্ উল হক নবী এন্ড কোঃ

**ASHRAFUL HAQUE NABI & CO.**  
Chartered Accountants

Dilara Tower (3<sup>rd</sup> Floor), 4F.  
77 Bir Uttam CR Data Road  
Hatirpul, Dhaka-1205  
Tel: 44611751  
Email: minhaz@ashrafulhaquenabi.com  
ashrafulnabi@yahoo.com

## Independent Auditors' Report to the Shareholders of **INFOLYTX Bangladesh Limited**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of INFOLYTX Bangladesh Ltd. ("The Company") which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of "INFOLYTX Bangladesh Ltd." as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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.

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



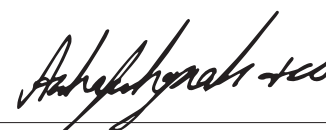
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, we also report the following:

- 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 law have been kept by the organization so far as it appeared from our examination of those books; and
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.

Dhaka, 1 October 2020



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Ashraf Haque Nabi & Co.  
Chartered Accountants



## INFOLYTX Bangladesh Limited

### Statement of Financial Position

<i>In Taka</i>	30 June 2020	30 June 2019
<b>Assets</b>		
Property, plant and equipment	10,432,970	11,556,207
Non-current assets	10,432,970	11,556,207
Advances, deposits and prepayments	741,750	887,009
Trade receivables	11,745,000	9,210,000
Cash and cash equivalents	323,918	465,197
<b>Current assets</b>	12,810,668	10,562,206
<b>Total assets</b>	23,243,638	22,118,413
<b>Equity</b>		
Share capital	100,000	100,000
Preference share	20,000,000	20,000,000
Share premium	80,000,000	80,000,000
Share money deposit	4,602	4,602
Accumulated loss	(435,373,761)	(296,009,129)
<b>Total equity</b>	(335,269,159)	(195,904,527)
Inter-company payables	335,373,809	211,090,121
Other payables	11,960,402	2,862,819
Current tax liabilities	11,178,586	4,070,000
<b>Current liabilities</b>	358,512,797	218,022,940
<b>Total equity and liabilities</b>	23,243,638	22,118,413

Managing Director

Director

Company Secretary

As per our report of same date.

Ashraf Haque Nabi & Co.  
Chartered Accountants

Dhaka, 1 October 2020

## INFOLYTX Bangladesh Limited

### Statement of Profit or Loss

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Revenue	2,535,000	7,542,500
Cost of sales	-	-
<b>Gross profit/(loss)</b>	<b>2,535,000</b>	<b>7,542,500</b>
General and administrative expenses	(111,018,554)	(91,965,563)
<b>Operating loss</b>	<b>(108,483,554)</b>	<b>(84,423,063)</b>
Other income(Loss)	-	-
Financing Cost	(23,757,492)	(10,596,752)
<b>Loss before income tax</b>	<b>(132,241,046)</b>	<b>(95,019,815)</b>
Income tax expense	(7,123,586)	(4,100,000)
<b>Loss for the period</b>	<b>(139,364,632)</b>	<b>(99,119,815)</b>



Managing Director



Director



Company Secretary

As per our report of same date.



Ashraf Haque Nabi & Co.  
Chartered Accountants

Dhaka, 1 October 2020



## INFOLYTX Bangladesh Limited

### Statement of Changes in Equity

<i>In Taka</i>	Share capital	Preference shares	Share Premium	Share money deposit	Loss for the period	Total equity
<b>Balance at 01 July 2019</b>	100,000	20,000,000	80,000,000	4,602	(296,009,129)	(195,904,527)
Share Capital	-	-	-	-	-	-
Share premium	-	-	-	-	-	-
Share money deposit	-	-	-	-	-	-
Loss for the period	-	-	-	-	(139,364,632)	(139,364,632)
<b>Balance as at 30 June 2020</b>	100,000	20,000,000	80,000,000	4,602	(435,373,761)	(335,269,159)
<b>Balance at 01 July 2018</b>	100,000	20,000,000	80,000,000	4,602	(196,889,314)	(96,784,712)
Share Capital	-	-	-	-	-	-
Share premium	-	-	-	-	-	-
Share money deposit	-	-	-	-	-	-
Loss for the period	-	-	-	-	(99,119,815)	(99,119,815)
<b>Balance as at 30 June 2019</b>	100,000	20,000,000	80,000,000	4,602	(296,009,129)	(195,904,527)

