



ACI Formulations Limited
Annual Report 2019-2020



কৃষকের সোনালী স্বপ্নের সাথে...





ACI Formulations Limited

এ সি আই ফরমুলেশন্স লিমিটেড
এসিআই সেন্টার
২৪৫, তেজগাঁও ইন্ডাস্ট্রিয়াল এরিয়া
ঢাকা ১২০৮, বাংলাদেশ
পি ও বক্স ৭২১৮
টেলিফোন (৮৮-০২) ৮৮৭ ০৯৮২-৭, ৮৮৭ ৮৬০৫
ফ্যাক্স (৮৮-০২) ৮৮৭ ০৯৮৮, ৮৮৭ ৮৬২৬

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

Your ref

Our ref

Date

7 December 2020

Letter of Transmittal

To

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

Dear Concern,

Re: Annual Report of ACI Formulations Limited (ACI FL) for the year ended 30 June 2020.

We are pleased to enclose a copy of ACI FL's Annual Report which includes amongst others, Directors' Report and the Audited Financial Statements comprising of statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in equity for the year ended 30 June 2020 along with notes thereto of ACI FL for your kind information and record.

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

With best regards,

Yours truly,

Mohammad Mostafizur Rahman
Company Secretary



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Corporate Information

Company Profile

Basic Information			
Full Name	ACI Formulations Limited	Authorized Capital (Taka)	50,00,00,000
Incorporation Date	29 October 1995	Issued & Paid Capital (Taka)	45,00,00,000
Registration No	C-29594 (882)/95	Number of Shares	45,000,000
Company Type	Public Limited	Face Value (Taka)	10
Number of Employees	1,113	Year End	30 June

Statutory Position		Board of Directors	
Chief Financial Officer	Mr. Pradip Kar Chowdhury	■ Mr. M. Anis Ud Dowla	Chairman
Company Secretary	Mr. Mohammad Mostafizur Rahman	■ Ms. Shusmita Anis	Managing Director
Head of Risk Management & Internal Audit	Mr. Amitava Saha	■ Mrs. Najma Dowla	Director
		■ Dr. Arif Dowla	Director
		■ Dr. A.K.M. Fareyzul Haque Ansarey	Director
		■ Mr. Golam Mainuddin	Independent Director
		■ Mr. Abdul-Muyeed Chowdhury	Independent Director
Auditors		Board Audit Committee	
Statutory Auditor	Hoda Vasi Chowdhury & Co., Chartered Accountants	• Mr. Abdul-Muyeed Chowdhury	Chairman
Governance Compliance Auditor	Al-Muqtadir Associates, Chartered Secretaries	• Dr. A.K.M. Fareyzul Haque Ansarey	Member
		• Mrs. Najma Dowla	Member
		• Mr. Mohammad Mostafizur Rahman	Secretary
Advisors		Nomination and Remuneration Committee	
Legal Advisor	Barrister Nihad Kabir	■ Mr. Golam Mainuddin	Chairman
Advisor, Regulatory Affairs	Mr. M. Sekander Ali	■ Mr. Abdul-Muyeed Chowdhury	Member
		■ Mrs. Najma Dowla	Member
		■ Mr. Mohammad Mostafizur Rahman	Secretary
Contact Address		Principal Bankers	
Registered Office	ACI Centre, 245, Tejgaon Industrial Area, Dhaka-1208	■ Standard Chartered Bank	■ BRAC Bank Limited
	Phone # (8802) 8878603	■ The Hongkong and Shanghai Banking Corporation Limited	■ The City Bank Limited
	Fax # (8802) 8878619, 8878626	■ Commercial Bank of Ceylon Plc	■ Prime Bank Limited
	Email # info@aci-bd.com		
	Web # www.aci-bd.com/acifl/		
Investors Relation's Office	9 Motijheel C/A, Dhaka-1000	Subsidiary Company	
	Phone # (8802) 9556254	■ Neem Laboratories (Pvt.) Ltd	
Factory Location	Rajabari, Sreepur, Gazipur		
	Phone # (8802) 0682555135		

ACI Formulations in Brief

ACI Formulations Limited (ACI FL) was established as the subsidiary of Advanced Chemical Industries (ACI) Limited in 1995. The Company obtained listing with Dhaka Stock Exchange in 2009.

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



Board of Directors' Profile



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 re-elected as the President of the Bangladesh Seed Association (BSA) for three consecutive terms. He is a member of the Board of Trustees of the Independent University of Bangladesh.



Mr. Golam Mainuddin
Independent Director

Mr. Golam Mainuddin joined the Board of ACI Formulations Limited in June 2020. He is as well Director of Advanced Chemical Industries Limited. 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), the 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 2001. In addition to her role as a Board member, she also serves as a Member of the Audit Committee, and the Nomination and Remuneration Committee of ACI Formulations Limited. Currently, she occupies the Directorship position in Advanced Chemical Industries Limited, ACI Salt Limited, Premiaflex Plastics Limited, Consolidated Chemicals Limited, ACI Foods Limited, ACI Motors Limited, Stochastic Logic Limited, ACI HealthCare Limited, ACI Chemicals Limited, ACI Boitech Limited, ACI Agrolink Limited, ACI Logistics Limited, ACI Edible Oils Limited, Dowla Agricultural Development Company Limited and ACI Foundation (a non-profit organization). She completed her Bachelor degree in Arts.



Dr. Arif Dowla
Director

Dr. Arif Dowla was inducted as Director of the Company in 2003. He is the Managing Director of the parent company, Advanced Chemical Industries Limited and functional head of ACI Group. He has significant contribution in the advancement of Industrial as well as Agricultural sector of the country. His business strategy and various backward and forward linkages have diversified the Group business in manifold resulting ACI a largest turnover based conglomerate in Bangladesh. Dr. Dowla obtained Ph.D in Mathematics from the University of California, USA. He is a member of the American Mathematical Society and the Society of Quantitative Analyst, New York, as well. He has been included in the Forum of Young Global Leader Honorees 2009 by the World Economic Forum. He has been serving as the Honorary Consul of Belgium in Bangladesh since September 2013. Dr. Dowla is the Chairman of Tetley ACI (Bangladesh) Limited, a Joint-venture between Bangladesh and UK, and Chairman of ACI CO-RO Bangladesh Limited, a Joint-venture between Bangladesh and Denmark. 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 Formulations Limited, 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, ACI Marine and Riverine Technologies Limited, Dowla Agricultural Development Company Limited, ACI Godrej Agrovet Private Limited and ACI Foundation (a non-profit organization).



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

Dr. A.K.M. Fareyzul Haque Ansarey a Ph.D holder in Ecology brings with him high profile management strength for a highly techno-dependent company. His wide work experience in MNCs like Ciba-Geigy and local corporate like Shetu Corporation Limited in the field of chemical world gives confidence in realizing the business potential of the Company. He is one of the promoters of ACI Formulations Limited and has been discharging his duties and responsibilities as Director since November 1995. Currently, he acts as the Managing Director & CEO of ACI Agribusinesses. He has also been appointed as the Managing Directors of ACI Agrolink Limited, ACI Motors Limited, Premiaflex Plastics Limited and ACI Marine and Riverine Technologies Limited. He served Advanced Chemical Industries Limited in the capacity of Executive Director of Agribusinesses and General Manager & Head of Business Operation, as well. Besides, Dr. Ansarey occupies the Directorship position in ACI Salt Limited, ACI Godrej Agrovet Private Limited and ACI Marine and Riverine Technologies Limited.



**Mr. Abdul-Muyeed
Chowdhury
Independent Director**

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



Ms. Shusmita Anis
Managing Director

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



Mr. Mohammad Mostafizur
Rahman
Company Secretary

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



Notice of the 24th Annual General Meeting

Notice is hereby given that the 24th Annual General Meeting (AGM) of ACI Formulations Limited will be held on Thursday, 24 December 2020 at 10:00 am. The AGM will be held virtually using digital platform through the following link: <https://tinyurl.com/aciflagm2020>

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 remunerations.
- 5) To confirm appointment of Independent 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/acifl/



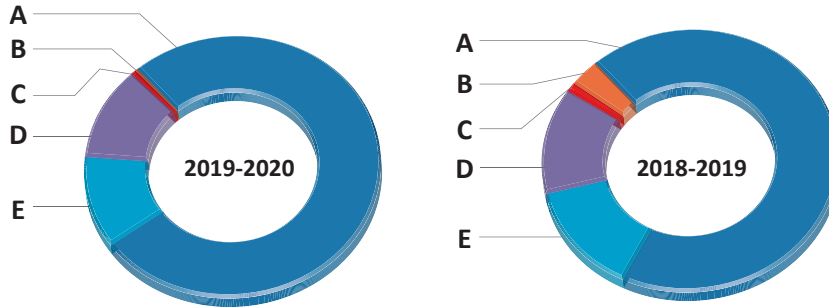
To Join with AGM

Financial Calendar



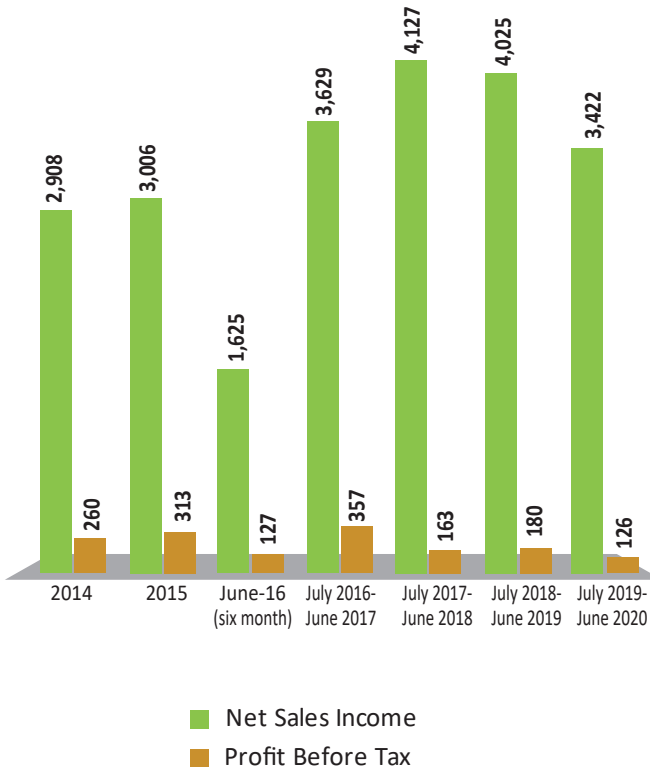
Financial Highlights and Analysis

Turnover Contribution by Business Unit

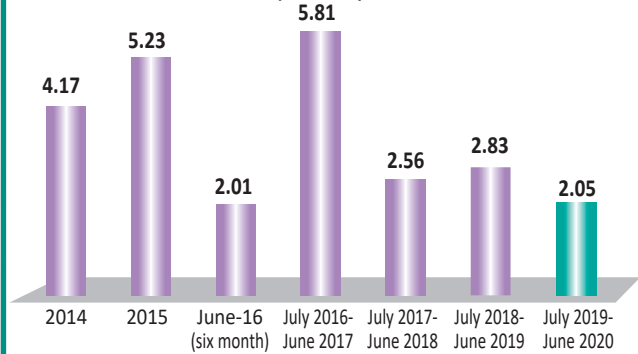


Business Unit	2019 - 2020	2018 - 2019
A Corp Care & Public Health	76.43%	68.62%
B Mosquito Coil	0.33%	3.33%
C Toilet Cleaner (Vanish)	0.49%	1.16%
D Aerosol	11.57%	13.22%
E Paint	11.18%	13.67%

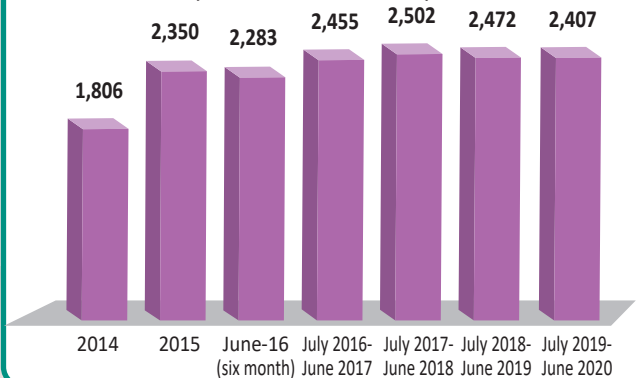
Net Sales Income & Profit Before Tax (Taka in Million)



Earnings Per Share (Taka)



Shareowners' Equity (Taka in Million)



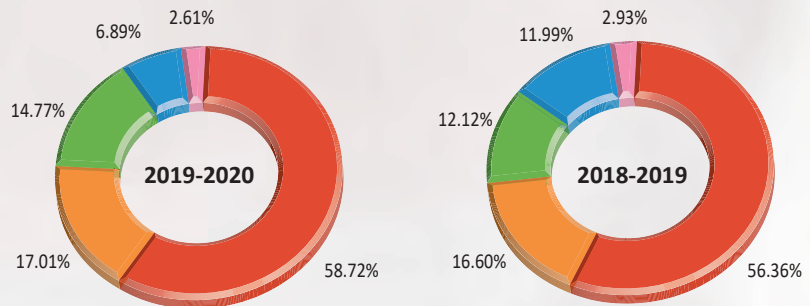
Comparative Statistics

Particulars	2014	2015	June 2016 (Six Month)	July 16- June 17	July 17- June 18	July 18- June 19	July 19- June 20
Taka in million							
Authorized capital	500.00	500.00	500.00	500.00	500.00	500.00	500.00
Issued & paid-up capital	450.00	450.00	450.00	450.00	450.00	450.00	450.00
Current assets	1,811.60	2,594.40	2,719.34	3,296.51	3,994.18	4,010.05	3,563.12
Tangible fixed assets (gross)	1,435.68	1,717.06	1,761.33	1,857.65	1,912.42	2,155.61	2,176.81
Shareowners' equity	1,805.59	2,350.46	2,283.36	2,454.80	2,502.33	2,471.79	2,406.74
Turnover (net)	2,908.11	3,006.49	1,625.48	3,629.43	4,127.46	4,025.29	3,422.45
Gross profit	738.58	800.14	476.94	1,107.81	1,026.50	1,210.67	1,065.17
Profit before tax	259.65	313.11	126.64	356.73	163.30	180.26	125.57
Profit after tax	187.62	235.14	90.40	261.44	115.03	127.52	92.45
Dividend	135.00	157.50	-	157.50	157.50	157.50	90.00
Current ratio (times)	1.50	1.35	1.29	1.29	1.24	1.17	1.17
Quick ratio (times)	0.94	0.88	0.82	0.75	0.74	0.69	0.76
Return on equity (%)	10.00	10.00	*7.92	10.65	4.60	5.16	3.84
Inventory turnover (times)	3.21	2.46	*2.31	1.82	1.93	1.73	1.85
Debtors turnover (times)	3.48	2.19	*2.56	2.51	2.78	2.19	2.02
Fixed assets turnover (times)	2.34	1.72	*1.87	2.02	2.30	2.07	1.80
Net asset per share (Taka)	40.12	52.23	50.74	54.55	55.59	54.93	53.48
Market price per share (Taka)	126.70	189.70	155.00	200.10	163.70	152.40	110.20
Earnings per share (Taka)	4.17	5.23	2.01	5.81	2.56	2.83	2.05
Dividend per share (Taka)	3.00	3.50	-	3.50	3.50	3.50	2.00
Dividend rate (%)	30.00	35.00	-	35.00	35.00	35.00	20.00
Dividend payout ratio (%)	71.94	66.92	-	60.24	136.92	123.51	97.35
Price earnings ratio (times)	30.38	36.27	*38.56	34.44	63.95	53.85	53.76
Dividend yield (%)	2.37	1.85	-	1.75	2.14	2.30	1.81
Number of employees	1,149	1,459	1,489	1,679	1,785	1,361	1,113

* Ratios are annualised.

Analysis of Turnover (%)

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



Comparison of Turnover & Costs

	For the year ended 30 June 2020		For the year ended 30 June 2019	
	Taka in Million	%	Taka in Million	%
Turnover (Gross)	3,543.67	100	4,348.22	100
Cost of Materials	2,080.69	58.72	2,450.79	56.36
Expenses	602.77	17.01	721.64	16.60
Salaries, Wages & Benefits paid to Employees	523.66	14.77	526.97	12.12
Duties & Taxes paid to Government Exchequer	244.10	6.89	521.30	11.99
Profit	92.45	2.61	127.52	2.93
Total	3,543.67	100.00	4,348.22	100.00



Message from the Chairman চেয়ারম্যানের বাণী

Dear Shareowners,

Assalamu Alaikum,

Coronavirus has humbled humanity. Businesses are undergoing severe hardship and there may not be any remedy soon. The record rainfall and floods in the northern rivers added to the misery of the farmers.

I am happy to note that our Crop Care employees faced the threat of virus and worked hard to meet the requirements of the farmers, for which they deserve our special thanks.

Crop Care business was satisfactory but Paints and Mosquito Coil demands were depressed. It will take a while for recovery.

Dear Shareowners, please take care about hygiene and ensure safety of yourself as well as that of the members of your family.

The employees of ACI Formulations Limited are engaged in ensuring that business interests are protected and I am confident that the organization will continue to grow under their watch.

Sincerely,

M. Anis Ud Dowla

Chairman



প্রিয় শেয়ারমালিকবৃন্দ

আসসালামু-আলাইকুম,

করোনা ভাইরাস মানবতাকে করেছে বিপন্ন। ব্যবসাপ্রতিষ্ঠানসমূহ কঠিন সময় অতিবাহিত করেছে - যার উত্তরণ খুব শীঘ্রই সম্ভব নয়। রেকর্ড পরিমাণ বৃষ্টিপাত এবং উত্তরাঞ্চলের নদীগুলোতে বন্যা কৃষকদের দুর্ভোগের মাত্রা আরো বাড়িয়ে দিয়েছে।

আমি এটা দেখে আনন্দিত যে আমাদের গ্রুপ কেয়ার কর্মীরা করোনা ভাইরাসের ঝুঁকি সত্ত্বেও কৃষকের প্রয়োজন মেটাতে কঠোর পরিশ্রম করেছে। এ জন্য তারা বিশেষ ধন্যবাদ প্রাপ্য। গ্রুপ কেয়ার ব্যবসা সন্তোষজনক ছিল কিন্তু পেইন্টস্ এবং মশার কয়েল ব্যবসার চাহিদা ছিল নিম্নমুখী, যা ঘুরে দাঁড়াতে কিছুটা সময় লাগবে।

প্রিয় শেয়ারমালিকগণ, অনুগ্রহ করে স্বাস্থ্যবিধির ব্যাপারে যত্নবান হোন এবং নিজের পাশাপাশি পরিবারের অন্য সদস্যদের সুরক্ষা নিশ্চিত করুন।

এসিআই ফর্মুলেশনস্ লিমিটেড এর কর্মকর্তা-কর্মচারীগণ ব্যবসায়িক স্বার্থ রক্ষায় সর্বদা সচেষ্টি এবং আমি নিশ্চিত যে তাদের নিবিড় তত্ত্বাবধানে এ প্রতিষ্ঠান সমৃদ্ধির পথে এগিয়ে যাবে।

আপনাদের বিশ্বস্ত,

এম. আনিস উদ্ দৌলা

চেয়ারম্যান



Statement of Corporate Governance

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

The Governing Board

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

Composition of the Board

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

Roles and Responsibilities of the Board

The Board is the supreme authority of the Company to oversee its operations through appropriate delegation, monitoring, control and reporting. The Directors hold the ultimate responsibility of conducting the activities of the Company in accordance with law and in the interest of its shareowners and other stakeholders, keeping in view the long-term interest and aspirations of the Company, while also discharging company's legal obligations to its shareowners.

Functioning of the Board

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

Management through People

The directors believe that a successful Board directs and not manage. Rather they manage the management. And with that spirit, the Board has delegated adequate operational and financial authorities to the Managing Director which empowers her to set up the organizational structure, recruit appropriate people, empower them to manage the Strategic Business Units and functional areas and provide them guidance for achievement of the desired results.

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

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

Empowerment of People

The Board has given clear guidelines to the Managing Director to ensure that there is appropriate delegation of authority and clear statement of accountability of

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



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. She 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

Internal Control and Risk Management

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

Independent Director

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

Appointment of Independent Director

Mr. Kamran Tanvirur Rahman completed his 6-year (consecutive 2 terms) as Independent Director of the Company on 27 April 2020. Accordingly, the Board of Directors of the Company appointed Mr. Golam Mainuddin in this place as Independent Director of the Company for an initial tenure of three years with effect from 9 June 2020. The Board requested the shareholders to confirm the appointment at their 24th Annual General Meeting. The brief resume along with required information of the Independent Director is available under the 'Board of Directors Profile' of this report.

Distinctive Role of Chairman and Managing Director

According to the Governance Code, the positions of Chairman and Managing Director are being held by separate individuals and their roles and responsibilities are clearly established, set out in writing and which are distinct from each other to ensure transparency and better governance. The Chairman is a non-executive

director and responsible for smooth functioning of the Board, while the Managing Director acts as the Chief Executive Officer and in charge of the day-to-day operations of the Company.

Chief Financial Officer, Head of Internal Audit and Company Secretary

Under requirements of the BSEC Governance Code, the Company has in place the above three key positions held by three qualified professionals. Mr. Pradip Kar Chowdhury, a Fellow Chartered Accountant, acts as the Chief Financial Officer and Mr. Amitava Saha, acts as the Head of Risk Management & Internal Audit. 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 Code of Bangladesh Securities and Exchange Commission (BSEC), the Board has constituted an Audit Committee for the Company the details of which are stated in the Audit Committee Report forming part of this Annual Report. The Committee comprises of 3 (three) Members from the Board of Directors. All members of the Audit Committee are financially literate and are able to scrutinize and interpret financial statements while



discharging their duties and responsibilities as a member of the Committee. The Chairman of the Committee is an Independent Director having the requisite qualification in line with BSEC Code. The Company Secretary acts as the Secretary of the Committee, as required by the BSEC Code. The Chief Financial Officer and Head of Internal Audit and Compliance attend all meetings of the Committee regularly as special invitees.

The key responsibilities of the Audit Committee include:

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

Nomination and Remuneration Committee (NRC)

In compliance with the Corporate Governance Code, the Board of Directors of the Company in its meeting held on 28 October 2020 has constituted a Nomination and Remuneration Committee as a sub-committee of the Board with the following non-executives Directors:

Mr. Golam Mainuddin, Independent Director - Chairman

Mr. Abdul-Muyeed Chowdhury, Independent Director - Member

Mrs. Najma Dowla, Director - Member

Mr. Mohammad Mostafizur Rahman, the Company Secretary is the 'Secretary' of the NRC. A detailed Terms of Reference (ToR) and Policy of the NRC has also been approved by the Board. However, NRC policy, evaluation criteria and activities will be disclosed in the next annual report.

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.

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 is Subsidiary Companies:

ACI Formulation Limited (ACIFL) has one subsidiary company under its corporate canopy. ACIFL, being the holding company, applies the same governance strategy in its subsidiary. 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 company;
- b) The minutes of the Board meeting of the Subsidiary company are placed for review at the following Board meeting of the holding company;
- c) The minutes of the respective Board meeting of the holding company duly record that the Board has also reviewed the affairs of the subsidiary company, and
- d) The Board Audit Committee of ACIFL duly reviews the financial statements, in particular the investments made by its subsidiary company.



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 2019-20.

Audit Committee in ACI Formulations is a sub-committee of the Board of Directors that assists the Board in fulfilling its oversight responsibilities by ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and by effective monitoring of the business. The Audit Committee acts on behalf of the Board and is responsible to it. The jurisdiction of the Audit Committee extends over the Company covering risk management with special emphasis on ensuring compliance with all applicable legislation and regulation.

Composition and Meetings

Chairman : Abdul-Muyeed Chowdhury, Independent Director

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

Member : Mrs. Najma Dowla, Director

Secretary : Mr. Mohammad Mostafizur Rahman, Company Secretary

A total of 4 (Four) meetings of the Audit Committee were held during the year under report. Company Secretary functioned as the ex-officio 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 attended as and when the Committee required the presence to clarify any issue.

The detailed 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, ensure adequacy of internal audit function, examine Management's Discussions and Analysis of important and pertinent issues, review statement of all related party transactions on a random basis and ensure action on

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, and principles, and their adjustment, where so required.;
- (d) To oversee risk management, internal controls arrangements and compliance with legal and regulatory requirements;
- (e) To review the activity and performance of the Internal Audit function.

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, rules and regulations including those relating to securities, d) any other matter which needs disclosure 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.

The Audit Committee also reviewed ACI FL's self-assessment of Corporate Governance practices, based on a checklist provided by Bangladesh Securities and Exchange Commission (BSEC). The Committee concluded that Corporate Governance practices within ACI FL generally exceeded the standards laid down.

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

The Audit Committee will continue to monitor the progress made by Internal Audit Division for "Risk Based Audit" by conducting critical examination of random samples of Corporate Governance and Ethics compliance issues, and ensuring the clearance/ resolution of outstanding items.

Summary of activities during the year

During the year under review the Committee, interalia, 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 and recommended the same to the Board for consideration.
- e) Reviewed and ensured that the internal control system including financial and operational controls, accounting system, and reporting structure are satisfactory.
- f) Endorsed the internal audit plan 2020-21 and review the progress against the approved internal audit plan 2019-20.
- g) Reviewed the regular reports submitted by the Head of Risk Management and Internal Audit and oversee the progress on implementation of Management responses against internal audit findings.
- h) Reviewed the actions taken by the management for implementation of Audit Committee observations on issues deliberated in Audit Committee reports.
- i) The Committee placed its reports regularly to the Board for reviewing and monitoring the activities recommended on the internal control system, compliance with rules and regulation of the regulatory bodies.
- j) The Committee reviewed unaudited quarterly Financial Statements during the year under review and recommended those to the Board for its approval.
- k) Based on the above review and discussion, the Audit Committee is of the view that the internal control and compliance procedures are satisfactory to present a true and fair view of the activities and financial status of the Company.
- l) Reviewed the financial statements of the subsidiary company.
- m) Reviewed the capital investments made by the subsidiary company.
- n) 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



Abdul-Muyeed Chowdhury
Chairman of the Committee

Dhaka, 28 October 2020



Directors' Report to the Shareowners

For the year ended 30 June 2020

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 months 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:

Particular	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
<i>Balance carried forward</i>	730,348,228	727,896,037

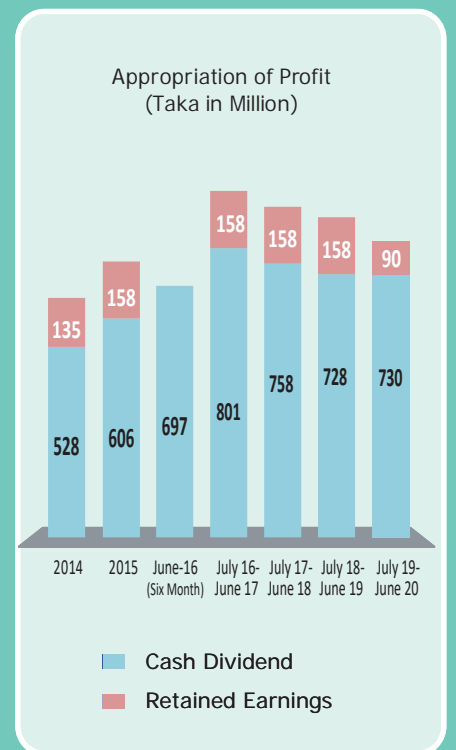
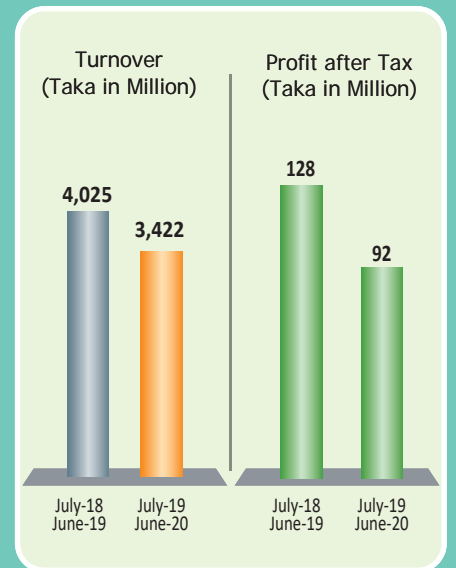
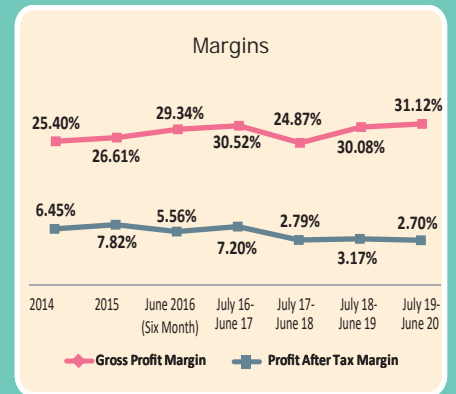
With the balance carried forward and with future ploughing back of the profit, Directors are confident that company will be able to maintain prudent dividend policy in coming years.

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 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 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.

Related Party Transactions

All transactions with related parties are made on a commercial basis and the basis was the principle of "Armlength Transaction". Details of related party transaction are disclosed in the Note - 37 of the Financial Statements.

Disclosure for Significant Deviation

For the year ended 30 June 2020, total revenue of ACI Formulations Limited as a Group was Taka 3,422 million against Taka 4,025 million of financial year 2018-19, resulting 14.98% lower revenue over FY2018-19. The main reason was sharp drop in toll manufacturing portfolio and paint business. 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 last year. Lower revenue as well as shrinkage of toll manufacturing activity led to 12% lower gross profit compared to FY 2018-19. However, due to changes in product mix and favorable purchase variance in Crop Care business over last year, gross profit margin has increased to 31.12% in the current year from 30.08% of FY 2018-2019. On the other hand, operating cost and financing cost for the reporting year decreased by 9.90% and 4.09% respectively compared to last year due to effective and efficient control over operating cost and working capital management. Due to these collective outcome, in the reported financial 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.

Consolidation of Accounts

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

Segment-wise performance

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

Risk and Concern

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

systematic approach. However, business may be affected by risks and uncertainties presently not known to us or that we currently believe to be immaterial. Financial risks management has been disclosed in the Note – 34 of the Financial Statements.

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

Declaration/Certification of CEO & CFO

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

Management Discussion & Analysis

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



Board of Directors

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

Re-election of Directors

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

Independent Director

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

Appointment of Independent Director

Mr. Kamran Tanvirur Rahman completed his 6-year (consecutive 2 terms) as Independent Directors of the Company on 27 April 2020. Accordingly, the Board of Directors of the Company appointed Mr. Golam Mainuddin in this place as Independent Director of the Company for an initial tenure of three years with effect from 9 June 2020. The Board requested the shareholders to confirm the appointment at their 24th Annual General Meeting. The brief resume along with required information of the Independent Director is available under the 'Directors Profile' of this report.

Nomination and Remuneration Committee (NRC)

In compliance with the Corporate Governance Code, the Board of Directors of the Company in its meeting held on 28 October 2020 has constituted a Nomination and Remuneration Committee as a sub-committee of the Board with the following non-executives Directors:

Mr. Golam Mainuddin, Independent Director - Chairman

Mr. Abdul-Muyeed Chowdhury, Independent Director - Member

Mrs. Najma Dowla, Director - Member

Mr. Mohammad Mostafizur Rahman, the Company Secretary is the 'Secretary' of the NRC. A detailed Terms of Reference (ToR) and Policy of the NRC 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.

Board Meeting & Attendance

During the financial year 2019-2020, 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 15,000/- as Board meeting attendance fees. The remuneration of Directors has been mentioned in Note – 30 and 37(b) 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 Chowdury & 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 however eligible for reappointment. M/s. A. Wahab & Co., Chartered Accountants, expressed their interest to be appointed as auditors of the Company for the year 2020-2021 at a fee of Tk. 693,000/- plus VAT. Accordingly, Board recommends the appointment to the shareholders of the Company.

Corporate Governance Compliance Status

ACI Formulations Limited believes in sustainable business development through quality assurance, customer focus, innovation, fairness, transparency and compliance, and continuous improvement for enriching the quality of life of the people. However, the Board and management of the Company are committed to continuously strive for the highest standards and ethics in governance practices with a view to safeguarding the interest of its shareowners and innumerable stakeholders as well. In this connection, we are pleased to confirm that the Company has meanwhile complied with all the requirements under the Corporate Governance Code adopted by Bangladesh Securities and Exchange Commission. The compliance checklist for the year ended 30 June 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.

On behalf of the Board



Shusmita Anis
Managing Director

Dhaka, 28 October 2020

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 analyze the financial statements accordingly to ensure that. Accordingly, the Financial Statements are prepared on a going concern basis and there is no doubt, whatsoever, upon the Company's ability to continue as going concern.

Corporate Social Responsibility (CSR)

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

The People of ACI FL

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

Acknowledgements

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

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



Abdul-Muyeed Chowdhury
Independent Director

শেয়ার মালিকদের নিকট পরিচালনা পর্ষদের প্রতিবেদন

৩০শে জুন ২০২০ তারিখে সমাপ্ত অর্থবছরের জন্য

আমরা অত্যন্ত আনন্দের সঙ্গে এসিআই ফরমুলেশন্স 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।

ক্রমহ্রাসমান আবাদী জমির সাথে ক্রমবর্ধমান জনসংখ্যার খাদ্য চাহিদার সমন্বয়ের পাশাপাশি বাংলাদেশের অর্থনৈতিক সমৃদ্ধির জন্য, ক্রপ কেয়ার পণ্য ও পরিষেবার বিস্তৃত ও সুস্বম বন্টনের মাধ্যমে কৃষি উৎপাদনশীলতার উন্নতি প্রয়োজন। তাছাড়া, জাতীয় জিডিপিতে ১৫% অবদান ও প্রায় ৫০% জনগোষ্ঠীর কর্মসংস্থানের ক্ষেত্র হিসেবে কৃষি উন্নয়নের গুরুত্ব অপরিসীম।

গত বছর বাংলাদেশ একটি প্রতিকূল জলবায়ু প্রত্যক্ষ করেছে। যমুনা ও তিস্তার প্রধান নদ-নদীগুলো বিগত ১০০ বছরের মধ্যে সর্বোচ্চ বন্যার রেকর্ড গড়েছে। বারংবার বন্যা ও অবিরাম বৃষ্টিপাতের ফলে এক তৃতীয়াংশ ফসলী জমি, বিশেষত উত্তরাঞ্চলীয় জেলাগুলির ধান ও শাকসবজি চাষ মারাত্মক ক্ষতিগ্রস্ত হয়েছে। সর্বশেষ ঘূর্ণিঝড় আফান উপকূলীয় অঞ্চলসমূহে ধ্বংসযজ্ঞ চালিয়ে গেছে।

কোভিড-১৯ এর কারণে সৃষ্ট লকডাউন কৃষক, মাঠকর্মী ও ডিলারদের চলাচলে বিধিনিষেধ আরোপের ফলে আমদানী ও পরিবহনে প্রতিকূলতা, পণ্যের মূল্যবৃদ্ধি ও পণ্যের অপ্রতুলতা দুর্ভোগের মাত্রা আরো বাড়িয়ে দিয়েছে।

অধিকন্তু, আমন মৌসুমে ধানের ন্যায্যমূল্য না থাকায় আবাদ হ্রাস করার পাশাপাশি ফসল সুরক্ষায় কীটনাশক ব্যবহারও প্রভাবিত হয়েছে।

এ শিল্পে এবছর প্রবৃদ্ধির হার ৮% হ্রাস পেয়েছে, পক্ষান্তরে ক্রপ কেয়ার ব্যবসা ৫% হ্রাস পেয়েছে। দানাদার কীটনাশক বিভাগে ৬% এবং হার্বিসাইড বিভাগে ৮% প্রবৃদ্ধি অর্জিত হয়েছে। আগের বছরের খারাপ মৌসুম, আক্রমানাত্মক স্থান নির্ধারণ কৌশল ও তরলকরণ উদ্যোগ, বাজারে ছত্রাকনাশকের অপরিপূর্ণতা সত্ত্বেও ক্রপ কেয়ার ৩০% প্রবৃদ্ধি অর্জন করতে সক্ষম হয়েছে।

সংক্রমণ কম থাকা এবং সরকার কর্তৃক প্রদত্ত ৩০% ভর্তুকির কারণে সালফারযুক্ত সার বিক্রয়ে নাটকীয় পরিবর্তন সালফার পোর্টফোলিওকে মারাত্মক ক্ষতিগ্রস্ত করেছে।

ফ্লোরা হচ্ছে একটি পরিবশে-বান্ধব, শক্তি ও বৃদ্ধি বর্ধক ফুলের উদ্ভিদক যা কৃষকদের মাঝে একটি জনপ্রিয় ব্র্যান্ড হিসেবে পরিচিতি পেয়েছে। তবে, এই পোর্টফোলিওটিও প্রাকৃতিক দুর্যোগের কারণে ক্ষতিগ্রস্ত হয়েছে। চালের ফলন উন্নত করতে ফ্লোরা ব্যবহারের সুবিধা কৃষকদের কাছে প্রদর্শন করার জন্য দেশজুড়ে আমাদের ১০০০ এরও বেশি প্রদর্শনী পুট রয়েছে। ফ্লোরা ব্যবহারের ফলে ফলনের উন্নতি কৃষি সম্প্রসারণ অধিদফতরের (ডিএই) কর্মকর্তাদের উপস্থিতিতে রেকর্ড করা হয়।

ক্রপ কেয়ার পাঁচটি অনন্য ও নতুন প্রজন্মের সলিউশনস উদ্ভাবন করেছে যা কৃষিক্ষেত্রে উৎপাদনশীলতা বৃদ্ধিতে অবদান রাখবে।

আমরা জাপান ও ভারতের দুটি আন্তর্জাতিক খ্যাতিসম্পন্ন রাসায়নিক উৎপাদনকারী কোম্পানীর সাথে যৌথভাবে কাজ করার উদ্যোগ গ্রহণ করেছে। এ ধরনের সহযোগিতামূলক উদ্যোগ ছাড়াও, USAID ও অন্যান্য এনজিও'র সহযোগীতায় আমরা কৃষকদের কৃষিসম্পর্কিত জ্ঞান ও উৎপাদনশীলতা বৃদ্ধির লক্ষ্যে বেশ কয়েকটি প্রকল্পের কাজ শুরু করেছি।

ব্যবসায়টি এর বিক্রয় কর্মী বাহিনীকে শক্তিশালী করেছে এবং আরও কার্যকর করার পদক্ষেপ গ্রহণ করেছে। বিক্রয়কর্মীরা কৃষক প্রশিক্ষণের মাধ্যমে জমিতে কীটনাশক ও ব্যবহারকারী কৃষকদের সাথে সরাসরি কাজ করেছে।

এ বছর Fall Armyworm কীট পুরো দেশের জন্য উদ্বেগের কারণ ছিল। এই গুরুতর সমস্যা সম্পর্কে কৃষকদের সচেতন করতে সচেতনতাবৃদ্ধিমূলক বৃহৎ প্রচারাভিযান পরিচালিত হয় এবং নানাবিধ নির্দেশনা প্রদানের মাধ্যমে এর সংক্রমণ নিয়ন্ত্রণে সক্ষম হয়। এমনকি কোভিড-১৯ মহামারী পরিস্থিতিতেও আমাদের কর্মীবাহিনী নিয়মিত মাঠ পরিদর্শন করেছেন এবং কৃষকদের পরামর্শ দেওয়ার পাশাপাশি কোভিড-১৯ থেকে সুরক্ষার জন্য সতর্কতা অবলম্বন করার পরামর্শ দিয়েছেন। সুতরাং, আমাদের বিপণন এবং মাঠকর্মীরা তাদের কঠোর পরিশ্রম এবং উদ্যোগের জন্য প্রশংসার দাবীদার।

বর্তমান molecules ও নতুন উদ্ভাবিত molecules এর ব্যবসায়িক সুযোগ সৃষ্টির লক্ষ্যে রিসার্চ এন্ড ডেভেলপমেন্ট বিভাগের একদল নিবেদিত প্রাণ কর্মী বিভিন্ন বাছাইকৃত ফসলের উন্নয়নে মাঠ পর্যায়ে ব্যাপক পরীক্ষা নিরীক্ষা পরিচালনা করেছে। কৃষকদের কাছে পণ্যের কার্যকারিতা প্রদর্শনের জন্য গত বছর বেশ কিছু প্রদর্শনী পরিচালনা করা হয়। মানসম্পন্ন অনুকূল ডোজ নিশ্চিতকরণের পাশাপাশি নতুন molecules এর সম্ভাব্যতা যাচাইয়ের জন্য বিভিন্ন নিরীক্ষা পরিচালিত হয়।

নতুন প্রজন্মের সাশ্রয়ী molecules নিয়ে আসার লক্ষ্যে, উৎপাদনশীলতা বর্ধনের জন্য কৃষকদের কাছে জ্ঞান ছড়িয়ে দিতে, উন্নয়ন কার্যক্রমে তাৎক্ষণিক পরিষেবা নিশ্চিত করতে, এসিআই ক্রপ কেয়ার একটি শক্তিশালী ডিলার নেটওয়ার্ক তৈরির দিকে মনোনিবেশ করে আসছে।

আন্তর্জাতিক অংশীদার AkzoNobel এর সাথে আমাদের পেইন্টস বিভাগ ২০১৯-২০২০ বছরের জন্য একটি উচ্চাভিলাষী বাজেট গ্রহণ করেছিল। কিন্তু অনাকাঙ্ক্ষিত পরিস্থিতির কারণে তা সফলতা পায়নি। বছরের প্রথম ছয়মাস আমাদের ঋণ ব্যবস্থাপনায় অধিক মনোযোগ দিতে হয়েছে ফলশ্রুতিতে ৩০% ঋণ হ্রাস পেয়েছে। প্রতিযোগীরা দাম নির্ধারণে অগ্রসী ভূমিকা পালন করেছে এবং সম্ভা পণ্যগুলি প্রতিযোগীতায় ঠেলে দিয়েছিল।

প্রতিযোগীরা ATL এবং BTL কার্যক্রমের মাধ্যমে বাজার নিয়ন্ত্রণের চেষ্টা চালায় কিন্তু আমরা ছিলাম রক্ষণশীল ভূমিকায়।

কোভিড-১৯ মহামারী পরিস্থিতিতে দ্বিতীয় প্রান্তিকে আমরা ভালো ফলাফল করতে অসমর্থ হই। নির্মান শিল্প ব্যাপকভাবে ক্ষতিগ্রস্ত হয়েছে ফলে পেইন্ট শিল্পে ২৫% প্রবৃদ্ধি হ্রাস পেয়েছে। সাপ্লাই চেইন ব্যাহত হওয়ায় পণ্য সরবরাহ ব্যাপকভাবে ক্ষতিগ্রস্ত হয়েছে।

করোনাকালীন পরিস্থিতিতে কর্মীদের জ্ঞান ও দক্ষতা বৃদ্ধির লক্ষ্যে বিভিন্ন প্রযুক্তি-বাণিজ্যিক মডিউলের মাধ্যমে দক্ষ প্রশিক্ষক দ্বারা প্রশিক্ষণ পরিচালনা করা হয়েছে। শীঘ্রই বিভিন্ন সাশ্রয়ী ব্র্যান্ড চালু করার ব্যাপারে উদ্যোগ গ্রহণ করা হয়েছে।