## INFOLYTX Bangladesh Limited

### Statement of Cash Flows

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
<b>A. Cash flows from operating activities</b>		
Cash received from customers	-	-
	-	-
Cash received/(Paid) from (for):		
Operating expenses	(98,375,270)	(88,656,937)
<i>Net cash from operating activities</i>	(98,375,270)	(88,656,937)
Cash generated from operations	(98,375,270)	(88,656,937)
Advances, deposits and prepayments	145,259	143,653
Net cash generated from/(used in) operating activities	(98,230,011)	(88,513,284)
Finance costs paid	(23,757,492)	(10,596,752)
Income Tax Paid	(15,000)	-
<b>Net cash from operating activities</b>	(122,002,503)	(99,110,036)
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(2,422,464)	(233,238)
Net cash generated from/(used in) investing activities	(2,422,464)	(233,238)
<b>C. Cash flows from financing activities</b>		
Inter-company debts received/(paid)	124,283,688	99,729,586
<i>Net cash from financing activities</i>	124,283,688	99,729,586
<b>D. Net increase in cash and cash equivalents for the period (A+B+C)</b>	(141,279)	386,312
<b>E. Cash and cash equivalents at the beginning of the period</b>	465,197	78,885
<b>F. Cash and cash equivalents at the reporting date</b>	323,918	465,197



## ACI Biotech Limited Directors' Report

ACI Biotech Limited (The Company) was incorporated in November 2016 with the Registrar of Joint Stock Companies, Dhaka, as a private company limited by shares and is governed by the Companies Act 1994. It is a subsidiary of Advanced Chemical Industries (ACI) Limited having 80% holding in the Company.

The Company has been established with an objective to manufacture and market world class biotech medicines, biotech products, monoclonal antibody (MABs), cell bank, anticancer drugs, hormones, vaccines, steroids, small molecule and large molecule pharmaceutical products, genome, genetic therapy, medicinal substances, biological and similar products in the country and in overseas. With this aim, a plant having state of the art manufacturing facilities is planned to be established in line with the standards of USFDA, MHRA, WHO, cGMP and other relevant agencies of that nature.

The operating results of the Company for the year ended 30 June 2020 are as follows:

### Key Financial Results

	<u>Taka</u>
Revenue	Nil
Gross Profit/(Loss)	Nil
Operating Profit/(Loss)	(116,541)
Profit/(Loss) before tax	(124,310)
Profit/(Loss) after tax	(124,310)

On behalf of the Board

**M Mohibuz Zaman**  
Managing Director

**Kamran Tanvirur Rahman**  
Director

Dhaka, 1 October 2020



আশরাফ্ উল হক নবী এন্ড কোঃ

**ASHRAFUL HAQUE NABI & CO.**  
Chartered Accountants

Dilara Tower (3<sup>rd</sup> Floor), 4F.  
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ashrafulnabi@yahoo.com

## Independent Auditors' Report to the Shareholders of **ACI Biotech Limited**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of ACI Biotech Limited ("The Company") which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of "ACI Biotech Limited" as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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.

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

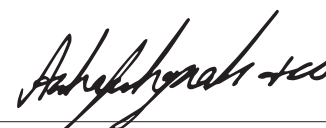
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, we also report the following:

- 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 law have been kept by the organization so far as it appeared from our examination of those books; and
- c) the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.

Dhaka, 1 October 2020



Ashraf Haque Nabi & Co.  
Chartered Accountants



## ACI Biotech Limited

### Statement of Financial Position

<i>In Taka</i>	30 June 2020	30 June 2019
<b>Assets</b>		
Property, plant & equipment	45,467	57,867
Capital work-in-progress	812,420,841	521,238,405
<b>Non-current assets</b>	<b>812,466,308</b>	<b>521,296,272</b>
Advances, deposits and prepayments	322,465	200,000
Cash and cash equivalents	329,690	242,378
<b>Current assets</b>	<b>652,156</b>	<b>442,378</b>
<b>Total assets</b>	<b>813,118,464</b>	<b>521,738,650</b>
<b>Equity</b>		
Share capital	10,000,000	10,000,000
Retained earnings	(1,863,302)	(1,738,992)
<b>Total equity</b>	<b>8,136,698</b>	<b>8,261,008</b>
<b>Liabilities</b>		
Inter company payables	788,595,396	482,720,624
Other payables and accruals	16,386,370	30,757,018
<b>Current liabilities</b>	<b>804,981,766</b>	<b>513,477,642</b>
<b>Total equity and liabilities</b>	<b>813,118,464</b>	<b>521,738,650</b>

Managing Director

Director

Company Secretary

As per our report of same date.