আমরা ক্রটিমুক্ত Digital Construction Loyalty স্কীম বাস্তবায়ন করেছি যা BTL কার্যক্রমকে শক্তিশালী করতে সক্ষম হবে। পরিবর্তিত বাস্তবতার অনুভূতি প্রদান করতে ভোক্তাদের রঙিন ভিজুয়লাইজেশন সফটওয়্যার এর মাধ্যমে প্রকল্পের চিত্র দেখানোর ব্যবস্থা করা হয়। আমরা AkzoNobel এর সাথে পারফরমেন্স কোটিং এর জন্য কারখানা টিনটিং সিস্টেম স্থাপন করতেও কাজ করছি যা আমাদের স্বল্পতম সময়ের মধ্যে কাস্টমাইজড পণ্য সরবরাহ করতে সক্ষম করবে। পরিচালনা ব্যয় সংকোচনের জন্য উদ্যোগ গ্রহণ করা হয়েছে। Top Line এবং Bottom Line কে সমৃদ্ধ করতে ভ্যালু চেইনের মান উন্নত করা হচ্ছে।

হোম কেয়ার সলিউশন কীট-পতঙ্গ এবং গার্হস্থ্য তত্ত্বাবধান উভয় পক্ষে সমন্বিত। এসিআই এ্যারোসল সর্বোত্তম কার্যকর পোকা নিধন সমাধান হিসেবে কাজ করে। এসিআই কনজিউমার ব্র্যান্ডের ফ্ল্যাগশিপ ব্র্যান্ড হিসাবে এটি ৯০.৫% মার্কেট শেয়ারের মাধ্যমে এ্যারোসল বিভাগকে নেতৃত্ব দিয়ে চলেছে। অপরদিকে এসিআই মশার কয়েল যা এক সময় শীর্ষস্থানীয় ব্র্যান্ড ছিল, নকল ব্র্যান্ড এবং অননুমোদিত কয়েল প্রস্তুতকারীদের কাছে মার্কেট শেয়ার হারিয়েছে। একসময় ব্র্যান্ডেড কয়েল ৭০% মার্কেট শেয়ার নিয়ে আধিপত্য বিস্তার করত। তবে পরিস্থিতি এখন ভিন্নরূপ নিয়েছে, ব্র্যান্ডের কয়েলের ২৫% মার্কেট শেয়ারের বিপরীতে অননুমোদিত ও নকল কয়েল ৭৫% মার্কেট শেয়ার দখল করেছে।

গার্হস্থ্য তত্ত্বাবধান বিভাগে Angelic Air Freshner দেশীয় প্রস্তুতকৃত Air Freshner এর মধ্যে অগ্রবর্তী ভূমিকার মাধ্যমে শীর্ষস্থানীয় অবস্থান ধরে রেখেছে। Angelic এখন ভোক্তার চাহিদা পূরণে ১১টি সুগন্ধিতে সমৃদ্ধ হয়েছে। এছাড়াও Vanish Toilet Cleaner সর্বপ্রথম Citrus Variant সমৃদ্ধ Cleaner বাজারে আনার মাধ্যমে মার্কেট শেয়ার ৪% থেকে ৪.৫% এ উন্নীত করেছে।

গাজীপুরে ৪২ একর জমিতে নির্মিত এসিআই ফরমুলেশনস্ কারখানা সুরক্ষা, স্বাস্থ্য ও পরিবেশ সংক্রান্ত সকল আইন পরিপালন করে। এটি আন্তর্জাতিক মানসম্পন্ন বৈশ্বিক প্রযুক্তিতে পরিচালিত যেখানে আরো নতুন ব্যবসা সম্প্রসারণের মত পর্যাণ্ড জায়গা রয়েছে। আমাদের অত্যাধুনিক কার্যকর ড্রিটমেন্ট প্ল্যান্ট সমস্ত তরল বিষাক্ত বর্জ্য পদার্থকে সঠিক উপায়ে প্রক্রিয়াজাত করে। কার্যকর Incinerator গুলি ক্ষতিকারক শক্ত পদার্থকে উচ্চ তাপমাত্রায় প্রক্রিয়াজাত করে নিষ্ক্রিয় করে। এ কারখানা প্রযুক্তিগত উৎকর্ষতার জন্য বিদেশী বিনিয়োগকারীদের কাছ থেকে উচ্চতর রেটিং অর্জন করে চলেছে।

আমাদের কারখানা সংলগ্ন ১৩ বিঘা জমি কেনা হয়েছে। যা প্রয়োজন অনুযায়ী কারখানা পৃথকীকরণে আমাদের সক্ষম করেছে।

গাজীপুরে করোনা ভাইরাস মারাত্মকভাবে ক্ষতিগ্রস্ত অঞ্চলগুলির মধ্যে অন্যতম হওয়ায়, আমাদের কর্মীরা করোনা ভাইরাসে আক্রান্ত হয়েছে। মহামারীজনিত কারণে চুক্তিভিত্তিক উৎপাদনে আমাদের তেমন অগ্রগতি হয়নি। আমরা আশা করি সকল বাঁধা কাটিয়ে অচিরেই ব্যবসায় গতি ফিরে আসবে।

এক নজরে মুখ্য পরিচালনগত ও আর্থিক তথ্য

২০১৯-২০ অর্থবছর সহ কোম্পানীর বিগত সাড়ে পাঁচ বছরের মুখ্য পরিচালনগত ও আর্থিক তথ্যাদি নিম্নে প্রদর্শন করা হলো:

মিলিয়ন টাকায়

বিবরণ	জুলাই ২০১৯ - জুন ২০২০	জুলাই ২০১৮ - জুন ২০১৯	জুলাই ২০১৭ - জুন ২০১৮	জুলাই ২০১৬ - জুন ২০১৭	জানুয়ারি ২০১৬ - জুন ২০১৬ (ছয় মাস)	ডিসেম্বর ২০১৫	ডিসেম্বর ২০১৪
নীট বিক্রয়	৩,৪২২	৪,০২৫	৪,১২৭	৩,৬২৯	১,৬২৫	৩,০০৬	২,৯০৮
মোট গ্রস মুনাফা	১,০৬৫	১,২১১	১,০২৭	১,১০৮	৪৭৭	৮০০	৭৩৯
কর পূর্ববর্তী মুনাফা	১২৬	১৮০	১৬৩	৩৫৭	১২৭	৩১৩	২৬০
কর পরবর্তী মুনাফা	৯২	১২৮	১১৫	২৬১	৯০	২৩৫	১৮৮
শেয়ার প্রতি আয় (টাকা)	২.০৫	২.৮৩	২.৫৬	৫.৮১	২.০১	৫.২৩	৪.১৭
ইসুকৃত ও পরিশোধিত মূলধন	৪৫০	৪৫০	৪৫০	৪৫০	৪৫০	৪৫০	৪৫০
শেয়ার মালিকদের ইকুইটি	২,৪০৭	২,৪৭২	২,৫০২	২,৪৫৫	২,২৮৩	২,৩৫০	১,৮০৬
শেয়ার প্রতি নীট সম্পদ (টাকা)	৫৩.৪৮	৫৪.৯৩	৫৫.৫৯	৫৪.৫৫	৫০.৭৪	৫২.২৩	৪০.১২
কর্মচারীদের সংখ্যা	১,১১৩	১,৩৬১	১,৭৮৫	১,৬৭৯	১,৪৮৯	১,৪৫৯	১,১৪৯
জাতীয় রাজস্ব আয়ে অবদান	২৪৪	৫২২	৬৬৯	৫৬৪	২৫৬	৩৮৭	২৪৬

আর্থিক ফলাফল

৩০শে জুন ২০২০ সালে সমাপ্ত অর্থবছরে এসিআই ফরমুলেশনস্ লিমিটেড এর নীট বিক্রয় ছিল ৩,৪২২ মিলিয়ন টাকা যা ২০১৮-২০১৯ অর্থ বছরের তুলনায় ১৪.৯৮% কম। টোল ম্যানুফ্যাকচারিং পোর্টফোলিওর নিম্নগামী অবস্থানই এর প্রধান কারণ। অবৈধ ও নকল মশার কয়েলের বাজার দখল ব্র্যান্ডেড কয়েলের মার্কেট শেয়ারকে মারাত্মকভাবে নিম্নগামী করেছে। ফলশ্রুতিতে কয়েলের ব্র্যান্ড স্বত্বাধিকারী, এস. সি জনসন এন্ড সন্স উৎপাদনের কোন ফরমায়েশ প্রদান করেনি। এছাড়া, কোভিড-১৯ এর বিরূপ প্রভাব এর কারণে পেইন্ট ব্যবসাও ২০১৮-২০১৯ অর্থবছরের তুলনায় খারাপ করেছে। তদুপরি, বিক্রয় প্রবৃদ্ধি কম হওয়া সত্ত্বেও ২০১৯-২০২০ অর্থবছরে গ্রস মার্জিন ৩১.১২% হয়েছে, যা গতবছর ৩০.০৮% ছিল। এটা সম্ভব হয়েছে গতবছরের চেয়ে তুলনামূলক উচ্চ লাভজনক পণ্যের বিক্রয় বৃদ্ধি এবং ক্রেপ কেয়ার ব্যবসার কাঁচামাল ক্রয়ে সুবিধাজনক অবস্থানের কারণে। অপরদিকে নিয়ন্ত্রিত চলতি মূলধন ব্যবস্থাপনার ফলে অর্থায়ন ব্যয় ৯ মিলিয়ন টাকা হ্রাস পেয়েছে। আলোচ্য অর্থবছরে কর পূর্ববর্তী মুনাফা ছিল ১২৬ মিলিয়ন টাকা এবং কর পরবর্তী মুনাফা ছিল ৯২ মিলিয়ন টাকা। যার ফলশ্রুতিতে শেয়ার প্রতি আয় হয়েছে ২.০৫ টাকা।



মুনাফা বন্টন

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

বিবরণ	৩০শে জুন ২০২০ তারিখে সমাপ্ত বছরের জন্য	৩০শে জুন ২০১৯ তারিখে সমাপ্ত বছরের জন্য
অবন্টিত মুনাফা	৭২৭,৮৯৬,০৩৭	৭৫৭,৮৮০,৫২৩
যোগ: কর-পরবর্তী মুনাফা	৯২,৪৫২,১৯১	১২৭,৫১৫,৫১৪
যোগ: আদায়কৃত পুনঃমূল্যায়ণ সঞ্চিতি	-	-
সর্বমোট বন্টনযোগ্য মুনাফা	৮২০,৩৪৮,২২৮	৮৮৫,৩৯৬,০৩৭
মুনাফা বন্টনঃ		
চূড়ান্ত প্রস্তাবিত লভ্যাংশঃ		
নগদ লভ্যাংশ	৯০,০০০,০০০	১৫৭,৫০০,০০০
সর্বমোট লভ্যাংশ	৯০,০০০,০০০	১৫৭,৫০০,০০০
অবন্টিত মুনাফা স্থিতি	৭৩০,৩৪৮,২২৮	৭২৭,৮৯৬,০৩৭

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

লভ্যাংশ

৩০শে জুন ২০২০ তারিখে সমাপ্ত বছরের জন্য পরিচালনা পর্ষদ আনন্দের সাথে চূড়ান্ত লভ্যাংশ হিসেবে ২০% নগদ লভ্যাংশ (অর্থাৎ শেয়ার প্রতি ২ টাকা) 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 বছরে কোম্পানী অন্তর্বর্তীকালীন লভ্যাংশ হিসেবে কোন বোনাস শেয়ার বা স্টক ডিভিডেন্ড ঘোষণা করেনি।

জাতীয় রাজস্ব আয়ে অবদান

৩০শে জুন ২০২০ তারিখে সমাপ্ত অর্থবছরে কোম্পানী আয়কর, আবগারি শুল্ক এবং মূল্য সংযোজন কর বাবদ মোট ২৪৪ মিলিয়ন টাকা জাতীয় কোষাগারে জমা দান করেছে; যা উল্লেখিত সমাপ্ত বছরের মোট বিক্রয়লব্ধ আয়ের ৬.৮৯%।

বিক্রিত পণ্যের খরচ এবং মুনাফার হার

৩০শে জুন ২০২০ তারিখে সমাপ্ত অর্থবছরে বিক্রিত পণ্যের ব্যয় হয়েছে ২,৩৫৭ মিলিয়ন টাকা (নীট বিক্রয়ের ৬৮.৮৮%) যা ২০১৮-২০১৯ অর্থ বছরে ছিল ২,৮১৫ মিলিয়ন টাকা (নীট বিক্রয়ের ৬৯.৯২%)। কাঁচামালের মূল্য তুলনামূলকভাবে কম থাকায় এবং Product Mix সমন্বয়ের কারণে বিক্রিত পণ্যের খরচ গত অর্থ বছরের তুলনায় ১.০৪% হ্রাস পেয়েছে। ফলে মোট মুনাফার হার বৃদ্ধি পেয়ে দাঁড়িয়েছে ৩১.১২% (১,০৬৫ মিলিয়ন টাকা), যা ২০১৮-২০১৯ অর্থবছরে ছিল ৩০.০৮% (১,২১১ মিলিয়ন টাকা)। ২০১৯-২০২০ অর্থ বছরে মোট মুনাফার হার বৃদ্ধি এবং নিয়ন্ত্রিত পরিচালন ব্যয়ের কারণে কর পরবর্তী মুনাফার হার ছিল ২.৭%।

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-৩৭-এ প্রকাশিত হয়েছে।

বার্ষিক আর্থিক বিবরণীর মধ্যে উল্লেখযোগ্য পার্থক্য

৩০শে জুন ২০২০ সালে সমাপ্ত অর্থবছরে এসিআই ফরমুলেশনস্ লিমিটেড এর নীট বিক্রয় ছিল ৩,৪২২ মিলিয়ন টাকা যা ২০১৮-২০১৯ অর্থ বছরের

তুলনায় ১৪.৯৮% কম। টোল ম্যানুফ্যাকচারিং পোর্টফোলিওর নিম্নগামী অবস্থানই এর প্রধান কারণ। অবৈধ ও নকল মশার কয়েলের বাজার দখল ব্র্যান্ডেড কয়েলের মার্কেট শেয়ারকে মারাত্মকভাবে নিম্নগামী করেছে। ফলশ্রুতিতে কয়েলের ব্র্যান্ড স্বত্বাধিকারী এস. সি জনসন এন্ড সন্স উৎপাদনের কোন ফরমায়েশ প্রদান করেনি। এছাড়া, কোভিড-১৯ এর বিরূপ প্রভাব পেইন্ট ব্যবসাও ২০১৮-২০১৯ অর্থবছরের তুলনায় খারাপ করেছে। তদুপরি, বিক্রয় প্রবৃদ্ধি কম হওয়া সত্ত্বেও ২০১৯-২০২০ অর্থবছরে গ্রস মার্জিন ৩১.১২% হয়েছে, যা গতবছর ৩০.০৮% ছিল। এটা সম্ভব হয়েছে ক্রপ কেয়ার ব্যবসায় গতবছরের চেয়ে তুলনামূলক উচ্চ লাভজনক পণ্যের বিক্রয় বৃদ্ধি এবং কাঁচামাল ক্রয়ে সুবিধাজনক অবস্থানের কারণে। অপরদিকে পরিচালন ব্যয় এবং চলতি মূলধনের কার্যকর নিয়ন্ত্রণ ও ব্যবস্থাপনার কারণে আলোচ্য বছরে পরিচালন ও অর্থায়ন ব্যয় গত বছরের তুলনায় যথাক্রমে ৯.৯০% ও ৪.০৯% হ্রাস পেয়েছে। ফলশ্রুতিতে আলোচ্য বছরের কর পূর্ববর্তী মুনাফা ছিল ১২৬ মিলিয়ন টাকা এবং কর পরবর্তী মুনাফা ছিল ৯২ মিলিয়ন টাকা। ফলে শেয়ার প্রতি আয় হয়েছে ২.০৫ টাকা।

সাবসিডিয়ারী কোম্পানীর আর্থিক বিবরণীর কনসলিডেশন

কোম্পানী আইন-১৯৯৪, বিএসইসি রেগুলেশন ও বাংলাদেশে গৃহীত আইএএস ও আইএফআরএস অনুসারে সাবসিডিয়ারী কোম্পানী, নিম ল্যাবরেটরীজ (প্রাঃ) লিমিটেড এর আর্থিক বিবরণীসমূহ এসিআই ফরমুলেশনস্ লিমিটেড এর আর্থিক বিবরণীর সঙ্গে একত্রিকরণ করা হয়েছে। এছাড়াও সাবসিডিয়ারী কোম্পানীর নিরীক্ষিত আর্থিক বিবরণীসমূহ 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 রিপোর্টিং ফলাফল পর্যালোচনা করা হয়েছে।

ব্যবসা সংশ্লিষ্ট ঝুঁকি

কোম্পানী নিজ ব্যবসা সংশ্লিষ্ট ঝুঁকি সম্পর্কে সচেতন এবং সেগুলোকে নিয়মানুগ পদ্ধতির মাধ্যমে মোকাবেলায় প্রস্তুত। যদিও ব্যবসা বিভিন্ন ঝুঁকি এবং অনিশ্চয়তার দ্বারা প্রভাবিত হতে পারে যার পূর্ব ধারণা করা কঠিন। আর্থিক বিবরণীর নোট-৩৪ এ আর্থিক ঝুঁকি ব্যবস্থাপনা বর্ণিত হয়েছে।

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। কোম্পানির আর্থিক ফলাফল ক্রমবর্ধমান যা বার্ষিক আর্থিক বিবরণীতে প্রতিফলিত হয়েছে।

আর্থিক বিবরণী প্রস্তুতকরণ ও যথাযথ প্রদর্শন

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

হিসাবের বই রক্ষণাবেক্ষন

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

আর্থিক বিবরণী হিসাবনীতি

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

আর্থিক বিবরণী IAS ও IFRS এর প্রভাব

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

আভ্যন্তরীণ নিয়ন্ত্রণ

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

CEO এবং CFO এর প্রত্যায়নপত্র

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

পরিচালনগত আলোচনা ও বিশ্লেষণ

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

পরিচালনা পর্ষদ

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

পরিচালক নির্বাচন

কোম্পানীর আর্টিক্যালস অব এসোসিয়েশন এর ৪৭ অনুচ্ছেদ অনুযায়ী মিসেস নাজমা দৌলা ও ডঃ আরিফ দৌলা আসন্ন বার্ষিক সাধারণ সভায়

পর্যায়ক্রমিকভাবে অবসর গ্রহণ করবেন। পুনঃনির্বাচিত পরিচালকদের তালিকা এবং বিবরণ এই রিপোর্টের 'পরিচালক প্রোফাইল' এ অন্তর্ভুক্ত করা হয়েছে। আসন্ন ২৪তম বার্ষিক সাধারণ সভায় উল্লেখিত সকল পরিচালকগণ পুনঃনির্বাচনের যোগ্য হিসেবে বিবেচিত। তাদের সংক্ষিপ্ত জীবন বৃত্তান্ত ও অন্যান্য তথ্যাদি এই রিপোর্টের 'পরিচালক প্রোফাইল' এ অন্তর্ভুক্ত করা হয়েছে।

স্বতন্ত্র পরিচালক

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি) প্রবর্তিত কর্পোরেট গভর্নেন্স কোড এর কমপ্রায়স অনুযায়ী বর্তমান পরিচালনা পর্ষদে দুইজন স্বতন্ত্র পরিচালক, জনাব আবদুল-মুয়ীদ চৌধুরী এবং জনাব গোলাম মইন উদ্দীনকে অন্তর্ভুক্ত করা হয়েছে। জনাব আবদুল মুয়ীদ চৌধুরী অডিট কমিটির চেয়ারম্যান হিসেবেও দায়িত্ব পালন করছেন। বিএসইসির নির্দেশনা অনুযায়ী সমাজের সুযোগ্য ব্যক্তিবর্গ সিনিয়র কর্পোরেট লিডার এবং আমলাদের মধ্য থেকে যোগ্য ব্যক্তিবর্গকে স্বতন্ত্র পরিচালক হিসেবে নির্বাচন করা হয়েছে।

স্বতন্ত্র পরিচালক নিয়োগ

জনাব কামরান তানভীর রহমান দুই মেয়াদে মোট ৬ বছর স্বতন্ত্র পরিচালক হিসেবে ২৭ শে এপ্রিল ২০২০ইং তারিখে মেয়াদ পূর্ণ করেন। সে শূন্য পদে পূরণে পর্ষদ জনাব গোলাম মইন উদ্দীনকে ৩ বছরের জন্য নিয়োগ প্রদান করেন যা ৯ই জুন ২০২০ইং তারিখ হতে কার্যকর। পর্ষদ তার এ নিয়োগ নিশ্চিত করার জন্য শেয়ার হোল্ডারদের অনুরোধ করেছেন। তাঁর সংক্ষিপ্ত জীবন বৃত্তান্ত ও অন্যান্য তথ্যাদি এই রিপোর্টের 'পরিচালক প্রোফাইল' এ অন্তর্ভুক্ত করা হয়েছে।

নমিনেশন ও রেমনারেশন কমিটি

কর্পোরেট গভর্নেন্স কোডের আলোকে কোম্পানীর পরিচালনা পর্ষদ তাঁদের ২৮ অক্টোবর ২০২০ ইং তারিখে অনুষ্ঠিত সভায় নিম্নলিখিত সদস্যদের সমন্বয়ে “নমিনেশন ও রেমনারেশন” কমিটি নামে একটি উপ-কমিটি গঠন করে:

- | | | |
|-----------------------------|--------------------|--------|
| • জনাব গোলাম মইন উদ্দীন, | স্বতন্ত্র পরিচালক, | সভাপতি |
| • জনাব আবদুল মুয়ীদ চৌধুরী, | স্বতন্ত্র পরিচালক, | সদস্য |
| • মিসেস নাজমা দৌলা, | পরিচালক, | সদস্য |

জনাব মোহাম্মদ মোস্তাফিজুর রহমান, কোম্পানী সচিব, কমিটির সচিব হিসাবে দায়িত্ব পালন করবেন। কমিটির টার্মস অফ রেফারেন্স (টিওআর) ও পলিসি পরিচালনা পর্ষদ কর্তৃক অনুমোদিত হয়েছে। এসআরসি'র (টিওআর) ও পলিসিতে রয়েছে, নির্বাচী পরিচালকদের সম্মানীভাভা 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।

পরিচালনা পর্ষদের সভা

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

পরিচালকদের সম্মানী ভাভা

২০১৯-২০২০ অর্থবছরে কোম্পানীর বোর্ড মিটিং এ উপস্থিতি ফি হিসাবে মোট ১৫,০০০/- টাকা প্রদান করা হয়েছে। পরিচালকমণ্ডলীর সম্মানী ভাভা আর্থিক বিবরণীর নোট-৩০ এবং ৩৭(বি) তে উল্লেখ করা হয়েছে।



শেয়ার হোল্ডিং প্যাটার্ন

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক প্রবর্তিত কর্পোরেট গভার্নেন্স কোড অনুযায়ী 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 গভার্নেন্স কোড ও তার নিজস্ব আইনানুগ কার্যসীমার মধ্যে পরিচালিত একটি সত্ত্বা এবং কোম্পানীর ক্ষুদ্র বিনিয়োগকারীগণ কন্ট্রোলিং শেয়ার হোল্ডারগণের যেকোন প্রত্যক্ষ ও পরোক্ষ ক্ষতিকর কার্যকলাপ থেকে সুরক্ষিত। তদুপরি, যেকোন অনাকাঙ্ক্ষিত 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 প্রজ্ঞাপন মোতাবেক তারা পুনঃনিয়োগের যোগ্য হিসেবে বিবেচিত নন। এ ওহাব এন্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস ৬,৯৩,০০০/- টাকা (মূল্য সংযোজন কর ব্যতিরেকে) সম্মানীর বিনিময়ে ২০২০-২০২১ অর্থ বছরের নিরীক্ষা কার্যক্রম সম্পন্ন করার লক্ষ্যে নিয়োগ প্রাপ্ত হতে আগ্রহ প্রকাশ করেছে। এ লক্ষ্যে, কোম্পানীর পরিচালনা পর্ষদ শেয়ারহোল্ডারদের নিকট তাদের নিয়োগের জন্য সুপারিশ করেন।

কর্পোরেট গভার্নেন্স কমপ্লায়েন্স স্ট্যাটাস

এসিআই ভোক্তা সাধারণের জীবনযাত্রার গুণগতমান-উন্নয়ন, ভোক্তা অধিকার সংরক্ষণ, উদ্ভাবন, স্বচ্ছতা, জবাবদিহিতা ও ক্রমাগত উন্নতির মধ্য দিয়েই ব্যবসার প্রসার ঘটানোর সম্ভব বলে বিশ্বাস করে। এর রয়েছে দেশের সর্ববৃহৎ একীভূত বহুমাত্রিক ঐতিহ্য সমৃদ্ধ ব্যবসায়িক সংস্কৃতি। দীর্ঘদিন ধরে এসিআইতে কর্পোরেট গভার্নেন্স এর অনুশীলন বিরাজমান। পরিচালনা পর্ষদ ও ব্যবস্থাপকগণ কোম্পানীতে কর্পোরেট গভার্নেন্স অনুশীলনে সর্বোচ্চ নৈতিকতা ও মান বজায় রাখার মাধ্যমে শেয়ারহোল্ডার ও অংশীদারদের স্বার্থ রক্ষায় প্রতিশ্রুতিবদ্ধ। আমরা অত্যন্ত আনন্দের সাথে আপনাদের এই মর্মে নিশ্চিত করছি যে, কোম্পানী বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর নোটিফিকেশান 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 গভার্নেন্স কোড অনুযায়ী আল-মুক্তাদীর এ্যাসোসিয়েটস, চার্টার্ড সেক্রেটারীজ, কর্তৃক প্রত্যাখ্যাত কমপ্লায়েন্স সার্টিফিকেট এই প্রতিবেদনের Annexure-VI এ অন্তর্ভুক্ত করা হয়েছে।

পরিচালকমন্ডলীর পক্ষে,

সুমিতা আনিস
ব্যবস্থাপনা পরিচালক

ঢাকা, ২৮ অক্টোবর ২০২০

চলমান প্রতিষ্ঠান

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

কর্পোরেট সামাজিক দায়বদ্ধতা (CSR)

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

এসিআই'র মানব সম্পদ

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

কৃতজ্ঞতা জ্ঞাপন ও স্বীকৃতি

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

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

আবদুল মুয়ীদ চৌধুরী
যত্ন পরিচালক

Annexure-I

Number of Board Meetings and Attendance of Directors

As per condition no. 1 (5) (xxii) of the Corporate Governance Code 2018 issued by Bangladesh Securities and Exchange Commission, the number of Board Meetings held and the Attendance by each Director during the Financial Year 2019-2020 are as follows:

Name	Position	Meeting Held	Meeting Attended	Remarks
Mr. M. Anis Ud Dowla	Chairman	5	5	-
Dr. A.K.M. Fareyul Haque Ansarey	Director	5	5	-
Dr. Arif Dowla	Director	5	5	-
Mrs. Najma Dowla	Director	5	4	-
Mr. Kamran Tanvirur Rahman	Independent Director	5	4	-
Mr. Abdul-Muyeed Chowdhury	Independent Director	5	5	-
Ms. Shusmita Anis	Managing Director	5	5	-

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

Annexure-II

Pattern of Shareholding

As per condition no. 1 (5) (xxiii) of the Corporate Governance Code 2018 issued by Bangladesh Securities and Exchange Commission, the pattern of shareholding along with name wise details as on 30 June 2020 are as follows:

Condition no.	Name of Shareholders	Position	No. of Shares held	% of Shares held
1(5) (xxiii) (a)	Parent/Subsidiary/Associated Companies and other related parties:			
	Advanced Chemical Industries Limited	Parent Company	24,066,105	53.48%
1(5) (xxiii) (b)	Directors:			
	Mr. M. Anis Ud Dowla	Chairman	4,504,500	10.01%
	Dr. A.K.M. Fareyul Haque Ansarey	Director	1,129,500	2.51%
	Advanced Chemical Industries Limited, Represented By,	N/A	24,066,105	53.48%
	Mrs. Najma Dowla	Director	4,500	0.010%
	Dr. Arif Dowla	Director	1,800	0.004%
	Ms. Shusmita Anis	Director	1,800	0.004%
	Mr. Abdul-Muyeed Chowdhury	Independent Director	-	-
	Mr. Golam Mainuddin	Independent Director	-	-
	Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and Compliance:			
	Ms. Shusmita Anis	Chief Executive Officer	1,800	0.004%
	Mr. Pradip Kar Chowdhury	Chief Financial Officer	-	-
	Mr. Mohammad Mostafizur Rahman	Company Secretary	-	-
	Mr. Amitava Saha	Head of Internal Audit	-	-
1(5) (xxiii) (c)	Executives (Other than Directors, CEO, CS, CFO and Head of Internal Audit and Compliance):			
	-	-	-	-
1(5) (xxiii) (d)	Shareholders holding 10% or more voting interest in the Company:			
	Advanced Chemical Industries Limited	Holding Company	24,066,105	53.48%
	Investment Corporations of Bangladesh (ICB)	Institution	6,529,159	14.51%
	Mr. M. Anis Ud Dowla	Chairman	45,04,500	10.01%



Annexure-III

Management Discussion and Analysis

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

Accounting policies and estimation for preparation of financial statements

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

Changes in accounting policies and estimation

The Company has been following consistent policies and estimation. There 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 immediately preceding five and half years

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

Figures in million except ratios and percentage (BDT)

Particulars	2014	2015	June 2016 (Six Month)	July 16- June 17	July 17- June 18	July 18- June 19	July 19- June 20
Net Turnover	2,908	3,006	1,625	3,629	4,127	4,025	3,422
Gross profit	739	800	477	1,108	1,027	1,211	1,065
Profit before tax	260	313	127	357	163	180	126
Profit after tax	188	235	90	261	115	128	92
Earnings per share (Taka)	4.17	5.23	2.01	5.81	2.56	2.83	2.05
EBITDA	373	435	188	551	406	485	416
Issued & paid capital	450	450	450	450	450	450	450
Shareowners' equity	1,806	2,350	2,283	2,455	2,502	2,472	2,407
Net asset per share (Taka)	40.12	52.23	50.74	54.55	55.59	54.93	53.48
Net operating cash flows per share (Taka)	0.25	(5.16)	1.05	(6.54)	(2.74)	(6.00)	14.85

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 slided to 5.24% in FY2019-20 from 8.15% in FY2018-19.

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 FY2019-20.

Current account deficit (CAD) widened to an eight-quarter high of USD 2,439 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 3,310 million during this period bolstered by record high quarterly financial inflows (USD 5,216 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 the financial statements. The detail explanation of risk and concerns along with the Risk Management Framework are explained in the note 34 to the financial statements published in this annual report.

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

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

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



Shusmita Anis
Managing Director



Annexure-IV

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

DECLARATION BY CEO AND CFO

28 October 2020
The Board of Directors
ACI Formulations Limited
ACI Centre, 245, Tejgaon I/A,
Dhaka 1208.

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

Dear Sir,

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

- (1) The Financial Statements of ACI Formulations Ltd. 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,

Managing Director

Pradip Kar Chowdhury
Chief Financial Officer (CFO)

Annexure-V

Status of Compliance with the Corporate Governance Code (CGC)

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

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

(Report under Condition No. 9)

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

Contd.



Condition No	Title	Status		Remarks
		Complied	Not-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		
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		

Condition No	Title	Status		Remarks
		Complied	Not-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		
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 regulators 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		
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		

Contd.



Condition No	Title	Status		Remarks
		Complied	Not-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		
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		

Condition No	Title	Status		Remarks
		Complied	Not-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		
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;	-		No such case in the year
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;	-		No such case in the year
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.	-		
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		

Contd.



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;	Complied		
	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		

Annexure-VI

Al-Muqtadir Associates
Chartered Secretaries & Consultants

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efforts umpteenth : প্রয়াস অসংখ্য

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

(as required under the BSEC Codes of Corporate Governance)

We have examined the compliance status to the Corporate Governance Code by **ACI Formulations Limited** for the year ended on 30th June 2020. This code relates to the gazette notification no: BSEC/CMRRCD/2006-158/207/Admin/80 dated the 3rd June 2018 of Bangladesh Securities and Exchange Commission (BSEC).

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance Code. This is a scrutiny and verification and an independent audit on compliance of the conditions of Corporate Governance as well as provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of the Corporate Governance Code.

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

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

This report, however, is no endorsement about quality of contents in the Annual Report of the Company for the year 2019-20.



Dhaka, November 26, 2020

Al-Muqtadir Associates
Chartered Secretaries & Consultants



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



ACI Formulations Limited

Auditors' Report & Audited Financial Statements as at and for the year ended 30 June 2020



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
Carrying value (CV) of Property, plant and equipment (PPE) and its impairment	
<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>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</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"> • Reviewing basis of recognition, measurement and valuation of assets; • Observing procedures of assets acquisition, depreciation and disposal; • Checking ownership of the major assets; • Checking the Capital-Work-in-Progress (CWIP) and its transfer to PPE as well as capital expenditure commitment; • Performing due physical asset verification on sample basis at the year-end; • Checking estimated rates of depreciation being used and assessed its fairness; • 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;

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

Key audit area	Our responses
<p>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"> • 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 • Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards. <p>Our testing did not identify any issues with regard to CV of PPE and any indicators that would trigger impairment.</p>
<p>Refer to the note no. 8 and 8(a) of the financial statements.</p>	
<p>Inventory valuation</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"> • Evaluating the design and implementation of key inventory controls operating across the Group including Distribution Centres, Warehouses and Branches on sample basis; • Attending inventory counts at the year-end and reconciling the results of counting to the inventory listings to test the completeness of data; • 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; • 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 • Reviewing the historical accuracy of inventory provision and the level of inventory write-offs during the year. <p>Our procedures above did not identify any issues with regard to inventory.</p>
<p>Refer to the note no. 12 and 12(a) of the financial statements.</p>	
<p>Inter-company balances</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>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 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> <ul style="list-style-type: none"> • Understanding and analyzing the nature and reasons for inter-company transactions; • Studying board minutes for the approval of loans to the group entities; • Reviewing independently the financial capabilities of the subsidiary to meet the obligations and also, reviewing the financial statements of subsidiary;

<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"> • Reviewing independently the financial capabilities of the Company to meet the obligations, and through review of the financial statements of the Company; • Checking the transactions between the Group entities on sample basis; • Obtaining confirmations from the group entities at the reporting date on the closing balances of inter-company transaction and its reconciliation whenever necessary; • 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.; • Checking subsequent payment of inter-company loans, its ability to meet its inter-company obligations; • Recalculating interest portion on the balances of inter-company transactions and recording thereof; and • Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards. <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>
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Refer to the note no. 15 and 25 of the financial statements.

Loan and borrowings and Bank overdraft ("Loan")

<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"> • Understanding and reviewing the nature or types of loans; • Reviewing the board meeting minutes on arrangements of the loans; • Obtaining the repayment schedules, loan statements and facility offer letters to review terms, debt covenants, interest rates and other conditions associated with the loans; • Recalculating the interest related to loans; • Checking the adjustments or repayments of loans through bank statements as per repayment schedule; • Observing whether there is any overdue payment relevant to loans; and • Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards. <p>Our procedures above did not identify any issues with regard to loans.</p>
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Refer to the note no. 21, 22 and 22(a) of the financial statements.

Revenue Recognition

<p>At year end the Company and the Group both reported total revenue of Tk. 342 crore.</p> <p>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</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the followings:</p> <ul style="list-style-type: none"> • Segregation of duties in invoice creation and modification; • Approved price list and specified terms of trade in place;
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<p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> • Authorization of credit terms to customers; • Timing of revenue recognition; and • Calculation of discounts. <p>Our substantive procedures in relation to the revenue recognition comprises the followings:</p> <ul style="list-style-type: none"> • 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. <p>Our testing did not identify any issues with regard to revenue.</p>
<p>Refer to the note no. 27 and 27(a) of the financial statements.</p>	
<p>Impact of COVID-19 on financial reporting</p>	
<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 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 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"> • 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;

<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"> • 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. <p>Our testing did not identify any issues with regards to impact of COVID-19 on financial reporting.</p>
<p>Refer to the note no. 38.3 of the financial statements.</p>	

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	Note	30 June 2020	30 June 2019 Restated*	1st July 2018 Restated*
Assets				
Property, plant and equipment	8	1,902,607,959	1,944,656,528	1,793,502,725
Right of use assets	9	12,117,850	21,371,262	11,783,812
Investments	10	39,765,927	39,742,772	37,096,077
Non-current assets		1,954,491,736	2,005,770,562	1,842,382,614
Inventories	12	1,270,805,156	1,625,582,683	1,610,648,618
Trade receivables	13	1,574,240,361	1,713,472,029	1,350,154,816
Other receivables	14	40,677,696	41,728,563	27,351,264
Inter-company receivables	15	25,404,390	22,983,074	516,615,689
Advances, deposits and prepayments	16	79,424,510	79,814,120	92,822,350
Current tax assets	26	323,894,080	228,768,771	134,548,790
Cash and cash equivalents	17	248,676,354	297,708,034	262,039,838
Current assets		3,563,122,547	4,010,057,274	3,994,181,365
Total assets		5,517,614,283	6,015,827,836	5,836,563,979
Equity				
Share Capital	18	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
Total equity		2,406,741,159	2,471,788,968	2,501,773,454
Liabilities				
Employee benefits	19	48,492,100	43,494,776	39,179,275
Lease liability	9	4,385,837	10,999,132	8,811,619
Deferred tax liabilities	20	24,686,212	48,918,292	59,324,164
Non-current liabilities		77,564,149	103,412,200	107,315,058
Bank overdrafts	21	76,793,453	128,758,666	163,497,501
Loans and borrowings	22	1,626,971,532	1,822,161,341	2,738,695,818
Lease liability- current portion	9	6,613,294	6,355,202	1,702,599
Trade payables	23	118,584,013	89,050,954	126,995,956
Other payables	24	340,242,198	248,013,100	196,583,593
Inter-company payables	25	864,104,485	1,146,287,405	-
Current liabilities		3,033,308,975	3,440,626,668	3,227,475,467
Total liabilities		3,110,873,124	3,544,038,868	3,334,790,525
Total equity and liabilities		5,517,614,283	6,015,827,836	5,836,563,979
Net asset value (NAV) per share	33	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.
The annexed notes 1 to 39 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, 28 October 2020

ACI Formulations 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
			Restated*
Revenue	27	3,422,446,474	4,025,285,890
Cost of sales	28	(2,357,284,560)	(2,814,616,591)
Gross profit		1,065,161,914	1,210,669,299
Other income	29	4,668,779	5,109,758
Administrative, selling and distribution expenses	30	(719,940,721)	(798,955,841)
Operating profit		349,889,972	416,823,216
Finance costs, net	31	(217,715,145)	(227,010,584)
Profit before contribution to WPPF		132,174,827	189,812,632
Contribution to WPPF		(6,608,741)	(9,553,187)
Profit before tax		125,566,086	180,259,445
Income tax expense	32		
Current tax		(57,345,975)	(63,149,803)
Deferred tax income/(expense)		24,232,080	10,405,872
		(33,113,895)	(52,743,931)
Profit after tax		92,452,191	127,515,514
Other comprehensive income		-	-
Total comprehensive income		92,452,191	127,515,514
Earnings per share	33		
Basic earnings per share		2.05	2.83

The annexed notes 1 to 39 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, 28 October 2020



ACI Formulations Limited

Statement of changes in equity

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

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

The annexed notes 1 to 39 form an integral part of these financial statements.

ACI Formulations Limited Statement of cash flows

<i>In Taka</i>	Note	For the year ended 30 June 2020	For the year ended 30 June 2019 Restated*
Cash flows from operating activities			
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)
Net cash (used in)/from operating activities*	17.3	668,384,052	(270,224,885)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(23,622,434)	(218,972,841)
Investment		(23,155)	(2,646,695)
Net cash (used in)/from investing activities		(23,645,589)	(221,619,536)
Cash flows from financing activities			
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)
Net cash (used in)/from financing activities		(641,910,986)	562,083,189
Net increase/(decrease) in cash and cash equivalents		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
Cash and cash equivalents at reporting date		171,882,901	168,949,368
Closing balance represents			
Cash and cash equivalents	17	248,676,354	297,708,034
Bank overdraft	21	(76,793,453)	(128,758,666)
		171,882,901	168,949,368
Net operating cash flows per share (NOCFPS)	33	14.85	(6.00)

* See Note 17.3 for reconciliation of net operating cash flow.

The annexed notes 1 to 39 form an integral part of these financial statements.



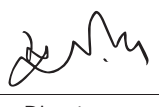
ACI Formulations Limited

Consolidated statement of financial position

In Taka	Note	30 June 2020	30 June 2019	1st July 2018
Assets			Restated*	Restated*
Property, plant and equipment	8(a)	1,903,985,541	1,946,404,129	1,795,746,344
Right of use assets	9(a)	12,117,850	21,371,262	11,783,812
Investments	10(a)	35,817,593	35,794,438	33,147,743
Intangible assets	11	5,147,792	5,147,792	5,147,792
Non-current assets		1,957,068,776	2,008,717,621	1,845,825,691
Inventories	12(a)	1,270,805,156	1,641,860,723	1,629,233,566
Trade receivables	13(a)	1,575,245,535	1,718,346,712	1,360,567,380
Other receivables	14	40,619,138	41,673,512	26,004,265
Inter-company receivable	15(a)	17,862,732	3,658,384	490,417,631
Advances, deposits and prepayments	16(a)	80,121,123	81,588,072	94,351,225
Current tax assets	26(a)	323,757,710	228,725,226	134,123,783
Cash and cash equivalents	17(a)	249,368,841	298,654,227	262,105,286
Current assets		3,557,780,235	4,014,506,856	3,996,803,136
Total assets		5,514,849,011	6,023,224,477	5,842,628,827
Equity				
Share Capital	18	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
Equity attributable to the owners of the Company		2,401,979,094	2,466,745,505	2,494,862,827
Non controlling interest		(121,672)	(127,415)	(165,520)
Total equity		2,401,857,422	2,466,618,090	2,494,697,307
Liabilities				
Employee benefits	19	48,492,100	43,494,776	39,179,275
Lease liability	9(a)	4,385,837	10,999,132	8,811,619
Deferred tax liabilities	20(a)	24,594,529	48,621,243	58,340,262
Non-current liabilities		77,472,466	103,115,151	106,331,156
Bank overdrafts	21	76,793,453	128,758,666	163,497,501
Loans and borrowings	22(a)	1,626,971,532	1,825,021,499	2,746,378,692
Lease liability- current portion	9(a)	6,613,294	6,355,202	1,702,599
Trade payables	23(a)	119,962,073	97,424,470	132,432,664
Other payables	24(a)	341,074,286	249,643,994	197,588,908
Inter-company payables	25	864,104,485	1,146,287,405	-
Current liabilities		3,035,519,123	3,453,491,236	3,241,600,364
Total liabilities		3,112,991,589	3,556,606,387	3,347,931,520
Total equity and liabilities		5,514,849,011	6,023,224,477	5,842,628,827
Net Asset Value (NAV) per share	33(a)	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.
The annexed notes 1 to 39 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, 28 October 2020

ACI Formulations Limited

Consolidated 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 Restated*
Revenue	27(a)	3,424,043,566	4,052,370,211
Cost of sales	28(a)	(2,357,284,558)	(2,837,236,215)
Gross profit		1,066,759,008	1,215,133,996
Other income	29	4,668,779	5,109,758
Administrative, selling and distribution expenses	30(a)	(720,517,624)	(800,354,334)
Operating profit		350,910,163	419,889,420
Finance costs, net	31(a)	(218,083,120)	(227,322,160)
Profit before contribution to WPPF		132,827,043	192,567,260
Contribution to WPPF		(6,608,741)	(9,553,187)
Profit before tax		126,218,302	183,014,073
Income tax expense:	32(a)		
Current tax		(57,505,684)	(63,312,309)
Deferred tax income/(expense)		24,026,714	9,719,019
		(33,478,970)	(53,593,290)
Profit after tax		92,739,332	129,420,783
Other comprehensive income		-	-
Total comprehensive income		92,739,332	129,420,783
Profit attributable to:			
Owners of the Company		92,733,589	129,382,678
Non-controlling interest		5,743	38,105
		92,739,332	129,420,783
Earnings per share	33(a)		
Basic earnings per share		2.06	2.88

The annexed notes 1 to 39 form an integral part of these financial statements.