Ashraful Haque Nabi & Co.  
Chartered Accountants

Dhaka, 1 October 2020

## ACI Biotech Limited

### Statement of Profit or Loss and other Comprehensive Income

<i>In Taka</i>	30 June 2020	30 June 2019
Revenue	-	-
Cost of sales	-	-
<b>Gross profit</b>	-	-
General and administrative expenses	(116,541)	(542,381)
<b>Loss from operation</b>	(116,541)	(542,381)
Financing cost	(7,769)	(31,144)
<b>Loss before tax</b>	(124,310)	(573,525)
Income tax expenses	-	-
<b>Net loss after tax</b>	(124,310)	(573,525)



Managing Director



Director



Company Secretary

As per our report of same date.



Ashraf Haque Nabi & Co.  
Chartered Accountants

Dhaka, 1 October 2020



## ACI Biotech Limited

### Statement of Changes in Equity

<i>In Taka</i>	Share capital	Retained earnings	Total equity
Balance at 1 July 2019	10,000,000	(1,738,992)	8,261,008
Loss for the period	-	(124,310)	(124,310)
<b>Balance at 30 June 2020</b>	10,000,000	(1,863,302)	8,136,698

<i>In Taka</i>	Share capital	Retained earnings	Total equity
Balance at 1 July 2018	10,000,000	(1,165,467)	8,834,533
Loss for the period	-	(573,525)	(573,525)
<b>Balance at 30 June 2019</b>	10,000,000	(1,738,992)	8,261,008



## ACI Biotech Limited

### Statement of Cash Flows

<i>In Taka</i>	30 June 2020	30 June 2019
<b>Cash flows from operating activities</b>		
Payment for operating expenses	(116,541)	(527,381)
Payment to other creditors	(14,374,781)	7,200,442
Finance costs paid	(7,769)	(31,144)
<b>Net cash from operating activities</b>	<b>(14,499,092)</b>	<b>6,641,917</b>
<b>Cash flows from investing activities</b>		
Acquisition of Property, plant and equipment	-	(62,000)
Expenditure incurred for capital work-in-progress	(230,523,563)	(250,830,323)
<b>Net cash used in investing activities</b>	<b>(230,523,563)</b>	<b>(250,892,323)</b>
<b>Cash flows from financing activities</b>		
Proceeds from inter company borrowings	245,109,967	244,347,476
Proceeds from share issue	-	-
<b>Net cash from financing activities</b>	<b>245,109,967</b>	<b>244,347,476</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>87,312</b>	<b>97,070</b>
<b>Opening cash and cash equivalents</b>	<b>242,378</b>	<b>145,308</b>
<b>Closing cash and cash equivalents</b>	<b>329,690</b>	<b>242,378</b>



# ACI Marine and Riverine Technologies Limited

## Directors' Report

ACI Marine & Riverine Technologies Limited (The Company) was incorporated in December 2019 with the Registrar of Joint Stock Companies of Bangladesh as a subsidiary of Advanced Chemical Industries Limited, having 77% holding in the Company. The Company is driven with a mission of 'Improving Quality of Life through responsible application of technology and services in Marine & Riverine operation'.

In Bangladesh, the surface area of river consists of 24,000 km and sea consists of 354 nautical miles. This provides a huge potential for business operations in the areas like fisheries, transportation and irrigation system. Major lucrative opportunities include a) Carrying goods b) Connecting traffic/Navigation through digital platform c) Surface water distribution d) Dredging service. The Company has aspirations for investing in the aforementioned areas based on feasibility analysis. However, it has already rolled out its marine engine product line.

Large scale projects in the domain of marine and riverine industries are inevitable in Bangladesh which will eventually ensure sustainable growth for ACI Marine & Riverine Technologies Limited.

The operating results of the Company for the year ended on 30 June 2020 are as follows:

### Key Financial Results

	<u>Taka</u>
Revenue	21,869,940
Gross Profit/(Loss)	2,179,421
Operating Profit/(Loss)	784,695
Profit/(Loss) before tax	251,941
Profit/(Loss) after tax	120,721

On behalf of the Board

**Dr. A.K.M Fareyzul Haque Ansarey**  
Managing Director

**Dr. Arif Dowla**  
Director

Dhaka, 1 October 2020



**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, 88-02-9673597  
Mobile : 01552-638228, 01711-520770  
01922-117370, 01757-941837  
E-mail : shirazkhanbasak@yahoo.com

## Independent Auditors' Report to the Shareholders of **ACI Marine and Riverine Technologies Limited**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of ACI Marine and Riverine Technologies Limited ("the Company"), which comprise statement of financial position as at 30th June, 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 30th June, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

#### Basis for Opinion

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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.