 Managing Director

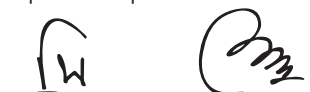


 Director



 Company Secretary

As per our report of same date.



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

Dhaka, 28 October 2020



ACI Formulations 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	Revaluation reserve	Retained earnings	Total	
Balance as at 1 July 2019	450,000,000	1,136,392,931	880,352,574	2,466,745,505	(127,415) 2,466,618,090
Total comprehensive income					
Profit after tax	-	-	92,733,589	92,733,589	5,743
Other comprehensive income net of tax	-	-	-	-	-
Total comprehensive income	-	-	92,733,589	92,733,589	5,743
Transactions with owners of the company					
Contributions and distributions					
Final dividend paid for the year 2018-19	-	-	(157,500,000)	(157,500,000)	-
Changes in ownership interests					
Adjustment of strike off of subsidiaries	-	-	-	-	-
Total transactions with owners of the company	-	-	(157,500,000)	(157,500,000)	-
Transactions recognised directly in equity					
Realisation of revaluation surplus	-	-	-	-	-
Total transactions recognised directly in equity	-	-	-	-	-
Balance as at 30 June 2020	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

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

The annexed notes 1 to 39 form an integral part of these financial statements.

ACI Formulations Limited

Consolidated statement of cash flows

<i>In Taka</i>	Note	For the year ended 30 June 2020	For the year ended 30 June 2019
			Restated*
Cash flows from operating activities			
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)
Net cash (used in)/from operating activities*	17.3(a)	653,504,574	(264,521,424)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(23,622,435)	(218,972,841)
Investment		(23,155)	(2,646,695)
Net cash (used in)/from investing activities		(23,645,590)	(221,619,536)
Cash flows from financing activities			
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)
Net cash (used in)/from financing activities		(627,285,213)	557,260,473
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
Closing cash and cash equivalents at reporting date		172,575,388	169,895,561
Closing balance represents			
Cash and cash equivalents	17(a)	249,368,841	298,654,227
Bank overdraft	21	(76,793,453)	(128,758,666)
		172,575,388	169,895,561
Net Operating Cash Flows Per Share (NOCFPS)	33(a)	14.52	(5.88)

* See Note 17.3(a) for reconciliation of net operating cash flow.

The annexed notes 1 to 39 form an integral part of these financial statements.



ACI Formulations Limited

Notes to the financial statements

as at and for the year ended 30 June 2020

1. Reporting entity

1.1 Company profile

ACI Formulations Limited (the "Company") is a company incorporated in Bangladesh. It was incorporated as a private limited company on 29 October 1995 and converted to a public limited company on 4 May 2005. The Company was listed with both Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) on 30 October 2008. The registered office of the Company is at 245 Tejgaon Industrial Area, Dhaka-1208, Bangladesh. The Company went into commercial operations on 1 July 1998. Advanced Chemical Industries Limited (ACI Limited) incorporated in Bangladesh is the immediate as well as ultimate parent of the Company. The consolidated financial statements of the Company as at and for the year ended 30 June 2020 comprise the Company's and its subsidiaries (together referred to as the "Group" and individually as "Group entities") interest in controlled entities.

1.2 Nature of business

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

- Agrochemical products (Crop Care & Public Health) are directly marketed by the Company with the use of depot facilities of ACI Limited.
- Some products of S. C. Johnson & Son, Inc., are manufactured by the Company under contract which is distributed by ACI Limited.
- Paint products are manufactured and marketed by the Company under license from Akzo Nobel N.V., and distributed with logistics support from ACI Limited.

1.3 Description of subsidiary

The Company acquired 98% shares of Neem Laboratories (Pvt.) Ltd. (the "Subsidiary"). The initial effective date of acquisition was 28 February 2014. Neem Laboratories (Pvt.) Ltd is engaged in manufacturing and marketing of herbal products in a small scale.

Neem Laboratories (Pvt.) Ltd. was not in manufacturing operations during the reporting period. However, the Subsidiary continues to generate revenue through royalty fees based on the agreement with ACI Limited effective from 01 July 2019 for a tenure of 5 years; the latter currently being engaged in the manufacturing of products under the Neem brand name. Since the Subsidiary showed profitability during the year, its ability to operate as a going concern is not at risk.

2. Basis of accounting

2.1 Statement of compliance

The separate financial statements as well as consolidated financial statements have been prepared in accordance with 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 28 October 2020 for publication.

2.3 Basis of measurement

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

3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is the functional and presentation currency of the Group. The amounts in these financial statements have been rounded off to the nearest Taka, unless otherwise indicated. In some instances the total may not match with the sum of individual balance due to rounding off.

4 Use of judgments and estimates

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

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

4.1 Assumptions and estimation uncertainties

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

Note - 8 & 8(a)	Property, plant and equipment
Note - 9 & 9(a)	Leases
Note - 12 & 12(a)	Inventories
Note - 13 & 13(a)	Trade receivables
Note - 14	Other receivables
Note - 15 & 15(a)	Inter-company receivables
Note - 19	Employee benefits
Note - 20 & 20(a)	Deferred tax liabilities
Note - 26 & 26(a)	Current tax liabilities/(assets)
Note - 35	Commitment and contingencies

4.2 Fair value

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 are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.



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

5 Reporting period

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

6 Significant accounting policies

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

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

- (a) Current versus non-current classification
- (b) Offsetting
- (c) Basis of consolidation
- (d) Revenue from contract with customers
- (e) Foreign currency transactions
- (f) Employee benefits
- (g) Finance income and finance costs
- (h) Income tax
- (i) Investment
- (j) Inventories
- (k) Property, plant and equipment
- (l) Intangible assets
- (m) Leases
- (n) Financial instruments
- (o) Share capital
- (p) Impairment
- (q) Operating leases
- (r) Provisions
- (s) Going concern
- (t) Contingencies
- (u) Statement of cash flows
- (v) Earnings per share (EPS)
- (w) Events after the reporting period
- (x) Dividends
- (y) Materiality and aggregation
- (z) 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 within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

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

The Group classifies all other liabilities as non-current.

(b) Offsetting

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

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

(c) Basis of consolidation

(i) Subsidiaries

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

(ii) Non-controlling interests

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

(iii) Loss of control

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

(iv) Transactions eliminated on consolidation

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



(d) Revenue from contract 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 provides 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

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

(f) Employee benefits

(i) Short-term employee benefits

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

(ii) Defined contribution plans (provident fund)

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

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

(iii) Defined benefit plans (gratuity)

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

Defined benefit plan is a post-employment benefit plan under which amounts to be paid as retirement benefits are determined by reference to employees' earnings and/or year of services. The rate used to discount post employment benefit obligations is determined by reference to the rate stated in the actuarial report. Actuarial valuation of gratuity scheme has been made as on 30 June 2020 by independent actuarial valuer to assess the adequacy of the liabilities provided for the schemes, which concluded that provision accounted for in the Statement of financial position is sufficient.

(iv) Workers' Profit Participation Fund (WPPF)

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

(g) Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;

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

(h) Income tax

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

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income tax, if any. Current tax assets and liabilities are offset only if certain criteria are met. It is measured using tax rates enacted or substantively enacted at the reporting date. The applicable tax rates for the Company is currently 25%.

(ii) Deferred tax

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



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

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) Investment

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

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

(j) 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 till to the date of the statement of financial position. Inventory losses and abnormal losses are recognised as expenses.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost or revaluation less accumulated depreciation and any accumulated impairment losses. The items of property, plant and equipment were revalued in the year 2004, 2010 and 2015 by a firm of professional valuers on the basis of applicable methods including market value method, premise on the accompanying narrative information and valuation methodology. Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that were not ready for use at the end of 30 June 2020 and these are stated at cost.

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

(ii) *Subsequent costs*

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

(iii) *Depreciation*

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

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

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

<i>In Year</i>	30 June 2020	30 June 2019
Building	40	40
Plant and machinery	10	10
Equipment and machinery	5-10	5-10
Electrical and other office appliances	5-10	5-10
Furniture and fixture	10	10
Motor vehicles	5	5

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. No revision in respect of items of property, plant and equipment was done for the year ended 30 June 2020.

(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 rate is the weighted average of the borrowing costs of Group's borrowings for this purpose and the capitalisation of such borrowing costs ceases when the asset is ready for intended use.

(v) *Impairment*

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

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

(vi) *Retirement and disposals*

An asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset in profit or loss. When revalued assets are disposed of, the amounts included in the revaluation surplus are transferred to retained earnings.

(I) Intangible assets

Intangible assets consist of goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. During the year no external or internal indication was found which may trigger impairment.



(m) 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. 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.

(n) Financial instruments

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

(i) Financial assets

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

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

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

Trade, inter-company and other receivables

Trade, inter-company and other 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.

Cash and cash equivalents

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

Investment in term deposit

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

(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 economic 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.

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

(iii) Offsetting a financial asset and a financial liability

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

(o) Share capital

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

(p) Impairment

(i) Financial assets

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

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

Financial assets measured at amortised cost

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

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

An impairment loss is calculated using expected credit loss model as prescribed in IFRS 9. Impairment loss is recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(ii) Non-financial assets

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



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

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

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

(q) Operating leases

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

(r) Provisions

A provision is recognised if, as a result of past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provision are reversed.

(s) Going concern

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

(t) Contingencies

(i) Contingent liability

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

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

(ii) Contingent asset

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

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

(u) Statement of cash flows

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

(v) Earnings per share (EPS)

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

Diluted EPS is determined by adjusting profit or loss for the year attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any. However, dilution of EPS is not applicable for these financial statements as there was no potential dilutive ordinary shares during the year ended 30 June 2020.

(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

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 will replace the existing guidance in IAS 17 Leases. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. Early adoption is permitted if IFRS 15 Revenue from Contracts with Customers is also adopted.

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 lease contracts. The Group has applied IFRS 16 using retrospective approach. Therefore, comparative information has been restated, and a third Statement of Financial Position as at the beginning of the preceding period, when the Group applied the accounting policy retrospectively has been presented as per the requirements of paragraph 40A of IAS 1.

The following table summarise 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			
	In Taka	As previously reported	Adjustments	As restated
Right-of-use assets (for lease contracts)	-	-	11,783,812	11,783,812
Advance, deposits and prepayments	96,366,622	96,366,622	(2,015,397)	94,351,225
Retained Earnings	909,029,248	909,029,248	(559,352)	908,469,896
Deferred tax liabilities	58,526,713	58,526,713	(186,451)	58,340,262
Lease liabilities	-	-	10,514,218	10,514,218

30 June 2019	Impact of initial application of IFRS 16			
	In Taka	As previously reported	Adjustments	As restated
Right-of-use assets (for lease contracts)	-	-	21,371,262	21,371,262
Advance, deposits and prepayments	87,601,920	87,601,920	(6,013,848)	81,588,072
Retained Earnings	881,850,264	881,850,264	(1,497,689)	880,352,575
Deferred tax liabilities	49,120,473	49,120,473	(499,230)	48,621,243
Lease liabilities	-	-	17,354,334	17,354,334

ii. Consolidated statement of profit or loss

For the year ended 30 June 2019	Impact of initial application of IFRS 16			
	In Taka	As previously reported	Adjustments	As restated
Administrative, selling and distribution expenses	(801,352,931)	(801,352,931)	998,597	(800,354,334)
Net finance costs	(225,072,447)	(225,072,447)	(2,249,713)	(227,322,160)
Income tax expense	(53,906,068)	(53,906,068)	312,778	(53,593,290)
Profit for the period	130,359,121	130,359,121	(938,338)	129,420,783

iii. Consolidated statement of cash flows

For the year ended 30 June 2019	Impact of initial application of IFRS 16			
	In Taka	As previously reported	Adjustments	As restated
Net cash from / (used in) operating activities	(269,173,876)	(269,173,876)	4,652,452	(264,521,424)
Net cash from financing activities	561,912,925	561,912,925	(4,652,452)	557,260,473

7 Operating segments

(i) Basis for segmentation

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

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

(iii) Information about reportable segments

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

30 June 2020

In Taka	Reportable segments					Total
	CC & PH	M Coil	Aerosol	Paint	Total reportable segments	
External revenue	2,615,685,217	11,200,300	396,117,145	382,553,546	3,405,556,208	3,422,446,474
Intra-segment revenue	-	-	-	-	-	1,597,092
Segment revenue	2,615,685,217	11,200,300	396,117,145	382,553,546	3,405,556,208	3,424,043,566
Cost of sales excluding depreciation	(1,672,371,907)	1,844,952	(328,564,459)	(298,785,325)	(2,297,876,739)	(2,309,808,854)
Depreciation	(33,685,752)	(20,105,640)	(5,888,459)	(5,118,164)	(64,798,015)	(66,041,022)
Other income	3,438,573	-	166,535	957,615	4,562,723	4,668,779
Operating expenses excluding depreciation	(554,327,573)	(8,708,081)	(9,866,670)	(130,414,559)	(703,316,883)	(701,952,307)
Finance costs	(180,424,960)	-	-	(35,542,358)	(215,967,318)	(218,083,120)
Segment profit/(loss) before tax	169,397,919	(14,980,045)	49,365,887	(82,031,783)	121,751,978	126,218,302
Segment assets	2,802,759,463	708,443,070	685,820,890	441,225,174	4,638,248,597	5,514,849,011
Segment liabilities	1,966,168,576	6,885,261	124,742,383	99,360,204	2,197,156,424	3,112,991,589

30 June 2019

In Taka	Reportable segments					Total
	CC & PH	M Coil	Aerosol	Paint	Total reportable segments	
External revenue	2,762,064,532	134,212,762	531,931,582	550,247,221	3,978,456,097	4,025,285,890
Intra-segment revenue	-	-	-	-	-	27,084,321
Segment revenue	2,762,064,532	134,212,762	531,931,582	550,247,221	3,978,456,097	4,052,370,211
Cost of sales excluding depreciation	(1,733,029,995)	(102,615,202)	(470,514,350)	(417,226,415)	(2,723,385,962)	(2,786,755,886)
Depreciation	(34,062,151)	(22,170,165)	(6,070,754)	(4,630,566)	(66,933,636)	(68,339,122)
Other income	3,076,674	-	340,905	1,692,179	5,109,758	5,109,758
Operating expenses excluding depreciation	(641,322,039)	(7,279,876)	(11,404,919)	(121,575,677)	(781,582,511)	(782,495,539)
Finance costs	(190,944,323)	-	-	(33,816,548)	(224,760,871)	(227,322,161)
Segment profit/(loss) before tax	157,493,563	2,040,143	42,068,341	(24,044,316)	177,557,731	183,014,073
Segment assets	3,081,572,222	772,188,903	735,320,688	531,933,072	5,121,014,885	6,023,224,477
Segment liabilities	2,034,279,556	3,564,972	129,522,437	104,628,862	2,271,995,827	3,556,606,387

8 Property, plant and equipment

In Taka	Land	Building	Plant and machinery	Equipment and machinery	Electrical and other office appliances	Furniture and fixture	Motor vehicle	Under construction	Total
Cost									
Balance at 1 July 2018	233,965,185	191,521,002	241,859,846	16,259,388	8,110,134	22,637,241	67,972,392	25,184,242	807,509,430
Additions	-	-	5,670,829	6,933,593	960,837	426,904	9,969,764	194,462,244	218,424,171
Transfer	195,176,655	-	15,534,624	49,000	-	8,474,087	-	(219,234,366)	-
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2019	429,141,840	191,521,002	263,065,299	23,241,981	9,070,971	31,538,232	77,942,156	412,120	1,025,933,601
Balance at 1 July 2019	429,141,840	191,521,002	263,065,299	23,241,981	9,070,971	31,538,232	77,942,156	412,120	1,025,933,601
Additions	-	-	-	1,181,315	276,438	57,894	-	21,583,030	23,098,677
Transfer	19,690,062	-	-	-	-	-	-	(19,690,062)	-
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(1)	-	(1)
Balance at 30 June 2020	448,831,902	191,521,002	263,065,299	24,423,296	9,347,409	31,596,126	77,942,155	2,305,088	1,049,032,277
Revaluation									
Balance at 1 July 2018	1,087,030,581	36,307,824	4,895,230	448,847	1,291,621	113,471	8	-	1,130,087,582
Addition	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2019	1,087,030,581	36,307,824	4,895,230	448,847	1,291,621	113,471	8	-	1,130,087,582
Balance at 1 July 2019	1,087,030,581	36,307,824	4,895,230	448,847	1,291,621	113,471	8	-	1,130,087,582
Addition	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2020	1,087,030,581	36,307,824	4,895,230	448,847	1,291,621	113,471	8	-	1,130,087,582

In Taka	Land	Building	Plant and machinery	Equipment and machinery	Electrical and other office appliances	Furniture and fixture	Motor vehicle	Under construction	Total
Accumulated depreciation-Cost									
Balance at 1 July 2018	-	14,884,000	78,646,798	6,781,388	2,813,274	6,787,535	28,538,260	-	138,451,255
Depreciation	-	6,491,181	34,728,388	3,664,552	1,129,506	3,690,491	15,362,628	-	65,066,746
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2019	-	21,375,181	113,375,186	10,445,940	3,942,780	10,478,026	43,900,888	-	203,518,001
Balance at 1 July 2019	-	21,375,181	113,375,186	10,445,940	3,942,780	10,478,026	43,900,888	-	203,518,001
Depreciation	-	6,189,245	33,108,522	4,196,677	1,211,719	3,812,417	14,425,043	-	62,943,623
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2020	-	27,564,426	146,483,708	14,642,617	5,154,499	14,290,443	58,325,931	-	266,461,624
Accumulated depreciation- Revaluation									
Balance at 1 July 2018	-	2,945,754	2,020,299	297,677	346,349	32,955	(2)	-	5,643,032
Depreciation	-	1,171,367	823,630	55,692	138,541	14,392	-	-	2,203,622
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2019	-	4,117,121	2,843,929	353,369	484,890	47,347	(2)	-	7,846,654
Balance at 1 July 2019	-	4,117,121	2,843,929	353,369	484,890	47,347	(2)	-	7,846,654
Depreciation	-	1,171,367	823,630	55,692	138,541	14,392	-	-	2,203,622
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2020	-	5,288,488	3,667,559	409,061	623,431	61,739	(2)	-	10,050,276
Carrying amounts									
As at 1 July 2018	1,320,995,766	209,999,072	166,087,979	9,629,170	6,242,132	15,930,222	39,434,142	25,184,242	1,793,502,725
At 30 June 2019	1,516,172,421	202,336,524	151,741,414	12,891,519	5,934,922	21,126,330	34,041,278	412,120	1,944,656,528
As at 30 June 2020	1,535,862,483	194,975,912	117,809,262	9,820,465	4,861,100	17,357,415	19,616,234	2,305,088	1,902,607,959

8 (a) Consolidated property, plant and equipment

In Taka	Land	Building	Plant and machinery	Equipment and machinery	Electrical and other office appliances	Furniture and fixture	Motor vehicles	Under construction	Total
Cost									
Balance at 1 July 2018	233,965,186	191,521,002	244,163,444	16,871,556	8,543,597	22,988,204	69,232,392	25,184,242	812,469,623
Additions	-	-	5,670,829	6,933,593	960,837	426,904	9,969,764	194,462,244	218,424,171
Transfer	195,176,655	-	15,534,624	49,000	-	8,474,087	-	(219,234,366)	-
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2019	429,141,841	191,521,002	265,368,897	23,854,149	9,504,434	31,889,195	79,202,156	412,120	1,030,893,794
Balance at 1 July 2019	429,141,841	191,521,002	265,368,897	23,854,149	9,504,434	31,889,195	79,202,156	412,120	1,030,893,794
Additions	-	-	-	1,181,315	276,438	57,894	-	21,583,030	23,098,677
Transfer	19,690,062	-	-	-	-	-	-	(19,690,062)	-
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(1)	-	(1)
Balance at 30 June 2020	448,831,903	191,521,002	265,368,897	25,035,464	9,780,872	31,947,089	79,202,155	2,305,088	1,053,992,470
Revaluation									
Balance at 1 July 2018	1,087,030,581	36,307,824	4,895,230	448,847	1,291,621	113,471	7	-	1,130,087,581
Addition	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2019	1,087,030,581	36,307,824	4,895,230	448,847	1,291,621	113,471	7	-	1,130,087,581
Balance at 1 July 2019	1,087,030,581	36,307,824	4,895,230	448,847	1,291,621	113,471	7	-	1,130,087,581
Addition	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2020	1,087,030,581	36,307,824	4,895,230	448,847	1,291,621	113,471	7	-	1,130,087,581

In Taka	Land	Building	Plant and machinery	Equipment and machinery	Electrical and other office appliances	Furniture and fixture	Motor vehicles	Under construction	Total
Accumulated depreciation-Cost									
Balance at 1 July 2018	-	14,884,000	79,683,417	7,030,860	2,952,189	6,945,096	29,672,266	-	141,167,828
Depreciation	-	6,491,181	34,958,748	3,738,245	1,160,376	3,725,587	15,488,627	-	65,562,764
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2019	-	21,375,181	114,642,165	10,769,105	4,112,565	10,670,683	45,160,893	-	206,730,592
Balance at 1 July 2019	-	21,375,181	114,642,165	10,769,105	4,112,565	10,670,683	45,160,893	-	206,730,592
Depreciation	-	6,189,245	33,338,882	4,270,370	1,242,589	3,847,513	14,425,043	-	63,313,642
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2020	-	27,564,426	147,981,047	15,039,475	5,355,154	14,518,196	59,585,936	-	270,044,234
Accumulated depreciation-Revaluation									
Balance at 1 July 2018	-	2,945,754	2,020,299	297,677	346,349	32,955	(2)	-	5,643,032
Depreciation	-	1,171,367	823,630	55,692	138,541	14,392	-	-	2,203,622
Adjustment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2019	-	4,117,121	2,843,929	353,369	484,890	47,347	(2)	-	7,846,654
Balance at 1 July 2019	-	4,117,121	2,843,929	353,369	484,890	47,347	(2)	-	7,846,654
Depreciation	-	1,171,367	823,630	55,692	138,541	14,392	-	-	2,203,622
Disposals	-	-	-	-	-	-	-	-	-
Balance at 30 June 2020	-	5,288,488	3,667,559	409,061	623,431	61,739	(2)	-	10,050,276
Carrying amounts									
As at 1 July 2018	1,320,995,767	209,999,072	167,354,958	9,991,866	6,536,680	16,123,624	39,560,135	25,184,242	1,795,746,344
At 30 June 2019	1,516,172,422	202,336,524	152,778,033	13,180,522	6,198,600	21,284,636	34,041,272	412,120	1,946,404,129
As at 30 June 2020	1,535,862,484	194,975,912	118,615,521	10,035,775	5,093,908	17,480,625	19,616,228	2,305,088	1,903,985,541



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	12,117,850	21,371,262
Additions during the year	-	9,587,450

ii. Lease liability

<i>In Taka</i>	30 June 2020	30 June 2019
Non-current portion of lease liability	4,385,837	10,999,132
Current portion of lease liability	6,613,294	6,355,202
	10,999,131	17,354,334

iii. Reconciliation of rent expense

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Amount recognised in profit or loss			
Charge on right-of-use rent agreements	30	9,253,412	8,373,717
Interest on lease liabilities	31	1,747,827	2,249,713
Expense for short term rents	30	24,636,146	23,119,602
Amount recognised in profit or loss under IFRS 16		35,637,385	33,743,032
Rent paid (excluding IFRS 16 adjustment)		35,493,174	32,491,916

9(a) Consolidated leases

i. Right-of-use assets

<i>In Taka</i>	30 June 2020	30 June 2019
Right-of-use assets	12,117,850	21,371,262

ii. Lease liability

<i>In Taka</i>	30 June 2020	30 June 2019
Non-current portion of lease liability	4,385,837	10,999,132
Current portion of lease liability	6,613,294	6,355,202
	10,999,131	17,354,334

10 Investments

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Investment in subsidiary	10.1	3,948,334	3,948,334
Investment in FDR	10.2	35,742,593	35,719,438
Investment in shares of ACI Motors Limited		75,000	75,000
		39,765,927	39,742,772

ACI Motors Limited is a subsidiary of ACI Limited and consolidated by ACI Limited.

10.1 Investment in subsidiary

Name of subsidiary	30 June 2020				30 June 2019	
	Number of shares	Face value per share	Called and paid up capital per share	Share-holding	Value	Value
		Taka	Taka	%	Taka	Taka
Neem Laboratories (Pvt.) Ltd	4900	100	100	98	3,948,334	3,948,334
Total investment in subsidiary					3,948,334	3,948,334

10.2 Investment in FDR includes amounting to Taka 2,022,500 which is kept as lien against service received from Titas Gas Transmission and Distribution Co. Limited. Therefore, the Company has no intention to encash the said amount and recorded as long term investment.

10(a) Consolidated investments

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Investment in FDR	10.2	35,742,593	35,719,438
Investment in shares of ACI Motors Limited		75,000	75,000
		35,817,593	35,794,438

11 Intangible assets

<i>In Taka</i>	30 June 2020	30 June 2019
Goodwill on acquisition:		
Neem Laboratories (Pvt.) Ltd	5,147,792	5,147,792
	5,147,792	5,147,792

12 Inventories

<i>In Taka</i>	30 June 2020	30 June 2019
Raw and packing materials	535,478,905	823,197,299
Work in process	3,802,464	-
Finished goods	588,585,221	724,125,316
Goods in transit	143,045,346	66,925,520
Other inventories (engineering stores and diesel)	25,565,814	25,972,297
Allowance for slow-moving inventory	(25,672,594)	(14,637,749)
	1,270,805,156	1,625,582,683

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

12(a) Consolidated inventories

<i>In Taka</i>	30 June 2020	30 June 2019
Raw and packing materials	535,478,905	837,460,655
Work in process	3,802,464	-
Finished goods	588,861,512	726,307,088
Goods in transit	143,045,346	67,704,849
Other inventories (engineering stores and diesel)	25,565,814	25,972,297
Allowance for slow-moving inventory	(25,948,885)	(15,584,166)
	1,270,805,156	1,641,860,723



13 Trade receivables

<i>In Taka</i>	30 June 2020			30 June 2019
	Dues over 6 months	Dues below 6 months	Total	Total
Related party	-	-	-	-
Other than related parties	424,051,989	1,327,222,679	1,751,274,668	1,856,388,973
			1,751,274,668	1,856,388,973
Less: Allowance for impairment loss			(177,034,307)	(142,916,944)
			1,574,240,361	1,713,472,029

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

13(a) Consolidated trade receivables

<i>In Taka</i>	30 June 2020			30 June 2019
	Dues over 6 months	Dues below 6 months	Total	Total
Related parties	-	-	-	-
Other than related parties	424,051,989	1,328,227,853	1,752,279,842	1,861,263,656
			1,752,279,842	1,861,263,656
Less: Allowance for impairment loss			(177,034,307)	(142,916,944)
			1,575,245,535	1,718,346,712

14 Other receivables

Other receivables represent receivable on accounts of promotional expense to be reimbursed by Akzo Nobel and interest income from FDR.

15 Inter-company receivables

<i>In Taka</i>	30 June 2020	30 June 2019
Neem Laboratories (Pvt.) Ltd	25,404,390	22,983,074
	25,404,390	22,983,074

Inter-company receivable is operated under normal course of business maintaining a common policy of charging interest to ensure efficient fund management and optimize effective borrowing cost at group level.

15(a) Consolidated inter-company receivables

<i>In Taka</i>	30 June 2020	30 June 2019
ACI Limited	17,862,732	3,658,384
	17,862,732	3,658,384

16 Advances, deposits and prepayments

<i>In Taka</i>	30 June 2020	30 June 2019
Advances:		
Staffs	218,717	590,894
Supplier and others	38,489,010	34,971,395
VAT current account	18,776,372	9,541,496
	57,484,099	45,103,785
Deposits:		
Security deposits	12,712,373	11,704,373
Bank guarantee margin	4,784,073	18,092,893
	17,496,446	29,797,266
Prepayments:		
Prepaid expenses	4,443,965	4,913,069
	4,443,965	4,913,069
	79,424,510	79,814,120

16(a) Consolidated advances, deposits and prepayments

<i>In Taka</i>	30 June 2020	30 June 2019
Advances:		
Staffs	218,717	590,894
Suppliers & others	39,185,623	35,878,788
VAT current account	18,776,372	10,408,055
	58,180,712	46,877,737
Deposits:		
Security deposits	12,712,373	11,704,373
Bank guarantee margin	4,784,073	18,092,893
	17,496,446	29,797,266
Prepayments:		
Prepaid expenses	4,443,965	4,913,069
	4,443,965	4,913,069
	80,121,123	81,588,072

17 Cash and cash equivalents

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Cash in hand		5,351,521	4,163,463
Collection in hand	17.1	85,798,144	118,215,885
Cash at bank	17.2	157,526,689	175,328,686
		248,676,354	297,708,034

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



17.2 Cash at Bank

<i>In Taka</i>	30 June 2020	30 June 2019
Standard Chartered Bank	30,305,880	24,536,934
The Hongkong and Shanghai Banking Corporation Limited (HSBC)	11,857,488	9,731,841
AB Bank Limited	42,292,674	58,125,349
Agrani Bank Limited	3,026,114	1,158,203
Janata Bank Limited	17,300,030	9,730,300
Sonali Bank Limited	968,697	5,043,841
Bank Asia Limited	950	1,640
BRAC Bank Limited	14,712,411	39,140,423
ONE Bank Limited	10,535,672	3,061,891
Commercial Bank of Ceylon PLC	731,306	42,197
The City Bank Limited	164,645	20,000
Prime Bank Limited	22,937,996	22,916,013
Pubali Bank Limited	828,261	157,013
Dutch Bangla Bank Limited	1,794,495	1,663,041
Mercantile Bank Limited	70,070	-
	157,526,689	175,328,686

17.3 Reconciliation of net operating cash flow

<i>In Taka</i>	30 June 2020	30 June 2019
Profit after tax	92,452,191	127,515,514
<i>Adjustment for:</i>		
- Depreciation and amortization	65,671,003	67,843,104
- Bad debts and inventory loss/(recovery)	46,060,951	34,884,757
- Net finance cost	217,715,145	224,760,871
- Tax expense	33,113,895	53,056,710
- Contribution to WPPF	6,608,742	9,553,187
<i>Changes in:</i>		
- Inventories	343,742,683	(17,041,885)
- Trade and other receivables	104,288,679	(409,547,560)
- Advances, deposit and prepayments	3,143,607	9,009,780
- Trade and other payables, employment benefits'	131,083,783	52,429,538
Cash generating 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)
Net cash from operating activities	668,384,052	(270,224,885)

17(a) Consolidated cash and cash equivalents

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Cash in hand		5,437,426	4,249,368
Collection in hand	17.1	85,798,144	118,215,885
Cash at bank	17.2(a)	158,133,271	176,188,974
		249,368,841	298,654,227

17.2(a) Consolidated Cash at Bank

<i>In Taka</i>	30 June 2020	30 June 2019
Standard Chartered Bank	30,305,880	24,536,934
The Hongkong and Shanghai Banking Corporation Limited (HSBC)	11,857,488	9,731,841
AB Bank Limited	42,292,674	58,125,349
Agrani Bank Limited	3,026,114	1,158,203
Janata Bank Limited	17,300,030	9,730,300
Sonali Bank Limited	968,697	5,043,841
Bank Asia Limited	950	1,640
BRAC Bank Limited	14,712,411	39,140,423
ONE Bank Limited	10,535,672	3,061,891
Commercial Bank of Ceylon PLC	731,306	42,197
The City Bank Limited	164,645	20,000
Prime Bank	22,937,996	22,916,013
Pubali Bank Limited	828,261	157,013
Dutch Bangla Bank Limited	2,401,077	2,523,329
Mercantile Bank Limited	70,070	-
	158,133,271	176,188,974

17.3(a) Reconciliation of consolidated net operating cash flow

<i>In Taka</i>	30 June 2020	30 June 2019
Profit after tax	92,739,332	129,420,783
<i>Adjustment for:</i>		
- Depreciation and amortization	66,041,022	68,339,121
- Bad debts and inventory loss/(recovery)	45,114,534	35,467,184
- Net finance cost	218,083,120	227,322,160
- Tax expense	33,478,970	53,593,290
- Contribution to WPPF	6,608,742	9,553,187
<i>Changes in:</i>		
- Inventories	330,772,774	(15,317,404)
- Trade and other receivables	108,161,698	(403,954,626)
- Advances, deposit and prepayments	4,220,947	8,764,702
- Trade and other payables, employment benefits'	124,214,921	45,834,625
Cash generating from operating activities	1,029,436,060	159,023,022
Paid to WPPF	(9,553,187)	(8,594,760)
Interest paid	(213,840,131)	(257,035,934)
Income tax paid	(152,538,168)	(157,913,752)
Net cash from operating activities	653,504,574	(264,521,424)

18 Share capital

<i>In Taka</i>	30 June 2020	30 June 2019
Ordinary shares (6,600,000 shares of Tk 10 each)	66,000,000	66,000,000
Bonus shares (32,500,000 shares of Tk. 10 each)	325,000,000	325,000,000
Right shares (5,900,000 shares of Tk. 10 each)	59,000,000	59,000,000
In issue at reporting date - fully paid	450,000,000	450,000,000
Authorised - par value Tk. 10	500,000,000	500,000,000



18.1 Shareholding position

	Number of shares		Percentage of holding		Value (Taka)	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Directors and sponsors	29,708,205	29,708,205	66.02%	66.02%	297,082,050	297,082,050
Institutions	12,284,196	12,256,911	27.30%	27.24%	122,841,960	122,569,110
General shareholders	3,007,599	3,034,884	6.68%	6.74%	30,075,990	30,348,840
	45,000,000	45,000,000	100.00%	100.00%	450,000,000	450,000,000

18.2 Share owning schedule

Shareholder's range	Number of shareholders		Number of shares		Percentage of holding	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Less than 500	2,597	2,454	425,181	404,554	0.94%	0.90%
501 to 5000 shares	1,026	952	1,557,404	1,432,732	3.46%	3.17%
5001 to 10,000 shares	75	65	533,923	452,351	1.19%	1.01%
10,001 to 20,000 shares	29	29	440,874	440,263	0.98%	0.98%
20,001 to 30,000 shares	16	15	411,853	372,442	0.92%	0.83%
30,001 to 40,000 shares	10	8	352,482	275,691	0.78%	0.61%
40,001 to 50,000 shares	7	9	326,668	407,579	0.73%	0.91%
50,001 to 100,000 shares	8	12	599,196	894,418	1.33%	1.99%
100,001 to 1,000,000 shares	14	14	4,123,155	4,090,706	9.16%	9.09%
Over 1,000,000 shares	4	4	36,229,264	36,229,264	80.51%	80.51%
	3,786	3,562	45,000,000	45,000,000	100.00%	100.00%

19 Employee benefits

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Defined benefit obligation	19.1	36,432,189	32,394,865
Other employee benefits		12,059,911	11,099,911
		48,492,100	43,494,776

19.1 Defined benefit obligation

<i>In Taka</i>	30 June 2020	30 June 2019
Opening balance	32,394,865	29,519,364
Service cost	4,565,105	5,438,826
Benefits paid	(527,781)	(2,563,325)
Closing balance	36,432,189	32,394,865

20 Deferred tax liabilities

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Opening balance		48,918,292	59,324,164
Deferred tax (income) for the year	32	(24,232,080)	(10,405,872)
Closing balance		24,686,212	48,918,292

<i>In Taka</i>	Carrying amount on reporting date	Tax base	Taxable/ (deductible) temporary difference	Deferred tax liabilities/ (assets)
At 30 June 2020				
Land	1,535,862,484	-	1,535,862,484	38,847,147
Property, plant and equipment (other than land)	364,440,388	179,803,906	184,636,482	46,159,121
Allowance for slow-moving inventory	25,672,594	-	(25,672,594)	(6,418,149)
Allowance for doubtful debts	177,034,307	-	(177,034,307)	(44,258,577)
Defined benefit obligation	36,432,189	-	(36,432,189)	(9,108,047)
Temporary difference for IFRS 16 : Lease	2,141,131	-	(2,141,131)	(535,283)
Taxable/(Deductible) temporary differences	2,141,583,093	179,803,906	1,479,218,745	24,686,212
Applicable tax rate for land				3%
Applicable tax rate for other than land				25%
Deferred tax liabilities				24,686,212
At 30 June 2019				
Land	1,516,172,421	-	1,516,172,421	45,485,173
Property, plant and equipment (other than land)	428,071,987	222,393,033	205,678,954	51,419,738
Allowance for slow-moving inventory	14,637,749	-	(14,637,749)	(3,659,437)
Allowance for doubtful debts	142,916,944	-	(142,916,944)	(35,729,236)
Defined benefit obligation	32,394,865	-	(32,394,865)	(8,098,716)
Temporary difference for IFRS 16 : Lease	1,996,920	-	(1,996,920)	(499,230)
Taxable/(Deductible) temporary differences	2,136,190,886	222,393,033	1,529,904,897	48,918,292
Applicable tax rate for land				3%
Applicable tax rate for other than land				25.00%
Deferred tax liabilities				48,918,292

20(a) Consolidated deferred tax liabilities

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Opening balance		48,621,243	58,340,262
Deferred tax (income) for the year	32(a)	(24,026,714)	(9,719,019)
Closing balance		24,594,529	48,621,243

21 Bank overdrafts

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Standard Chartered Bank	21.1	(3,558,066)	9,910,418
The Hongkong and Shanghai Banking Corporation Limited (HSBC)	21.1	(1,218,466)	(2,462,871)
Prime Bank Limited	21.1	53,501,787	97,110,273
BRAC Bank Limited	21.1	7,716,090	4,915,476
Commercial Bank of Ceylon PLC	21.1	20,352,108	19,285,370
		76,793,453	128,758,666



21.1 Terms and repayment schedule

The terms and conditions of outstanding overdraft are as follows:

<i>In Taka</i>	Currency	Year of maturity	30 June 200		30 June 2019	
			Loan limit	Loan outstanding	Loan limit	Loan outstanding
Standard Chartered Bank	BDT	2020	10,000,000	(3,558,066)	10,000,000	9,910,418
HSBC	BDT	2020	10,000,000	(1,218,466)	10,000,000	(2,462,871)
Prime Bank Limited	BDT	2021	100,000,000	53,501,787	100,000,000	97,110,273
BRAC Bank Limited	BDT	2021	10,000,000	7,716,090	10,000,000	4,915,476
Commercial Bank of Ceylon PLC	BDT	2020	20,000,000	20,352,108	20,000,000	19,285,370
			150,000,000	76,793,453	150,000,000	128,758,666

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

22 Loans and borrowings

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Standard Chartered Bank	22.1	-	1,984,088
The Hongkong and Shanghai Banking Corporation Limited (HSBC)	22.1	-	32,511,722
BRAC Bank Limited	22.1	39,965,341	466,614,410
The City Bank Limited	22.1	104,699,897	350,000,000
Prime Bank Limited	22.1	350,000,000	362,317,860
Commercial Bank of Ceylon PLC	22.1	824,393,594	608,733,261
Mercantile Bank Limited	22.1	307,912,700	-
		1,626,971,532	1,822,161,341

22(a) Consolidated Loans and borrowings

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Standard Chartered Bank	22.1	-	1,984,088
The Hongkong and Shanghai Banking Corporation Limited (HSBC)	22.1	-	32,511,722
BRAC Bank Limited	22.1	39,965,341	466,614,410
The City Bank Limited	22.1	104,699,897	350,000,000
Prime Bank Limited	22.1	350,000,000	362,317,860
Commercial Bank of Ceylon PLC	22.1	824,393,594	608,733,261
Mercantile Bank Limited	22.1	307,912,700	-
Dutch Bangla Bank Limited		-	2,860,158
		1,626,971,532	1,825,021,499

22.1 Terms and repayment schedule

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

<i>In Taka</i>	Note	Currency	Year of maturity	30 June 2020		30 June 2019	
				Loan limit	Loan outstanding	Loan limit	Loan outstanding
Standard Chartered Bank	22.1.1	BDT	2021	510,000,000	-	510,000,000	1,984,088
HSBC	22.1.2	BDT	2020	200,000,000	-	300,000,000	32,511,722
BRAC Bank Limited	22.1.3	BDT	2021	750,000,000	39,965,341	750,000,000	466,614,410
The City Bank Limited	22.1.4	BDT	2021	800,000,000	104,699,897	800,000,000	350,000,000
Prime Bank Limited	22.1.5	BDT	2020	800,000,000	350,000,000	800,000,000	362,317,860
Commercial Bank of Ceylon PLC	22.1.6	BDT	2020	900,000,000	824,393,594	800,000,000	608,733,261
Mercantile Bank Limited	22.1.7	BDT	2020	307,912,700	307,912,700	-	-
				4,267,912,700	1,626,971,532	3,960,000,000	1,822,161,341

22.1.1 Standard Chartered Bank

The Company is enjoying trade finance facility under general banking facilities from Standard Chartered Bank (SCB) under the following terms and conditions against the facility offer letter dated 18 June 2017 and subsequent updates:

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

Amount : Tk 510,000,000.

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

Tenure : 360 days.

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

22.1.1.2 Acceptance

Amount : Tk 510,000,000 (Inner limit of 22.1.1.1)

Purpose : To provide acceptance against usance or deferred/usance L/C issued. Acceptance can be utilised for machinery L/C as well.

Tenure : 360 days.

22.1.1.3 Shipping Guarantees

Amount : Tk 200,000,000 (Inner limit of 22.1.1.1)

Purpose : For the release of imported goods

Tenure : 30 days.

22.1.1.4 Import loan

Amount : Tk 50,000,000 (Inner limit of 22.1.1.1)

Purpose : For release of imported goods

Tenure : 180 days.

22.1.1.5 Short term loan

Amount : Tk 250,000,000 (Inner limit of 22.1.1.1)

Purpose : For the purpose of working capital

Tenure : 90 days.

Payment : On maturity of such loan.

22.1.1.6 Bond & Guarantees

Amount : Tk 20,000,000 (Inner limit of 22.1.1.1)

Purpose : Issuance of guarantees on behalf of the company

Tenure : 365 days.