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

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



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01922-117370, 01757-941837  
E-mail : shirazkhanbasak@yahoo.com

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these (consolidated) financial statements.

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

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



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CHARTERED ACCOUNTANTS  
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01922-117370, 01757-941837  
E-mail : shirazkhanbasak@yahoo.com

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, we also report the following:

- a) 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;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts and returns;
- d) The expenditure incurred was for the purpose of the Company's business.

Dhaka, 1 October 2020

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Shiraz Khan Basak & CO.  
Chartered Accountant



## ACI Marine and Riverine Technologies Limited

### Statement of Financial Position

<i>In Taka</i>	30 June 2020
<b>Assets</b>	
Inventories	8,593,401
Other receivables	23,000,000
Advances, deposits and prepayments	1,781,906
Cash and cash equivalents	77,008,738
<b>Current assets</b>	<b>110,384,045</b>
<b>Total assets</b>	<b>110,384,045</b>
<b>Equity</b>	
Share capital	100,000,000
Retained earnings/(loss)	120,721
<b>Total equity</b>	<b>100,120,721</b>
<b>Liabilities</b>	
Inter-company payables	10,130,838
Other payables	1,266
Current tax liability	131,220
<b>Current liabilities</b>	<b>10,263,324</b>
<b>Total liabilities</b>	<b>10,263,324</b>
<b>Total equity and liabilities</b>	<b>110,384,045</b>

Managing Director

Director

Company Secretary

As per our report of same date.

Shiraz Khan Basak & CO.  
Chartered Accountants

Dhaka, 1 October 2020



## ACI Marine and Riverine Technologies Limited

### Statement of Profit or Loss

<i>In Taka</i>	For the year ended 30 June 2020
Revenue	21,869,940
Cost of sales	19,690,519
<b>Gross profit</b>	<b>2,179,421</b>
Administrative, selling and distribution expenses	1,394,726
<b>Operating profit</b>	<b>784,695</b>
Financing Cost	531,489
<b>Profit before contribution to WPPF &amp; Tax</b>	<b>253,207</b>
Contribution to WPPF	1,266
<b>Profit before Tax</b>	<b>251,941</b>
Income tax expense	131,220
<b>Profit after Tax</b>	<b>120,721</b>



Managing Director



Director



Company Secretary

As per our report of same date.



Shiraz Khan Basak & CO.  
Chartered Accountants

Dhaka, 1 October 2020



## ACI Marine and Riverine Technologies Limited

### Statement of Changes in Equity

<i>In Taka</i>	For the year ended 30 June 2020		
	Share capital	Retained earnings	Total equity
<b>Balance as at 01 July 2019</b>	-	-	-
Profit/(Loss) after tax	-	120,721	120,721
Issuance of share	100,000,000	-	100,000,000
<b>Balance as at 30 June 2020</b>	<b>100,000,000</b>	<b>120,721</b>	<b>100,120,721</b>

## ACI Marine and Riverine Technologies Limited

### Statement of Cash Flows

<i>In Taka</i>	For the year ended 30 June 2020
<b>Cash flows from operating activities</b>	
Cash received from customers	21,869,940
<b>Cash (used in)/generated from operating activities</b>	21,869,940
Payment for purchase	(28,283,920)
Payment for operating expenses	(1,394,726)
Payments for advances, deposits and prepayments	(1,781,906)
	(31,460,552)
<b>Cash used in operation</b>	(9,590,612)
Interest paid	(531,489)
Income tax paid	-
	(531,489)
<b>Net cash (used in)/from operating activities</b>	(10,122,100)
<b>Cash flows from investing activities</b>	
<b>Net cash generated from/(used in) investing activities</b>	-
<b>Cash flows from financing activities</b>	
Inter-company debts received/(paid)	10,130,838
Proceeds from issuance of Share Capital	77,000,000
<b>Net cash (used in)/from financing activities</b>	87,130,838
<b>Net increase/(decrease) in cash and cash equivalents</b>	77,008,738
<b>Opening cash and cash equivalents</b>	-
<b>Cash and cash equivalents at reporting date</b>	77,008,738



# Advanced Chemical Industries Limited Corporate Directory

## Registered Office

ACI Centre  
245 Tejgaon Industrial Area  
Dhaka-1208  
Phone : (8802) 8878603  
Fax : (8802) 8878619  
Email : info@aci-bd.com  
Web : www.aci-bd.com