22.1.1.7 Securities against the facilities

Securities against the facilities mentioned under notes 21 and 22.1.1 are as follows:

- Demand promissory note and letter of continuation for Tk 520,000,000 each.
- Registered hypothecation over stock and book debts of the Company on pari-pasu basis for Tk 540,000,000.
- First charge by way of registered mortgage over the tangible fixed assets of the Company both existing and future where Standard Chartered Bank's share being at least Tk 140,000,000.
- Corporate guarantee from Advanced Chemical Industries Limited supported by board resolution.

22.1.2 The Hongkong and Shanghai Banking Corporation Limited (HSBC)

The Company is enjoying following facilities from The Hongkong and Shanghai Banking Corporation Limited (HSBC) under the following terms and conditions against the facility offer letter dated 12 February 2020 and subsequent updates:

22.1.2.1 Combined limit/ import line/ Import cash limit

Amount : Tk 200,000,000.

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

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

Payment : On maturity of such loan.



22.1.2.2 Guarantee

Amount : Tk 5,000,000.

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

Tenure : Open ended

22.1.2.3 Securities against the facilities

Securities against the facilities mentioned under notes 21 and 22.1.2 are as follows:

- Demand promissory note of Tk 597,549,000 with letter of revival and continuity.
- Letter of Set Off between different accounts maintained with the bank.
- Corporate guarantee to be executed by Advanced Chemical Industries Limited for Tk 510,000,000 supported by Board Resolution.
- First pari-pasu charge with other lenders over the borrower's stock of raw materials, work-in-progress and finished goods for Tk.430,000,000 registered with the Registrar of Joint Stock Companies and Firms (RJSC).
- First pari-pasu charge with other lenders over the borrower's book debts/receivables for Tk. 430,000,000 registered with the Registrar of Joint Stock Companies (RJSC) on pari-pasu basis with Standard Chartered Bank, where HSBC's share is 430,000,000.

22.1.3 BRAC Bank Limited

The Company is enjoying following facilities from BRAC Bank Limited under the following terms and conditions against the facility offer letter dated 08 March 2020:

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

Amount : Tk 300,000,000

Purpose : To retire import documents for raw materials.

Tenure : 120 - 180 days

Payment : On maturity of such loan.

22.1.3.2 Bank guarantee

Amount : Tk 50,000,000 (Inner limit of 21.1.3.1)

Purpose : To meet various contractual obligation

Tenure : 1-5 Years

22.1.3.3 Revolving loan

Amount : Tk 250,000,000

Purpose : To make payment of customs duty and VAT and meet working capital requirements

Tenure : 150 days

Payment : On maturity of such loan.

22.1.3.4 Securities against the facilities

Securities against the facilities mentioned under notes 21 and 22.1.3 are as follows:

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

22.1.4 The City Bank Limited

The Company is enjoying following facilities from The City Bank Limited under the following terms and conditions against the facility offer letter dated 21 June 2020.

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

Amount : Tk 800,000,000

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

Tenor : 90 - 360 days

22.1.4.2 Letters of Credit - Local

Amount : Tk 300,000,000 (Inner limit of 21.1.4.1)

Purpose : To procure raw material and finished goods from local source

Tenor : 90 days from date of each disbursement

22.1.4.3 **Securities against the facilities**

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

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

22.1.5 **Prime Bank Limited**

The Company is enjoying following facilities from Prime Bank Limited under the following terms and conditions against the facility offer letter dated 06 March 2019.

22.1.5.1 **Letters of credit (LC) / Loan Against Trust Receipt (LATR)**

Amount : Tk 800,000,000

Purpose : For payment of imported raw materials / chemicals / accessories / capital machinery / spare parts and others (import of capital machinery shall not exceed Tk 80,000,000). Also for retirement of L/C documents or payment of accepted bills.

Tenure : 180 - 365 days

Payment : On maturity of such loan.

22.1.5.2 **Time loan / Short term loan**

Amount : Tk 500,000,000 (Inner limit of 22.1.5.1)

Purpose : To procure raw materials / chemicals / accessories and others from local sources.

Tenure : 180 days

Payment : On maturity of such loan.

22.1.5.3 **Bank guarantee**

Amount : Tk 40,000,000 (Inner limit of 22.1.5.1)

Purpose : To provide guarantee in favour of different authority as required by the Company.

Tenure : Open ended

22.1.5.4 **Securities against the facilities**

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

- Available charge on floating assets with Registrar of Joint Stock Companies (RJSC) and Firms along with NIGPA.
- Cross Corporate guarantee among Advance Chemicals Industries Limited, ACI Formulations Limited, ACI Salt Ltd, ACI Pure Flour Ltd, Premiaflex Plastics Ltd., & ACI Motors Ltd.

22.1.6 **Commercial Bank of Ceylon PLC**

The Company is enjoying following facilities from Commercial Bank of Ceylon PLC under the following terms and conditions against the facility offer letter dated 4 December 2019 and subsequent updates:

22.1.6.1 **Letters of Credit / Loan Against Trust Receipt (LATR)**

Amount : Tk 800,000,000

Purpose : To retire import documents for raw materials, packing materials, finished goods and spare parts.

Tenor : 180 days

Payment : On maturity of such loan.

21.1.6.2 **Short term loan**

Amount : Tk 100,000,000

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

Tenure : 180 days

Payment : On maturity of such loan.

21.1.6.3 **Securities against the facilities**

Securities for the facilities mentioned under notes 21 and 22.1.6 are as follows:

- Registered first hypothecation charge over stocks and book debts on pari-pasu basis with other lenders, CBC's share being Tk 920,000,000.



22.1.7 Mercantile Bank Limited

The Company is enjoying following facilities from Mercantile Bank Limited under the following terms and conditions against the facility offer letter dated 19 September 2019 and subsequent updates:

22.1.7.1 Short term loan

Amount : Tk 307,912,700

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

Tenure : 180 days

Payment : On maturity of such loan.

22.1.7.2 Securities against the facilities

Securities for the facilities mentioned under notes and 22.1.7 are as follows:

- Corporate guarantee from ACI Limited;
- Usual charge documents;

23 Trade Payables

<i>In Taka</i>	30 June 2020	30 June 2019
Related party-Premiaflex Plastics Limited	10,558,933	4,135,063
Other than related parties	108,025,080	84,915,891
	118,584,013	89,050,954

23(a) Consolidated trade payables

<i>In Taka</i>	30 June 2020	30 June 2019
Related party-Premiaflex Plastics Limited	10,558,933	4,135,063
Other than related parties	109,403,140	93,289,407
	119,962,073	97,424,470

24 Other payables

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Creditors for expenses	24.1	273,198,932	193,888,613
Advance from customer		4,198,952	-
Interest payable		20,531,902	16,288,914
Security money payable		16,245,968	11,765,968
Unpaid dividend		12,580,680	11,810,167
Withholding tax and VAT		6,877,023	4,706,251
Workers' profit participation fund	24.2	6,608,741	9,553,187
		340,242,198	248,013,100

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

24.2 Workers' profit participation fund

<i>In Taka</i>	30 June 2020	30 June 2019
Opening balance	9,553,187	8,594,760
Addition during the year	6,608,741	9,553,187
Interest accrued during the year	363,659	200,544
Paid during the year	(9,916,846)	(8,795,304)
	6,608,741	9,553,187

24(a) Consolidated other payables

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Creditors for expenses	24.1	273,858,984	195,338,739
Advance from customer		4,198,952	-
Interest payable		20,531,902	16,288,914
Security money payable		16,245,968	11,765,968
Unpaid dividend		12,580,680	11,810,167
Withholding tax and VAT		7,049,059	4,887,019
Provision for workers' profit participation fund	24.2	6,608,741	9,553,187
		341,074,286	249,643,994

25 Inter-company payables

<i>In Taka</i>	30 June 2020	30 June 2019
ACI Limited	864,104,485	1,146,287,405
	864,104,485	1,146,287,405

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

26 Current tax liabilities/(assets)

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Opening balance		332,092,799	268,942,996
Provision made during the year		57,345,975	63,149,803
		389,438,774	332,092,799
Advance income tax paid	26.1	(713,332,854)	(560,861,570)
		(323,894,080)	(228,768,771)

26.1 Advance income tax

<i>In Taka</i>	30 June 2020	30 June 2019
Opening balance	560,861,570	403,491,786
Additions	152,471,284	157,369,784
	713,332,854	560,861,570

26(a) Consolidated current tax liabilities/(assets)

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Opening balance		333,652,313	270,340,004
Provision made during the year		57,505,684	63,312,309
		391,157,997	333,652,313
Advance income tax paid	26.1(a)	(714,915,707)	(562,377,539)
		(323,757,710)	(228,725,226)

26.1(a) Consolidated advance income tax

<i>In Taka</i>	30 June 2020	30 June 2019
Opening balance	562,377,539	404,463,787
Additions	152,538,168	157,913,752
	714,915,707	562,377,539

27 Revenue

<i>In Taka</i>	Note	For the year ended 30 June 2020	For the year ended 30 June 2019
Agrochemical products	27.1	2,615,685,217	2,762,064,532
Consumer products	27.2	806,761,257	1,263,221,358
		3,422,446,474	4,025,285,890



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

27.1 Agrochemical products

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Local	2,614,531,306	2,739,550,275
Export	1,153,911	22,514,257
	2,615,685,217	2,762,064,532

27.2 Consumer products

<i>In Taka</i>	Note	For the year ended 30 June 2020	For the year ended 30 June 2019
Coil	27.2.1	11,200,300	134,212,762
Aerosol	27.2.1	396,117,145	531,931,582
Vanish	27.2.1	16,890,266	46,829,793
Paint		382,553,546	550,247,221
		806,761,257	1,263,221,358

27.2.1 On 24 April 2015 ACI Limited entered into agreements with S. C. Johnson & Son, Inc. (a corporation incorporated under the laws of the state of Wisconsin, USA) whereby S. C. Johnson & Son, Inc. has purchased the brands of these products on mutually beneficial terms. As per contract, ACI Formulations Limited produces these products for S.C. Johnson & Son, Inc., which are marketed by ACI Limited through its own channel. ACI Formulations Limited will continue to be the manufacturer of these products for a period of 5 years from 24 April 2015. The agreement was renewed on 1st May 2019 and will be in effect up to 30 June 2021.

The Mosquito Coil industry has been dominated by branded coils with more than 70% of market share since long. Due to huge presence of unauthorized and illegal coils, the market share of the branded coils shrank significantly during the year under reporting. As a result, S. C. Johnson & Son, Inc., the brand owner of coil, placed no order for coil production. Consequently, the revenue of Mosquito Coil business has reduced overwhelmingly. However, S. C. Johnson has developed three high efficacy molecules of Mosquito Coil to regain its market shares. The Company strongly believes that the new molecules will help to enhance the demand in the market in coming days.

27(a) Consolidated revenue

<i>In Taka</i>	Note	For the year ended 30 June 2020	For the year ended 30 June 2019
Agrochemical products	27.1(a)	2,615,685,217	2,762,064,532
Consumer products	27.2(a)	808,358,349	1,290,305,679
		3,424,043,566	4,052,370,211

27.1(a) Agrochemical products

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Local	2,614,531,306	2,739,550,275
Export	1,153,911	22,514,257
	2,615,685,217	2,762,064,532

27.2(a) Consumer products

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Coil	11,200,300	134,212,762
Aerosol	396,117,145	531,931,582
Vanish	16,890,266	46,829,793
Paint	382,553,546	550,247,221
Herbal cosmetics	1,597,092	27,084,321
	808,358,349	1,290,305,679

28 Cost of sales

In Taka	Note	For the year ended 30 June 2020	For the year ended 30 June 2019
Opening stock of finished goods		724,125,316	824,787,142
Cost of goods manufactured	28.1.1	2,036,717,516	2,619,779,343
Finished goods purchased		211,010,403	137,322,002
Reimbursement for cost variance		(37,018,346)	(31,605,327)
Stock write off		11,034,892	(11,541,253)
Cost of finished goods available for sale		2,945,869,781	3,538,741,907
Closing stock of finished goods		(588,585,221)	(724,125,316)
		2,357,284,560	2,814,616,591

28.1 Cost of Sales for the year

In Taka	Note	For the year ended 30 June 2020					For the year ended 30 June 2019
		Crop Care & Public Health	Mosquito Coil	Aerosol	Vanish	Paint	Total
Stock of finished goods at 1 July		460,289,931	105,073,388	56,704,342	7,535,673	94,521,982	724,125,316
Cost of goods manufactured	28.1.1	1,440,161,266	58,295,719	328,543,504	12,057,534	197,659,493	2,036,717,516
Finished goods purchased		126,994,399	-	-	-	84,016,004	211,010,403
Reimbursement for cost variance		-	(48,538,868)	14,657,882	(3,137,360)	-	(37,018,346)
Stock write off		11,034,846	-	-	-	46	11,034,892
Cost of finished goods available for sale		2,038,480,442	114,830,239	399,905,728	16,455,847	376,197,525	2,945,869,781
Stock of finished goods at 30 June		(347,488,405)	(97,132,183)	(66,015,442)	(3,650,744)	(74,298,447)	(588,585,221)
		1,690,992,037	17,698,056	333,890,286	12,805,103	301,899,078	2,357,284,560

28.1.1 Cost of goods manufactured

In Taka	Note	For the year ended 30 June 2020					For the year ended 30 June 2019
		Crop Care & Public Health	Mosquito Coil	Aerosol	Vanish	Paint	Total
Cost of materials consumed	28.1.1.1	1,365,045,573	219,524	309,666,721	5,990,955	172,777,404	1,853,700,177
Manufacturing overhead	30	75,115,693	58,076,195	22,679,247	6,066,579	24,882,089	186,819,803
Cost of production		1,440,161,266	58,295,719	332,345,968	12,057,534	197,659,493	2,040,519,980
Difference in work in process		-	-	-	-	-	-
Work in process at 1 July		-	-	(3,802,464)	-	-	(3,802,464)
Work in process at 30 June		-	-	(3,802,464)	-	-	(3,802,464)
		1,440,161,266	58,295,719	328,543,504	12,057,534	197,659,493	2,036,717,516
							2,619,779,343

28.1.1.1 Cost of materials consumed

In Taka	For the year ended 30 June 2020						For the year ended 30 June 2019
	Crop Care & Public Health	Mosquito Coil	Aerosol	Vanish	Paint	Total	
Raw and packing materials							
Opening stock	463,871,083	115,046,529	168,290,562	23,577,234	52,411,891	823,197,299	643,307,253
Purchase	1,203,920,725	(4,120,853)	216,971,125	2,361,368	146,849,417	1,565,981,782	2,581,469,904
Closing Stock	(302,746,235)	(110,706,152)	(75,594,966)	(19,947,647)	(26,483,904)	(535,478,904)	(823,197,299)
	1,365,045,573	219,524	309,666,721	5,990,955	172,777,404	1,853,700,177	2,401,579,858

28(a) Consolidated cost of sales

In Taka	For the year ended 30 June 2020	For the year ended 30 June 2019
Opening stock	1,563,767,743	1,482,299,485
Purchase	1,771,858,239	2,729,147,796
Reimbursement for cost variance	(37,018,346)	(31,605,327)
Manufacturing overhead	186,819,803	221,162,004
Closing stock	(1,128,142,881)	(1,563,767,743)
	2,357,284,558	2,837,236,215

29 Other income

In Taka	For the year ended 30 June 2020	For the year ended 30 June 2019
Crop Care & Public Health	3,438,573	3,076,674
Aerosol	166,535	340,905
Paint	957,615	1,692,179
Foreign currency gain /loss	106,056	-
	4,668,779	5,109,758

30 Manufacturing, administrative, selling and distribution expenses

<i>In Taka</i>	For the year ended 30 June 2020					For the year ended 30 June 2019
	Manufacturing expenses	Administrative expenses	Distribution expenses	Selling expenses	Total	Total
Salary and wages	115,618,861	126,781,149	44,259,044	237,001,915	523,660,969	526,970,217
Traveling and conveyance	104,916	2,155,911	28,821,188	70,222,514	101,304,529	98,951,364
Rent and rates	380,834	4,367,812	11,125,094	12,942,238	28,815,978	25,685,194
Charge on right-of-use rent agreements	-	-	4,450,891	4,802,521	9,253,412	8,373,717
Repair and maintenance	11,444,346	5,210,048	1,938,437	161,103	18,753,934	23,665,073
Fuel and power	11,716,079	3,350,477	2,210,482	4,843,481	22,120,519	28,382,447
Postage, telephone and fax	827,778	81,768	1,405,642	5,009,873	7,325,061	7,805,264
Printing and stationery	452,851	1,612,583	4,556,604	2,465,640	9,087,678	7,559,330
Promotional expenses	114,475	1,475,000	-	17,024,066	18,613,541	70,841,883
Customer & field demonstration	-	-	-	22,597,356	22,597,356	27,223,031
Sample expenses	-	-	-	2,299,430	2,299,430	3,111,205
Annual conference	-	-	-	433,816	433,816	833,345
Publicity & advertisement	-	20,000	-	1,032,807	1,052,807	2,557,051
Entertainment	663,980	1,191,067	2,240,648	2,976,137	7,071,832	12,544,493
Vehicle maintenance	649,946	2,406,532	3,322,832	3,628,753	10,008,063	17,319,557
Doubtful debts	-	-	-	35,026,106	35,026,106	32,776,937
Truck and handling	1,476,575	-	5,953,348	2,050	7,431,973	10,709,048
Legal and professional charge	-	119,444	-	9,494,203	9,613,647	39,071,491
Audit fees	-	693,000	-	-	693,000	630,000
Insurance	6,255,088	990	-	1,204,129	7,460,207	5,992,390
Directors' fees	-	15,000	-	-	15,000	9,750
Bank charges	-	1,674,748	-	686,724	2,361,472	3,748,176
Sundry expenses	96,605	-	-	-	96,605	224,357
Product development expenses	-	-	-	1,320,980	1,320,980	1,418,134
Training expenses	7,050	-	-	1,940,400	1,947,450	857,177
Depreciation	47,475,705	2,295,465	41,250	15,858,583	65,671,003	67,843,104
Lab chemical and apparatus	344,494	-	-	-	344,494	541,046
Meeting expenses	-	540,000	-	2,649,442	3,189,442	2,546,591
	197,629,583	153,990,994	110,325,460	455,624,267	917,570,304	1,028,191,372
Recovery of expenses for toll manufacturing service charges:	(10,809,780)	-	-	-	(10,809,780)	(11,036,045)
	186,819,803	153,990,994	110,325,460	455,624,267	906,760,524	1,017,155,327
(A) Manufacturing expenses					186,819,803	218,199,485
(B) Administrative, selling and distribution expenses					719,940,721	798,955,841
					906,760,524	1,017,155,326

30(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	154,567,898	155,520,841
Distribution expenses	110,325,460	102,432,769
Selling expenses	455,624,266	542,400,724
	720,517,624	800,354,334



31 Finance costs, net

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Interest expenses		
Bank loan	120,098,592	142,544,969
Financing cost lease liabilities	1,747,827	2,249,713
Inter-company	100,985,011	89,509,934
	222,831,430	234,304,616
Interest income		
Bank	2,803,732	3,160,659
Inter-company	2,312,553	4,133,373
	5,116,285	7,294,032
	217,715,145	227,010,584

31(a) Consolidated finance costs, net

<i>In Taka</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Interest expenses		
Bank loan	119,722,410	142,856,545
Financing cost lease liabilities	1,747,827	2,249,713
Inter-company	100,985,011	89,509,934
	222,455,248	234,616,192
Interest income		
Bank	2,803,732	3,160,659
Inter-company	1,568,396	4,133,373
	4,372,128	7,294,032
	218,083,120	227,322,160

32 Income tax expense

<i>In Taka</i>	Note	For the year ended 30 June 2020	For the year ended 30 June 2019
Current tax expense			
Charged during the year	26	57,345,975	63,149,803
		57,345,975	63,149,803
Deferred tax (income)			
Change in deferred tax liabilities	20	(24,232,080)	(10,405,872)
		(24,232,080)	(10,405,872)
Tax expense		33,113,895	52,743,931

32.1 Reconciliation of effective tax rate:

<i>In %</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	-0.01%	-0.09%
Effect of disallowance & other	1.38%	4.35%
	26.37%	29.26%

32(a) Consolidated income tax expense

<i>In Taka</i>	Note	For the year ended 30 June 2020	For the year ended 30 June 2019
Current tax expense			
Charged during the year	26(a)	57,505,684	63,312,309
		57,505,684	63,312,309
Deferred tax (income)			
Change in deferred tax liabilities	20(a)	(24,026,714)	(9,719,019)
		(24,026,714)	(9,719,019)
Tax expense		33,478,970	53,593,290

33 EPS, NAV per Share and NOCFPS:

33.1 Basic earnings per share

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

<i>In Taka/Number</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Weighted average number of ordinary shares (number)	45,000,000	45,000,000
Profit/(loss) attributable to the owners of the Company (Taka)	92,452,191	127,515,514
Earning per share (Taka)	2.05	2.83

33.2 Net asset value (NAV) per share

Net assets attributable to equity holders of the Company	2,406,741,159	2,471,788,968
Net asset value (NAV) per share (Taka)	53.48	54.93

33.3 Net operating cash flow per share (NOCFPS)

Net cash (used in)/from operating activities	668,384,052	(270,224,885)
Net operating cash flows per share (NOCFPS)	14.85	(6.00)

33(a) Consolidated EPS, NAV per Share and NOCFPS:

33.1(a) Basic earnings per share

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

<i>In Taka/Number</i>	For the year ended 30 June 2020	For the year ended 30 June 2019
Weighted average number of ordinary shares (number)	45,000,000	45,000,000
Profit/(loss) attributable to the owners of the Group (Taka)	92,733,589	129,382,678
Earning per share (Taka)	2.06	2.88

33.2(a) Net asset value (NAV) per share

Net assets attributable to equity holders of the Group	2,401,979,094	2,466,745,505
Net asset value (NAV) per share (Taka)	53.38	54.82

33.3(a) Net operating cash flow per share (NOCFPS)

Net cash (used in)/from operating activities	653,504,574	(264,521,424)
Net operating cash flows per share (NOCFPS)	14.52	(5.88)



33.4 Diluted earnings per share

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

34 Financial risk management

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

- Credit risk (see 34(ii));
- Liquidity risk (see 34(iii)); and
- Market risk (see 34(iv)).