## Share Office

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

## Manufacturing Facilities

### Advanced Chemical Industries Ltd

- 1. Pharmaceuticals Unit**  
7 Hajiganj Road, Godnail, Narayanganj  
Phone : (8802) 7630493, 7630496, 7630525  
Fax : (8802) 7630524
- 2. Electrical Products Unit**  
Plot - 208-209, Block-D, BSCIC Industrial Estate, Tongi, Gazipur 1700  
Phone : 01730028419
- 3. Sanitary Napkin & Diaper Unit**  
Nil Nagar, Konabari, Gazipur  
Phone : 01730007780

### ACI Formulations Limited

- 4. Formulations Unit**  
Rajabari, Sreepur, Gazipur  
Phone : 01766668863

### ACI Pure Flour Limited

- 5. Flour Unit-1**  
6/3 Dewli Chowrapara,  
Bondor, Narayanganj  
Phone : 01713 069714
- 6. Flour Unit-2**  
52/A, Faizderhat Industrial Area,  
Sagorika Road, Chittagong  
Phone : 01708130207

### ACI Salt Limited

- 7. Salt Unit**  
Murapara, Rupganj, Narayanganj  
Phone : 01713142857

### ACI Salt Limited

- 8. Salt Unit**  
Murapara, Rupganj, Narayanganj  
Phone : 01713142857

### ACI Foods Limited

- 9. Foods Unit**  
Kutirchar, Bhadrghat Kamarkhand, Sirajgonj  
Phone : 01755607412
- 10. Rice Unit**  
Swarashatipur, Mohadevpur, Naogaon  
Mobile : 01709650770

### Premiaflex Plastics Limited

- 11. Premiaflex Unit**  
Kewa Poschim Khondo, Mouna, Sreepur, Gazipur  
Phone : 01711136494
- 12. Premio Plastics Unit**  
Dharmagonj, Fatullah, Narayanganj  
Phone : 01700767910

### ACI HealthCare Limited

- 13. HealthCare Unit**  
Treepordi, Sonargaon,  
Narayanganj- 1440  
Phone : 01713238832

### ACI Motors Limited

- 14. Yamaha Motorcycle Manufacturing Plant**  
Borochala, Rajabari, Sherpur, Gazipur  
Phone : 01704123820



# Advanced Chemical Industries Limited

Registered Office

ACI Centre, 245 Tejgaon Industrial Area, Dhaka-1208

## PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a Member of Advanced Chemical Industries 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 47<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, 24 December 2020 at 11:30 a.m. and/or at any adjournment thereof.

As witness my hands this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

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.



**ADVANCED CHEMICAL INDUSTRIES LIMITED**

Registered Office

ACI Centre, 245 Tejgaon Industrial Area, Dhaka-1208

**ATTENDANCE SLIP**

I hereby record my Attendance at the 47<sup>th</sup> Annual General Meeting being held on Thursday, 24 December 2020 at 11:30 a.m. through digital platform.

Name of member/proxy \_\_\_\_\_

Registered Folio/ BO ID No. \_\_\_\_\_

No. of Shares held: \_\_\_\_\_

\_\_\_\_\_  
Signature of Shareholder(s)





## Safety, Health and Environment (SHE) Policy

ACI is committed to conduct all its operations in a manner that is protective of the environment, health and safety of employees, customers and the community. To this end, the company has already obtained ISO 14001 Certification for Environmental Management System. ACI will provide the resources to educate and involve every individual in the Company in achieving this objective. In fulfillment of this commitment, we shall maintain a continuing effort to adhere to the following principles.

### Principles

- 1 We believe that all accidents, incidents and work- related ill health are preventable and with this aim in mind we will manage our businesses. We will deploy adequate resources for the prevention and control of accident.
- 2 We will investigate all workplace accidents and illnesses in order to promptly correct any unsafe conditions or practices, and to prevent repetition of these occurrences.
- 3 We will fully comply with all the national regulations but in addition will set our own stringent internal corporate standards on matters relating to safety, health and the environment, and endeavour to strictly adhere to them.
- 4 We will continue to improve communication and exchange views with employees, employee representatives, customers, contractors, suppliers, neighbours and any other individual or organisation affected by our business.
- 5 We will integrate SHE considerations into business planning and decision-making.
- 6 We will continue to innovate in order to improve our products and processes so that their effects on safety, health and the environment are reduced.
- 7 We will increase shareowners' value through SHE excellence.



**Advanced Chemical Industries Limited**  
ACI Centre, 245 Tejgaon Industrial Area, Dhaka 1208