(i) Risk management framework

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

(ii) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Company's exposure to credit risk primarily relates to trade receivables and balance with banks including short and long term deposits.

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

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

(a) Exposure to credit risk

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

<i>In Taka</i>	Note	Carrying amount	
		30 June 2020	30 June 2019
Trade receivables	13(a)	1,752,279,842	1,861,263,656
Other receivables	14	40,619,138	41,673,512
Inter-company receivables	15(a)	17,862,732	3,658,384
Deposits	16(a)	17,496,446	29,797,266
Bank balances	17(a)	158,133,271	176,188,974
		1,986,391,429	2,112,581,792

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

<i>In Taka</i>	Carrying amount	
	30 June 2020	30 June 2019
Bangladesh	1,755,128,429	1,863,557,107
India	37,770,551	39,380,061
	1,792,898,980	1,902,937,168

(b) Ageing of trade receivables

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

<i>In Taka</i>	Carrying amount	
	30 June 2020	30 June 2019
Neither past due nor impaired	1,061,972,382	1,126,256,614
Past due 1 - 90 days	200,038,547	271,802,571
Past due 91 - 120 days	110,669,658	134,653,453
Past due 121 - 180 days	66,390,108	98,138,610
Past due 181 - 365 days	120,274,575	69,338,906
Past due 366 - 730 days	66,509,573	38,583,637
Past due 731 plus days	126,424,999	122,489,865
	1,752,279,842	1,861,263,656

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

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

<i>In Taka</i>	Note	30 June 2020	30 June 2019
Opening balance	13(a)	142,916,944	111,063,899
Impairment loss recognised		35,026,106	32,776,937
Amounts written off/ write in		(908,743)	(923,892)
Closing balance		177,034,307	142,916,944

(iii) Liquidity risk

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

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

Exposure to liquidity risk

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

30 June 2020		Contractual cash flows					
In Taka	Note	Carrying amount	Total	12 months or less	1 - 2 years	2 - 5 years	More than 5 years
Non-derivative financial liabilities							
Employee benefits	19	48,492,100	48,492,100	-	-	-	48,492,100
Lease liability	9(a)	10,999,131	10,999,131	6,613,294	2,881,325	1,504,512	-
Bank overdrafts	21	76,793,453	76,793,453	76,793,453	-	-	-
Loans and borrowings	22(a)	1,626,971,532	1,626,971,532	1,626,971,532	-	-	-
Trade payables	23(a)	119,962,073	119,962,073	119,962,073	-	-	-
Other payables	24(a)	341,074,286	341,074,286	341,074,286	-	-	-
Inter-company payables	25	864,104,485	864,104,485	864,104,485	-	-	-
		3,088,397,060	3,088,397,060	3,035,519,123	2,881,325	1,504,512	48,492,100
Derivative financial liabilities		-	-	-	-	-	-
		3,088,397,060	3,088,397,060	3,035,519,123	2,881,325	1,504,512	48,492,100
30 June 2019							
In Taka	Note	Carrying amount	Total	12 months or less	1 - 2 years	2 - 5 years	More than 5 years
Non-derivative financial liabilities							
Employee benefits	19	43,494,776	43,494,776	-	-	-	43,494,776
Lease liability	9(a)	17,354,334	17,354,334	6,355,202	6,613,294	4,385,838	-
Bank overdrafts	21	128,758,666	128,758,666	128,758,666	-	-	-
Loans and borrowings	22(a)	1,825,021,499	1,825,021,499	1,825,021,499	-	-	-
Trade payables	23(a)	97,424,470	97,424,470	97,424,470	-	-	-
Other payables	24(a)	249,643,994	249,643,994	249,643,994	-	-	-
Inter-company payables	25	1,146,287,405	1,146,287,405	1,146,287,405	-	-	-
		3,507,985,144	3,507,985,144	3,453,491,236	6,613,294	4,385,838	43,494,776
Derivative financial liabilities		-	-	-	-	-	-
		3,507,985,144	3,507,985,144	3,453,491,236	6,613,294	4,385,838	43,494,776

(iv) Market risk

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

a) Currency risk

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

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as at balance sheet date was as follows.

<i>In USD</i>	30 June 2020	30 June 2019
Cash at bank	9,618	241,198
Loans and borrowings	(9,155,665)	(3,851,956)
	(9,146,047)	(3,610,758)

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

<i>In Taka</i>	30 June 2020		30 June 2019	
	Average rate	Year-end spot rate	Average rate	Year-end spot rate
USD	84.73	84.95	84.13	84.50

Sensitivity analysis

A reasonably possible strengthening (weakening) of foreign currency against functional currency at 30 June would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of forecast sales and purchase.

<i>Effect in Taka</i>	Profit/(loss)		Equity, net of tax increase/(decrease)	
	Strengthening	Weakening	Strengthening	Weakening
30 June 2020				
USD (5% movement)	38,744,943	(38,744,943)	38,744,943	(38,744,943)
30 June 2019				
USD (5% movement)	15,187,749	(15,187,749)	15,187,749	(15,187,749)



b) Interest rate risk

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

Exposure to interest rate risk

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

<i>In Taka</i>	Note	Nominal Amount	
		30 June 2020	30 June 2019
Fixed rate instruments			
<i>Financial assets</i>			
Investment in FDR	10(a)	35,742,593	35,719,438
<i>Financial liabilities</i>			
Lease liability	9(a)	(10,999,131)	(17,354,334)
Bank overdrafts	21	(76,793,453)	(128,758,666)
Loans and borrowings	22(a)	(849,197,778)	(1,499,531,220)
		(901,247,769)	(1,609,924,782)
Variable rate instruments			
<i>Financial assets</i>			
Loans to Advance Chemical Industries Limited	15(a)	17,862,732	3,658,384
<i>Financial liabilities</i>			
Offshore loan	22(a)	(777,773,754)	(325,490,279)
Loans from Advance Chemical Industries Limited	25	(864,104,485)	(1,146,287,405)
		(1,624,015,507)	(1,468,119,300)

v) Financial instruments - Fair values and financial risk management

Accounting classifications and fair values

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

30 June 2020

In Taka	Note	Carrying amount					Fair value					
		Investment valued at cost	Hedging instruments	Mandatorily at FVTPL	Assets at amortized cost	FVOCI - Equity instruments	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value												
Financial assets not measured at fair value												
Investments	10(a)	-	-	-	35,817,593	-	-	-	-	-	-	-
Trade receivables	13(a)	-	-	-	1,752,279,842	-	-	-	-	-	-	-
Other receivables	14	-	-	-	40,619,138	-	-	-	-	-	-	-
Inter-company receivables	15(a)	-	-	-	17,862,732	-	-	-	-	-	-	-
Security deposits	16(a)	-	-	-	17,496,446	-	-	-	-	-	-	-
Cash at bank	17.2(a)	-	-	-	158,133,271	-	-	-	-	-	-	-
		-	-	-	2,022,209,022	-	-	-	-	-	-	-
Financial liabilities measured at fair value												
Lease liability	9(a)	-	-	-	-	-	-	-	10,999,131	-	-	-
		-	-	-	-	-	-	-	10,999,131	-	-	-
Financial liabilities not measured at fair value												
Employee benefits	19	-	-	-	-	-	-	-	48,492,100	-	-	-
Bank overdrafts	21	-	-	-	-	-	-	-	76,793,453	-	-	-
Loans and borrowings	22(a)	-	-	-	-	-	-	-	1,626,971,532	-	-	-
Trade payables	23(a)	-	-	-	-	-	-	-	119,962,073	-	-	-
Other payables	24(a)	-	-	-	-	-	-	-	341,074,286	-	-	-
Inter-company payables	25	-	-	-	-	-	-	-	864,104,485	-	-	-
		-	-	-	-	-	-	-	3,077,397,929	-	-	-
		-	-	-	-	-	-	-	3,077,397,929	-	-	-

30 June 2019

In Taka	Note	Carrying amount					Fair value					
		Investment valued at cost	Hedging instruments	Mandatorily at FVTPL	Assets at amortized cost	FVOCI - Equity instruments	Other financial liabilities	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value												
Financial assets not measured at fair value												
Investments	10(a)	-	-	-	35,794,438	-	-	-	-	-	-	-
Trade receivables	13(a)	-	-	-	1,861,263,656	-	-	1,861,263,656	-	-	-	-
Other receivables	14	-	-	-	41,673,512	-	-	41,673,512	-	-	-	-
Inter-company receivables	15(a)	-	-	-	3,658,384	-	-	3,658,384	-	-	-	-
Security deposits	16(a)	-	-	-	29,797,266	-	-	29,797,266	-	-	-	-
Cash at bank	17.2(a)	-	-	-	176,188,974	-	-	176,188,974	-	-	-	-
		-	-	-	2,148,376,230	-	-	2,148,376,230	-	-	-	-
Financial liabilities measured at fair value												
Lease liability	9(a)	-	-	-	-	-	-	17,354,334	-	-	-	-
		-	-	-	-	-	-	17,354,334	-	-	-	-
Financial liabilities not measured at fair value												
Employee benefits	19	-	-	-	-	-	-	43,494,776	-	-	-	-
Bank overdrafts	21	-	-	-	-	-	-	128,758,666	-	-	-	-
Loans and borrowings	22(a)	-	-	-	-	-	-	1,825,021,499	-	-	-	-
Trade payables	23(a)	-	-	-	-	-	-	97,424,470	-	-	-	-
Other payables	24(a)	-	-	-	-	-	-	249,643,994	-	-	-	-
Inter-company payables	25	-	-	-	-	-	-	1,146,287,405	-	-	-	-
		-	-	-	-	-	-	3,490,630,810	-	-	-	-
		-	-	-	-	-	-	3,490,630,810	-	-	-	-

35 Commitments and contingencies

35.1 Commitments

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

<i>In Taka</i>	30 June 2020	30 June 2019
a) Revenue expenditure (Letters of credit)		
Commercial Bank of Ceylon PLC	72,951,972	155,416,161
The City Bank Limited	101,168,875	847,312
BRAC Bank Limited	-	35,288,690
Prime Bank Limited	32,153,660	-
	206,274,507	191,552,163
b) Capital expenditure		
Approved and contracted for	1,133,781	18,468,390
	1,133,781	18,468,390

35.2 Contingent liabilities

<i>In Taka</i>	30 June 2020	30 June 2019
Bank guarantee		
HSBC	-	1,581,679
The City Bank Limited	2,085,034	-
Pubali Bank Limited	29,602,380	20,300,000
BRAC Bank	3,340,767	24,562,358
	35,028,181	46,444,037
Performance guarantee		
Standard Chartered Bank	191,544	15,585,398
	191,544	15,585,398
	35,219,725	62,029,435

36 Production capacity

The production status (business wise) for the year ended 30 June 2020 are as follows:

Business Segment	Capacity	Unit	Actual	% of utilisation
Crop Care and Public Health	25,800	M Ton	10,373	40.21
Mosquito Coil	1,098,000	Carton	-	-
Aerosol	11,400,000	Can	4,059,066	35.61
Vanish	12,000,000	Can	154,633	1.29
Paint	3,000	M Ton	1,035	34.50

The production status (business wise) for the year ended 30 June 2019 were as follows:

Business Segment	Capacity	Unit	Actual	% of utilisation
Crop Care and Public Health	25,800	M Ton	10,905	42.27
Mosquito Coil	1,098,000	Carton	128,237	11.68
Aerosol	11,400,000	Can	5,632,517	49.41
Vanish	12,000,000	Can	1,191,494	9.93
Paint	3,000	M Ton	1,696	56.55

37 Related parties

a) Parent and ultimate controlling party

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

b) Transactions with key management personnel

(i) Loans to directors

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

(ii) Key management personnel compensation

Key management personnel compensation comprised the followings:

	For the year ended 30 June 2020	For the year ended 30 June 2019
In Taka		
Salary	8,722,112	7,519,050
Benefits	5,937,026	5,554,048
	14,659,138	13,073,098

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

c) Other related party transactions

Name of the parties	Relationship	Nature of transaction	Transaction value (Taka)		Outstanding balance at	
			30 June 2020	30 June 2019	30 June 2020	30 June 2019
ACI Limited	Holding company	Working capital financing	(282,182,920)	1,611,766,128	(864,104,485)	(1,146,287,405)
Neem Laboratories (Pvt) Ltd	Subsidiary company	Working capital financing	(2,421,316)	28,153,892	25,404,390	22,983,074
Premiaflex Plastics Limited	Sister concern	Purchase of products	47,140,145	81,610,298	-	-
		Payment against purchase	(40,716,275)	(71,428,376)	(10,558,933)	(4,135,063)

38 Other disclosures

38.1 Number of employees

At 30 June 2020, number of regular employees receiving remuneration of Tk. 36,000 or above per annum was 1,113 (30 June 2019: 1,361).

38.2 Subsequent events

The Board of Directors in their meeting held on 28 October 2020 have recommended cash dividend at 20% per share of Taka 10 each aggregating to Taka 90,000,000 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. As the dividend exceeds 30%, it fulfils the requirement of section 16(g) of ITO 1984 as well.

38.3 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, all businesses and economic activities of the country are adversely affected which have also impacted the Group's business as well. However, Business operation of the Group is not materially impacted except for Paint which suffered a de-growth around 50% in the 4th Quarter due to COVID-19. Management of the Group has assessed the going concern issue along with possibility of impairment of assets and found no uncertainty regarding these for the upcoming 12 months due to COVID-19.

39 Name of auditors of the group companies

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





ACI Formulations Limited

**Report of the Directors and Audited
Financial Statements of the Subsidiary Company
for the year ended 30 June 2020**



Neem Laboratories (Pvt.) Limited Directors' Report to the Shareholders For the year ended on 30 June 2020

Neem Laboratories (Pvt.) Ltd. is a private company limited by shares, incorporated in 2003 with the Registrar of Joint Stock Companies, Dhaka, Bangladesh and governed by the Companies Act 1994. ACI Formulations Limited is the major shareholder of the Company having 98% shares in the Company.

The Company engaged in manufacturing and marketing of herbal products to make available the benefits of Neem and other herbs to the consumers.

Neem Laboratories (Pvt.) Ltd. was not in manufacturing operations during the reporting period. However, the Subsidiary continues to generate revenue through royalty fees based on the agreement with ACI Limited effective from 01 July 2019 for a tenure of 5 years; the latter currently being engaged in the manufacturing of products under the Neem Original brand name. The brand of the Company, Neem Original is growing with the rapid growth of the herbal market. Neem Original consists of herbal soap, hand wash and face wash. In fiscal year 2019-20, the growth of Neem Original was 23%. Currently it has market share of 14.24% in herbal market and also working forward to make this brand as the most trusted natural product among the consumers.

The Company follows fiscal year (July-June) as its financial year. The operating results as per audited Financial Statements of the Company for the year ended on 30 June 2020 are as follows:

Key Financial Results

	Value (BDT)
Revenue	1,597,091
Operating profit	1,020,187
Profit before tax	652,212
Profit after tax	287,137

On behalf of the Board


Shusmita Anis
 Director


Syed Alamgir
 Director

Dhaka: October 01, 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, 01711520770
01922-117370, 01757-941837
E-mail : shirazkhanbasak@yahoo.com
Website : www.shirazkhanbasak.bd.com

Independent Auditor's Report to the Shareholders of NEEM LABORATORIES (Pvt) Limited Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Neem Laboratories (Pvt) Ltd** ("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 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.

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.

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.



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E-mail : shirazkhanbasak@yahoo.com
Website : www.shirazkhanbasak.bd.com

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;
- 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.

Ramendra Nath Basak, FCA
Partner
Shiraz Khan Basak & Co.
Chartered Accountants.

Place: Dhaka
Date: October 01, 2020



NEEM LABORATORIES (Pvt.) LIMITED

Statement of Financial Position

As at 30 June 2020

Particulars	30 June 2020 Taka	30 June 2019 Taka
Assets		
Property, plant and equipment:		
At cost	4,960,191	4,960,191
Accumulated depreciation	(3,582,610)	(3,212,591)
Total non-current assets	1,377,581	1,747,600
Deferred tax asset	91,684	297,050
Inventories	-	16,278,040
Trade receivables	1,005,174	4,874,683
Inter-company receivable	17,862,732	3,658,384
Advances, deposits and prepayments	2,279,467	3,289,921
Cash and cash equivalents	692,486	946,193
Total current assets	21,839,859	29,047,221
Total assets	23,309,124	31,091,871
Equity and liabilities		
Equity		
Share capital	500,000	500,000
Retained earnings	(6,583,200)	(6,870,337)
Total equity	(6,083,200)	(6,370,337)
Liability		
Loans and borrowings	-	2,860,158
Trade payables	1,378,062	8,373,517
Other payables	832,088	1,630,894
Inter-company liabilities	25,462,953	23,038,127
Current tax liability	1,719,221	1,559,512
Total current liabilities	29,392,324	37,462,208
Total liabilities	29,392,324	37,462,208
Total equity and liabilities	23,309,124	31,091,871

As per our separate report of even date annexed.


Director


Director


Company Secretary


Ramendra Nath Basak, FCA
Partner
Shiraz Khan Basak & Co.
Chartered Accountants.

Place: Dhaka
Date: October 01, 2020

An associate firm of D.N. Gupta Associates



NEEM LABORATORIES (PVT.) LIMITED

Statement of Comprehensive Income

For the year ended 30 June 2020

Particulars	30 June 2020 Taka	30 June 2019 Taka
Revenue	1,597,091	27,084,321
Cost of sales	-	(22,619,624)
Gross profit	1,597,091	4,464,697
Administration, selling and distribution expenses	(576,904)	(1,398,492)
	1,020,187	3,066,205
Other income	-	-
Result from operating activities	1,020,187	3,066,205
Finance cost	(367,975)	(311,577)
Profit / (loss) before income tax	652,212	2,754,628
Income tax expenses :		
Current tax expenses	(159,709)	(162,506)
Deferred tax income	(205,366)	(686,851)
	(365,075)	(849,357)
Net profit / (loss) after tax	287,137	1,905,271


As per our separate report of even date annexed.


Director


Director


Company Secretary

Place: Dhaka
Date: October 01, 2020


Ramendra Nath Basak, FCA
Partner
Shiraz Khan Basak & Co.
Chartered Accountants.

An associate firm of D.N. Gupta Associates



NEEM LABORATORIES (PVT.) LIMITED

Statement of Changes In Equity

For the year ended 30 June 2020

Particulars	Share capital Taka	Retained earnings Taka	Total Taka
Balance on 30 June 2018	500,000	(8,775,608)	(8,275,608)
Net profit for the year	-	1,905,271	1,905,271
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,905,271	1,905,271
Balance at 30 June 2019	500,000	(6,870,337)	(6,370,337)
Net profit for the year	-	287,137	287,137
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	287,137	287,137
Balance at 30 June 2020	500,000	(6,583,200)	(6,083,200)

As per our separate report of even date annexed.


Director


Director


Company Secretary

Place: Dhaka
Date: October 01, 2020


Ramendra Nath Basak, FCA
Partner
Shiraz Khan Basak & Co.
Chartered Accountants.

An associate firm of D.N. Gupta Associates

NEEM LABORATORIES (PVT.) LIMITED

Statement of Cash Flows

For the year ended 30 June 2020

Particulars	30 June 2020 Taka	30 June 2019 Taka
A) Cash flows from operating activities		
Cash receipts/(paid) from /(to) customers	5,466,603	32,622,202
Cash receipts from other income	-	-
	5,466,603	32,622,202
Cash paid for:		
Purchase of inventory	(4,885,687)	(17,375,902)
Operating expenses	(1,005,691)	(276,896)
Advances, deposits and prepayments	1,077,339	(245,078)
	(4,814,039)	(17,897,876)
Cash generated from operations	652,564	14,724,326
Financing cost	(367,975)	(311,577)
Income tax	(66,885)	(543,968)
	(434,860)	(855,545)
Net cash used in operating activities	217,704	13,868,781
B) Cash flows from investing activities		
Purchase of property, plant and equipment	-	-
Net cash from (used in) investing activities	-	-
C) Cash flows from financing activities		
Inter-company debts (paid)/received	2,388,747	(8,165,320)
Short term loan received	(2,860,158)	(4,822,716)
Net cash flows from financing activities	(471,411)	(12,988,036)
D) Net cash flow from all activities (A+B+C)	(253,707)	880,745
E) Cash and cash equivalent at 01 July 2019	946,193	65,448
F) Cash and cash equivalent at 30 June 2020 (D+E)	692,486	946,193
Closing balance represents:		
Cash in hand and at bank	692,486	946,193
	692,486	946,193

As per our separate report of even date annexed.


 Director


 Director


 Company Secretary

Place: Dhaka
Date: October 01, 2020


 Ramendra Nath Basak, FCA
 Partner
 Shiraz Khan Basak & Co.
 Chartered Accountants.

An associate firm of D.N. Gupta Associates





ACI FORMULATIONS LIMITED

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

PROXY FORM

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

_____ of _____

whose signature is appended below as my/our proxy to attend and vote for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on Thursday, 24 December 2020 at 10:00 am 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.





ACI FORMULATIONS LIMITED

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

ATTENDANCE SLIP

I hereby record my Attendance at the 24th Annual General Meeting being held on Thursday, 24 December 2020 at 10:00 am through digital platform.

Name of member/proxy _____

Registered Folio/ BO ID No _____

No. of Shares held _____

Signature of Shareholder(s)







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